KENOSHA COUNTY
Kenosha, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

December 31, 2022

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INDEPENDENT AUDITORS' REPORT

County Board
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Kenosha, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and Human Service Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Notes IV.C and IV.G. to the financial statements, effective January 1, 2022, the County adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

County Board
Kenosha County

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other postemployment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
July 28, 2023

Our discussion and analysis of Kenosha County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2022.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a long-term view of the County's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

Reporting the County as a Whole

The financial statements that present the County as a whole begin on page 22. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities, and deferred outflows/inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in it. You can think of the County's net position - the difference between assets, liabilities and deferred outflows/inflows of resources - as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. The consideration of other non-financial factors, however, such as changes in the County's property tax base and the condition of the County's roads, is needed to assess the overall health of the County.

To aid in understanding the Statement of Activities, some additional explanation is given. Of particular interest is the format significantly differs from a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. Expenses are listed in the first column, with revenues from that particular function reported to the right. The result is a Net (Expense)/Revenue. The formatting rationale is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing, through fees and grants.

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

<u>Governmental activities:</u> Most of the County's basic services are reported here, including law enforcement, parks, planning, capital projects, administration, and human services. Sales taxes, property taxes, fines, and state and federal grants finance most of these activities.

The functions and programs of the governmental activities are as follows:

- General Government includes the County Board, Circuit Court, Juvenile Intake, County Executive, County Clerk, Human Resources, Information Systems, Finance, Purchasing, Treasurer, District Attorney, Corporation Counsel, Register of Deeds, Facilities, Medical Examiner, Health Insurance, Workers Compensation, and Liability Insurance.
- Health includes the Health Division and the health-related portion of the Division of Aging, Disability, and Behavioral Health Services.
- Public Works includes the infrastructure depreciation.

Governmental activities (continued):

- Public Safety includes the Sheriff, Joint Services, Sheriff Equitable Sharing, and Emergency Services.
- Social Services includes the Division of Children and Family Services, Division of Workforce Development, a portion of the Division of Aging, Disability, and Behavorial Health Services, and Veterans.
- Education and Recreation includes Parks, UW Extension, and the Library.
- Conservation and Development includes Planning and Development, Economic Development, and the Housing Authority.

Business-type activities: Brookside Care Center and Willowbrook Assisted Living (Brookside), Highway and the Golf Courses are reported here. For Brookside and the Golf Courses, the County charges a fee to customers to help it cover all or most of the cost of certain services it provides. Highway is funded by grants and tax levy for County highways and via charges to other municipalities for services to roads not owned by the County.

Reporting the County's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds - not the County as a whole. The County's two kinds of funds - governmental and proprietary - use different accounting approaches.

Governmental funds: Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the respective governmental funds' statements.

The governmental funds present separate columns for the major funds, including the General Fund, Human Services Fund, and Debt Service Fund. All other governmental activities including capital projects, library, housing authority, health department, GIS (Geographical Information System), and Federal Equitable Sharing are included in the non-major column. The General Fund includes the Sheriff, District Attorney, Courts, Juvenile Intake, Joint Services, Facilities, Parks, Veterans, Personnel, Emergency Management, Finance, Purchasing, Information Systems, Planning and Development, County Clerk, Treasurer, Register of Deeds, County Executive, Corporation Counsel, and the Medical Examiner. Revenues and expenditures not allocated back to departments (referred to as Non-Departmental in the County budget) are also included in the General Fund. Some of the larger elements included in Non-Departmental revenues are shared revenue, sales tax, and vacancy adjustment. The vacancy adjustment is a reduction of personnel costs based upon an estimate of County vacancies.

The Human Services Fund includes the Divisions of Children and Family Services, Workforce Development, Child Support, Aging, Disability, and Behavioral Health Services.

The Debt Service Fund is used to account for debt payments of principal and interest and the taxes levied to cover the payments.

Reporting the County's Most Significant Funds (continued)

Proprietary funds: When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the County's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows. The proprietary funds include Golf, Brookside, Highway, Insurances, and the Human Services Building.

The County as Trustee

The County is the trustee, or fiduciary, for the Culich/Schneider Memorial Fund and for the State of Wisconsin. The Culich/Schneider Memorial Fund is reported within the Brookside Care Center Fund because it is a restricted fund used solely for Brookside. We exclude the remaining activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

Government-wide Financial Analysis
The condensed financial statements on the next two pages present the net position of the County and changes in net position. These statements are presented with comparisons to 2021.

Net position may serve over time as a useful indicator of a government's financial position. In 2022, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $143,985,363. The largest portion ($118.6 million) reflects the County's investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position amount which is subject to external restrictions on how it may be used is $34.3 million.

The remainder of the County's net position total is the category of unrestricted net position which is normally used to meet the County's ongoing obligations to citizens and creditors. At the end of 2022, this category has a deficit balance of ($8.9 million). This negative balance resulted primarily from the other post-employment benefits obligation which the County has not funded.

THE COUNTY AS A WHOLE (continued)

Total assets for the County increased by $34.06 million mainly resulting from an increase in current and other assets of $26.86 million. This was supplemented by investments in new capital assets of $7.2 million.

Deferred outflows of resources increased by $21.31 million mostly related to the County's increase in the deferred outflows related to pension benefits and the pension asset from the prior year changing to a liability this year.

Total liabilities increased by $16.96 million due to a $9.67 million increase in other liabilities, consisting mainly of unspent ARPA funds.

The County's total net position increased by $16.46 million. Net investment in capital assets increased by $3.31 million as a result of completion of major road construction projects to accommodate development increasing economic development through 2022. Restricted amounts increased by $7.30 million, mainly due to an increase in net pension asset.

KENOSHA COUNTY
NET POSITION
December 31, 2022
(Rounded to Millions)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 187.77	$ 165.25	$ 8.09	$ 4.04	$ 195.86	$ 169.29
Capital assets	252.60	243.89	34.24	35.46	286.84	279.35
Total Assets	440.37	409.14	42.33	39.50	482.70	448.64
Deferred outflows of resources	63.79	45.82	13.62	9.93	77.41	55.75
Long-term liabilities outstanding	199.81	192.07	23.34	24.03	223.15	216.10
Other liabilities	34.88	25.60	2.22	1.59	37.10	27.19
Total liabilities	234.69	217.67	25.56	25.62	260.25	243.29
Deferred inflows of resources	139.57	120.45	16.33	13.14	155.90	133.59
Net position:						
Net investment in capital assets	113.14	108.91	16.00	16.92	129.14	125.83
Restricted	28.01	21.88	6.28	5.11	34.29	26.99
Unrestricted (deficit)	(11.25)	(13.95)	(8.22)	(11.37)	(8.87)	(25.32)
Total Net Position	$ 129.90	$ 116.84	$ 14.06	$ 10.66	$ 143.96	$ 127.50

THE COUNTY AS A WHOLE (continued)

KENOSHA COUNTY
CHANGES IN NET POSITION
Year Ended December 31, 2021
(Rounded to Millions)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 8.19	$ 9.11	$24.19	$24.76	$ 32.38	$ 33.87
Operating grants and contributions	76.74	82.50	5.16	4.79	81.90	87.29
Capital grants and contributions	1.43	1.90	1.91	7.95	3.34	9.85
General revenues:						
Property taxes	74.97	72.96	1.91	1.65	76.88	74.61
Other taxes	20.25	19.23	-	-	20.25	19.23
Grants and contributions not restricted to specific programs	4.75	4.41	-	-	4.75	4.41
Other	3.51	0.65	0.04	0.10	3.55	0.75
Total revenues	189.84	190.76	33.21	39.25	223.05	230.01
Expenses:						
General government	32.38	34.89	-	-	32.38	34.89
Health	23.42	24.84	-	-	23.42	24.84
Public works	6.38	4.39	-	-	6.38	4.39
Public safety	48.59	43.03	-	-	48.59	43.03
Social services	52.34	51.42	-	-	52.34	51.42
Education and recreation	5.45	5.08	-	-	5.45	5.08
Conservation and development	1.50	1.37	-	-	1.50	1.37
Interest on long-term debt	3.18	3.10	-	-	3.18	3.10
Nursing home	-	-	18.51	19.91	18.51	19.91
Highway	-	-	10.78	10.34	10.78	10.34
Golf Course	-	-	4.03	4.02	4.03	4.02
Total expenses	173.24	168.12	33.32	34.27	206.56	202.39
Increase (decrease) in net position before transfers	16.60	22.64	(0.11)	4.98	16.49	27.62
Transfers	(3.52)	(8.38)	3.52	8.38	-	-
Increase (decrease) in net position	13.08	14.26	3.41	13.36	16.49	27.62
Net position beginning of year	116.82	102.56	10.66	(2.70)	127.48	99.86
Net position end of year	$129.90	$ 116.82	$14.07	$10.66	$143.97	$ 127.48

THE COUNTY AS A WHOLE (continued)

Revenue for governmental activities decreased by a net amount of $0.93 million when compared to 2021. Key elements of this net decrease are as follows:

- Decrease in COVID detection and response grants through Human Services of $1.73 million.
- Decrease in grants and other revenue for KSD of $1.40 million.
- Decrease in City of Kenosha contribution towards the Health Division of $0.9 million.
- Decrease in jail reimbursement revenue from CARES ACT termination of $0.84 million.
- Decrease in Parks donations related to capital projects of $0.79 million.
- Decrease in investment income related to unrealized loss of $1.0 million
- Increase from Pleasant Prairie TID closure of $2.56 million.
- Increase in property tax of $1.90 million.
- Increase in sales tax revenue of $1.0 million.
- Increase in state-shared revenue from personal property aid of $0.47 million.

Expenditures for governmental activities increased by $4.88 million when compared to 2021. Key elements of this increase are as follows:

- Increase in personnel appropriation related to retention of employees of $3.46 million.
- Increase in social services purchased services and out-of-home placements of $1.67 million.
- Increase in Sheriff inmate medical/dental and other operating expenses of $1 million.
- Increase in capital projects for ERP migration and update of $0.68 million.
- Increase in purchased services and equipment in the Health division of $0.44 million.
- Decrease in capital improvement projects including land and building improvements of $2.8 million.

Revenue for Business-type activities decreased by $6.04 million when compared to 2021. Key elements of this decrease are as follows:

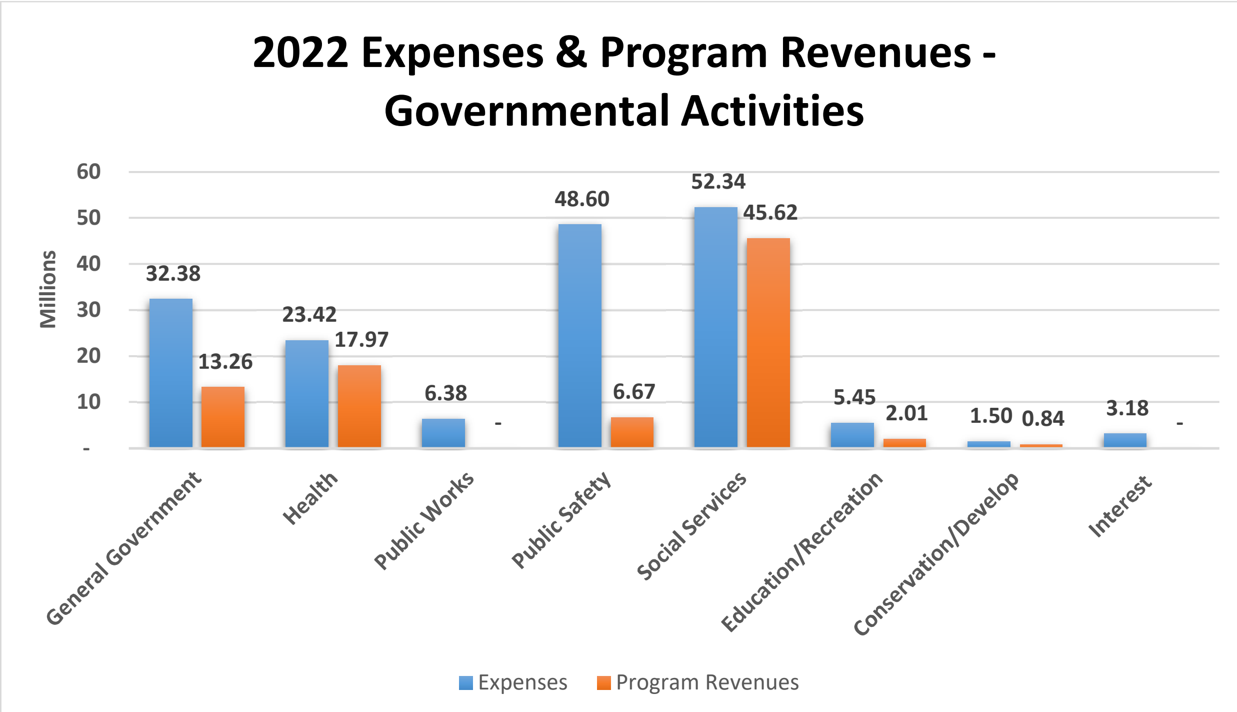
- Decrease of federal, state, and LRIP Revenue for infrastructure capital projects of $6 million.
- Decrease of Brookside/Willowbrook Medicare, Medicaid and private pay revenues of $0.73 million.
- Increase of Local Transportation Aids revenues for road projects of $0.52 million

Expenses for Business-type activities decreased $0.95 million when compared to 2021. Key elements of this decrease are as follows:

- Decrease in Brookside operating expenses including staffing of $1.32 million.
- Increase in Golf Course operating expenses of $0.26 million

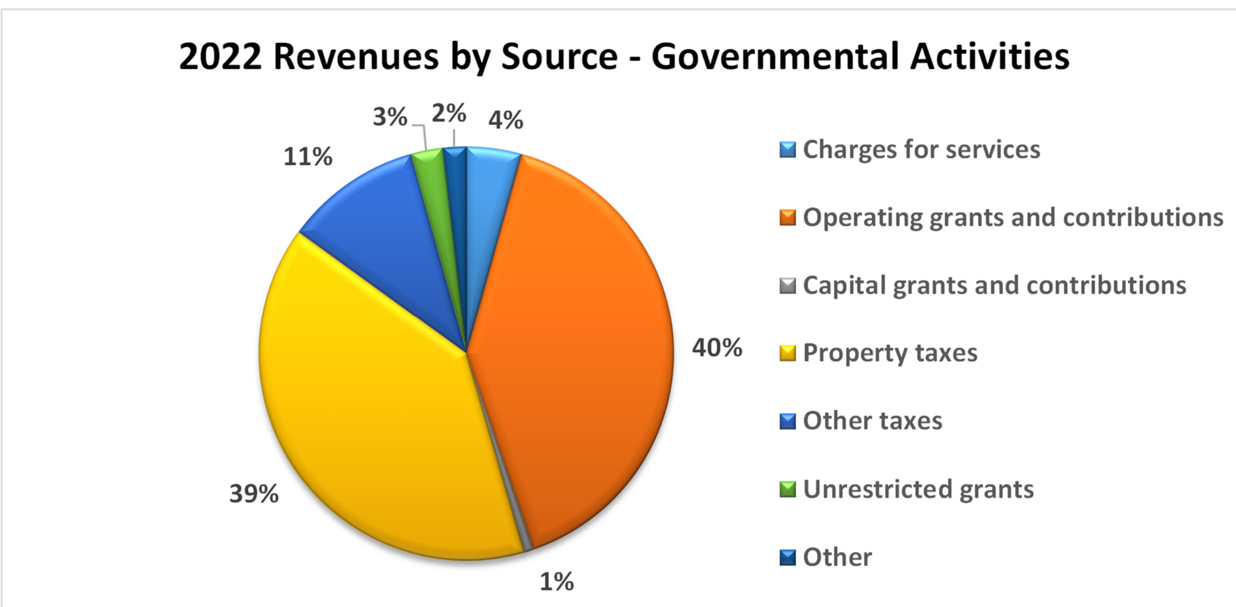
EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES

The following chart shows the portion of expenses by function that is covered by program revenues for governmental activities for 2022.



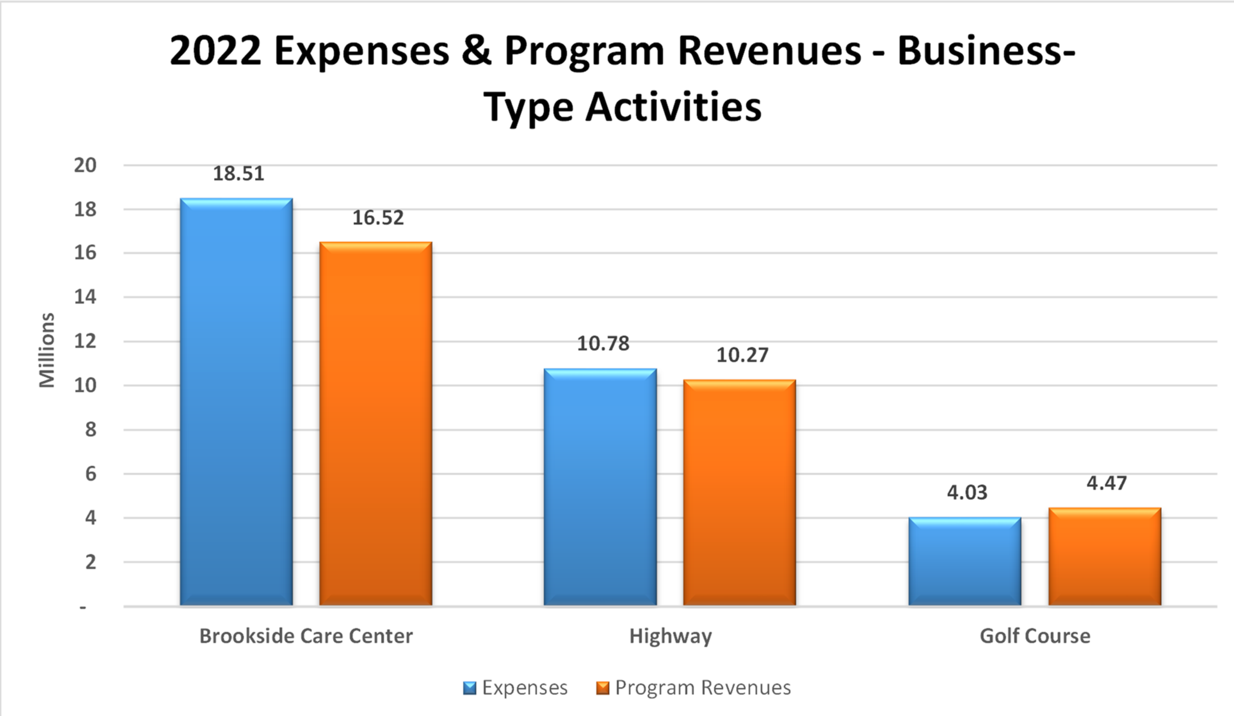
REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

This chart illustrates the percent of revenue sources that fund the County's governmental activities for 2022.



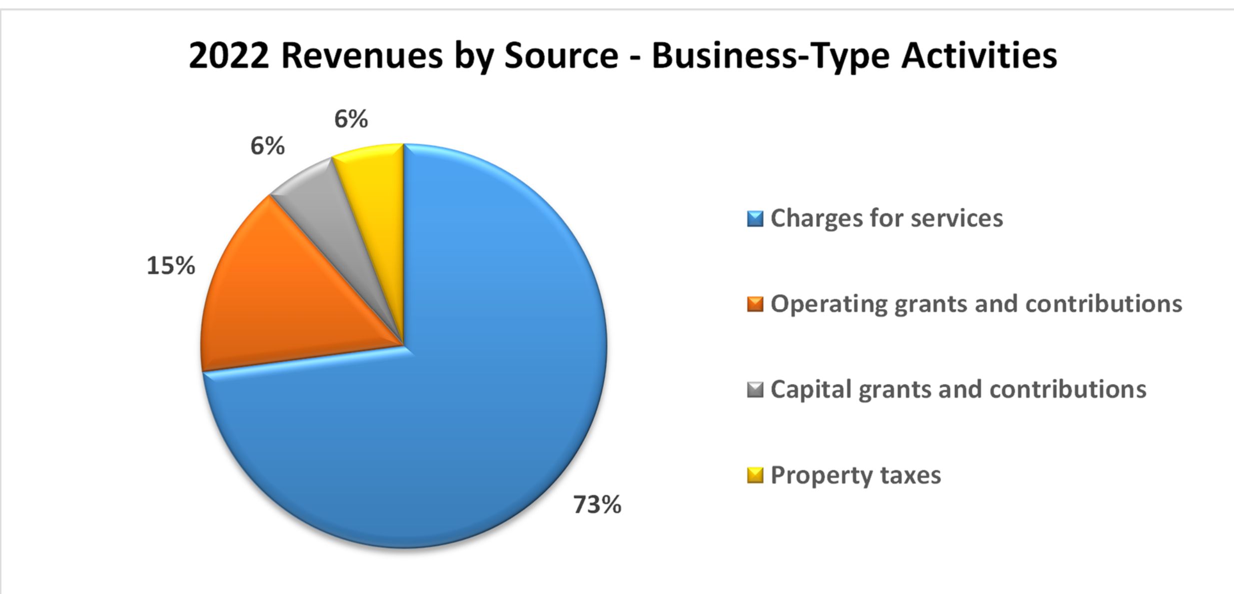
EXPENSES AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES

The following chart shows the portion of expenses by function that is covered by program revenues for business-type activities for 2022.



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

This chart illustrates the percent of revenue sources that fund the County's business-type activities for 2022.



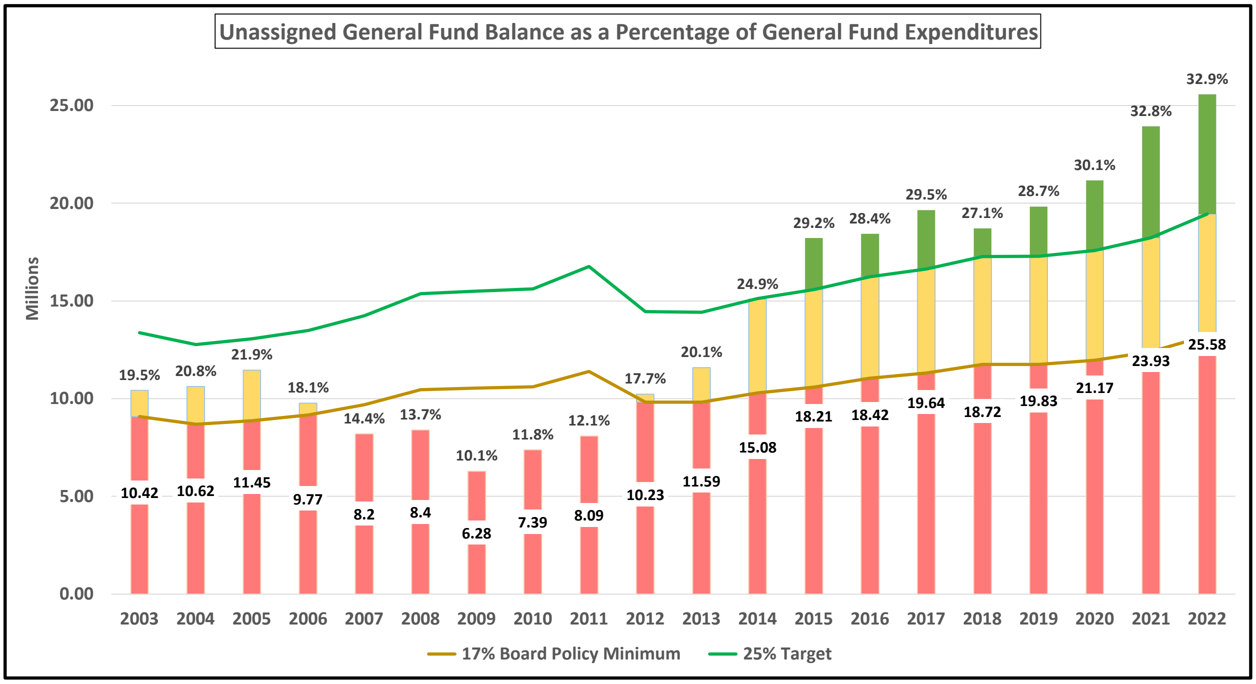
THE COUNTY'S FUNDS

Kenosha County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds, along with major changes that occurred in the County's funds are described below.

