

**FLORENCE COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**



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## INDEPENDENT AUDITORS' REPORT

County Board  
Florence County, 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 Florence 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 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 Note 1.F. to the financial statements, effective January 1, 2022, the County adopted new accounting guidance for leases. The guidance requires lessors to recognize a lease receivable and a 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.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

***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 financial information listed in the table of contents as supplementary information is 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

County Board  
Florence County, Wisconsin

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 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 County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
September 11, 2023

## **BASIC FINANCIAL STATEMENTS**



**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 8,068,957	\$ 102,423	\$ 8,171,380
Receivables:			
Property Taxes	6,266,741	-	6,266,741
Delinquent Taxes	301,967	-	301,967
Accounts	1,319,842	4,921	1,324,763
Leases	145,761	-	145,761
Loans	602,123	-	602,123
Due from Other Governments	-	151,673	151,673
Prepaid Items and Supplies	121,096	216,000	337,096
Restricted Assets:			
Cash and Investments	153,992	-	153,992
Net Pension Asset	1,860,980	190,535	2,051,515
Capital Assets, Nondepreciable	16,380,551	19,671	16,400,222
Capital Assets, Depreciable	5,122,314	2,521,174	7,643,488
Total Assets	40,344,324	3,206,397	43,550,721
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	3,634,947	374,403	4,009,350
<b>LIABILITIES</b>			
Accounts Payable	355,703	32,249	387,952
Accrued and Other Current Liabilities	568,463	25,340	593,803
Due to Other Governments	2,978	-	2,978
Accrued Interest Payable	11,788	-	11,788
Special Deposits	145,757	-	145,757
Unearned Revenues	1,048,171	65,293	1,113,464
Long-Term Obligations:			
Due Within One Year	340,759	12,352	353,111
Due in More than One Year	2,503,337	3,272	2,506,609
Total Liabilities	4,976,956	138,506	5,115,462
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	6,266,741	-	6,266,741
Lease Related Amounts	145,761	-	145,761
Pension Related Amounts	4,383,789	448,832	4,832,621
Total Deferred Inflows of Resources	10,796,291	448,832	11,245,123
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,051,855	2,528,493	22,580,348
Restricted:			
DOT Transportation Trust	117,557	-	117,557
COP Risk Reserve	20,376	-	20,376
Pension Benefits	1,860,980	190,535	2,051,515
Community Development	373,560	-	373,560
Unrestricted	5,781,696	274,434	6,056,130
Total Net Position	\$ 28,206,024	\$ 2,993,462	\$ 31,199,486

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>GOVERNMENTAL ACTIVITIES</b>						
General Government	\$ 1,730,994	\$ 161,537	\$ 94,616	\$ (1,474,841)	\$ -	\$ (1,474,841)
Public Safety	2,871,843	56,643	136,116	(2,679,084)	-	(2,679,084)
Public Works	594,719	2,350	421,571	(170,798)	-	(170,798)
Health and Human Services	2,229,967	128,959	2,020,607	(80,401)	-	(80,401)
Culture and Recreation	701,990	181,733	225,304	(294,953)	-	(294,953)
Conservation and Development