General Fund

The General Fund experienced an increase in the total fund balance. Sales tax revenues increased by $1.02 million. Other items impacting the General Fund are discussed below.

The unassigned general fund balance continues to exceed the 17% threshold required by the County Board as well as the 25% target. A healthy unassigned general fund demonstrates creditworthiness and is evidence of appropriate liquidity to meet the obligations of the County.



Because of the approval of the Health Insurance internal service reserve policy, funds that otherwise would have lapsed to the General Fund remain in the Health Insurance internal service fund for a maximum of $1.5 million as approved by County Board.

	2016	2017	2018	2019	2020	2021	2022
General Fund	18,421,373	19,640,114	18,718,617	19,834,327	21,165,486	23,930,205	25,577,221
Health Insurance	1,500,000	1,500,001	1,500,001	1,500,000	1,500,000	1,500,000	1,500,000
Total	19,921,373	21,140,115	20,218,618	21,334,327	22,665,486	25,430,205	27,077,221

The unassigned fund balance amount is significant, as this is the amount available for future expenditures if approved by the County Board. A summary of the primary elements for all funds resulting in the increase in unassigned fund balance in the General Fund is provided on page 15.

THE COUNTY'S FUNDS (continued)

General Fund (continued)

The purpose of the General Fund's fund balance reserve policy is:

- To maintain the fund balance of the General Fund at levels sufficient to protect the County's creditworthiness as well as its financial positions from unforeseeable emergencies.
- To ensure sufficient liquidity to provide for County obligations as they become due.
- To maintain the proper balance between maintaining a prudent level of reserves that is neither too low nor too high. The policy requires that the County maintain 17% of General Fund expenditures as unassigned fund balance in the General Fund. The County surpassed the 17% threshold by $13 million at year-end 2022. See the summary on page 15 for an analysis of this.

In accord with this policy, available balances within the General Fund in excess of 17% may be used for capital expenditures and one-time operating expenditures. An amount not to exceed $300,000 may be used for ongoing operational expenditures. In the 2022 financial statements, $790,000 of funds from the General Fund were designated to fund a one-time expense for the 2023 budget. This policy does permit reserves to be used for mid-year budget transfers.

In compliance with County Board policy, the remainder of available and expendable resources from all non-lapsing funds has been transferred to the General Fund.

The following information summarizes the major items that impacted unassigned fund balance in the General Fund:

Items that affected the General Fund:

Sales Tax - Sales tax collections were higher than expected by $1.32 million.

Insurance Internal Service Funds - Health insurance deficit was $680,000 and the workers compensation and liability together were break-even with equal surplus and deficits respectively.

Vacancy Adjustment Surplus - Kenosha County reduces its total budgeted personnel costs using a vacancy adjustment. Historically, the County has an employee turnover rate in excess of 2%. Therefore, it is not necessary to fund 100% of all budgeted positions. In 2022, the budgeted County vacancy adjustment was $700,000. In 2022, the General Fund was affected with a surplus effect of $376,000 due to the vacancy adjustment.

Human Services – Overall, a surplus of $3.28 million in operations.

Tax Increment District (TID) Distribution – The village of Pleasant Prairie's closing of a TID generated proceeds for Kenosha County in the amount of $2.56 million.

Sheriff - Fund balance was decreased by an expense deficit of $1.03 million in the Sheriff's department operating budget. This was supplemented with an additional deficit of $2.25 million revenue less than budget for housing of federal inmates and other Sheriff related revenues.

Treasurer's Revenue net Unrealized Loss on Investments - The Treasurer's revenue and interest on taxes was $849,000 less than budgeted. This revenue was negatively affected by an unrealized loss of $1.35 million.

THE COUNTY'S FUNDS (continued)

General Fund (continued)

Public Works – In the divisions of Highway, Facilities, and Parks, the County experienced an operating deficit of $110,000. In addition to operational expenses, the Highway fund income statement reports higher than normal road construction expenses which resulted from projects completed in advance of the funding schedule. The borrowing for these roads will be issued in the following year as was originally scheduled. The road construction completed in advance of the original schedule resulted in cost savings for the County.

Brookside Care Center Fund
The County's lapsing policy changed in 2016 allowing the Brookside Care Center fund to retain any surplus so their activity no longer affects the General Fund. The Brookside Care Center fund must also cover its losses within its operations. In prior years, Brookside was able to cover any losses within the Human Services Department. In 2018, the Brookside Care Center fund experienced a loss of $2.2 million before transfers. This loss was expected due to the construction of the Willowbrook addition completed during the early part of 2018 which resulted in a decrease in available beds. In 2021, the Brookside fund experienced a decrease in charges for service of $1.1 million, and operating expenses increased by $0.3 million which resulted in an increase in the operating loss from 2020. During 2020 and 2021, the COVID-19 pandemic placed significant constraints on the Brookside operation, limiting the number of admissions in order to keep the residents safe from the virus. The County has allocated a portion of its ARPA funds to be used to stabilize Brookside during this period. In 2022, the net loss before transfers was $1.77 million. This net loss included a $2.58 million operating deficit offset by $815,000 of non-operating revenues. The net position improved by $2.27 million due to a transfer in of ARPA funds in the amount of $4.04 million.

The long-term plan for Brookside/Willowbrook estimates a period of negative cash that will be recovered by 2028. The County set aside $2.3 million as nonspendable for this long-term advance. Brookside benefited from a positive cash balance during 2021 due to State budget approved rate increases for Medicaid and unexpected additional revenue from the State.

Golf Course Fund
Golf fee revenue was $4.5 million for 2022. Any surplus remains in the Golf Course fund to cover future operations or capital outlays. This is the ninth year in a row in which this fund did not experience a deficit.

THE COUNTY'S FUNDS (continued)

General Fund (continued)

Summary of 2022 Operations: Review of Major Elements Impacting the Unassigned Fund Balance in the General Fund

2022 General Fund Year-End Forecast

In 2021, the County's general fund closed with a balance of approximately $23.93 million or $11.5 million over the County general fund reserve policy minimum threshold.

	Year End 2022
Prior Year Unassigned Reserves	$23,930,205
Items causing increase to the General Fund	
Human Services surplus- Institute Placements net against Medicaid revenue	3,275,000
Pleasant Prairie TID closing proceeds	2,558,000
Sales Tax revenue surplus	1,321,000
Increase in Tax Delinquencies reserve net of Profit/Loss Tax Deed Sale revenues	415,000
Vacancy surplus	376,000
Workers Compensation insurance surplus	310,000
Total increases to General Fund	**$8,255,000**
Items causing decrease to the General Fund	
Sheriff revenue deficit	(2,254,000)
Sheriff - operating expenditures deficit	(1,027,000)
Treasurer revenue deficit less net unrealized loss on investments	(849,000)
Reserves to fund subsequent year budget approved and permitted by Reserve policy	(790,000)
Health insurance deficit	(683,000)
Miscellaneous operating expenditures/revenues deficit	(399,984)
Liability insurance deficit	(310,000)
Reserves proposed for Classification & Compensation study implementation	(160,000)
Public Works operating deficit	(110,000)
Reserves proposed for Asst. Human Services Director position funding	(25,000)
Total net reduction to Fund Balance	**($6,607,984)**
Estimated year-end unassigned fund balance	$25,577,221
Less: County Board minimum requirement of 17% of General Fund Expenditures	$13,220,229
Amount over 17% Minimum	$12,356,992

Estimated Year-End Unassigned General Fund Balance	$25,577,221
Increase to General Fund Over Year Prior	1,647,016
General Fund Expenditures	$77,766,051
Unassigned Reserves as a Percentage of General Fund Expense	**32.89%**
Variance from Estimated General Fund Expenditures	**2.12%**

THE COUNTY'S FUNDS (continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the County Board revised the County budget several times. These budget amendments fall into five categories.

- The first category includes amendments for continuing appropriations from the prior year. The carryover of these funds allows the County to complete projects previously authorized by the Board.

- The second category includes budget amendments done to reflect changes in intergovernmental aids and grants.

- The third category includes transfers the Board approved for use between appropriations to prevent budget overruns. All of the transfers in this category were done within the total budget.

- The fourth category includes transfers from the General Fund approved by the County Board.

- The fifth category is reprogrammed surplus funds re-budgeted for a new purpose using surplus funds identified as part of the year-end closeout. The County approved the reprogramming of $3,750 of Land Information staff development for furniture purchase, $30,753 of Information Technology hardware repair, office machines, books/manuals, mileage, and travel for other professional services, and $90,000 of Energy Reduction building improvements for computer – miscellaneous.

The County Board has approved all budget amendments. See "Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual" presented for the General Fund on page 28 for more detail.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County continued the trend of growth in the General Fund due to operations increasing by $1.65 million in 2022. This balance reflects a material recovery from 2009 when the General Fund declined to $5.9 million.

The County reached a milestone in 2012 when its General Fund unassigned balance exceeded 17% of general fund expenditures, climbing above the policy benchmark for the first time in 6 years. This trend continued in 2022 with the balance being $25.58 million which is $13.22 million above the 17%. Many factors contributed to this event, as explained in this report.

Now, as a result of many factors as reflected on page 15, the County exceeds its reserve policy benchmark. It is worth noting that the County was able to return to reserve policy compliance without a significant decrease in property tax delinquencies. As the economy continues to improve, a decline in delinquencies has demonstrated the ability to significantly increase reserves above the policy benchmark.

The General Fund had experienced a trend of increases in cash reserves, beginning in 2002 when the County Board implemented a permanent budget reduction of $1.1 million with the adoption of Resolution 27. This permanent reduction combined with increases in sales tax revenue and other revenues, a reduction in juvenile placement costs, and new revenue from the Sheriff for housing federal inmates enabled the County to adopt its budgets without the use of accumulated surplus. The year 2003 was the first year since 1997 that the County did not use a significant amount of reserves to fund ongoing operating costs. The County had continued this practice with the adoption of the 2004, 2005, and 2006 budgets. As a result of not using reserves to fund operating costs, the unassigned fund balance in the General Fund had grown from $5.7 million in 2001 to $8.1 in 2002, to $10.4 million in 2003, $10.6 million in 2004, and $11.5 million in 2005. However, because of the County policy to use reserves in excess of the 17% target to fund capital costs, it was expected that this trend in the growth of the level of reserves would end.

As predicted, in 2006, the General Fund declined from $11.5 million to $9.7 million. In 2007, this trend continued with a reduction to $8.2 million. The primary reason for the decline in 2007 is that tax delinquencies increased by $889,065, the vacancy adjustment was $979,165 below budget, and sales tax collections were $597,190 below budget.

In 2008, the County was impacted by the recession. While the General Fund increased slightly, this was primarily because it borrowed $2.6 million in lieu of using cash reserves to fund certain projects in lieu of using reserves, or to reimburse certain capital projects that had been financed with reserves.

The recession continued into 2009. The General Fund declined by $2.5 million to $6.2 million. The primary reason for the decline in the General Fund had been the increase in property tax delinquencies. From the low point of $4 million in 2005, tax delinquencies have now decreased to $3.5 million in 2020.

In 2010, the unassigned General Fund balance experienced an increase of $1.4 million primarily due to a mid-year budget adjustment.

In 2012, the unassigned General Fund balance increased again due to many factors, including a surplus in health insurance and sales tax collections. Also, for the first time in 6 years, the unassigned General Fund balance was in compliance with County policy when it exceeded 17% of General Fund expenditures.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

In 2013, the trend continued when the unassigned General Fund balance increased by $1.8 million to $11.6 million, and then in 2014, when the unassigned balance increased by $3.5 million which represented 25% of general fund expenditures.

State and National events have had and will continue to have a significant impact upon the County. In 2017, the County demonstrated continued economic recovery, as property values of the average home in Kenosha County per equalized valuation (TID IN) increased from a low of $97,000 in 2013 to $175,198 in May of 2018. In 2020, we are well beyond economic recovery phase. Kenosha County is one of the strongest economic growth communities nationally. The current 5-year budget forecast reflects sustainability with regard to County operations. Because we are in such a rapid growth economy reduction in service does not appear to be necessary at this time. If it was necessary, the County is well prepared to deal with this.

Other indicators of economic growth are the material decline in delinquencies for Kenosha County from $5.8 million in 2017 to $3.7 million in 2020. Kenosha County also experienced a decline in the unemployment rate from a high of 16.5% in April 2020 back to an average low of 4.5% at yearend.

In calendar year 2020, the County, as did the rest of the United States and more broadly the entire world, experienced an unprecedented economic downturn as a result of the COVID-19 pandemic. As of the audit date, the effect of this downturn did not materially occur as expected. In its revenues, the County expected a significant decrease in its sales tax revenue, but instead experienced an increase of $539,000. In addition, as a result of the pandemic, the federal government removed its U.S Immigration and Customs Enforcement (ICE) detainees from the County housing facility in mid-March 2020 resulting in a loss of revenue of $3.7 million. This loss of revenue was significantly mitigated, however, due to the fiscal management of the Administration by reducing expenditures for personnel and related variable costs directly related to the housing of these detainees. Also, regarding County expenditures, the County experienced increased costs for personnel and other related expenditures in its Health Division as it assisted State health officials in the area of testing and contact tracing. As of the audit date, the County was awarded grants exceeding $7.14 million in total for reimbursement of eligible costs related to the pandemic, which mitigated the increased personnel costs for the Health Division. The County worked diligently in drawing down from the grants to offset the increased costs related to the pandemic. Overall, the County experienced a $1.4 million positive effect on the Fund balance, and therefore, it can be stated that the pandemic did not materially affect the County's current excellent financial position.

In calendar 2021, the County endured a second wave of the COVID-19 pandemic and similar to 2020, fared very well. Despite pressures on some personnel costs and supplies related to the pandemic, the County's strong sales tax revenues coupled with some additional grants and the use of the America Rescue Plan act funding more than mitigated the impact of the pandemic. Overall, the County experienced a $2.76 million positive effect on the County unrestricted general fund balance and again it is appropriate to state that the pandemic did not materially affect the County's continued excellent financial position.

In calendar 2022, the County continued its trend of adding to the General Fund in the amount of $1.65 million. The Human Services and Sheriff's Departments offset each other with $3.28 million surplus and deficit respectively. Sales tax exceeded budget by $1.32 million, offset by unrealized loss on county investments of $1.35 million. The proceeds from a tax increment district closing from the Village of Pleasant Prairie positively affected the General Fund balance in the amount of $2.56 million. Budgeted use of reserves of $790,000 coupled with $185,000 used for 2023 budget account for the final balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2022, the County had $286.6 million invested in net capital assets including land, buildings, park and golf facilities, vehicles, equipment, and infrastructure.

The $6.92 million decrease in construction in progress along with a corresponding $7.66 million increase in infrastructure reflects the completion of major projects associated with the County's continued investment in roads related to new development projects that will increase the County's value in the years to come. See Notes to the Financial Statements page 64 through 67 for more detail about the capital assets. Summary report (rounded to millions) is as follows:

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Construction in progress	$ 13.94	$ 7.03	$ 0.01	$ -	$ 13.95	$ 7.03
Land	25.61	24.54	0.34	0.34	25.94	24.88
Land improvements	49.07	47.39	7.97	7.97	57.04	55.36
Intangible assets	5.03	4.65	-	-	5.03	4.65
Buildings	130.29	128.89	34.53	34.52	164.82	163.41
Machinery & equipment	48.40	47.19	32.23	31.34	80.63	78.52
Infrastructure	115.70	108.04	-	-	115.70	108.04
Total capital assets	388.04	367.73	75.07	74.16	$ 463.11	441.89
Less: accumulated depreciation	(135.73)	(123.84)	(40.83)	(38.70)	(176.56)	(162.55)
Total net capital assets	$ 252.31	$ 243.89	$ 34.24	$ 35.46	$ 286.55	$ 279.35

Effective January 1, 2022, Kenosha County adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. The total impact of implementation was total right-to-use leased assets, net of amortization of $289,684 for governmental activities and $25,340 for business-type activities. The corresponding lease liability was $289,008 for governmental activities and $25,372 for business-type activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt

At year-end, the County had $158,995,000 in outstanding general obligation debt.

Bonded debt outstanding at 12/31/2021	$	155,890,000
Principal retired in 2022		(16,895,000)
Notes issued to fund 2022 capital projects		20,000,000
Debt outstanding at 12/31/2022	$	158,995,000

New principal issued was $20,000,000. Total general obligation debt outstanding increased by $3,105,000 or 1.99%.

In 2021, the County's Standard and Poor's rating was raised one notch to AAA from AA+. This rating is the highest attainable and is held by only six other Wisconsin counties. The outlook upgrade was due to S&P's view of the strengthening of the County's institutionalized policies and practices, stable budgetary resilience throughout the pandemic, and continued maintenance of very strong available general fund reserves. In 2022, both Standard and Poor's and Fitch Ratings maintained the County's rating of 'AAA' and 'AA+' ratings respectively with a stable outlook.

As of year-end 2022, total County general obligation debt outstanding increased to $159 million compared to $112.9 million at year end 1999, a modest annual 1.71% increase over that same time period. The debt increase is attributed to maintenance of capital assets which provide savings in operating maintenance costs and in building up the County's infrastructure. This strategic plan has paid dividends in economic growth shown in significant increases to County equalized value (a 82% increase since 2013) and sales tax revenue. Recent debt has been incurred in an environment with historically low interest rates which assists with keeping the debt service growth at a sustainable level. In addition, since 2008, the County has experienced an overall decline in total long-term obligations despite the increase in total debt outstanding. In 2008, total long-term liabilities were $216.8 million compared to $215.4 million as of 2022.

The chart below reflects the change in Kenosha County long term obligations since the implementation of GASB 45. GASB 45 required that Kenosha County account for its long-term obligations relative to post retirement benefits for health insurance (OPEB). Because of changes made to the County OPEB program, total long-term obligations have declined since the inception of GASB 45. In addition to making changes to post-retirement health insurance benefits, the County established a Paid Time Off (PTO) program in 2012. The program eliminated vacation accruals for all nonprotective employees by year end 2013. Changes to the post-retirement benefit for health insurance, combined with the implementation of the PTO program, will result in continued significant declines in County long term obligations. Effective 2018, the County adopted GASB 75 for OPEB liability for health insurance and retiree life insurance.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

KENOSHA COUNTY
TOTAL LONG TERM OBLIGATIONS

	2016	2017	2018	2019	2020	2021	2022
General Obligation	$ 118,970,000	$ 124,355,000	$ 124,885,000	$ 136,130,000	$ 145,200,000	$ 155,890,000	$ 158,995,000
OPEB Health:							
Protective	40,979,068	39,936,357	13,805,400	19,979,271	21,245,778	25,298,803	28,586,445
Nonprotective	31,400,351	29,298,724	25,584,750	23,233,419	22,151,919	21,539,933	21,066,770
OPEB Life Insurance	-	-	3,697,166	3,156,336	5,024,853	6,249,915	6,665,277
Vacation/Casual	120,055	109,836	100,132	127,594	159,557	106,632	115,347
	$ 191,469,474	**$ 193,699,917**	**$ 168,072,448**	**$ 182,626,620**	**$ 193,782,107**	**$ 209,085,283**	**$ 215,428,839**

The OPEB debt in the above table represents the total OPEB liability for health insurance and retiree life insurance based on adoption of GASB 75.

See Notes to the Financial Statements page 70 for more detail about the County's debt.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Financial Services Division at 1010 56th Street, Kenosha, WI.

Patricia Merrill, CPA, CPFO
Director of Finance
Kenosha County, Wisconsin

KENOSHA COUNTY
STATEMENT OF NET POSITION
December 31, 2022

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and temporary cash investments	$ 54,591,428	$ -	$ 54,591,428
Receivables			
Property taxes	74,325,954	1,395,547	75,721,501
Delinquent taxes	6,378,989	-	6,378,989
Other	2,015,124	2,507,556	4,522,680
Due from other governments	17,080,286	715,947	17,796,233
Internal balances	3,572,865	(3,572,865)	-
Prepaid items	717,038	114,521	831,559
Prepaid supplies	-	688,754	688,754
Restricted cash and investments	1,120,881	-	1,120,881
Deposit with Wisconsin Municipal Mutual Insurance Co.	1,157,860	-	1,157,860
Other Assets			
Net pension asset	26,808,164	6,211,371	33,019,535
Capital assets			
Right to use leased assets, net of amortization	289,684	25,340	315,024
Land, improvements, and construction in progress	75,757,748	346,383	76,104,131
Other capital assets, net of depreciation	176,549,893	33,898,034	210,447,927
Total Capital Assets	252,597,325	34,269,757	286,867,082
Total Assets	440,365,914	42,330,588	482,696,502
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	52,244,987	12,054,626	64,299,613
Deferred outflows related to OPEB	11,541,702	1,566,334	13,108,036
Total Deferred Outflows of Resources	63,786,689	13,620,960	77,407,649
LIABILITIES			
Accounts payable	9,571,872	1,959,576	11,531,448
Claims payable	5,901,034	-	5,901,034
Accrued compensation	3,927,048	-	3,927,048
Accrued interest	1,306,236	203,284	1,509,520
Other current liabilities	40,667	-	40,667
Special deposits	721,918	11,220	733,138
Due to other governments	2,170,578	-	2,170,578
Unearned revenue	11,244,800	44,599	11,289,399
Long-term liabilities			
Due within one year	16,885,000	1,030,000	17,915,000
Due in more than one year	132,755,148	15,814,984	148,570,132
Lease liability due in one year	103,879	6,700	110,579
Lease liability due in more than one year	185,129	18,672	203,801
Other postretirement benefits due within one year	3,085,065	361,935	3,447,000
Other postretirement benefits due in more than one year	46,766,021	6,105,471	52,871,492
Total Liabilities	234,664,395	25,556,441	260,220,836
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	63,124,481	14,625,746	77,750,227
Deferred inflows related to OPEB	1,917,543	306,926	2,224,469
Deferred inflows related to leases	201,755	-	201,755
Deferred property taxes levied for subsequent year	74,325,954	1,395,547	75,721,501
Total Deferred Inflows of Resources	139,569,733	16,328,219	155,897,952
NET POSITION			
Net investment in capital assets	113,140,566	16,003,056	118,562,354
Restricted			
Housing authority loans	1,199,470	-	1,199,470
Net pension asset	26,808,164	6,211,371	33,019,535
Culich Trust	-	72,996	72,996
Unrestricted (deficit)	(11,229,725)	(8,220,535)	(8,868,992)
Total Net Position	$ 129,918,475	$ 14,066,888	$ 143,985,363

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	$ 32,375,671	$ 3,157,748	$ 10,105,738	$ -	$ (19,112,185)	$ -	$ (19,112,185)
Health	23,416,311	1,605,748	16,362,546	-	(5,448,017)	-	(5,448,017)
Public works	6,383,081	-	-	-	(6,383,081)	-	(6,383,081)
Public safety	48,599,106	2,862,040	3,803,482	-	(41,933,584)	-	(41,933,584)
Social services	52,338,542	34,441	45,476,807	106,308	(6,720,986)	-	(6,720,986)
Education and recreation	5,449,955	283,077	814,977	907,785	(3,444,116)	-	(3,444,116)
Conservation and development	1,497,736	250,087	176,422	416,665	(654,562)	-	(654,562)
Interest on long-term debt	3,177,745	-	-	-	(3,177,745)	-	(3,177,745)
Total Governmental Activities	173,238,147	8,193,141	76,739,972	1,430,758	(86,874,276)	-	(86,874,276)
Business-type activities:							
Brookside Care Center	18,512,568	15,364,554	1,153,600	-	-	(1,994,414)	(1,994,414)
Highway	10,778,345	4,354,762	4,009,811	1,910,153	-	(503,619)	(503,619)
Golf Course	4,029,539	4,468,998	-	-	-	439,459	439,459
Total Business-type Activities	33,320,452	24,188,314	5,163,411	1,910,153	-	(2,058,574)	(2,058,574)
Totals	$ 206,558,599	$ 32,381,455	$ 81,903,383	$ 3,340,911	(86,874,276)	(2,058,574)	(88,932,850)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					56,958,000	1,906,041	58,864,041
Property taxes, levied for debt service					18,010,982	-	18,010,982
Sales tax - County					20,253,099	-	20,253,099
Grants and contributions not restricted to specific programs					4,754,583	-	4,754,583
Unrestricted investment earnings					(136,869)	1,107	(135,762)
Miscellaneous					3,636,748	38,525	3,675,273
Transfers					(3,523,632)	3,523,632	-
Total general revenues and transfers					99,952,911	5,469,305	105,422,216
Change in net position					13,078,635	3,410,731	16,489,366
Net position - beginning of year					116,839,840	10,656,157	127,495,997
Net position - end of year					$ 129,918,475	$ 14,066,888	$ 143,985,363

See accompanying notes to the financial statements.

KENOSHA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	General	Human Services	Debt Service	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 26,194,383	$ -	$ 581,456	$ 10,708,785	$ 14,197,333	$ 51,681,957
Receivables						
Property taxes	34,322,040	17,085,074	18,761,374	-	3,960,385	74,128,873
Delinquent taxes	6,378,989	-	-	-	-	6,378,989
Miscellaneous	229,254	-	-	-	159,777	389,031
Due from other governments	5,180,636	9,960,573	-	-	1,929,760	17,070,969
Due from other funds	75,000	-	-	-	-	75,000
Advance due from other funds	2,288,000	-	-	-	-	2,288,000
Prepaid items	717,038	-	-	-	-	717,038
Loans receivable	-	-	-	-	1,199,470	1,199,470
TOTAL ASSETS	$ 75,385,340	$ 27,045,647	$ 19,342,830	$ 10,708,785	$ 21,446,725	$ 153,929,327
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 861,828	$ 7,127,451	$ 3,800	$ -	$ 856,493	$ 8,849,572
Accrued compensation	3,927,048	-	-	-	-	3,927,048
Other current liabilities	25,736	-	-	-	-	25,736
Special deposits	67,472	537,521	60,000	-	56,925	721,918
Due to other governments	2,170,578	-	-	-	-	2,170,578
Due to other funds	-	2,136,372	-	-	1,537,168	3,673,540
Other unearned revenue	48,285	87,856	-	10,708,785	399,874	11,244,800
Total Liabilities	7,100,947	9,889,200	63,800	10,708,785	2,850,460	30,613,192
Deferred Inflows of Resources						
Property taxes levied for subsequent year	34,322,040	17,085,074	18,761,374	-	3,960,385	74,128,873
Leases	-	-	-	-	158,749	158,749
Revolving loan fund outstanding loans	-	-	-	-	1,199,470	1,199,470
Total deferred inflows of resources	34,322,040	17,085,074	18,761,374	-	5,318,604	75,487,092
Fund Balances						
Nonspendable						
Prepaid items	717,038	-	-	-	-	717,038
Advance due from other funds	2,288,000	-	-	-	-	2,288,000
Delinquent taxes	3,261,987	-	-	-	-	3,261,987
Restricted						
Debt service	-	-	517,656	-	-	517,656
Opioid addiction services	-	-	-	-	1,761,211	1,761,211
Sheriff Federal Equitable Sharing funds	-	-	-	-	26,237	26,237
Human Services-Aging	-	39,258	-	-	-	39,258
Committed						
Federated Library System	-	-	-	-	1,225	1,225
Geographic Information Systems	-	-	-	-	15,417	15,417
Assigned						
Encumbrances	273,795	-	-	-	658,834	932,629
Sheriff special deposit-DARE program	125,239	-	-	-	-	125,239
Subsequent year expenditures	1,719,073	32,115	-	-	10,417,854	12,169,042
Capital projects	-	-	-	-	396,883	396,883
Unassigned	25,577,221	-	-	-	-	25,577,221
Total Fund Balances	33,962,353	71,373	517,656	-	13,277,661	47,829,043
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 75,385,340	$ 27,045,647	$ 19,342,830	$ 10,708,785	$ 21,446,725	$ 153,929,327

See accompanying notes to the financial statements.

KENOSHA COUNTY
Reconciliation of the Governmental Fund Balance Sheet
and the Statement of Net Position
December 31, 2022

Total fund balances as shown on previous page	$ 47,829,043
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	251,252,338
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Loans receivable	1,199,470
Right to use leased assets	289,684
Net position of the internal service fund is reported in the statement of net position as governmental activities	4,881,517
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred outflows related to pensions	52,244,987
Deferred inflows related to pensions	(63,124,481)
Deferred outflows related to other postemployment benefits	11,541,702
Deferred inflows related to other postemployment benefits	(1,917,543)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(142,670,000)
Premium on debt	(6,854,801)
Net pension asset	26,808,164
Lease liability	(289,008)
Compensated absences	(115,347)
Other postemployment benefit	(49,851,014)
Accrued interest on long-term obligations	(1,306,236)
Net position of governmental activities as reported on the statement of net position	$ 129,918,475

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	General	Human Services	Debt Service	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 56,786,031	$ 16,888,252	$ 18,010,982	$ -	$ 3,299,316	$ 94,984,581
Licenses and permits	183,417	-	-	-	524,065	707,482
Intergovernmental revenues	11,567,257	53,977,795	379,934	7,588,849	10,944,247	84,458,082
Charges for services	3,014,576	27,941	-	-	1,572,298	4,614,815
Fines, forfeits and penalties	1,091,047	-	-	-	-	1,091,047
Investment income	(223,232)	-	-	-	21,100	(202,132)
Miscellaneous income	3,444,738	7,527	-	-	230,920	3,683,185
Total Revenues	75,863,834	70,901,515	18,390,916	7,588,849	16,591,946	189,337,060
EXPENDITURES						
Current						
General government	25,659,710	-	-	414,371	-	26,074,081
Health	-	14,360,652	-	-	9,393,630	23,754,282
Public safety	47,921,697	-	-	-	1,359,732	49,281,429
Social services	405,499	52,441,294	-	-	-	52,846,793
Education and recreation	2,571,174	-	-	-	2,580,965	5,152,139
Conservation and development	1,137,895	-	-	-	98,401	1,236,296
Capital Outlay	15,000	-	-	-	9,589,502	9,604,502
Debt Service						
Principal retirement	53,606	16,319	15,895,000	-	-	15,964,925
Interest, fiscal charges and debt issuance costs	1,470	461	3,559,515	-	291,539	3,852,985
Total Expenditures	77,766,051	66,818,726	19,454,515	414,371	23,313,769	187,767,432
Excess (deficiency) of revenues over expenditures	(1,902,217)	4,082,789	(1,063,599)	7,174,478	(6,721,823)	1,569,628
OTHER FINANCING SOURCES (USES)						
General obligation debt issued	-	-	-	-	20,000,000	20,000,000
Premium on issuance of debt	-	-	1,094,069	-	110,476	1,204,545
Transfers in	5,211,538	-	-	-	355,168	5,566,706
Transfers out	(545,784)	(4,382,231)	-	(7,174,478)	(11,159,649)	(23,262,142)
Total Other Financing Sources (Uses)	4,665,754	(4,382,231)	1,094,069	(7,174,478)	9,305,995	3,509,109
Net change in fund balance	2,763,537	(299,442)	30,470	-	2,584,172	5,078,737
FUND BALANCES - BEGINNING OF YEAR	31,198,816	370,815	487,186	-	10,693,489	42,750,306
FUND BALANCES - END OF YEAR	$ 33,962,353	$ 71,373	$ 517,656	$ -	$ 13,277,661	$ 47,829,043

See accompanying notes to the financial statements.

KENOSHA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds	$	5,078,737
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as expenditures in governmental fund statements		9,561,338
Expenditures not capitalized in government-wide statements		(486,413)
Contributed capital assets		14,013,804
Depreciation expense reported in the statement of activities		(14,481,683)
Net book value of disposals and adjustments		(271,471)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		187
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued		(20,000,000)
Premium on debt issued		(1,204,220)
Principal repaid		15,895,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt		(89,018)
Amortization of premiums, discounts and loss on advance refunding		804,053
Loss on advance refunding		(41,726)
Compensated absences		(8,715)
Net pension asset		6,130,601
Deferred outflows of resources related to pensions		17,993,835
Deferred inflows of resources related to pensions		(17,803,157)
Other postemployment benefits		(2,907,194)
Deferred outflows of resources related to other postemployment benefits		12,838
Deferred inflows of resources related to other postemployment benefits		375,953
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		505,886
Change in net position of governmental activities as reported in the statement of activities	$	13,078,635

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 55,444,102	$ 55,217,262	$ 56,786,031	$ 1,568,769
Licenses and permits	139,500	139,500	183,417	43,917
Intergovernmental revenues	14,860,086	13,852,231	11,567,257	(2,284,974)
Charges for services	3,956,254	4,102,183	3,014,576	(1,087,607)
Fines, forfeits and penalties	1,159,700	1,315,237	1,091,047	(224,190)
Investment income	484,000	683,413	(223,232)	(906,645)
Miscellaneous income	782,907	830,945	3,444,738	2,613,793
Continuing appropriations	310,000	924,799	-	(924,799)
Total Revenues	77,136,549	77,065,570	75,863,834	(1,201,736)
Expenditures				
Current				
General government	25,506,628	25,716,665	25,659,710	56,955
Public safety	47,330,934	47,935,050	47,921,697	13,353
Social services	391,978	412,791	405,499	7,292
Education/recreation	2,781,901	2,717,123	2,571,174	145,949
Conservation and development	1,125,108	1,203,403	1,137,895	65,508
Capital Outlay	-	-	15,000	(15,000)
Debt Service				
Principal	53,606	53,606	53,606	-
Interest, fiscal chares and debt issuance costs	1,470	1,470	1,470	-
Total Expenditures	77,136,549	77,985,032	77,766,051	274,057
Other Financing Sources				
Transfers in	-	5,211,538	5,211,538	-
Transfers out	-	(545,784)	(545,784)	-
Total Other Financing Sources (Uses)	-	4,665,754	4,665,754	-
Net change in fund balance	-	3,746,292	2,763,537	(927,679)
Fund balance - beginning	31,198,816	31,198,816	31,198,816	-
Fund balance - ending	$ 31,198,816	$ 34,945,108	$ 33,962,353	$ (927,679)

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - HUMAN SERVICES FUND
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 16,888,252	$ 16,888,252	$ 16,888,252	$ -
Intergovernmental revenues	55,813,915	56,701,574	53,977,795	(2,723,779)
Charges for services	17,600	17,600	27,941	10,341
Miscellaneous income	5,059	5,059	7,527	2,468
Continuing appropriations	-	370,815	-	(370,815)
Total Revenues	72,724,826	73,983,300	70,901,515	(3,081,785)
Expenditures				
Current				
Health	17,427,113	17,943,123	14,360,652	3,582,471
Social services	55,297,713	56,083,156	52,441,294	3,641,862
Debt Service				
Principal Retirement	16,319	16,319	16,319	-
Interest, fiscal charges and debt issuance costs	461	461	461	-
Total Expenditures	72,741,606	74,043,059	66,818,726	7,224,333
Excess (deficiency) of revenues over expenditures	(16,780)	(59,759)	4,082,789	4,142,548
Other Financing				
Transfers out	-	(4,382,231)	(4,382,231)	-
Net change in fund balance	(16,780)	(4,441,990)	(299,442)	4,142,548
Fund balance - beginning	370,815	370,815	370,815	-
Fund balance - ending	$ 354,035	$ (4,071,175)	$ 71,373	$ 4,142,548

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARPA FUND
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental revenues	$ -	$ 8,566,084	$ 7,588,849	$ (977,235)
Expenditures				
Current				
General government	-	1,030,550	414,371	616,179
Excess (deficiency) of revenues over expenditures	-	7,535,534	7,174,478	(361,056)
Other Financing				
Transfers out	-	(3,674,478)	(7,174,478)	3,500,000
Net change in fund balance	-	3,861,056	-	3,138,944
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ 3,861,056	$ -	$ 3,138,944

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
ASSETS					
Current assets					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 2,909,471
Accounts receivable	2,506,753	-	803	2,507,556	382,646
Property taxes receivable	-	1,395,547	-	1,395,547	247,081
Lease receivable	-	-	-	-	43,977
Due from other governments	-	715,947	-	715,947	9,317
Due from other funds	-	2,885,149	2,338,095	5,223,244	4,883,405
Prepaid Supplies	-	641,856	46,898	688,754	-
Prepaid items	114,521	-	-	114,521	-
Total current assets	2,621,274	5,638,499	2,385,796	10,645,569	8,475,897
Noncurrent assets					
Restricted cash and investments	-	-	-	-	1,120,881
Deposit in WMMIC	-	-	-	-	1,157,860
Net pension asset	3,573,322	2,210,853	427,196	6,211,371	-
Capital assets					
Right to use leased assets, net of amortization	25,340	-	-	25,340	90,839
Land and construction in progress	203	60,885	285,295	346,383	797,641
Buildings and improvements	22,953,753	9,340,364	10,203,434	42,497,551	7,594,373
Machinery and equipment	9,744,136	18,121,723	4,360,346	32,226,205	638,654
Accumulated depreciation	(11,893,694)	(19,582,834)	(9,349,194)	(40,825,722)	(7,975,371)
Total capital assets	20,804,398	7,940,138	5,499,881	34,244,417	1,055,297
Total noncurrent assets	24,403,060	10,150,991	5,927,077	40,481,128	3,424,877
Total Assets	27,024,334	15,789,490	8,312,873	51,126,697	11,900,774
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	6,912,126	4,314,102	828,398	12,054,626	-
Deferred outflows related to OPEB	786,312	674,766	105,256	1,566,334	-
Total Deferred Outflows of Resources	7,698,438	4,988,868	933,654	13,620,960	-
LIABILITIES					
Current liabilities					
Accounts payable	452,313	1,474,353	32,910	1,959,576	722,250
Claims payable	-	-	-	-	5,901,034
Due to other funds	6,508,109	-	-	6,508,109	-
Special deposits	11,220	-	-	11,220	-
Accrued interest	203,284	-	-	203,284	-
Other current liabilities	-	-	-	-	14,932
Current portion of long-term debt payable	1,030,000	-	-	1,030,000	-
Current portion of lease liability	6,700	-	-	6,700	24,380
Current portion of OPEB liability	179,244	158,562	24,129	361,935	-
Unearned revenue	-	-	44,599	44,599	-
Total current liabilities	8,390,870	1,632,915	101,638	10,125,423	6,662,596
Noncurrent liabilities					
Advance due to other funds	2,288,000	-	-	2,288,000	-
Long-term obligations	15,814,984	-	-	15,814,984	-
Lease liability	18,672	-	-	18,672	66,571
OPEB liability	3,057,308	2,638,486	409,677	6,105,471	-
Total noncurrent liabilities	21,178,964	2,638,486	409,677	24,227,127	66,571
Total Liabilities	29,569,834	4,271,401	511,315	34,352,550	6,729,167

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	8,414,007	5,205,832	1,005,907	14,625,746	-
Deferred inflows related to OPEB	156,457	129,657	20,812	306,926	-
Deferred inflows related to leases	-	-	-	-	43,006
Deferred property tax levy	-	1,395,547	-	1,395,547	247,081
Total Deferred Inflows of Resources	8,570,464	6,731,036	1,026,719	16,328,219	290,087
NET POSITION					
Net investment in capital assets	3,959,382	6,543,793	5,499,881	16,003,056	1,055,297
Restricted for non-expendable fund use					
Culich Trust	72,996	-	-	72,996	-
Net Pension asset	3,573,322	2,210,853	427,196	6,211,371	-
Unrestricted (deficit)	(11,023,226)	1,021,275	1,781,416	(8,220,535)	3,826,223
Total Net Position	$ (3,417,526)	$ 9,775,921	$ 7,708,493	$ 14,066,888	$ 4,881,520

KENOSHA COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
OPERATING REVENUES					
Charges for services	$ 15,364,554	$ 4,354,763	$ 4,469,001	$ 24,188,318	$ 27,413,457
Total Operating Revenues	15,364,554	4,354,763	4,469,001	24,188,318	27,413,457
OPERATING EXPENSES					
Operations and maintenance	16,977,208	23,847,746	3,366,776	44,191,730	27,458,910
Depreciation and amortization	969,342	944,397	662,763	2,576,502	31,784
Total Operating Expenses	17,946,550	24,792,143	4,029,539	46,768,232	27,490,694
Operating Income (Loss)	(2,581,996)	(20,437,380)	439,462	(22,579,914)	(77,237)
NON-OPERATING REVENUES (EXPENSES)					
General property taxes	-	1,706,761	-	1,706,761	242,500
Intergovernmental grants	1,153,600	5,919,960	-	7,073,560	53,637
Levy reduction contribution	199,280	-	-	199,280	-
Investment income	1,107	-	-	1,107	65,263
Miscellaneous income	26,691	8,638	3,190	38,519	64,241
Amortization of debt premium	34,323	-	-	34,323	-
Interest and fiscal charges	(600,341)	-	-	(600,341)	(518)
Total Non-Operating Revenues (Expenses)	814,660	7,635,359	3,190	8,453,209	425,123
Income (Loss) Before Transfers	(1,767,336)	(12,802,021)	442,652	(14,126,705)	347,886
TRANSFERS					
Transfers in	4,038,000	13,282,436	217,000	17,537,436	158,000
Change in net position	2,270,664	480,415	659,652	3,410,731	505,886
Net position, beginning of year	(5,688,190)	9,295,506	7,048,841	10,656,157	4,375,634
Net position, end of year	$ (3,417,526)	$ 9,775,921	$ 7,708,493	$ 14,066,888	$ 4,881,520

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	$ 14,663,221	$ 4,794,586	$ 4,477,194	$ 23,935,001	$ 28,700,604
Paid to suppliers and employees for goods and services	(17,784,747)	(23,321,917)	(3,435,620)	(44,542,284)	(27,433,958)
Cash Flows from (used in) Operating Activities	(3,121,526)	(18,527,331)	1,041,574	(20,607,283)	1,266,646
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
General property taxes	199,280	1,706,761	-	1,906,041	242,500
Due to/from other funds	(640,601)	(1,347,800)	(981,520)	(2,969,921)	(628,619)
Intergovernmental grants	1,153,600	5,919,960	-	7,073,560	53,637
Miscellaneous income	-	-	-	-	64,241
Transfers	3,950,000	3,576,436	-	7,526,436	-
Cash Flows from (used in) Noncapital Financing Activities	4,662,279	9,855,357	(981,520)	13,536,116	(268,241)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid	(480,017)	-	-	(480,017)	-
Interest paid	(615,635)	-	-	(615,635)	-
Miscellaneous income	26,691	8,638	3,190	38,519	-
Acquisition and construction of capital assets	(40,916)	(1,042,664)	(280,244)	(1,363,824)	(115,018)
Transfers	88,000	9,706,000	217,000	10,011,000	158,000
Cash Flows from (used in) Capital and Related Financing Activities	(1,021,877)	8,671,974	(60,054)	7,590,043	42,982
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	1,107	-	-	1,107	63,886
Cash Flows from (used in) Investing Activities	1,107	-	-	1,107	63,886
Net Change in Cash and Cash Equivalents	519,983	-	-	519,983	1,105,273
Cash and Cash Equivalents - Beginning of Year	-	-	-	-	2,925,079
Cash and Cash Equivalents - End of Year	$ 519,983	$ -	$ -	$ 519,983	$ 4,030,352

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
FROM OPERATING ACTIVITIES					
Operating Income (Loss)	$ (2,581,996)	$ (20,437,380)	$ 439,462	$ (22,579,914)	$ (77,237)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Depreciation expense and amortization	969,342	944,397	662,763	2,576,502	31,784
Change in net pension liability (assets)	(581,176)	(506,112)	(74,532)	(1,161,820)	-
Change in deferred outflows related to pension	(1,998,498)	(1,491,494)	(246,426)	(3,736,418)	-
Change in deferred inflows related to pension	1,855,786	1,469,368	232,935	3,558,089	-
Change in net OPEB liability	74,053	228,332	20,262	322,647	-
Change in deferred outflows related to OPEB	59,089	(19,281)	3,633	43,441	-
Change in deferred inflows related to OPEB	(43,836)	(12,254)	(4,274)	(60,364)	-
Effect of changes in assets and liabilities:					
Accounts receivable	(701,333)	-	(803)	(702,136)	1,282,685
Due from other governments	-	439,823	-	439,823	4,462
Inventories	-	58,369	9,792	68,161	-
Accounts payable	(161,825)	798,901	(10,234)	626,842	188,066
Claims payable	-	-	-	-	(163,114)
Unearned revenue	-	-	8,996	8,996	-
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	$ (3,121,526)	$ (18,527,331)	$ 1,041,574	$ (20,607,283)	$ 1,266,646

Noncash investing, capital and financing activities: none

KENOSHA COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2022

	Custodial Funds
ASSETS	
Cash and temporary cash investments	$ 9,098,784
Accounts receivable	256,534
Total Assets	$ 9,355,318
LIABILITIES	
Due to others	$ 162,770
Due to other governments	407,498
Total Liabilities	570,268
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	8,785,050
Total net position	$ 8,785,050

See accompanying notes to the financial statements.

KENOSHA COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2022

	Custodial Funds
ADDITIONS	
Contributions:	
Individuals	$ 8,856,280
License and fees collected for the State	7,933,223
Other governments	10,765
Miscellaneous	1,333,376
Total Additions	18,133,644
DEDUCTIONS	
Beneficiary payments to individuals	58,621
Payments to state	7,933,223
Payments to other entities	10,548,871
Total Deductions	18,540,715
NET DECREASE IN FIDUCIARY NET POSITION	(407,071)
Fiduciary net position, beginning of year	9,192,121
FIDUCIARY NET POSITION, END OF YEAR	$ 8,785,050

See accompanying notes to the financial statements.

KENOSHA COUNTY

INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Index Contents

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Kenosha, Wisconsin conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

This report includes all of the funds of Kenosha County. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it capable of imposing its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate tax-exempt organization should be reported as a component unit of a reporting entity if all the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents, (2) the primary government is entitled to or is capable to otherwise access a majority of the economic resources received or held by the separate organization, (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to or has the ability to otherwise access are significant to that primary government. This report does not contain any component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County allocates indirect expenses to functions in the statement of activities by using a cost allocation plan. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Taxes and other items not included in program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

FUND FINANCIAL STATEMENTS

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental, proprietary, and fiduciary statements. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or proprietary fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County reports the following major governmental funds:

- General – accounts for and reports all financial resources not accounted for and reported in another fund.

- Human Services – Accounts for resources legally restricted to supporting expenditures for the Social Services and Aging programs.

- Debt Service – accounts for resources accumulated and payments made for principal and interest on long-term debt other than enterprise fund debt.

- American Rescue Plan Act (ARPA) – accounts for resources accumulated and expenditures related to the funds received through the American Rescue Plan Act.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The County reports the following major enterprise funds:

- Brookside Care Center – accounts for the operations of the County nursing home including the Willowbrook assisted living home.
- Highway – accounts for the maintenance of the County, state, and local roads.

The County reports the following non-major governmental and enterprise funds:

- Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These specific restricted or committed revenues should be the foundation for a special revenue fund. These funds are:

Housing Authority	Federated Library System
Health Department	Geographic Information Systems
Federal Inmate	Sheriff Federal Equitable Sharing
	Opioid Settlement

- Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities. These projects include:

Parkland Development	Energy Reduction Technology
Public Safety Building	Other Capital Projects

- Enterprise Fund – Golf Course Fund – accounts for the operations of the County golf courses.

In addition, the County reports the following fund types:

F. Internal Service Funds - used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. These funds consist of:

Human Services Building	Workers' Compensation
Health Insurance	General Liability Insurance

G. Fiduciary Funds - used to account for assets held by the County in a custodial capacity or as an agent for individuals, private organizations, and/or other governmental units. These funds consist of the following:

Clerk of Courts	County Clerk
Register of Deeds	Inmate's Deposit Fund
Other Custodial Funds	

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special charges are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

FUND FINANCIAL STATEMENTS

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for human services, victim witness, and other reimbursable grants, for which available is defined as 180 days. This exception is necessary because the funding source reimbursement process routinely extends to this period and the revenue then more appropriately matches the related expenditures. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, OPEB and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. Sales taxes are recognized as revenues in the year in which the underlying sales relating to it take place.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables or deferred inflows. Amounts received prior to the entitlement period are also recorded as liabilities.

Special charges are recorded as revenues when they become measurable and available as current assets. Annual installments due in the future years are reflected as receivables and unearned revenues. Delinquent special assessments being held for collection by the County are reported as receivables and due to other governments in the General Fund.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special charges, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Deferred inflows of resources arise from taxes levied in the current year which are for subsequent years' operations. For governmental fund financial statements, deferred inflows also arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

The County reports unearned revenues on its governmental funds balance sheet. Unearned revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ALL FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY

1. DEPOSITS AND INVESTMENTS

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The County has adopted an investment policy that follows the state statute for allowable investments. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.

2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

3. Bonds or securities issued or guaranteed by the federal government.

4. The local government investment pool.

5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

7. Repurchase agreements with public depositories, with certain conditions.

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

2. RECEIVABLES

The County's property taxes are levied on or before December 31 on the equalized valuation as of the prior January 1 for all general property located in the county. The taxes are due and payable in the following year.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. If not collected by July 31, the delinquent property taxes are recorded as delinquent taxes receivable and nonspendable fund balance in the general fund. Interest on delinquent property taxes is recognized as revenue when received.

The County purchases uncollected property taxes from other taxing authorities as the unpaid amount to facilitate the collection of taxes.

The purchases are a financing arrangement and are not included in property tax revenues. Delinquent property taxes purchased from other taxing authorities are included as a nonspendable fund balance at year end. Delinquent special assessments are recorded as a receivable and due to other units of government until collected and paid to the taxing jurisdiction.

Property taxes as levied are collected by local treasurers until January 31 in eleven municipalities and July 31 in two municipalities. At the end of the local treasurer's collection process, a settlement between the County treasurer and local treasurers determines the amount due to the various taxing districts. Tax collection becomes the responsibility of the County and delinquent taxes receivable represent unpaid taxes levied for all taxing entities within the County. On August 31, the tax lien date, all unpaid taxes are reflected as tax certificates. No allowance for losses on delinquent taxes has been provided because the County has demonstrated its ability to recover any losses through the sale of property.

Following is the property tax calendar for municipalities within the County except for the City of Kenosha and the Village of Pleasant Prairie which collect taxes in three installments through July 31.

Lein date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Peronal property taxes in full	January 31, 2023
Tax sale - 2021 delinquent real estate taxes	October 2025

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

2. RECEIVABLES (Cont.)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds". Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The County has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the County monthly. Sales tax is accrued as a receivable when the underlying sale related to it takes place. At December 31, 2022, the County has accrued two months of the subsequent year's collections as receivable. In 2022, sales tax revenue totaled $20,253,099 of which $3,576,305 has been accrued.

The County has received federal grant funds for economic development and housing rehabilitation loan programs for various businesses and individuals. The County records a loan receivable when the loan has been made and funds have been disbursed.

It is the County's policy to record deferred inflow in the governmental funds for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are issued from the repayments, expenditures are recorded. In the government-wide statements, revenue is recorded when new loans are made. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

3. PREPAID SUPPLIES AND PREPAID ITEMS

Governmental fund supplies are charged to expenditure accounts when purchased. Unused year-end supplies was not significant. Proprietary fund supplies are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. RESTRICTED ASSETS

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by external parties.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

5. CAPITAL ASSETS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Capital assets are tangible and intangible, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $5,000 (Brookside Care Center's threshold is $1,000) for general capital assets and infrastructure assets, and an estimated useful life greater than one year. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable based on the amount provided by the appraisal firm retained by the County. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Additions to and replacements of capital assets of business-type activities are recorded at original cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note D.10. below), which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation/amortization.

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation/amortization. The range of estimated useful lives by type of asset is as follows:

	Governmental Activities	Business-Type Activities
	Years	
Assets:		
Intangible Assets	3 - 5	3 - 5
Land Improvements	20	20
Buildings	50 - 100	50 - 100
Machinery and Equipment	5 - 40	5 - 40
Infrastructure	15 - 50	15 - 50
Right-to-Use Lease Asset	2-100	2-100

FUND FINANCIAL STATEMENTS

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

6. OTHER ASSETS

In all funds, debt issuance costs are recognized as expenditures in the current period. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, requires debt issuance costs to be expensed in the period incurred, rather than recorded as assets and amortized over the life of the related debt issue. Discounts and premiums are amortized over the life of the related debt issue.

7. COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Sick leave does not vest.

Vested vacation and casual days are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

Non-classified employees are subject to a PTO (paid time off) bank in which unused benefit time is not matured at resignation or retirement. Previously, these employees earned vacation and casual benefit days during the current year for the following year. Currently, two bargaining units will accrue a full year of compensated benefit time that can mature. All other employees will have PTO banks and the benefit time will not be a liability to the County.

Accumulated liabilities at December 31, 2022 are determined on the basis of current salary rates and include salary related payments.

8. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for special assessments and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

9. LONG-TERM OBLIGATIONS/CONDUIT DEBT

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources. The payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refunding are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts is shown as an increase or decrease in the liability section of the balance sheet.

In September 2009, the County Board authorized issuance of conduit debt titled "Kenosha County, Wisconsin Community Facility Revenue Bond, Series 2009" whose principal may not exceed $8,300,000. The purpose of the bond was to assist a nonprofit community organization in the construction of a facility within the County. In 2013, the agency refinanced this bond at $5,713,550. In 2019, the interest rate was reset to 78% of Libor plus 3.60% and will be reset every five years.

The bank covenant also requires the agency to prepay $60,000 by December 1 of each year. Final maturity of the bond is September 2034. The bond is secured by various assets of the borrower. The balance of the debt as of December 31, 2022 is $3,739,223.

The County has no liability for this conduit debt in the event of default by the borrowers. Accordingly, the bonds are not reported as liabilities in the County's financial statements.

10. LEASES

The County is a lessee and lessor for various pieces of equipment and space usage.

<u>Lessee</u>
The County recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements based on the criteria dictated in GASB Statement No. 87, *Leases.*

At the commencement of a lease, the County determines based on the criteria dictated in GASB Statement No. 87, *Leases*, if the lease is a financed purchased or a lease liability. Then the County initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the County capital assets in its own category called Leased Assets (Right to Use).

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present values, (2) lease term, and (3) lease payments.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

The County monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease.

Lessor
The County determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position and fund financial statements.

Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The County recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extent, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do no provide information about the discount rate implicit in the lease. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

The County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

11. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all of the conditions of Government Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. See Note V. B. on commitments and contingencies.

12. EQUITY CLASSIFICATIONS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Equity is classified as net position and displayed in three components:

a. Net Investment in Capital Assets – includes the County's capital assets (net of accumulated depreciation and capital related deferred outflows of resources) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows or outflows of resources, deferred loss on refunding and any unspent bond proceeds. Certain capital assets reported in the proprietary funds are financed by debt for which the governmental funds are making payment.

b. Restricted Net Position – includes assets that have third party (statutory, bond covenant, or granting agency) limitations on their use. The County typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

c. Unrestricted Net Position – typically includes unrestricted liquid assets.

The calculation of net investment in capital assets includes the adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities' column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. See Note IV.C. Capital Assets for detail.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS, AND NET POSITION OR EQUITY*** (Cont.)

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. GASB 54 requires the fund balance amounts to be reported in the following categories:

a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form, or because they are legally or contractually required to be maintained intact.

b. Restricted – Amounts that can be spent only for the specific purposed stipulated by constitution, external resource providers, or through enabling legislation.

c. Committed – Amounts that can be used only for the specific purposed determined by a formal action or resolution of the County Board (the County's highest level of decision-making authority).

d. Assigned – Amounts that are intended to be used for a particular purpose expressed by the Board or other authorized committee or individual.

e. Unassigned – All amounts not included in other spendable classifications.

It is the practice of the County to spend committed amounts first followed by assigned then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the fund balance classifications could be used.

Proprietary fund equity is classified the same as in the government-wide statements.

E. ADOPTION OF NEW ACCOUNTING STANDARDS

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to- use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The County adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the County recorded lease receivables and deferred inflows of resources related to leases of $201,755 and right-to-use assets and related lease payable of $289,008 in the governmental activities and $25,372 in the business-type activities.

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities." All liabilities, both current and long-term, are reported in the statement of net position.

Internal service funds are classified as proprietary funds in the fund statements but as governmental activities in the government-wide statements.

Internal Service Funds:		
Human Services Building	$	3,381,520
Health Insurance		1,500,000
Total	$	4,881,520

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annppenual operating budget and is presented using the same basis of accounting for each fund as described in Note I.

For the governmental funds, a budget has been adopted for the general fund, special revenue funds, debt service fund, and capital projects funds. Comparisons of actual to budget are presented in the basic financial statements for the general fund, human services and ARPA special revenue fund.

The budgeted amounts presented include any amendments made. Various approvals are required to transfer budgeted amounts within departments, between departments, or changes to the overall budget.

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

Prior to November, County Executive submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and the modified accrual basis of accounting. Budgets are adopted for all the funds. The Amended Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Appropriations lapse at year end unless specifically carried over. Continuing appropriations to the following year are included in assigned fund balance (for government funds) as follows:

Funds	Excess Expenditures
General Fund	$ 1,202,868
Capital Projects Funds	11,056,660
Nonmajor Special Revenue Funds	20,028
	$ 12,279,556

During the year, formal budgetary integration is employed as a management control device for all funds. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Excess expenditures were funded using budget transfers from other departments and available fund balance in the governmental funds. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Cont.)

B. GOVERNMENTAL FUNDS-EXCESS EXPENDITURES OVER APPROPRIATIONS

The County controls expenditures at the business unit level which is defined as a cost center. There were no expenditure line item accounts that experienced expenditures which exceed appropriations.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. The County had no deficit fund balances on December 31, 2022.

D. LIMITATIONS ON THE COUNTY'S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT

The State budget repealed the county operating tax (mill) rate limit. Counties remain subject to levy limits and current law provisions pertain to the issuance of debt.

The State budget continues the property tax "freeze" by limiting levy growth (with some exceptions) to the greater of 0.0 percent or the change in property values due to net new construction. Levy limit exceptions for debt service, service consolidations, and annexations are retained. The budget increases the carry forward of unused levy capacity ("use it or lose it") from 0.5 percent of the prior year's levy to 1.5 percent. For a county to carry forward unused levy capacity of up to 0.5 percent, a simple majority vote of the board is required. In order for a county to carry forward between 0.5 percent and 1.5 percent, a super majority vote of the board is required.

The budget also includes an exception to the pre-2005 negative debt adjustment for counties that do not carry forward unused levy capacity from the prior year.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. The National Credit Union Share Insurance Fund (NCUSIF) insures a member's interest in all joint accounts combined in federally insured credit unions up to $250,000. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

The County has an agreement with Johnson Bank for collateralization of its deposits and investments. The bank has pledged $8,304,844 of various governmental securities as collateralization for the County's deposits.

The County maintains a cash and investment pool that is available for use by all funds. The carrying amount of the various fund types on December 31, 2022 are as follows:

General	$ 26,194,383
Special Revenue	12,936,262
Capital Projects	11,969,856
Debt Service	581,456
Internal Service	4,030,352
Fiduciary	9,098,784
	$ 64,811,093

The distribution of deposits and investments is as follows:

Petty Cash	$ 13,121
Deposits	7,300,703
Investments	57,497,269
	$ 64,811,093

DEPOSITS – CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of the failure of the custodian holding the County's deposits, the deposits may not be returned.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

As of December 31, 2022, the carrying amount of the County's deposits was $7,300,703 and the bank balance was $9,215,837. As of December 31, 2022, $8,304,844 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits of which all were collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name. In addition, the County maintains petty cash funds in the amount of $13,121.

INVESTMENTS

The County's investment policy follows Wisconsin State Statute 34 and County ordinance which delegates authority to the Treasurer to invest money of the County, to sell or exchange securities purchased and to provide for the safekeeping of such securities. The County contracts with investment advisory firms for investment management services.

State statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities; obligations of Wisconsin governmental units; bonds issued by a local exposition district, a local professional baseball park district, the University of Wisconsin Hospitals and Clinics Authority or by the Wisconsin Aerospace Agency; time deposits with maturities of less than three years in any financial institution in Wisconsin; the State of Wisconsin Local Government Investment Pool; any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency; securities of an open-end management investment company or investment trust subject to various conditions and investment options; and repurchase agreements with public depositories, with certain conditions. The County only deposits and invests its monies in investments allowed by State Statute.

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair values are based on quoted market prices. No investments are recorded at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The County has investments in the Wisconsin local government investment pool of $15,170,586 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Net investment income (loss) reported in the accompanying financial statements consists of the following:

Source of Investment Income:	
Interest - Deposits	$ 257,983
Interest - Investments	897,007
Interest - Leases	4,836
Dividends	99,686
Net Accrued Income	93,781
Realized Gain (Loss)	27,688
Unrealized Gain (Loss)	(1,438,490)
Plan Expenses	(78,253)
Net Investment Income (Loss)	$ (135,762)

Investment Income by Fund Type:	
General Fund	$ (223,232)
Internal Service	65,263
Proprietary	1,107
Capital Projects	13,809
Special Revenue	7,291
Net Investment Income (Loss)	$ (135,762)

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments, such as credit risk, custodial credit risk, interest rate risk and foreign currency risk.

CREDIT RISK

Fixed income securities are subject to credit risk, which is the risk that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond rating agencies, such as Moody's Investors Service (Moody's) or Standard and Poor's (S&P). The lower the rating, the greater the risk, in the rating agency's opinion, that the bond issuer will default or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government are not considered to have credit risk.

The credit risk profile for fixed income securities at December 31, 2022 is as follows:

Investment	AAA	Amount
AIM		
Government & Agency- Institutional	AAA	$ 6,059,462
Treasury - Institutional	AAA	268,169
DANA		
Federal Farm Credit Bank	AAA	3,805,052
Federal Home Loan Mortgage Corp.	AAA	9,163,229
Federal Home Loan Bank	AAA	12,530,766
Federal National Mortgage Association	AAA	3,998,528
Government National Mortgage Association	AAA	2,078
Small Business Association	AAA	1,544,564
Treasury Bonds		3,598,088
Total U.S. Government Guaranteed		40,969,936
Pooled Funds		
Wisconsin Local Government Investment Pool	Unrated	15,170,586
Money Market Mutual Fund		
DANA Money Market Mutual Fund	AAA	1,356,747
Totals		$ 57,497,269

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of the failure of the custodian holding the County's investments, the investments may not be returned.

The County's Investment Policy requires all investment institutions acting as a depository for the County to enter into a "depository agreement" requiring the depository to pledge collateral to

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

secure deposits over and above the $250,000 of federal depository insurance and the $400,000 covered by the State Deposit Guarantee. All securities serving as collateral shall be specifically pledged to the County (not as part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. The custodian shall send statements of pledged collateral to the Treasurer's Office on a monthly basis.

The County's Investment Policy does not address custodial credit risk for investments. In practice, all of the County's investments are held in the County's name by a third party custodian (a bank trust company), or are part of an external investment pool. There is no custodial credit risk exposure for these investments.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having significant funds invested in a few individual issuers, thereby exposing the County to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments. The County's Investment Policy follows the "prudent investor rule" which strives toward the preservation of capital and diversification of the portfolio to minimize losses.

Major issuers (over five percent of total investments) in the County's portfolio as of December 31, 2022 are as follows:

Issuer	Amount	Percentage
Federal National Mortgage Association	$ 3,998,528	7%
U.S.Treasury	9,925,719	17%
Federal Home Loan Mortgage Corp.	9,163,229	16%
Federal Home Loan Bank	12,530,766	22%
Federal Farm Credit Bank	3,805,052	7%
Other issuers (none over 5%)	18,073,975	31%
Totals	$ 57,497,269	

INTEREST RATE RISK

The County's Investment Policy does not address interest rate risk for its investments. In practice, the County contracts with professional portfolio management firms for its investments. Each portfolio management firm has been assigned a widely recognized benchmark consistent with their management strategy.

AIM has been assigned the Lehman Intermediate Government Index as their benchmark. Dana Investment Advisors uses the Merrill Lynch three-month Treasury Bill index as their official benchmark.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

A. *DEPOSITS AND INVESTMENTS* (cont.)

In addition to using the assigned benchmarks to evaluate the performance of the portfolio management firms, the firms also manage interest rate risk by maintaining the effective duration of their portfolios consistent to the duration of the assigned benchmark. The duration of the County's overall investments at December 31, 2022 is as follows (total duration includes money market accounts, which are not listed in the table):

Investment Type	Amount	Effective Duration
Federal Home Loan Mortgage Corp. (FHLMC)	$ 9,163,229	Average 850 Days
Federal Home Loan Bank	12,530,766	Average 682 Days
Federal Farm Credit Bank	3,805,052	Average 489 Days
Federal National Mortgage Association (FNMA)	3,998,528	Average 649 Days
Government National Mortgage Association	2,078	Average 408 Days
Small Business Association	1,544,564	Average 153 Days
United States Treasury	3,598,088	Average 1,233 Days
	$ 34,642,305	

For money market fund investments and the Wisconsin Local Government Investment Pool, weighted average maturity is used to measure interest rate risk. The weighted average maturity of all of the County's money market investments at December 31, 2022 is as follows:

Fund Name	Amount	Weighted Average Maturity
Wisconsin Local Government Investment Pool	$ 15,170,586	23 Days
AIM Short Term Government & Agency	6,059,462	16 Days
AIM Short Term Treasury	268,169	18 Days
DANA Money Market	1,356,747	10 Days
	$ 22,854,964	

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

FAIR VALUE MEASUREMENTS

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

METHODS USED TO VALUE INVESTMENTS

Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. Level 2 consists of U.S government-backed securities with reported fair values obtained from independent pricing services. Level 3 inputs are significant unobservable inputs.

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
U.S. Treasury Securities	$ -	$ 3,866,257	$ -
Government & Agency - Institutional	-	6,059,462	-
US Agencies/SBA	1,356,747	1,544,564	-
GNMA	-	2,078	-
FFCB	-	3,805,052	-
FNMA	-	3,998,528	-
FHLB	-	12,530,766	-
FHLMC	-	9,163,229	-
Total	$ 1,356,747	$ 40,969,936	$ -

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

B. RECEIVABLES

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

Loans issued by the Housing Authority are not due until the related real estate property is sold by the borrower. Therefore, the amount that will be due within one year cannot be determined.

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available for current expenditures and are therefore excluded from the nonspendable portion of fund balance. The County adjusts the nonspendable fund balance for delinquencies by the full amount net of the first sixty days of collections in the following year.

For the year ended December 31, 2022, collections in the first sixty days aggregated $436,640. Therefore, the delinquent property tax nonspendable fund balance is $3,698,627 less $436,640 or $3,261,987.

At December 31, 2022, delinquent property taxes by year levied consists of the following:

	Total	County Levied	County Purchased
Tax Certificates:			
2020	$ 1,834,370	$ 297,144	$ 1,537,226
2019	983,314	159,284	824,030
2018	490,596	79,470	411,126
2017	112,622	18,243	94,379
2016	76,741	12,431	64,310
2015	40,904	6,626	34,278
2014	21,575	3,495	18,080
2013 and Prior	138,505	22,445	116,060
Total Tax Certificates	$ 3,698,627	$ 599,138	$ 3,099,489
Delinquent Speical Assessments	1,029,283		
Tax Deeds Held by County	1,651,079		
Total Taxes Receivable	$ 6,378,989		

For economic development loans, the County is limited by the Wisconsin Department of Commerce to the amount of program income from economic development loans it may retain and loan to other businesses. Program income includes the principal and interest received from economic development loans repayments. Based upon its current population, the County may retain $750,000. At December 31, 2022, the County has not exceeded its maximum retention cap. If it does, a liability to the state will be recorded.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

C. LEASES RECEIVABLE

A summary of the County's lease terms and interest rates is as follows:

Governmental Activities
A parks structure is leased to a private entity for a concession business. The lease terms require annual payment, along with 15% of concession sales. Office space is leased at the job center and near the courthouse. Interest is calculated using the County borrowing rate at 1.87%. The lease terms run from 2022 to 2026.

For the year ended December 31, 2022, the County received $165,432 in lease revenue and $4,348 in interest on the leases receivable.

	Governmental Funds		
Year Ending	Principal	Interest	Total
2023	$ 38,468	$ 2,992	$ 41,460
2024	39,785	1,675	41,460
2025	40,432	1,028	41,460
2026	39,090	369	39,459
Total	$ 157,776	$ 6,063	$ 163,839

	Internal Service Funds		
Year Ending	Principal	Interest	Total
2023	$ 43,977	$ 288	$ 44,265
Total	$ 43,977	$ 288	$ 44,265
Total for Governmental Activities	$ 201,753	$ 6,351	$ 208,104

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

The County defines their capital assets as assets with an initial individual cost of more than $5,000. The addition column represents the new assets in 2022 including new infrastructure assets. The deletion column represents the assets that were discarded in 2022.

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities, excluding Internal Service Capital Assets:				
Capital Assets, Not Being Depreciated:				
Land	$ 23,855,587	$ 951,784	$ -	$ 24,807,371
Land Improvements	34,978,311	1,469,028	237,400	36,209,939
Construction in Progress	7,034,781	9,711,801	2,803,785	13,942,797
Total Capital Assets, Not Being Depreciated	65,868,679	12,132,613	3,041,185	74,960,107
Capital Assets, Being Depreciated and Amortized:				
Intangible Asset	4,649,439	380,087	-	5,029,526
Land Improvements	12,635,627	225,351	-	12,860,978
Buildings	121,297,057	1,453,798	55,500	122,695,355
Machinery and Equipment	46,546,560	3,135,647	1,918,139	47,764,068
Infrastructure	107,819,427	8,565,022	683,200	115,701,249
Right-to-Use Lease Assets	437,460	-	-	437,460
Subtotals	293,385,570	13,759,905	2,656,839	304,488,636
Less Accumulated Depreciation and Amortization for:				
Intangible Asset	2,794,747	936,222	-	3,730,969
Land Improvements	3,091,879	400,048	-	3,491,927
Buildings	47,913,882	3,088,429	53,910	50,948,401
Machinery and Equipment	29,816,641	3,673,909	1,885,658	31,604,892
Infrastructure	32,282,866	6,383,085	683,200	37,982,751
Right-to-Use Lease Assets	168,200	70,415	-	238,615
Subtotals	116,068,215	14,552,108	2,622,768	127,997,555
Total Capital Assets, Being Depreciated and Amortized, Net	177,317,355	(792,203)	34,071	176,491,081

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance
Internal Service Capital Assets:				
Capital Assets, Not Being Depreciated:				
Land	$ 682,623	$ 115,018	$ -	$ 797,641
Total Capital Assets, Not Being Depreciated	682,623	115,018	-	797,641
Capital Assets, Being Depreciated and Amortized:				
Buildings	7,594,374	-	-	7,594,374
Machinery and Equipment	638,654	-	-	638,654
Right-to-Use Lease Assets	227,485	-	-	227,485
Subtotals	8,460,513	-	-	8,460,513
Less Accumulated Depreciation and Amortization:	8,055,719	56,298	-	8,112,017
Net Total Other Capital Asses	404,794	(56,298)	-	348,496
Net Subtotal Internal Service Capital Assets	1,087,417	58,720	-	1,146,137
Net Total Government Activities Capital Assets	$ 244,273,451	$ 11,399,130	$ 3,075,256	252,597,325
Less: Related Long-Term Debt				(149,998,949)
Adjustment for Debt Related to Proprietary Fund Assets				10,542,190
Net Investment in Capital Assets				$ 113,140,566

The schedule above includes the detail for the net position adjustment for capital assets owned by the business-type activities funds but financed by the debt of the governmental activities funds.

Depreciation and amortization expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 6,485,554
Public Safety	1,208,859
Public Works	6,383,081
Social Services	15,113
Education and Recreation	344,844
Health	38,326
Conservation and Development	37,700
Right-to-Use Assets	94,929
Total Depreciation and Amortization Expense - Governmental Activities	$ 14,608,406

Total governmental activities depreciation expense includes $31,784 recorded to the internal service fund Human Services Building.

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

The total amounts for infrastructure shown in the previous schedule are detailed more fully below.

	Beginning Balance	Increases	Decreases	Ending Balance
Infrastructure Related Capital Assets:				
Roadways	$ 97,714,405	$ 6,001,278	$ 669,700	$ 103,045,983
Bridges	6,833,105	2,041,797	13,500	8,861,402
Traffic Signals	1,281,527	-	-	1,281,527
Sewer Drainage	384,000	-	-	384,000
Culverts	1,606,390	521,947	-	2,128,337
Total Infrastructure	107,819,427	8,565,022	683,200	115,701,249
Less Accumulated Depreciation for:				
Roadways	28,360,577	6,100,186	669,700	33,791,063
Bridges	2,764,375	157,671	13,500	2,908,546
Traffic Signals	711,374	56,192	-	767,566
Sewer Drainage	293,392	7,898	-	301,290
Culverts	153,148	61,138	-	214,286
	32,282,866	6,383,085	683,200	37,982,751
Net Infrastructure	$ 75,536,561	$ 2,181,937	$ -	$ 77,718,498

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. *CAPITAL ASSETS* (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 338,258	$ 475	$ -	$ 338,733
Construction in Progress	-	7,650	-	7,650
Total Capital Assets, Not Being Depreciated	338,258	8,125	-	346,383
Capital Assets, Being Depreciated and Amortized:				
Land Improvements	7,969,253	-	479	7,968,774
Buildings	34,516,259	12,516	-	34,528,775
Machinery and Equipment	31,335,284	1,459,363	568,442	32,226,205
Right-to-Use Lease Assets	26,206	27,452	-	53,658
Subtotals	73,847,002	1,499,331	568,921	74,777,412
Less Accumulated Depreciation and : Amortization for:				
Land Improvements	4,846,478	173,768	-	5,020,246
Buildings	16,117,464	760,144	-	16,877,608
Machinery and Equipment	17,747,001	1,642,590	461,725	18,927,866
Right-to-Use Lease Assets	22,642	5,676	-	28,318
Subtotals	38,733,585	2,582,178	461,725	40,854,038
Total Capital Assets, Being Depreciated and Amortized, Net	35,113,417	(1,082,847)	107,196	33,923,374
Business-Type Activities Capital Assets, Net	$ 35,451,675	$ (1,074,722)	$ 107,196	34,269,757
Less: Related Long-Term Debt				(16,870,356)
Less: Accounts Payable Related to Capital Outlay				(1,396,345)
Net Investment in Capital Assets				$ 16,003,056

The schedule above includes the detail for the net position adjustment for capital assets owned by the business-type activities funds but financed by the debt of the governmental activities' funds.

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Brookside Care Center	$ 975,018
Highway	944,397
Golf Course	662,763
Total Depreciation and Amortization Expense - Business-Type Activities	$ 2,582,178

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund		$ 75,000
Highway		2,885,149
Health Insurance		2,295,247
Workers Comp. Insurance		1,303,293
Human Services Building		1,284,865
Golf		2,338,095
	Human Services	(2,136,372)
	Health Dept	(1,537,168)
	Brookside Care Center	(6,508,109)
		$ -

All of these balances are expected to be repaid with future fund revenues, transfers, and planned borrowings.

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Amounts owed between governmental and business-type activities are shown as "internal balances" on the statement of net position.

Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances due from other funds" and "advances due to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

Receivable Fund	Payable Fund	Amount
General Fund		$ 2,288,000
	Brookside Care Center	(2,288,000)
		$ -

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

The following is a schedule of interfund transfers in the governmental fund statements:

	Transfers In								
Transfers From	General Fund	Highway Fund	Capital Projects	Human Services Building	Brookside Care Center	Golf Fund	Housing Authority	Federal Inmate Human Services	Total
General Fund	$ -	$ 422,672	$ -	$ -	$ -	$ -	$ 2,281	$ 120,831	$ 545,784
Capital Projects	-	9,706,000	-	158,000	88,000	217,000	-	-	10,169,000
Human Services	4,382,231	-	-	-	-	-	-	-	4,382,231
Health Department	829,307	-	-	-	-	-	-	-	829,307
Parkland Development	-	-	161,342	-	-	-	-	-	161,342
ARPA	-	3,153,764	70,714	-	3,950,000	-	-	-	7,174,478
Totals	$ 5,211,538	$ 13,282,436	$ 232,056	$ 158,000	$ 4,038,000	$ 217,000	$ 2,281	$ 120,831	$ 23,262,142

The following reconciles the governmental statements to the government-wide presentation:

	Governmental Activities	Business-Type Activities
Net Activity Above	$ (17,695,436)	$ 17,695,436
Infrastructure	13,969,773	(13,969,773)
Equipment Contribution	44,031	(44,031)
Internal Service Elimination	158,000	(158,000)
Transfer In (Out)	$ (3,523,632)	$ 3,523,632

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	Outstanding 12/31/21	Issued	Retired	Outstanding 12/31/22	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Notes	$ 138,565,000	$ 20,000,000	$ 15,895,000	$ 142,670,000	$ 16,885,000
Deferred Amounts for					
Bond Premiums net of Discounts	6,454,634	1,204,220	804,053	6,854,801	-
Total General Obligation Debt	145,019,634	21,204,220	16,699,053	149,524,801	16,885,000
Leases	383,918	-	94,910	289,008	103,879
Vested Vacation Days	106,632	8,715	-	115,347	-
Unfunded Postemployment					
Governmental Activities					
Long-Term Obligations	$ 145,510,184	$ 21,212,935	$ 16,793,963	$ 149,929,156	$ 16,988,879
Business-Type Activities:					
General Obligation Debt:					
Notes	$ 17,325,000	$ -	$ 1,000,000	$ 16,325,000	$ 1,030,000
Deferred Amounts for					
Bond Premiums net of Discounts	559,983	-	39,999	519,984	-
Leases	3,694	27,452	5,774	25,372	6,700
Business-Type Activities					
Long-Term Obligations	$ 17,888,677	$ 27,452	$ 1,045,773	$ 16,870,356	$ 1,036,700

Total interest paid during 2022 was $3,526,504.

GENERAL OBLIGATION DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the County. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2022, was $1,111,416,550. Total general obligation debt outstanding at year end was $158,995,000.

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Governmental Activities:					
Promissory Notes	2014	2024	2.00% - 3.00%	$ 11,925,000	$ 3,975,000
Refunding Bonds	2015	2030	0.05% - 4.00%	21,555,000	8,020,000
Promissory Notes	2015	2025	2.00% - 4.00%	12,305,000	4,705,000
Promissory Notes	2016	2026	2.00% - 3.00%	13,965,000	8,520,000
Promissory Notes	2017	2027	2.25% - 4.00%	13,255,000	6,970,000
Law Enforcement Enhancement Bonds	2017	2037	2.75% - 4.00%	5,315,000	4,430,000
Promissory Notes	2018	2028	3.00% - 4.00%	15,270,000	12,235,000
Promissory Notes	2019	2029	2.00% - 3.00%	16,620,000	14,370,000
Highway Improvement Bonds	2019	2039	2.00% - 3.00%	8,880,000	7,705,000
Refunding Bonds	2020	2031	2.00% - 2.10%	3,785,000	1,650,000
Refunding Bonds	2020	2032	2.00% - 4.00%	11,870,000	3,140,000
Promissory Notes	2020	2030	1.00% - 2.00%	13,360,000	12,095,000
Corporate Purpose	2020	2040	2.00% - 3.00%	10,460,000	9,295,000
Promissory Notes	2021	2031	1.50% - 2.00%	15,445,000	14,170,000
Highway Improvement Bonds	2021	2041	2.00% - 4.00%	11,890,000	11,390,000
Promissory Notes	2022	2032	3.00% - 4.00%	13,600,000	13,600,000
Corporate Purpose	2022	2042	3.25% - 5.00%	6,400,000	6,400,000
Total Outstanding General Obligation Debt					$ 142,670,000

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Business-Type Activities					
General Obligation Debt					
Refunding Bonds	2015	2035	3.00% - 4.00%	$ 18,290,000	$ 16,325,000
Total Outstanding General Obligation Debt					$ 16,325,000

During 2022, the County borrowed $20,000,000 for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in the various Capital Project and Proprietary funds. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. Open purchase orders for the General Fund, Health, Federal Equitable Sharing and Capital Projects-Other Fund totaled $932,629 at year end and is included in Assigned Fund Balance for encumbrances.

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

	Governmental Activities	
Year Ended December 31,	Principal	Interest
2023	$ 16,885,000	$ 3,827,948
2024	16,095,000	3,335,179
2025	15,845,000	2,903,716
2026	15,565,000	2,452,754
2027	14,955,000	2,031,629
2028 - 2033	42,900,000	5,271,479
2034 - 2039	12,425,000	1,933,906
2040 - 2042	8,000,000	512,025
Total	$ 142,670,000	$ 22,268,636

	Business-Type Activities		Totals	
Year Ended December 31,	Principal	Interest	Principal	Interest
2023	$ 1,030,000	$ 579,850	$ 17,915,000	$ 4,407,798
2024	1,060,000	548,950	17,155,000	3,884,129
2025	1,090,000	517,150	16,935,000	3,420,866
2026	1,125,000	484,450	16,690,000	2,937,204
2027	1,160,000	450,700	16,115,000	2,482,329
2028 - 2033	6,395,000	1,641,175	49,295,000	6,912,654
2034 - 2039	4,465,000	362,000	16,890,000	2,295,906
2040 - 2042	-	-	8,000,000	512,025
Total	$ 16,325,000	$ 4,584,275	$ 158,995,000	$ 26,852,911

OTHER DEBT INFORMATION

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences and post-retirement benefits liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions.

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASES PAYABLE

Lease Liability: Right- to- Use Asset Agreements

The County leases automobiles, office space, and managed print devices under the terms of long-term, non-cancelable lease agreements. The lease expires in 2022 and 2026. The County is required to make various monthly principal and interest payments.

Annual principal and interest maturities of the outstanding lease liability of $314,380 on December 31, 2022 are detailed below:

	Governmental Activities		
Year Ending	Principal	Interest	Total
2023	$ 79,499	$ 2,611	$ 82,110
2024	63,257	1,487	64,744
2025	39,173	653	39,826
2026	16,128	113	16,241
Total	$ 198,057	$ 4,864	$ 202,921

	Internal Service Activities		
Year Ending	Principal	Interest	Total
2023	$ 24,380	$ 1,439	$ 25,819
2024	24,818	1,002	25,820
2025	24,860	556	25,416
2026	16,893	130	17,023
Total	$ 90,951	$ 3,127	$ 94,078
Total liability for government-wide statements	$ 289,008	$ 7,991	$ 296,999

	Business-Type Activities		
Year Ending	Principal	Interest	Total
2023	$ 6,700	$ 416	$ 7,116
2024	6,826	290	7,116
2025	6,955	161	7,116
2026	4,859	36	4,895
Total	$ 25,340	$ 903	$ 26,243

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. Leases Payable (cont.)

The lease agreements qualifies as right to use asset for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of its inception. This asset acquired through a right-to-use asset agreement is as follows:

Right-to-use assets for governmental activities acquired through outstanding leases are as follows:	
Buildings and Improvements	$ 44,763
Machinery and Equipment	392,697
Subtotal	437,460
Less Accumulated Depreciation for:	
Buildings and Improvements	44,763
Machinery and Equipment	193,852
Total	$ 198,845

Right-to-use assets for internal service activities acquired through outstanding leases are as follows:	
Buildings and Improvements	
Machinery and Equipment	$ 227,485
Subtotal	227,485
Less Accumulated Depreciation for:	
Buildings and Improvements	
Machinery and Equipment	136,646
Total	$ 90,839
Total leased assets for government -wide statements	$ 289,684

Right-to-use assets for business-type activities acquired through outstanding leases are as follows:	
Buildings and Improvements	
Machinery and Equipment	$ 53,658
Subtotal	53,658
Less Accumulated Depreciation for:	
Buildings and Improvements	
Machinery and Equipment	28,318
Total	$ 25,340

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

H. PENSION PLAN

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants), if hired on or before 12/31/2016, are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

H. PENSION PLAN (cont.)

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and & Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2022, the WRS recognized $4,774,992 in contributions from the employer.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

H. PENSION PLAN (cont.)

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

Pension Asset, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the County reported an asset of $33,019,535 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the County's proportion was 0.40966227%, which was a decrease of 0.00242391% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022 the County recognized pension revenue of $2,879,643.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 53,341,384	$ 3,846,489
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	73,867,439
Changes in Assumptions	6,160,314	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	22,923	36,299
Employer Contributions Subsequent to the Measurement Date	4,774,992	-
Total	$ 64,299,613	$ 77,750,227

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

H. PENSION PLAN (cont.)

The $4,774,992 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2023	$ (1,558,748)
2024	(8,958,578)
2025	(3,934,962)
2026	(3,773,318)
Total	$ (18,225,606)

Actuarial assumptions. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

H. PENSION PLAN (cont.)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three year period from January 1, 2018, to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %**	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %*
Core Fund Asset Class:			
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0	4.3%	1.8%
Inflation Sensitive Assets	19.0	2.7%	0.2%
Real Estate	7.0	5.6%	3.0%
Private Equity/Debt	12.0	9.7%	7.0%
Multi-Asset	12.0	6.6%	4.0%
Total Core Fund***	115.0%		
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.3%	4.1%
International Equities	30.0	7.2%	4.9%
Total Variable Fund	100.0%		

*New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%

**Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

***The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range up to 20%.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

H. PENSION PLAN (cont.)

Single Discount rate. A single discount rate of 6.80% was used to measure the Total Pension Liability as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
County's Proportionate Share of the Net Pension Liability (Asset)	$ 23,429,699	$ (33,019,535)	$ (73,652,476)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

At December 31, 2022 the County reported a payable of $559,926 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

I. RESTRICTED ASSETS

The County has restricted assets which consist of a deposit in Wisconsin Municipal Mutual Insurance Company (WMMIC) in the amount of $1,157,860. This deposit is the County's original capitalization investment. In addition, cash in the amount of $473,681 is restricted for liability insurance at WMMIC.

In addition, the County has cash in the amount of $647,200 restricted for health insurance claims with the plan manager, Humana Insurance Company.

NOTE IV – DETAILED NOTES ON ALL FUNDS (Cont.)

J. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION

Governmental and business-type activities net position reported on the government-wide statement of net position at December 31, 2022 includes the following:

Governmental Activities		
Invested in Capital Assets, Net of Related Debt:		
Construction in Progress, Land and Land Improvements	$	75,757,748
Other Capital Assets, Net of Accumulated Depreciation		176,549,893
Right to use leased assets, net of amortization		289,684
Plus: Deferred Outflow - Loss on Refunding of Capital Debt		
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)		(142,670,000)
Less: Lease Payable		(289,008)
Less: Premium Related to Debt		(6,854,801)
Less: Accounts Payable Related to Capital Outlay		(185,140)
Government -Type Debt Issued for Business-Type Assets		10,542,190
Total Net Investment in Capital Assets	$	113,140,566
Restricted For:		
Net Pension Asset	$	26,808,164
Specific Purpose: Grants and Loans		1,199,470
	$	28,007,634
Unrestricted (Deficit)	$	(11,229,725)

Business Type		
Invested in Capital Assets, Net of Related Debt:		
Land and Land Improvements	$	346,383
Other Capital Assets, Net of Accumulated Depreciation		33,898,034
Right to use leased assets, net of amortization		25,340
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)		(16,325,000)
Less: Lease Payable		(25,372)
Less: Premium Related to Debt		(519,984)
Less: Accounts Payable Related to Capital Outlay		(1,396,345)
Total Net Investment in Capital Assets	$	16,003,056
Restricted For:		
Net Pension Asset	$	6,211,371
Non-Expendable Fund Use		72,996
	$	6,284,367
Unrestricted (Deficit)	$	(8,220,535)

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

K. *GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION* (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

Nonspendable Fund Balance:

General Fund:	
Nonspendable:	
Delinquent Property Taxes	$ 3,261,987
Prepaid Items	717,038
Advance Payments	2,288,000
Total General Fund Nonspendable Fund Balance	6,267,025
Total Nonspendable Fund Balance	$ 6,267,025

Restricted Fund Balance:

Special Revenue Funds:	
Restricted for:	
Human Services - Aging	$ 39,258
Opioid Addiction Services	1,761,211
Sheriff Equitable Sharing Funds	26,237
Total Special Revenue Funds Restricted	1,826,706
Debt Service Fund:	
Restricted for:	
Debt Retirement	517,656
Total Restricted Fund Balance	$ 2,344,362

Committed Fund Balance:

Special Revenue Funds:	
Committed for:	
Federated Library Fund	$ 1,225
Geographic Information Systems	15,417
Total Special Revenue Funds	16,642
Total Committed Fund Balance	$ 16,642

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

K. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION (cont.)

Assigned Fund Balance:

General Fund:	
Assigned for:	
Encumbrances	$ 273,795
Sheriff Trust - DARE	125,239
Subsequent Year Expenditures	1,719,073
Total General Fund Assigned Fund Balance	2,118,107
Human Services:	
Subsequent Year Expenditures	32,115
Non-Major Funds:	
Assigned to:	
Geographic Information System	20,028
Capital Projects:	
Encumbrances	658,834
Subsequent Year Expenditures	10,397,826
Capital Projects - Capital Use Only	396,883
Total Non-Major Assigned Fund Balance	11,473,571
Total Assigned Fund Balance	$ 13,623,793

Unassigned Fund Balance:

Unassigned:	
General Fund	$ 25,577,221

NOTE V – OTHER INFORMATION

A. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County participates in a public entity risk pool called WMMIC to provide coverage for losses from torts; errors and omissions; and public liability. However, other risks, such as workers compensation is accounted for and financed by the County in internal service funds. Theft, damage to, or destruction of assets is covered through the purchase of an insurance policy. Settled claims have not exceeded the commercial coverage in any of the past three years. Health insurance claims are self-insured with a purchased stop loss policy with a maximum $150,000 per employee exposure. There were no significant reductions in coverage compared to the prior three years.

PUBLIC ENTITY RISK POOL

The County, together with certain other units of government within the State of Wisconsin, created the Wisconsin Municipal Mutual Insurance Company (WMMIC), a non-assessable mutual company which provides liability insurance and risk management services to its members. The County became a member of WMMIC in 1992 by issuing a general obligation note for $1,157,860 and investing the proceeds in WMMIC. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and American with Disabilities Act at policy limits of $12,000,000 per occurrence and $30,000,000 annual aggregate on an excess basis above members per occurrence and annual aggregate self-insured retentions. The County's self-insured retention limit is $400,000 for each occurrence and $1,275,000 for the annual aggregate.

WMMIC's exposure in its layer of insurance is limited to $1,500,000 per occurrence in that the company purchases $10,500,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage. The amount of reinsurance may vary from year to year as determined by the WMMIC Board of Directors.

WMMIC is governed by one entity-one vote. Member entities include Kenosha County and; the counties of Brown, Chippewa, Dane, Dodge, Eau Claire, Jefferson, Lacrosse, Manitowoc, Marathon, Outagamie, Rock, Walworth, St. Croix, Walworth, and Waukesha; and the cities of Eau Claire, La Crosse, and Madison. All member entities participate in the governing of the company. Its Board of Directors is made up of at least five representatives of the participating entities and the company's charter allows for the appointment of two at-large members to the Board of Directors. The board members are elected at the annual meeting by the participants. The board has the authority to adopt its own budget, set policy matters and control the financial affairs of the company.

The actuary for WMMIC determines the insurance premiums for each member based upon the relevant rating exposure bases as well as the historical loss experience by member. WMMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

NOTE V – **OTHER INFORMATION** (Cont.)

The participant's share in the operation of WMMIC as of December 31, 2022 is as follows:

	Percentage
Brown County	7.45
Chippewa County	3.11
Dane County	9.88
Dodge County	3.82
Eau Claire County	3.80
Eau Claire, City of	3.03
Jefferson County	2.92
Kenosha County	6.35
Lacrosse County	3.90
Lacrosse, City of	1.70
Madison, Cityof	13.45
Manitowoc County	5.40
Marathon County	5.88
Outagamie County	5.95
Rock County	5.56
St. Croix County	3.17
Walworth County	5.45
Waukesha County	9.18
	100

The County's investment in WMMIC is reported on the General Liability Insurance Fund balance sheet as a deposit. The amount reported is the original capitalization of $1,157,860. For 2022, WMMIC prepared its statutory financial statements in accordance with accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin (OCI). This reflects a change in basis in presentation since 2005 when the financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Therefore, in 2022, the participant's share in the operation of WMMIC and the market value are shown using the new presentation. Using this presentation, the market value of the original capitalization as of December 31, 2022 is $2,109,993. The financial statements can be obtained from WMMIC at their address of 4781 #201 Hayes Road, Madison, Wisconsin, 53704-7364.

NOTE V – OTHER INFORMATION (Cont.)

The estimated liability for the County's self-insured retention (SIR) limits related to coverage provided by WMMIC has been determined on an actuarial basis.

	2022	2021
Unpaid Cliams, including IBNR - Beginning of Year	$ 2,117,929	$ 2,204,285
Current Year Claims and Changes in Estimates	780,151	275,057
Claim Payments	(620,401)	(361,413)
Unpaid Claims - End of Year	$ 2,277,679	$ 2,117,929

SELF-INSURANCE – WORKERS COMPENSATION

The County has also established a Risk Management program for workers compensation. All funds of the County participate in this program. The workers compensation internal service fund is maintained to provide for self-insured workers compensation insurance coverage and employee safety and loss control programs. The County contracts with a third party claims administrator for the purpose of adjusting workers compensation claims. An excess claims insurance policy covers individual claims in excess of the County's $650,000 self-insured retention up to statutory requirements (unlimited) per claim. No one claim has exceeded the commercial coverage in the past three years. Costs associated with the workers compensation program are billed to other County departments based on exposure and historical loss experience and include amounts necessary to fund current year claims to be paid in the current year and in the future. At December 31, 2022, the County has established a future claims insurance liability in the amount of $2,260,355 to fund the estimated liability for the County's self-insured retention limits under its workers compensation program.

This represents a discounted reserve determined on an actuarial basis with a mean confidence level which achieves the County's objective of providing a reserve confidence level not less than 50%, but not more than 95% as a reflection of the County's risk tolerance.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The County does not allocate overhead costs or other non-incremental costs to the claims liability.

	2022	2021
Unpaid Cliams, including IBNR - Beginning of Year	$ 2,259,221	$ 1,855,640
Current Year Claims and Changes in Estimates	1,032,274	1,452,956
Claim Payments	(1,031,140)	(1,049,375)
Unpaid Claims - End of Year	$ 2,260,355	$ 2,259,221

NOTE V – OTHER INFORMATION (Cont.)

Self-Insurance – Health Insurance

In the Health Insurance internal service fund, revenues from County departments and other sources totaled $23,258,728. Expenditures in the same fund totaled $23,258,728. A deficit of $1,891,328 was allocated in the form of a chargeback resulting in additional revenue equal to the deficit from the County departments.

The estimated liability for the County's self-insured incurred but not recorded (IBNR) expenditures related to outstanding claims has been determined on an actuarial basis.

	2022	2021
Unpaid Cliams, including IBNR - Beginning of Year	$ 1,687,000	$ 1,617,000
Current Year Claims and Changes in Estimates	18,638,530	18,752,874
Claim Payments	(18,962,530)	(18,682,874)
Unpaid Claims - End of Year	$ 1,363,000	$ 1,687,000

NOTE V – OTHER INFORMATION (Cont.)

B. COMMITMENTS AND CONTINGENCIES

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County's Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the County. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the County.

C. JOINT VENTURE

Kenosha County and the City of Kenosha jointly operate the Kenosha City-County Joint Services Board (Board) which was formed in 1981 to provide joint service functions supporting operations of the Kenosha County Sheriff's Department and the City of Kenosha Police Department. The Board provides the following support services: communications, records, property room evidence, collection of citations, vehicle maintenance and administrative services. The County and City share in the annual operation of the district equally.

The Board consists of three members appointed by the County, three by the City of Kenosha and one independent member confirmed by both. County representatives are the County Executive, the County Board Chairman and the chairman of the County Judiciary Committee or their designees. The Board has the authority to adopt its own budget and control the financial affairs of the organization. The County made payments totaling $5,015,182 to the Board for 2022.

The current intergovernmental agreement was negotiated and agreed upon by Kenosha County and the City of Kenosha effective January 1, 2010.

The transactions of the Board are not reflected in these financial statements.

The County accounts for its share of the operation in the general fund. Financial information of the Board as of December 31, 2022 is available directly from the Board's office.

NOTE V – OTHER INFORMATION (Cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

The County reports OPEB related balances at December 31, 2022 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	$ 6,665,277	$ 2,100,530	$ 882,626	$ 779,712
Single-Employer Defined OPEB Plan	49,653,215	11,007,506	1,341,843	4,930,202
Total OPEB Liability	$ 56,318,492	$ 13,108,036	$ 2,224,469	$5,709,914

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

The County adopted the Other Post-Employment Benefit Health Insurance Policy with an effective date of January 1, 2013. All of the following actuarially determined liability estimates were calculated taking this adoption into consideration.

Plan Description. Kenosha County (County) provides medical insurance benefits to eligible retirees and their spouses. Eligibility requirements and benefits by County employee group are as follows:

Deputy Sheriffs

Eligibility Any classified or non-classified sworn active employees who are between the ages of 50 and Medicare eligibility age as of effective date are eligible.

Benefits Before age 52, the retiree pays 100% of the premium. Between the ages of 52 and Medicare eligible age, the County pays 100% of the premium for single or family coverage. After Medicare eligible age, the retiree may continue in the plan, paying 100% of the premium.

All Others

Eligibility Active employees hired before January 1, 2012 who have had at least ten years of continuous employment as of the effective date are eligible.

Benefits Eligible active employees who as of the date of retirement are at least 60 years of age and have had at least 15 years of continuous employment are eligible to receive post-employment health insurance benefit which includes paying the same copayments, deductibles, and premium contributions and remaining in the same risk pool as active employees. Eligibility continues until employee is eligible for Medicare. After Medicare eligible age, the retiree may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

Eligible active employees who retire at age 55, 56, 57, 58, or 59 with 15 years of continuous employment with the County as of the date of retirement may find alternative health insurance coverage and then return to the County health insurance plan (one re-entry allowed per retiree) at or after age 60 subject to the terms described in the preceding paragraph if the retiree has no other health coverage. In addition, eligible active employees who retire after age 60 with at least 15 years of continuous employment with the County as of the date of retirement may find alternative coverage and then return to the County health insurance plan (one re-entry allowed per retiree) subject to the terms described in the preceding paragraph if the other coverage ends. Under either of these options, proof of other insurance is required. All employees hired after December 31, 2011 are not eligible for post-employment retiree health insurance benefits.

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

All Others (continued)

Benefits COBRA- Employees may be eligible to continue coverage under the County health insurance plan by paying the monthly budgeted premium cost (at an implicit subsidized rate-see definition section) adding the allowed administrative cost in accordance with State and Federal law concerning a qualifying event. This may occur as the result of resignation, layoff, reduction in hours, injury or illness and other leaves of absence.

Consolidation of Years of Service- An employee who is reemployed by the County within three years of his/her resignation may request a bridge in service from the Director of Human Resources if that employee had a minimum of ten years of previous service with the County and had resigned in good standing. Such a request may be made only after the employee has been reemployed for a period of 24 months.

National Health Insurance- In the case a plan of national health insurance should be established, the County reserves the right to make changes to a retiree's health insurance benefit. Such changes could include but are not limited to the reduction or cessation of the County's contributions for that benefit, changes in plan design, or changes in the benefits available under the plan. For example (and without limitation), the County could reduce its contribution or the benefits available in proportion to benefits which may be provided by the government under any plan.

For active employees who are not eligible for a post-employment health insurance benefit as described in the preceding paragraphs, the County agrees to include retired/former employees in the group for which the County shall negotiate a comprehensive hospital-surgical-major medical coverage policy. Retiring/terminating employees (other than employees who are terminated for cause) who are at least 55 years of age as of the date of retirement/termination may enroll in the County health insurance plan at the monthly budgeted premium cost (see definition section) and may maintain coverage until they become eligible to enroll in Medicare.

If a retiree and the retiree's spouse are both participating in the County health insurance plan under this policy and the retiree becomes eligible to enroll in Medicare and is therefore no longer eligible for coverage under the County health insurance plan, the spouse may purchase single coverage under the County health insurance plan at the budgeted premium cost until he/she becomes eligible to enroll in Medicare.

Active employees who otherwise had qualified for a post-employment health benefit who retire as the result of a disability are eligible to purchase County health insurance benefits in the specific plan they were previously enrolled in at the monthly budgeted premium cost and may continue coverage under the plan until becoming eligible to enroll in Medicare. Medicare-eligible retirees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

All Others (continued)

In the event a retired employee who otherwise had qualified for a post-employment health benefit who has family coverage under the County health insurance plan dies before reaching Medicare eligibility age, his/her surviving spouse may continue benefits coverage under the County health insurance plan until becoming eligible for Medicare by paying the monthly budgeted premium cost (at an implicit subsidized rate) for single coverage. Medicare-eligible spouses of retired employees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

County Board - Effective April 30, 2012, all current County Board members (of which there are 23) can only obtain County health insurance if they pay the full County budgeted Family/Single rate.

All Public Officials (including County Board) – County Board members are elected for two year terms. The other six public officials (Sheriff, Treasurer, County Clerk, Clerk of Courts, Register of Deeds, and County Executive) are elected to four year terms. By County Board resolution, all former public elected officials are allowed to continue on the County health insurance indefinitely at the County budgeted Single/Family rate. Upon reaching Medicare age eligibility, they may continue coverage at the calculated self-supporting rate and the County's insurance is secondary to Medicare.

Employees Covered by Benefit Terms
At December 31, 2022, the following employees were covered by the benefit terms using membership information as of January 1, 2021:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	190
Active Employees	947
Total	1,137

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by the Kenosha County Board by approving bargaining unit contracts in which plan eligibility and benefits are detailed and setting plan eligibility and benefits for non-represented employees. The County contribution is based on actual pay-as-you-go all-inclusive (pre-Medicare and Medicare eligible age) plan member expenditures. Plan members that are Medicare eligible age contribute premium amounts that are adjusted annually. These premium amounts vary depending upon the plan benefit level under which the plan member retired. In addition, plan members that are Medicare eligible are eligible to select a fully insured wrap-around plan in which all premiums are paid by the member with Kenosha County only used in a pass-thru capacity.

Total OPEB Liability
The County's total OPEB liability was measured as of December 31, 2021, and the total OPEB liability determined by an actuarial valuation as of December 31, 2021.

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

Actuarial Assumptions

Mortality Rate:	2020 Wisconsin Retirement Experience Table
Turnover Rate - General Employees:	Ranging from 4.0% to 20.0% over 10 years
Turnover Rate - Protective Employees with Social Security:	Ranging from 2.3% to 15.6% over 10 years
Healthcare Cost Trend Rates:	Ranging from 6.0% to 3.70% through 2073

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.00%
Discount Rate:	2.06%

The County has not established a separate, irrevocable trust to fund the annual OPEB cost and does not issue separate plan statements. As a result, actuarial assumptions included an annual healthcare cost trend rate of 5.4 percent per annum for 2022 grading down to an ultimate rate of 3.7 percent over a 52 year period. Medical inflation was based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long term medical trend. This model reflects the most current academic research regarding future healthcare cost trends. The discount rate is based upon the Bond Buyer General Obligation 20-Year Municipal Bond Index as of the measurement date. Expected medical relative cost factors were developed from the Milliman Health Cost Guidelines. Based on the County's recent claim experience, plan provisions, and relative age cost factors assumptions, the actuary developed age adjusted "per member per month" (PMPM) cost for 2021. Participation rate and spouse election was based on recent experience in the plan. In addition, the actuarial valuation calculated the liability estimates using actuarial assumptions related to the eligibility for Medicare, termination rates, retirement rates, disability rates, and mortality based on information provided by the County to the Wisconsin Retirement System (WRS), and the actuarial firm's judgment.

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at December 31, 2021	$ 46,838,536
Changes for the Year:	
Service Cost	2,450,459
Interest	1,013,198
Contributions - Employer	-
Net Investment Income	-
Effect of Economic / Demographic Gains or Losses	-
Changes of Assumptions	2,360,506
Benefit Payments	(3,009,484)
Net Changes	2,814,679
Balance at December 31, 2022	$ 49,653,215

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County calculated using a discount rate that is one percentage point lower (1.06%) or one percentage point higher (3.06%) than the current rate of 2.06%:

	1% Decrease to Discount Rate 1.06%	Current Discount Rate 2.06%	1% Increase to Discount Rate 3.06%
Total OPEB Liability	$ 52,997,426	$ 49,653,215	$ 46,507,110

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the County, as well as what the County's total liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.0% decreasing to 2.7%) or one percentage point higher (7.0% decreasing to 4.7%) that the current healthcare cost trend rates:

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

	1% Decrease (5.0% Decreasing to 2.7%)	Healthcare Cost Trend Rates (6.0% Decreasing to 3.7%)	1% Increase (7.0% Decreasing to 4.7%)
Total OPEB Liability	$ 45,366,990	$ 49,653,215	$ 54,592,347

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended December 31, 2022, the County recognized OPEB expense of $4,930,202. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 5,172,297	$ -
Changes in Assumptions	2,388,209	1,341,843
Contributions Subsequent to the Measurement Date	3,447,000	-
Total	$ 11,007,506	$ 1,341,843

The $3,447,000 reported as deferred outflows related to other post-employment benefits resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB in the year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ending December 31,	Expense
2023	$ 1,515,467
2024	1,394,708
2025	1,378,393
2026	851,535
2027	777,551
Thereafter	301,009
Total	$ 6,218,663

Payable to the OPEB Plan

At December 31, 2022, the County reported a payable of zero for the outstanding amount of contribution to the Plan required for the year ended December 31, 2022.

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

Local Retiree Life Insurance Fund (LRLIF)

Plan Description
The LRLIF is a multiple employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin State Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position
The ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do

Benefits Provided
The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions
The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

Contribution rates as of December 31, 2022 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are listed below:

Life Insurance
Member Contribution Rates
For the Year Ended December 31, 2021

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

During the year ended December 31, 2022, the LRLIF recognized $23,026 in contributions from Kenosha County.

<u>OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>

At December 31, 2022, the County reported a liability of $6,665,277 for its proportionate share of the OPEB liability. The net OPEB liability as measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the County's proportion was 1.127726%, which was a decrease of 0.008473% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the County recognized OPEB expense of $779,712.

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 339,060
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	86,720	-
Changes in Assumptions	2,013,810	323,069
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	220,497
Total	$ 2,100,530	$ 882,626

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2023	$ 277,913
2024	267,852
2025	239,131
2026	314,632
2027	123,963
Thereafter	(5,587)
Total	$ 1,217,904

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

Actuarial Assumptions - The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability:	December 31, 2021
Experience Study:	January 1, 2018-December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

Long-term expected return on plan assets – The long-term expected rate of return is determined by adding expected inflation to expected long-term returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	45%	1.68%
U.S. Long Credit Bonds	Barclays Long Credit	5%	1.82%
U.S. Mortgages	Barclays MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

NOTE V – OTHER INFORMATION (Cont.)

*D. **OTHER POSTEMPLOYMENT BENEFITS** (CONT.)*

The long-term expected rate of return remain unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2022 to 2.30% as of December 31, 2021.

Single discount rate – A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to the make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the County's proportionate share of net OPEB liability to changes in the discount rate
The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 2.17%, as well as what the County's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
County's Proportionate Share of the Net OPEB Liability	$ 9,042,379	$ 6,665,277	$ 4,876,607

Payable to the OPEB Plan

At December 31, 2022, the County reported a payable of zero for the outstanding amount of contribution to the Plan required for the year ended December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Health Insurance OPEB Liability and Related Ratios

Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	$ 2,450,459	$ 1,835,142	$ 1,568,490	$ 1,729,125	$ 1,564,945	$ 1,573,914
Interest on total OPEB liability	1,013,198	1,196,125	1,774,954	1,362,328	1,458,060	1,403,049
Effect of plan changes	-	-	-	-	-	-
Effect of economic/demographic gains or losses	-	5,367,102	-	3,236,537	-	-
Effect of assumptions changes or inputs	2,360,306	(1,778,569)	(148,967)	553,867	848,224	(517,381)
Benefit payments	(3,009,484)	(3,178,761)	(3,009,470)	(3,059,317)	(2,950,902)	(3,404,000)
Net change in total OPEB liability	2,814,479	3,441,039	185,007	3,822,540	920,327	(944,418)
Total OPEB Liability- beginning balance	46,838,736	43,397,697	43,212,690	39,390,150	38,469,823	39,414,241
Total OPEB Liability - ending balance	$ 49,653,215	$ 46,838,736	$ 43,397,697	$ 43,212,690	$ 39,390,150	$ 38,469,823
Covered-employee payroll	$ 62,834,712	$ 61,853,396	$ 56,582,000	$ 56,779,000	$ 56,681,000	$ 51,677,667
County's total liability as a percentage of covered-employee payroll	79.02%	75.73%	76.70%	76.11%	69.49%	74.44%

KENOSHA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURNACE FUND
FOR THE LAST TEN MEASUREMENT PERIODS

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2017	1.28874000%	$ 3,697,166	$ 51,677,667	7.15%	44.81%
12/31/2018	1.22322600%	3,156,336	56,681,000	5.57%	48.69%
12/31/2019	1.18004300%	5,024,853	56,779,000	8.85%	37.58%
12/31/2020	1.13619900%	6,249,915	56,582,000	11.05%	31.36%
12/31/2021	1.12772600%	6,665,277	56,818,000	11.73%	0.00%

KENOSHA COUNTY
SCHEUDLE OF CONTRIBUTUIONS-
LOCAL RETIREE LIFE INSURNACE FUND
FOR THE LAST TEN FISCAL YEARS PERIODS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	$ 23,336	$ 23,336	$ -	$ 56,681,000	0.04%
12/31/2019	23,567	23,567	-	56,779,000	0.04%
12/31/2020	21,332	21,332	-	56,582,000	0.04%
12/31/2021	22,524	22,524	-	61,853,396	0.04%
12/31/2022	23,026	23,026	-	62,834,712	0.04%

See Notes to Required Supplementary Information.

KENOSHA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) FOR THE LAST TEN MEASUREMENT PERIODS

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.40241775%	$ (9,884,481)	$ 52,348,117	18.88%	102.74%
12/31/15	0.39990601%	6,498,395	53,343,061	12.18%	98.20%
12/31/16	0.40277308%	3,319,812	54,998,853	6.04%	99.12%
12/31/17	0.40940870%	(12,155,830)	57,187,343	21.26%	102.93%
12/31/18	0.41422110%	14,736,687	58,258,793	25.30%	96.45%
12/31/19	0.41465445%	(13,370,352)	59,306,425	22.54%	102.96%
12/31/20	0.41208618%	(25,727,114)	61,087,862	42.11%	105.26%
12/31/21	0.40966227%	(33,019,535)	61,853,396	53.38%	106.02%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 3,870,441	$ 3,870,441	$ -	$ 53,343,061	7.26%
12/31/16	3,879,598	3,879,598	-	54,998,853	7.05%
12/31/17	4,245,598	4,245,598	-	57,187,343	7.42%
12/31/18	4,302,197	4,302,197	-	58,258,793	7.38%
12/31/19	4,306,386	4,306,386	-	59,306,425	7.26%
12/31/20	4,648,247	4,648,247	-	61,087,862	7.61%
12/31/21	4,750,790	4,750,790	-	61,853,396	7.68%
12/31/22	4,774,992	4,774,992	-	62,834,712	7.60%

See Notes to Required Supplementary Information.

NOTE A – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available. The amounts presented for each fiscal year were determined as of the calendar year end that occurred with in the fiscal year.

NOTE B – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75

The County implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended December 31, 2018. Information for prior years is not available. The County currently has no assets accumulated in a trust for the single employer plan.

NOTE C – WISCONSIN RETIREMENT SYSTEM

There were no changes of benefit terms for any participating employer in WRS.

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The County is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

NOTE D – OTHER POSTEMPLOYMENT BENEFITS

Single employer Defined Postemployment Benefit Plans

There were no changes in benefit terms.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Demographic assumptions have been updated based upon the most recent WRS experience study.

Estimated annual claim costs were changed to reflect anticipated experience pursuant to a review of the medical provisions and current premiums.

Medical trend rates were changed to reflect anticipated experience under the most recent Getzen model application.

The discount rate has been updated to comply with GASB 75.

Local Retiree Life Insurance Fund

There were no changes in benefit terms.

In addition to the rate changes detailed in the notes to the financial statements, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- • Lowering the long-term expected rate of return from 5.00% to 4.25%
- • Lowering the wage inflation rate from 3.2% to 3.0%
- • Lowering the price inflation rate from 2.7% to 2.5%
- • Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

  The County is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

KENOSHA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	$ 2,227,477	$ 11,969,856	$ 14,197,333
Receivables			
Property taxes	3,630,385	330,000	3,960,385
Leases	-	159,777	159,777
Due from other governments	1,929,760	-	1,929,760
Loans receivable	1,199,470	-	1,199,470
TOTAL ASSETS	$ 8,987,092	$ 12,459,633	$ 21,446,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 339,152	$ 517,341	$ 856,493
Special deposits	56,925	-	56,925
Due to other funds	1,537,168	-	1,537,168
Other unearned revenue	399,874	-	399,874
Total Liabilities	2,333,119	517,341	2,850,460
Deferred Inflows of Resources			
Property taxes levied for subsequent year	3,630,385	330,000	3,960,385
Unearned lease revenue	-	158,749	158,749
Revolving loan fund outstanding loans	1,199,470	-	1,199,470
Total Deferred Inflows of Resources	4,829,855	488,749	5,318,604
Fund Balances			
Restricted			
Opioid settlement fund	1,761,211	-	1,761,211
Sheriff Federal Equitable Sharing funds	26,237	-	26,237
Committed			
Federated Library System	1,225	-	1,225
Geographic Information Systems	15,417	-	15,417
Assigned			
Encumbrances	-	658,834	658,834
Subsequent year expenditures	20,028	10,397,826	10,417,854
Capital Projects	-	396,883	396,883
Total Fund Balances	1,824,118	11,453,543	13,277,661
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 8,987,092	$ 12,459,633	$ 21,446,725

KENOSHA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2022

	Housing Authority	Opioid Settlement	Health Department	Federated Library System	Geographic Information Systems	Sheriff Federal Equitable Sharing	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and investments	$ 3,050	$ 1,761,211	$ 21,753	$ 399,813	$ 15,413	$ 26,237	$ 2,227,477
Receivables							
Property taxes	-	-	1,781,392	1,848,993	-	-	3,630,385
Due from other governments	-	-	1,901,682	-	28,078	-	1,929,760
Loans receivable	1,199,470	-	-	-	-	-	1,199,470
TOTAL ASSETS	$ 1,202,520	$ 1,761,211	$ 3,704,827	$ 2,248,806	$ 43,491	$ 26,237	$ 8,987,092
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 3,050	$ -	$ 328,056	$ -	$ 8,046	$ -	$ 339,152
Special deposits	-	-	56,925	-	-	-	56,925
Due to other funds	-	-	1,537,168	-	-	-	1,537,168
Other unearned revenue	-	-	1,286	398,588	-	-	399,874
Total Liabilities	3,050	-	1,923,435	398,588	8,046	-	2,333,119
Deferred Inflows of Resources							
Property taxes levied for subsequent year	-	-	1,781,392	1,848,993	-	-	3,630,385
Revolving loan fund outstanding loans	1,199,470	-	-	-	-	-	1,199,470
Total Deferred Inflows of Resources	1,199,470	-	1,781,392	1,848,993	-	-	4,829,855
Fund Balances							
Restricted							
Opioid Settlement Fund	-	1,761,211	-	-	-	-	1,761,211
Sheriff Federal Equitable Sharing funds	-	-	-	-	-	26,237	26,237
Committed							
Federated Library System	-	-	-	1,225	-	-	1,225
Geographic Information Systems	-	-	-	-	15,417	-	15,417
Assigned							
Subsequent year expenditures	-	-	-	-	20,028	-	20,028
Total Fund Balances	-	1,761,211	-	1,225	35,445	26,237	1,824,118
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 1,202,520	$ 1,761,211	$ 3,704,827	$ 2,248,806	$ 43,491	$ 26,237	$ 8,987,092

KENOSHA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
December 31, 2022

	Parkland Development	Public Safety Building	Energy Reduction Technology	Other Capital Projects	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and investments	$ 524,588	$ 343,304	$ 220,319	$ 10,881,645	$ 11,969,856
Property taxes receivable	-	-	-	330,000	330,000
Lease receivable	22,960	-	-	136,817	159,777
TOTAL ASSETS	$ 547,548	$ 343,304	$ 220,319	$ 11,348,462	$ 12,459,633
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 517,341	$ 517,341
Total Liabilities	-	-	-	517,341	517,341
Deferred Inflows of Resources					
Property taxes levied for subsequent year	-	-	-	330,000	330,000
Unearned lease revenue	22,916	-	-	135,833	158,749
Total Deferred Inflows of Resources	22,916	-	-	465,833	488,749
Fund Balance					
Assigned					
Encumbrances	-	-	-	658,834	658,834
Subsequent year expenditures	513,390	343,304	220,319	9,320,813	10,397,826
Capital Projects	11,242	-	-	385,641	396,883
Total Fund Balances	524,632	343,304	220,319	10,365,288	11,453,543
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 547,548	$ 343,304	$ 220,319	$ 11,348,462	$ 12,459,633

KENOSHA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 3,299,316	$ -	$ 3,299,316
Licenses and permits	524,065	-	524,065
Intergovernmental revenues	9,619,794	1,324,453	10,944,247
Charges for services	1,375,869	196,429	1,572,298
Investment income	7,291	13,809	21,100
Miscellaneous income	110,170	120,750	230,920
Total Revenues	14,936,505	1,655,441	16,591,946
EXPENDITURES			
Current			
General government	-	-	-
Health	9,393,630	-	9,393,630
Public Safety	1,359,732	-	1,359,732
Education and recreation	2,580,965	-	2,580,965
Conservation and development	98,401	-	98,401
Capital Outlay	112,553	9,476,949	9,589,502
Debt Service			
Interest, fiscal charges and debt issuance costs	-	291,539	291,539
Total Expenditures	13,545,281	9,768,488	23,313,769
Excess (deficiency) of revenues over expenditures	1,391,224	(8,113,047)	(6,721,823)
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	14,000	19,986,000	20,000,000
Premium on issuance of debt	-	110,476	110,476
Transfers in	123,112	232,056	355,168
Transfers out	(829,307)	(10,330,342)	(11,159,649)
Total Other Financing Sources (Uses)	(692,195)	9,998,190	9,305,995
Net change in fund balance	699,029	1,885,143	2,584,172
FUND BALANCES - BEGINNING OF YEAR	1,125,089	9,568,400	10,693,489
FUND BALANCES - END OF YEAR	$ 1,824,118	$ 11,453,543	$ 13,277,661

KENOSHA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2022

	Housing Authority	Opioid Settlement	Health Department	Federated Library System	Geographic Information Systems	Sheriff Federal Equitable Sharing	Federal Inmate Fund	Total Nonmajor Special Revenue Funds
REVENUES								
Taxes	$ -	$ -	$ 1,498,480	$1,800,836	$ -	$ -	$ -	$ 3,299,316
Licenses and permits	-	-	524,065	-	-	-	-	524,065
Intergovernmental revenues	-	1,753,921	5,788,564	781,129	31,042	26,237	1,238,901	9,619,794
Charges for services	-	-	1,354,224	-	21,645	-	-	1,375,869
Investment income	1	7,290	-	-	-	-	-	7,291
Miscellaneous income	50,269	-	59,901	-	-	-	-	110,170
Total Revenues	50,270	1,761,211	9,225,234	2,581,965	52,687	26,237	1,238,901	14,936,505
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Health	-	-	9,393,630	-	-	-	-	9,393,630
Public Safety	-	-	-	-	-	-	1,359,732	1,359,732
Education and recreation	-	-	-	2,580,965	-	-	-	2,580,965
Conservation and development	54,999	-	-	-	43,402	-	-	98,401
Capital Outlay	-	-	112,553	-	-	-	-	112,553
Total Expenditures	54,999	-	9,506,183	2,580,965	43,402	-	1,359,732	13,545,281
Excess (deficiency) of revenues over expenditures	(4,729)	1,761,211	(280,949)	1,000	9,285	26,237	(120,831)	1,391,224
OTHER FINANCING SOURCES (USES)								
General obligation debt issued	-	-	14,000	-	-	-	-	14,000
Transfers in	2,281	-	-	-	-	-	120,831	123,112
Transfers out	-	-	(829,307)	-	-	-	-	(829,307)
Total Other Financing Sources (Uses)	2,281	-	(815,307)	-	-	-	120,831	(692,195)
Net change in fund balance	(2,448)	1,761,211	(1,096,256)	1,000	9,285	26,237	-	699,029
FUND BALANCES - BEGINNING OF YEAR	2,448	-	1,096,256	225	26,160	-	-	1,125,089
FUND BALANCES - END OF YEAR	$ -	$1,761,211	$ -	$ 1,225	$ 35,445	$ 26,237	$ -	$ 1,824,118

KENOSHA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2022

	Parkland Development	Public Safety Building	Energy Reduction Technology	Other Capital Projects	Nonmajor Capital Projects Funds
REVENUES					
Intergovernmental revenues	$ -	$ -	$ -	$ 1,324,453	$ 1,324,453
Charges for services	153,037	-	-	43,392	196,429
Investment income	532	-	-	13,277	13,809
Miscellaneous income	75,000	-	-	45,750	120,750
Total Revenues	228,569	-	-	1,426,872	1,655,441
EXPENDITURES					
Capital Outlay	$ 16,900	$ -	$ 44,293	$ 9,415,756	$ 9,476,949
Debt Service					
Interest, fiscal charges and debt issuance costs	-	-	-	291,539	291,539
Total Expenditures	16,900	-	44,293	9,707,295	9,768,488
Excess (deficiency) of revenues over expenditures	211,669	-	(44,293)	(8,280,423)	(8,113,047)
OTHER FINANCING SOURCES (USES)					
General obligation debt issued	-	-	-	19,986,000	19,986,000
Premium on issuance of debt	-	-	-	110,476	110,476
Transfers in	-	-	-	232,056	232,056
Transfers out	(161,342)	-	-	(10,169,000)	(10,330,342)
Total Other Financing Sources (Uses)	(161,342)	-	-	10,159,532	9,998,190
Net change in fund balance	50,327	-	(44,293)	1,879,109	1,885,143
FUND BALANCES - BEGINNING OF YEAR	474,305	343,304	264,612	8,486,179	9,568,400
FUND BALANCES - END OF YEAR	$ 524,632	$ 343,304	$ 220,319	$ 10,365,288	$ 11,453,543

KENOSHA COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2022

	Human Services Building	Health Insurance	Workers Compensation	General Liability Insurance	Totals
ASSETS					
Current assets					
Cash and cash equivalents	$ 1,227,510	$ -	$ 959,504	$ 722,457	$ 2,909,471
Accounts receivable	-	382,646	-	-	382,646
Property taxes receivable	247,081	-	-	-	247,081
Lease receivable	43,977	-	-	-	43,977
Due from other governments	9,317	-	-	-	9,317
Due from other funds	1,284,865	2,295,247	1,303,293	-	4,883,405
Total current assets	2,812,750	2,677,893	2,262,797	722,457	8,475,897
Noncurrent assets					
Restricted cash and investments	-	647,200	-	473,681	1,120,881
Deposit in WMMIC	-	-	-	1,157,860	1,157,860
Right to use leased assets, net of amortization	90,839	-	-	-	90,839
Capital assets					
Land and construction in progress	797,641	-	-	-	797,641
Buildings and improvements	7,594,373	-	-	-	7,594,373
Machinery and equipment	638,654	-	-	-	638,654
Accumulated depreciation	(7,975,371)	-	-	-	(7,975,371)
Total capital assets	1,055,297	-	-	-	1,055,297
Total noncurrent assets	1,146,136	647,200	-	1,631,541	3,424,877
Total Assets	3,958,886	3,325,093	2,262,797	2,353,998	11,900,774
LIABILITIES					
Current liabilities					
Accounts payable	181,396	462,093	2,442	76,319	722,250
Current portion of lease liability	24,380	-	-	-	24,380
Claims payable	-	1,363,000	2,260,355	2,277,679	5,901,034
Other current liabilities	14,932	-	-	-	14,932
Total current liabilities	220,708	1,825,093	2,262,797	2,353,998	6,662,596
Noncurrent liabilities					
Lease liability	66,571	-	-	-	66,571
Total noncurrent liabilities	66,571	-	-	-	66,571
Total Liabilities	287,279	1,825,093	2,262,797	2,353,998	6,729,167
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	43,006	-	-	-	43,006
Property taxes levied for subsequent year	247,081	-	-	-	247,081
	290,087	-	-	-	290,087
NET POSITION					
Net investment in capital assets	1,055,297	-	-	-	1,055,297
Unrestricted	2,326,223	1,500,000	-	-	3,826,223
Total Net Position	$ 3,381,520	$ 1,500,000	$ -	$ -	$ 4,881,520

KENOSHA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2022

	Human Services Building	Health Insurance	Workers Compensation	General Liability Insurance	Totals
OPERATING REVENUES					
Charges for services	$ 1,674,057	$ 23,205,091	$ 1,198,443	$ 1,335,866	$ 27,413,457
Total Operating Revenues	1,674,057	23,205,091	1,198,443	1,335,866	27,413,457
OPERATING EXPENSES					
Operations and maintenance	1,538,563	23,258,728	1,244,765	1,416,854	27,458,910
Depreciation and amortization	31,784	-	-	-	31,784
Total Operating Expenses	1,570,347	23,258,728	1,244,765	1,416,854	27,490,694
Operating Income (loss)	103,710	(53,637)	(46,322)	(80,988)	(77,237)
NON-OPERATING REVENUES (EXPENSES)					
General property taxes	242,500	-	-	-	242,500
Intergovernmental grants	-	53,637	-	-	53,637
Investment income	2,194	-	46,322	16,747	65,263
Miscellaneous income	-	-	-	64,241	64,241
Total Non-operating Revenues (Expenses)	244,176	53,637	46,322	80,988	425,123
Income (Loss) Before Transfers	347,886	-	-	-	347,886
TRANSFERS					
Transfers in	158,000	-	-	-	158,000
Change in net position	505,886	-	-	-	505,886
Net position at the beginning of year	2,875,634	1,500,000	-	-	4,375,634
Net position at end of year	$ 3,381,520	$ 1,500,000	$ -	$ -	$ 4,881,520

KENOSHA COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2022

	Human Services Building	Health Insurance	Workers Compensation	General Liability Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	$ 1,678,519	$ 24,487,776	$ 1,198,443	$ 1,335,866	$ 28,700,604
Paid to suppliers for goods and services	(1,451,712)	(23,456,806)	(1,242,089)	(1,283,351)	(27,433,958)
Cash Flows from (used by) Operating Activities	226,807	1,030,970	(43,646)	52,515	1,266,646
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
General property taxes	242,500	-	-	-	242,500
Due to/ from other funds	714,404	(1,084,607)	(258,416)	-	(628,619)
Intergovernmental grants	-	53,637	-	-	53,637
Miscellaneous income	-	-	-	64,241	64,241
Cash Flows from (used by) Noncapital Financing Activities	956,904	(1,030,970)	(258,416)	64,241	(268,241)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(115,018)	-	-	-	(115,018)
Transfers	158,000	-	-	-	158,000
Cash Flows used by Capital and Related Financing Activities	42,982	-	-	-	42,982
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES					
Investment income	817	-	46,322	16,747	63,886
Cash Flows from (used by) Investing Activities	817	-	46,322	16,747	63,886
Net Change in Cash and Cash Equivalents	1,227,510	-	(255,740)	133,503	1,105,273
Cash and Cash Equivalents - Beginning of Year	-	647,200	1,215,244	1,062,635	2,925,079
Cash and Cash Equivalents - End of Year	$ 1,227,510	$ 647,200	$ 959,504	$ 1,196,138	$ 4,030,352
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	$ 103,710	$ (53,637)	$ (46,322)	$ (80,988)	$ (77,237)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from (Used by) Operating Activities:					
Non-cash items included in operating income:					
Depreciation expense	31,784	-	-	-	31,784
Effect of Changes in assets and liabilities:					
Accounts receivable	-	1,282,685	-	-	1,282,685
Due from other governments	4,462	-	-	-	4,462
Accounts payable	86,851	125,922	1,542	(26,249)	188,066
Claims payable	-	(324,000)	1,134	159,752	(163,114)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	$ 226,807	$ 1,030,970	$ (43,646)	$ 52,515	$ 1,266,646

Noncash investing, capital and financing activities: None

KENOSHA COUNTY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
December 31, 2022

	Custodial Funds					
	Clerk of Courts	Register of Deeds	County Clerk	Inmate's Deposit Fund	Other Custodial Funds	Total Custodial Funds
ASSETS						
Cash and Investments	$ 7,549,602	$ -	$ 10,365	$ 619,391	$ 919,426	$ 9,098,784
Accounts Receivable	242,839	-	-	-	13,695	256,534
Total Assets	7,792,441	-	10,365	619,391	933,121	9,355,318
LIABILITIES						
Due to Others	-	-	-	-	162,770	162,770
Due to Other Governments	363,948	-	10,365	-	33,185	407,498
Total Liabilities	363,948	-	10,365	-	195,955	570,268
NET POSITION						
Restricted for:						
Individuals, Organizations, and Other Governments	$ 7,428,493	$ -	$ -	$ 619,391	$ 737,166	$ 8,785,050

ADDITIONAL INDEPENDENT AUDITORS REPORT FOR FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Board
Kenosha County
Kenosha, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin, (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
July 28, 2023

KENOSHA COUNTY
Kenosha, Wisconsin

SINGLE AUDIT REPORT

December 31, 2022

CPAs | CONSULTANTS | WEALTH ADVISORS

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KENOSHA COUNTY
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December 31, 2022

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES*

To the County Board
Kenosha County

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal Program and Each Major State Program

We have audited Kenosha County, Wisconsin's (the "County's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on the County's major federal programs and major state programs for the year ended December 31, 2022. The major federal programs and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs and its major state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program and Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and each major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and *State Single Audit Guidelines*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Kenosha County, Wisconsin's basic financial statements. We have issued our report thereon dated July 28, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 27, 2023

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Beginning Balance	Adjust-ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL PROGRAMS										
U.S. Department of Agriculture										
Special Supplemental Food Program for Women, Infants, and Children	10.557	DHS	Type 030/130	$ (229,754)	$ -	$ 927,080	$ 168,597	$ 865,923	$ 865,923	$ 865,923
SNAP Cluster										
State Administration Matching Grants for Supplemental Nutrition Assistance Program	10.561	DHS	Type 030/130	(7,517)	-	31,700	2,664	26,847	26,847	26,847
State Administration Matching Grants for Supplemental Nutrition Assistance Program	10.561	DHS	Type 015/115	(610,083)	-	1,825,895	459,766	1,675,578	1,675,578	674,488
Total SNAP Cluster				(617,600)	-	1,857,595	462,430	1,702,425	1,702,425	701,335
Total U.S. Department of Agriculture				(847,354)	-	2,784,675	631,027	2,568,348	2,568,348	1,567,258
U.S. Department of Commerce - NOAA										
Coastal Zone Management Administration Awards	11.419	DOA	AD219129-002.02	-	-	92,638	-	92,638	92,638	-
Total U.S. Department of Commerce - NOAA				-	-	92,638	-	92,638	92,638	-
U.S. Department of Housing and Urban Development										
Healthy Homes Demonstration Grants	14.901	Direct		(13,840)	-	55,488	1,098	42,746	42,746	-
Lead Hazard Reduction Demonstration Grant	14.905	Direct		(182,895)	-	861,615	166,001	844,721	844,721	-
Total U.S. Department of Housing and Urban Development				(196,735)	-	917,103	167,099	887,467	887,467	-
U.S. Department of Justice										
State Criminal Alien Assistance Program	16.606	Direct		(20,000)	(298)	92,074	-	71,776	71,776	-
Paul Coverdell Forensic Sciences Improvement Grant	16.742	Direct		-	-	8,016	2,630	10,646	10,646	-
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	Direct		-	-	-	6,994	6,994	6,994	-
Equitable Sharing Program [1]	16.922	Direct		-	-	26,237	-	26,237	26,237	-
Edward Byrne Memorial Justice Assistance Grant	16.738	DOJ	2020-DJ-01-17063	(24,324)	-	134,871	14,625	125,172	125,172	-
Edward Byrne Memorial Justice Assistance Grant	16.738	City Kenosha	0-BIA-2021-35004	(14,000)	-	14,000	-	-	-	-
Edward Byrne Memorial Justice Assistance Grant	16.738	City Kenosha	O-BJA-2022-171368	-	-	14,384	-	14,384	14,384	-
Total Edward Byrne Memorial JAG				(38,324)	-	163,255	14,625	139,556	139,556	-

Note 1 - Received by the Kenosha Drug Operational (KDOG) Task Force and reported by Kenosha County.

See notes to schedule of expenditures of federal and state awards.

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Beginning Balance	Adjust-ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL PROGRAMS continued										
U.S. Department of Justice continued										
Public Safety Partnership and Community										
Policing Grants	16.710	Racine Co	Anti-Heroin Grant	-	-	5,010	4,560	9,570	9,570	-
Second Chance Act Reentry Initiative	16.812	DOJ	Not available	-	-	2,929	750	3,679	3,679	-
Total U.S. Department of Justice				(58,324)	(298)	297,521	29,559	268,458	268,458	-
U.S. Department of Labor										
WIA/WIOA Program Cluster										
WIA/WIOA Adult Program	17.258	DWD	Not available	(331,812)	(154)	1,245,527	248,269	1,161,830	1,161,830	-
WIA/WIOA Youth Activities	17.259	DWD	Not available	(442,898)	(187)	1,494,661	226,978	1,278,554	1,278,554	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	DWD	Not available	(126,238)	(139)	362,770	50,499	286,892	286,892	-
Total WIA/WIOA Program Cluster				(900,948)	(480)	3,102,958	525,746	2,727,276	2,727,276	-
WIA/WIOA National DWG National Emergency Grants	17.277	DWD	Not available	(46,277)	(14,703)	111,387	-	50,407	50,407	-
Apprenticeship USA Grants	17.285	DWD	Not available	(9,214)	-	11,816	-	2,602	2,602	-
Total U.S. Department of Labor				(956,439)	(15,183)	3,226,161	525,746	2,780,285	2,780,285	-
U.S. Department of Transportation										
Formula Grants for Rural Areas	20.509	DOT	Not available	(119,301)	-	235,491	34,524	150,714	150,714	-
Highway Safety Cluster										
National Priority Safety Programs	20.616	Racine Co	FG 2022-Racine C-05059	(250)	-	250	-	-	-	-
National Priority Safety Programs	20.616	Racine Co	IDE-2023-Racine CO SO-00036	-	-	18,193	10,933	29,126	29,126	-
Total Highway Safety Cluster				(250)	-	18,443	10,933	29,126	29,126	-
Total U.S. Department of Transportation				(119,551)	-	253,934	45,457	179,840	179,840	-
U. S. Department of the Treasury										
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	Direct	1,830,016	-	16,986,345	(10,469,895)	8,346,466	8,346,466	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DWD	Not available	(4,217)	4,217	235,400	36,172	271,572	271,572	-
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	Direct	Not available	-	-	50,000	-	50,000	50,000	-
Total U.S. Department of the Treasury				1,825,799	4,217	17,271,745	(10,433,723)	8,668,038	8,668,038	-

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Beginning Balance	Adjust-ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL PROGRAMS continued										
Institute of Museum and Library Services										
Library Services & Technology Act LSTA	45.310	DPI	730-251-343	-	-	125,473	-	125,473	125,473	-
Total Institute of Museum and Library Services				-	-	125,473	-	125,473	125,473	-
U.S. Environmental Protection Agency										
State Indoor Radon Grants	66.032	DHS	Type 030/130	(1,984)	-	9,436	856	8,308	8,308	-
Nonpoint Source Implementation Grants	66.460	DNR	RM08120	-	-	50,000	-	50,000	50,000	-
Total U.S. Environmental Protection Agency				(1,984)	-	59,436	856	58,308	58,308	-
U. S. Department of Education										
Special Education - Grants for Infants and Families	84.181	DHS	Type 010/110	-	-	158,613	-	158,613	158,613	158,613
COVID-19 Special Education - Grants for Infants and Families	84.181	DHS	Type 010/110	-	-	-	4,933	4,933	4,933	4,933
Total U.S. Department of Education				-	-	158,613	-	163,546	163,546	163,546
U. S. Department of Health and Human Services										
Public Health Emergency Preparedness	93.069	DHS	Type 030/130	(79,945)	-	154,951	32,474	107,480	107,480	-
Environmental Public Health and Emergency Response	93.070	DHS	Type 030/130	(19,875)	-	55,000	18,992	54,117	54,117	-
Medicare Enrollment Assistance Program	93.071	DHS	Type 025/125- 560620	-	-	12,112	-	12,112	12,112	-
Guardianship Assistance	93.090	DCF	Sparc 3456	-	-	30,454	12,314	42,768	42,768	-
Family Planning Services	93.217	DHS	Type 030/130	(7,587)	-	111,404	39,751	143,568	143,568	-
Immunization Cooperative Agreements	93.268	DHS	Type 030/130	(6,856)	-	12,632	34,830	40,606	40,606	-
COVID-19 Immunization Cooperative Agreements	93.268	DHS	Not available	-	-	100,000	-	100,000	100,000	-
COVID-19 Immunization Cooperative Agreements	93.268	DHS	Type 030/130	(185,829)	-	238,400	-	52,571	52,571	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	DHS	155813	-	-	23,888	21,829	45,717	45,717	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	DHS	155806	(326,827)	-	562,126	-	235,299	235,299	-
State Health Insurance Assistance Program	93.324	DHS	Type 025/125- 560432	-	-	7,647	-	7,647	7,647	-
COVID-19 Public Health Crisis Response Awards	93.354	DHS	155812	-	-	1,916	104,253	106,169	106,169	-
Promoting Safe and Stable Families	93.556	DCF	Sparc- 3306	-	-	-	57,103	57,103	57,103	-
COVID 19- Promoting Safe and Stable Families	93.556	DCF	Sparc- 3306C	(20,523)	-	20,523	-	-	-	-
Temporary Assist for Needy Families	93.558	DCF	Sparc 1402	-	-	114,400	-	114,400	114,400	-
Temporary Assist for Needy Families	93.558	DCF	Sparc 3632	(53,330)	-	215,132	-	161,802	161,802	-
Temporary Assist for Needy Families	93.558	DCF	Sparc 3645D	-	-	-	68,450	68,450	68,450	-
Temporary Assist for Needy Families	93.558	DCF	Sparc 1008	(32,100)	-	164,324	13,492	145,716	145,716	-
Temporary Assist for Needy Families	93.558	DHS	Type 010/110	-	-	361,268	-	361,268	361,268	-
Total Temporary Assist for Needy Families				(85,430)	-	855,124	81,942	851,636	851,636	-
Child Support Enforcement	93.563	DCF	7732F	4,224	-	(34,898)	(1,850)	(32,524)	(32,524)	-
Child Support Enforcement	93.563	DCF	7732R	(6,400)	-	52,875	2,803	49,278	49,278	-
Child Support Enforcement	93.563	DCF	7482	2,710	-	(10,062)	(2,654)	(10,006)	(10,006)	-
Child Support Enforcement	93.563	DCF	7506	(1,703)	-	6,848	1,007	6,152	6,152	-
Child Support Enforcement	93.563	DCF	7560	(11,995)	-	11,995	-	-	-	-
Child Support Enforcement	93.563	DCF	7702A	(31,662)	-	108,918	1,940	79,196	79,196	-
Child Support Enforcement	93.563	DCF	7618C	(4,357)	-	4,357	-	-	-	-
Child Support Enforcement	93.563	DCF	7620	-	-	448,353	-	448,353	448,353	-
Child Support Enforcement	93.563	DCF	7620F	-	-	(295,913)	-	(295,913)	(295,913)	-
Child Support Enforcement	93.563	DCF	7477	(942,007)	-	3,539,455	852,460	3,449,908	3,449,908	-
Total Child Support Enforcement				(991,190)	-	3,831,928	853,706	3,694,444	3,694,444	-
Child Care and Development Fund Cluster										
Child Care and Development Block Grant	93.575	DCF	Sparc 0840	(6,446)	-	39,084	18,167	50,805	50,805	-
Child Care and Development Block Grant	93.575	DCF	Sparc 0831	(9,011)	-	48,723	-	39,712	39,712	-
Child Care and Development Block Grant	93.575	DCF	Sparc 0852	(218,445)	-	864,171	129,906	775,632	775,632	-
Total Child Care and Development Fund Cluster				(233,902)	-	951,978	148,073	866,149	866,149	-

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Beginning Balance	Adjust-ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Total Federal Expenditures	Passed Through to Subrecipients
Community Based Child Abuse Prevention Grants	93.590	DCF	Sparc 6093	(1,539)	-	20,383	1,957	20,801	20,801	-
Community Based Child Abuse Prevention Grants	93.590	DCF	Sparc 6095	(976)	-	5,779	-	4,803	4,803	-
CS Child Support Access and Visitation	93.597	DCF	7703	(13,957)	-	43,634	25,323	55,000	55,000	-
Child Welfare Services Grant - State Grants	93.645	DCF	Sparc 3413	-	-	31,995	-	31,995	31,995	-
Child Welfare Services Grant - State Grants	93.645	DCF	Sparc 3561	-	-	97,146	-	97,146	97,146	-
Child Welfare Services Grant - State Grants	93.645	DCF	Sparc 3681	-	-	7,796	-	7,796	7,796	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3413	-	-	57,370	-	57,370	57,370	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3561	-	-	1,595,048	-	1,595,048	1,595,048	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3568	(8,123)	-	32,094	1,584	25,555	25,555	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3588	(16,527)	-	33,445	1,379	18,297	18,297	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3554	(4,912)	-	37,326	5,494	37,908	37,908	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3681	-	-	128,005	-	128,005	128,005	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3396	(2,376)	-	13,592	5,674	16,890	16,890	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3604	(472)	-	9,130	1,473	10,131	10,131	-
Foster Care Title - IV-E	93.658	DCF	Sparc 3654	-	-	-	10,141	10,141	10,141	-
Total Foster Care				(32,410)	-	1,906,010	25,745	1,899,345	1,899,345	-
Adoption Assistance	93.659	DCF	Sparc 3574	(16,276)	-	99,969	16,960	100,653	100,653	-
COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	DHS	533289	(55,345)	-	126,750	-	71,405	71,405	-
Social Services Block Grant	93.667	DHS	Type 010/110	-	-	679,716	-	679,716	679,716	-

See notes to schedule of expenditures of federal and state awards.

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Beginning Balance	Adjust-ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL PROGRAMS continued										
U.S. Department of Health and Human Services continued										
COVID-19 Elder Abuse Prevention Interventions Program	93.747	DHS	560332	(3,151)	-	20,331	-	17,180	17,180	-
COVID-19 Elder Abuse Prevention Interventions Program	93.747	DHS	560333	-	-	1,000	-	1,000	1,000	-
Children's Health Insurance Program	93.767	DHS	Unknown	-	-	102,044	13,804	115,848	115,848	-
Children's Health Insurance Program	93.767	DHS	Type 015/115	(76,939)	-	244,145	70,070	237,276	237,276	105,633
Medicaid Cluster										
Medical Assistance Program	93.778	DHS	Type 010/110	(30,938)	-	97,240	33,390	99,692	99,692	-
Medical Assistance Program	93.778	DHS	Type 025/125- 560152	(132,455)	-	519,698	88,519	475,762	475,762	-
Medical Assistance Program	93.778	DHS	Type 025/125- 560155	(169,896)	-	646,272	125,333	601,709	601,709	-
Medical Assistance Program	93.778	DHS	Type 015/115	(812,324)	-	2,922,138	873,671	2,983,485	2,983,485	1,353,437
Medical Assistance Program	93.778	DHS	Type 030/130	-	-	-	3,017	3,017	3,017	-
Medical Assistance Program - WIMCR	93.778	DHS	Not available	-	-	625,514	-	625,514	625,514	-
Medical Assistance Program	93.778	DHS	TPA-CLTS	-	-	3,622,255	-	3,622,255	3,622,255	-
Total Medicaid Cluster				(1,145,613)	-	8,433,117	1,123,930	8,411,434	8,411,434	1,353,437
Opioid State Targeted Response	93.788	DHS	Type 910/010	(88,559)	-	499,922	-	411,363	411,363	-
Opioid State Targeted Response	93.788	Direct	Not available	-	-	346,972	84,894	431,866	431,866	-
Maternal, Infant, & Early Childhood Home Visiting Grant Program	93.870	DCF	Sparc 1008	(34,393)	-	1,312,554	130,423	1,408,584	1,408,584	-
Maternal, Infant, & Early Childhood Home Visiting Grant Program	93.870	DCF	Sparc 1020	-	-	30,560	-	30,560	30,560	-
Maternal, Infant, & Early Childhood Home Visiting Grant Program	93.870	DCF	Sparc 1025	-	-	12,350	45,450	57,800	57,800	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	DHS	Type 030/130	-	-	4,069	-	4,069	4,069	-
HIV Prevention Activities Health Department Based	93.940	DHS	Type 030/130	(2,671)	-	4,129	2,209	3,667	3,667	-
Block Grants for Community Mental Health Services	93.958	DHS	Type 010/110	-	-	80,913	-	80,913	80,913	-
COVID-19 Block Grants for Community Mental Health Services	93.958	DHS	Type 010/110 - 533287	-	-	90,880	26,199	117,079	117,079	-
Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	515	-	-	1,314	-	1,314	1,314	-
Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	545	-	-	186,288	-	186,288	186,288	-
Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	546	-	-	58,828	-	58,828	58,828	-
Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	570	-	-	21,306	60,399	81,705	81,705	-
Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	589	-	-	12,014	37,986	50,000	50,000	-
COVID-19 Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	533288	-	-	124,187	57,000	181,187	181,187	-
COVID-19 Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	533291	-	-	34,957	16,286	51,243	51,243	-
COVID-19 Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	533292	-	-	17,478	8,143	25,621	25,621	-
Total Block Grants for Prevention and Treatment of Substance Abuse				-	-	456,372	179,814	636,186	636,186	-
Preventive Health and Health Services Block Grant	93.991	DHS	Type 030/130	(6,430)	-	20,869	346	14,785	14,785	-
Maternal and Child Health Services Block Grant	93.994	DHS	Type 030/130	(44,303)	-	83,537	19,973	59,207	59,207	-
Special Programs for the Aging										
Title III, Part D - Preventive Health	93.043	GWAAR	560510	(6,445)	-	6,445	-	-	-	-
Title III, Part E - National Family Support	93.052	GWAAR	560250	(39,770)	-	48,664	3,417	12,311	12,311	-
Aging Cluster										
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	560340	(76,861)	-	209,367	1,815	134,321	134,321	-
COVID-19 Title III, Part B - Grants for Supportive Services	93.044	GWAAR	560342	(5,092)	-	6,355	-	1,263	1,263	-
Title III, Part C - Nutrition Services	93.045	GWAAR	560355	-	-	32,986	60,064	93,050	93,050	-
Title III, Part C - Nutrition Services	93.045	GWAAR	560360	(139,795)	-	274,244	240,135	374,584	374,584	-
Nutrition Services Incentive Program	93.053	GWAAR	560422	-	-	51,023	-	51,023	51,023	-
Total Aging Cluster				(221,748)	-	573,975	302,014	654,241	654,241	-
Total U.S. Department of Health and Human Services				(3,748,489)	-	22,362,109	3,477,795	22,091,415	22,091,415	1,459,070

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Beginning Balance	Adjust-ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL PROGRAMS continued										
Executive Office of the President										
High Intensity Drug Trafficking Area (HIDTA)	95.001	N Central HIDTA	G21ML0008A	(20,083)	(300)	20,383	-	-	-	-
High Intensity Drug Trafficking Area (HIDTA)	95.001	N Central HIDTA	G22ML0008A	-	-	41,201	22,512	63,713	63,713	-
Total High Intensity Drug Trafficking Area (HIDTA)				(20,083)	(300)	61,584	22,512	63,713	63,713	-
Total Executive Office of the President				(20,083)	(300)	61,584	22,512	63,713	63,713	-
U. S. Department of Homeland Security										
Disaster Grants- Public Assistance	97.036	DMA	477 PW 026	-	-	2,239	-	2,239	2,239	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4276-WI	(25,611)	-	25,611	-	-	-	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4276.14-R	(6,955)	-	6,955	-	-	-	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4276.15-R	(5,342)	-	-	5,342	-	-	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4288.08-R	(23,215)	-	23,215	-	-	-	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4402.22-R	(43,232)	-	43,232	-	-	-	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4343.06-R	(86,150)	-	199,140	-	112,990	112,990	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4343.07-R	(4,402)	-	4,402	-	-	-	-
Hazard Mitigation Grant	97.039	DMA	HMGP-DR-4477.05-R	-	-	125,108	-	125,108	125,108	-
Emergency Management Performance Grants	97.042	DMA	2019-EMPG-o1-11408	(80,000)	(4,619)	92,069	80,000	87,450	87,450	-
Homeland Security Grant Program	97.067	DMA	2021-HSW-04-12763	-	-	6,890	-	6,890	6,890	-
Homeland Security Grant Program	97.067	DMA	2020-HSW-02A-12835	-	-	-	4,500	4,500	4,500	-
Homeland Security Grant Program	97.067	DMA	2021-HSW-02B-012797-DE-01	-	-	3,600	-	3,600	3,600	-
Total U.S. Department of Homeland Security				(274,907)	(4,619)	532,461	89,842	342,777	342,777	-
TOTAL FEDERAL PROGRAMS				$ (4,398,067)	$ (16,183)	$ 48,143,453	$ (5,438,897)	$ 38,290,306	$ 38,290,306	$ 3,189,874

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended December 31, 2022

State Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues: (Accrued) Deferred Beginning Balance	Revenues: Adjust-ments	Revenues: Cash Received (Refunded)	Revenues: Accrued (Deferred) Ending Balance	Revenues: Total Revenues	Expenditures	Passed Through to Subrecipients
STATE PROGRAMS								
Wisconsin Department of Agriculture, Trade, and Consumer Protection								
County Staff and Support	115.150	$ (131,244)	$ -	$ 131,244	$ 144,380	$ 144,380	$ 144,380	$ -
Land and Water Resource Management	115.400	(47,736)	-	50,700	28,078	31,042	31,042	-
Total WI Department of Agriculture, Trade, and Consumer Protection		(178,980)	-	181,944	172,458	175,422	175,422	-
Wisconsin Department of Public Instruction								
Public Library Systems Aid	255.002	368,714	-	521,492	(398,588)	491,618	491,618	-
Total Wisconsin Department of Public Instruction		368,714	-	521,492	(398,588)	491,618	491,618	-
Wisconsin Department of Natural Resources								
Local Park Aids Stewardship- ADLP	370.TA1	-	-	498,000	-	498,000	498,000	-
Recreational Aids - Snowmobile Trail and Area	370.485	-	-	17,257	-	17,257	17,257	-
Boating Enforcement Aids	370.550	(10,000)	10,000	12,174	23,688	35,862	35,862	-
Transient Non-Community Water Sampling Contracts	370.QBHI4824	-	(9,742)	31,134	7,425	28,817	28,817	-
Total Wisconsin Department of Natural Resources		(10,000)	258	558,565	31,113	579,936	579,936	-
Wisconsin Department of Transportation								
Elderly and Handicapped County Aids	395.101	484,211	(37,467)	413,052	(529,614)	330,182	330,182	-
Transit Operating Aids	395.104	-	-	48,164	-	48,164	48,164	-
Local Roads Improvement Projects Discretionary Grants	395.206	-	-	104,563	-	104,563	104,563	-
Transportation Facilities Economic Assistance & Developmer	395.260	-	-	899,094	-	899,094	899,094	-
Total Wisconsin Department of Transportation		484,211	(37,467)	1,464,873	(529,614)	1,382,003	1,382,003	-

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended December 31, 2022

		Revenues						
State Grantor Agency / Pass-Through Agency / Program Title	State ID Number	(Accrued) Deferred Beginning Balance	Adjust-ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Expenditures	Passed Through to Subrecipients
STATE PROGRAMS continued								
Wisconsin Department of Corrections								
Windows to Work	410.112	(28,389)	-	172,199	42,979	186,789	186,789	-
Total Wisconsin Department of Corrections		(28,389)	-	172,199	42,979	186,789	186,789	-
Wisconsin Department of Health Services								
Family Health - Women's Health	435.152020	-	-	-	5,937	5,937	5,937	-
WIC Farmers Market Grant	435.154720	-	-	6,894	205	7,099	7,099	-
Comm Disease Control & Prevention	435.155800	-	-	9,900	-	9,900	9,900	-
HIV Prevention PS & Linkages	435.155957	(1,292)	-	3,647	3,565	5,920	5,920	-
WWWP - GPR CC	435.157010	(18,192)	-	77,550	50,012	109,370	109,370	-
Childhood Lead - Consolidated	435.157720	(5,003)	-	10,396	5,938	11,331	11,331	-
WH/FP RH 253.07 GPR	435.159317	(6,667)	-	6,667	35,890	35,890	35,890	-
Cons Contracts MCH	435.159322	-	-	-	3,016	3,016	3,016	-
Fraud Prevention Investigation, State Share	435.060	(43,664)	-	134,934	-	91,270	91,270	72,680
IMAA State Share	435.283	(5,308)	-	1,816,991	10,397	1,822,080	1,822,080	943,656
IMAA Federal Share	435.284	(9,819)	-	26,212	6,870	23,263	23,263	10,356
Adult Protective Services	435.312	-	-	159,031	-	159,031	159,031	-
Children's COP	435.377	(43,097)	-	109,387	60,764	127,054	127,054	-
Enhanced IM Funding	435.468	-	-	563,541	359,085	922,626	922,626	439,092

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended December 31, 2022

State Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues: (Accrued) Deferred Beginning Balance	Revenues: Adjust-ments	Revenues: Cash Received (Refunded)	Revenues: Accrued (Deferred) Ending Balance	Revenues: Total Revenues	Expenditures	Passed Through to Subrecipients
STATE PROGRAMS continued								
Wisconsin Department of Health Services continued								
Coordinated Services County	435.515	-	-	50,586	-	50,586	50,586	-
Community Mental Health	435.516	-	-	708,894	-	708,894	708,894	-
Birth to Three Initiative	435.550	-	-	174,608	-	174,608	174,608	-
B3 Innovation Grant	435.553	(55,986)	-	55,986	-	-	-	-
Basic County Allocation	435.561	-	-	3,880,929	-	3,880,929	3,880,929	-
State/County Match	435.681	-	-	540,609	-	540,609	540,609	-
CLTS OTHER GPR	435.871	-	-	1,694,046	-	1,694,046	1,694,046	-
CLTS WAIVER CWA ADMIN	435.877	(30,936)	-	97,241	33,393	99,698	99,698	-
Mat in a Jail Setting	435.533264	(86,256)	-	118,422	(32,166)	-	-	-
ADRC MFP - NH Relocation, State Share	435.560065	(10,463)	-	10,463	-	-	-	-
Aging and Disability Resource Centers	435.560100	-	-	1,197,729	-	1,197,729	1,197,729	-
Environmental Monitoring of Nuclear Power Plants for Radiological Emissions	435.DPH 90013 DC	-	-	-	5,500	5,500	5,500	-
HIV Counseling, Testing, and Referral Program	435.FAI10019	-	-	2,835	-	2,835	2,835	-
ADRC Elderly Benefit Specialist Program	435.560320	-	-	33,436	-	33,436	33,436	-
ADRC SPAP EBS	435.560328	-	-	7,360	-	7,360	7,360	-
Passed Through Greater WI Agency on Aging Resources								
State Senior Community Services	435.560330	-	-	9,389	-	9,389	9,389	-
Congregate Meals	435.560355	-	-	40,299	73,383	113,682	113,682	-
Home Delivered Meals	435.560360	(5,598)	-	13,907	14,839	23,148	23,148	-
Alzheimer's Family and Caregiver Support	435.560381	(12,337)	-	104,191	52,840	144,694	144,694	-
Elder Abuse	435.560490	(39,964)	-	52,537	34,251	46,824	46,824	-
Total Wisconsin Department of Health Services		(374,582)	-	11,718,617	723,719	12,067,754	12,067,754	1,465,784

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended December 31, 2022

State Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues: (Accrued) Deferred Beginning Balance	Revenues: Adjust-ments	Revenues: Cash Received (Refunded)	Revenues: Accrued (Deferred) Ending Balance	Revenues: Total Revenues	Expenditures	Passed Through to Subrecipients
STATE PROGRAMS continued								
Wisconsin Department of Children and Families								
Child Abuse & Neglect Prevention Board - Parent Education Child Abuse	437.6093	(13,847)	-	90,272	7,939	84,364	84,364	-
Children First - Direct Services - County Agency	437.700C	(9,882)	-	56,823	8,324	55,265	55,265	-
Food Stamp Agency Incentives	437.965	(6,160)	-	56,035	2,841	52,716	52,716	-
AFDC Agency Incentives	437.975	-	-	44	-	44	44	-
Medicaid Agency Incentives	437.980	(4,642)	-	43,191	4,959	43,508	43,508	-
Family Foundations Comprehensive Home Visitation Program	437.1008	(9,936)	-	68,702	5,996	64,762	64,762	-
BFI - DCF GPR/Regular TANF	437.1402	-	-	105,600	-	105,600	105,600	-
CW Kinship Care Program - Benefits	437.3377A	-	-	245,443	-	245,443	245,443	-
CW Kinship Care Program - Benefits	437.3377B	(100,721)	-	487,008	124,913	511,200	511,200	-
Kinship Care Program - Assessment	437.338A	-	-	25,560	-	25,560	25,560	-
Kinship Care Program - Assessment	437.338B	(9)	-	51,129	-	51,120	51,120	-
Grants for Foster Parents - Foster Parent Retention	437.3390	(2,586)	-	5,499	22,888	25,801	25,801	-
Youth Justice Innovation Grants - Continuation	437.3407C	(16,141)	-	16,141	-	-	-	-
Community Intervention Program	437.3410	-	-	103,566	-	103,566	103,566	-
Youth Aids AODA	437.3411	-	-	28,428	28,427	56,855	56,855	-
Youth Aids	437.3413	-	-	3,588,208	-	3,588,208	3,588,208	-
Subsidized Guardianship	437.3456	-	-	56,557	22,869	79,426	79,426	-
Children & Families Allocation	437.3561	-	-	1,879,342	-	1,879,342	1,879,342	-
Children & Families Allocation - State/County Match	437.3681	-	-	150,820	-	150,820	150,820	-
Out-of-Home Care Placements for Sex Trafficked Youth	437.3720	(84,000)	-	84,000	-	-	-	-
CS Additional Funding	437.7335	(58,413)	-	58,413	-	-	-	-
CS State GPR/PR Funding Allocation	437.7502	-	-	397,610	-	397,610	397,610	-
CS Medical Support GPR Earned	437.7606	-	-	12,835	-	12,835	12,835	-
CS Supporting Parents Supporting Kids	437.7702	(16,310)	-	56,108	999	40,797	40,797	-
Total Wisconsin Department of Children and Family		(322,647)	-	7,667,334	230,155	7,574,842	7,574,842	-

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended December 31, 2022

State Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues: (Accrued) Deferred Beginning Balance	Revenues: Adjust-ments	Revenues: Cash Received (Refunded)	Revenues: Accrued (Deferred) Ending Balance	Revenues: Total Revenues	Expenditures	Passed Through to Subrecipients
STATE PROGRAMS continued								
Wisconsin Department of Justice								
Treatment Alternatives and Diversion	455.271	(43,749)	-	140,567	27,682	124,500	124,500	-
DNA Sample Reimbursement Grant	455.221	-	-	5,160	-	5,160	5,160	-
Drug Crimes Enforcement	455.225	-	-	86,616	-	86,616	86,616	-
Law Enforcement Training Fund Local Assistance	455.231	-	-	38,392	19,297	57,689	57,689	-
Victim and Witness Assistance Program - Part A	455.532	(138,302)	-	246,025	164,478	272,201	272,201	-
Youth Diversion - Aids - Gang - PR	455.629	(34,841)	-	104,729	24,067	93,955	93,955	-
Passed through Racine County								
Drug Crimes Enforcement	455.225	-	-	10,000	-	10,000	10,000	-
Total Wisconsin Department of Justice		(216,892)	-	631,489	235,524	650,121	650,121	-
Wisconsin Department of Military Affairs								
State Match - Federal Disaster Assistance	465.305	(64,268)	-	99,710	-	35,442	35,442	-
Emergency Response Equipment Grant	465.308	-	-	-	7,515	7,515	7,515	-
Emergency Planning Grant	465.337	(30,000)	-	58,904	30,000	58,904	58,904	-
Total Wisconsin Department of Military Affairs		(94,268)	-	158,614	37,515	101,861	101,861	-
Wisconsin Department of Veteran Affairs								
County Veterans Service Officer	485.001	-	-	14,300	-	14,300	14,300	-
Total Wisconsin Department of Veteran Affairs		-	-	14,300	-	14,300	14,300	-
Wisconsin Department of Administration								
Land Information Board Grants	505.116	-	-	81,000	-	81,000	81,000	-
Total Wisconsin Department of Administration		-	-	81,000	-	81,000	81,000	-
TOTAL STATE PROGRAMS		$ (372,833)	$ (37,209)	$ 23,170,427	$ 545,261	$ 23,305,646	$ 23,305,646	$ 1,465,784

See notes to schedule of expenditures of federal and state awards.

KENOSHA COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for Kenosha County, Wisconsin are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of Kenosha County. Because the schedules present only a selected portion of the operations of Kenosha County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Kenosha County.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in Kenosha County’s 2022 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to Kenosha County in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded Kenosha County expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year’s ending balances.

NOTE 3 – OVERSIGHT AGENCIES

The federal and state oversight agencies for Kenosha County are as follows:

Federal – U.S. Department of Treasury
State – Wisconsin Department of Health Services

NOTE 4 – DIRECT PAYMENTS – STATE OF WISCONSIN

Direct payments to individuals from the State of Wisconsin on behalf of Kenosha County for the year ended December 31, 2022 included:

Program	Assistance Listing Number.	Unaudited Amount
Food Share Wisconsin Program	10.561	$ 66,932,327

NOTE 5 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE

The County received the following payments from Wisconsin Medical Assistance in 2022:

County Department of Human Services:	Provider Number	Unaudited Amount
Division of Aging & Disability Services	43072900	$ 24,025
Division of Aging & Disability Services	43422900	175,680
Division of Aging & Disability Services	32975900	1,497,621
Division of Aging & Disability Services	100038404	9,659,003
Division of Children & Family Services	43073000	16,023
Brookside Care Center	20130300	4,080,264
Division of Health Services	41862400	501
Division of Health Services	42010200	18,692
Division of Health Services	43084000	98,646
Total		$ 15,570,455

The payments are considered a contract for services between the State and Kenosha County and therefore are not reported as federal or state awards.

NOTE 6 – CARS / SPARC REPORT DATES

The Schedule of Expenditures of Federal and State Awards include adjustments through Community Aids Reporting System reports dated May, 2023 and the SPARC reports for December, 2022.

NOTE 7 – ALLOCATION OF INDIRECT COSTS

Kenosha County chooses not to utilize the de minimis rate as allowed under Uniform Guidance. Instead, Kenosha County identifies and recovers indirect costs using a cost allocation plan developed annually by Maximus Inc.

NOTE 8 – PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:
GWAAR - Greater Wisconsin Agency on Aging Resources
DCF - Wisconsin Department of Children and Families
DHS - Wisconsin Department of Health Services
DMA - Wisconsin Department of Military Affairs
DNR - Wisconsin Department of Natural Resources
DOA - Wisconsin Department of Administration
DOJ - Wisconsin Department of Justice
DOT - Wisconsin Department of Transportation
DWD - Wisconsin Department of Workforce Development
DPI – Wisconsin Department of Public Instruction

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

SECTION I – Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal or State Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for federal major programs:	Unmodified
Type of auditor's report issued on compliance for state major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*?	No
Auditee qualified as low-risk auditee for federal programs?	Yes
Auditee qualified as low-risk auditee for state programs?	Yes

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

SECTION I – Summary of Auditors' Results continued

Identification of major federal programs:

Assistance Listing Number	Name of Federal Programs/Clusters
10.561	State Administration Matching Grants for Supplemental Nutrition Assistance Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.778	Medical Assistance Cluster
93.870	Maternal, Infant and Early Childhood Home Visiting Grant

Identification of major state programs:

State ID Number	Name of State Programs
370.TA1	Local Park Aids Stewardship - ADLP
395.260	Transportation Facilities Economic Assistance & Development
255.002	Public Library System
435.060	Fraud Prevention Investigation, State Share
435.283	IMAA State Share
435.284	IMAA Federal Share
435.468	Enhanced IM Funding
435.516	Community Mental Health
435.5601	ADRC
435.871	CLTS
435.877	CLTS Waiver CWA Admin
N/A	WIMCR

	Federal	State	
		DHS	All Others
Dollar threshold used to distinguish between Type A and Type B programs	$ 1,148,709	$ 358,359	$ 250,000

SECTION II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

SECTION III – Federal and State Award Findings and Questioned Costs

There are no findings related to the federal and state awards for the year ended December 31, 2022.

Section IV – Other Issues

1.	Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?	yes	X	no
2.	Does the audit report show audit issues (i.e., material non-compliance, non-material noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:			
	Department of Agriculture, Trade and Consumer Protection	yes	X	no
	Department of Public Instruction	yes	X	no
	Department of Natural Resources	yes	X	no
	Department of Transportation	yes	X	no
	Department of Corrections	yes	X	no
	Department of Health Services	yes	X	no
	Department of Children and Families	yes	X	no
	Department of Workforce Development	yes	X	no
	Department of Justice	Yes	X	no
	Department of Military Affairs	yes	X	no
	Department of Veteran Affairs	yes	X	no
	Department of Administration	yes	X	no
3.	Was a Management Letter or other document conveying audit comments issued as a result of this audit?	yes	X	no

4. Name and signature of partner

Amber Drewieske

Amber Drewieske, Principal

5. Date of report

September 27, 2023

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Board
Kenosha County
Kenosha, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kenosha County, Wisconsin, (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 28, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

County Board
Kenosha County, Wisconsin

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
July 28, 2023

COUNTY OF KENOSHA

Department of Finance and
Administrative Services
1010 - 56th Street
Kenosha, WI 53140
(262) 653-2460 fax(262) 653-2491

PRIOR YEAR AUDIT FINDINGS

2021-001 Review of Claim Forms and Expenditure Reconciliations

This finding was rectified during 2022.

CORRECTIVE ACTION PLAN

There were no findings noted in the 2022 audit.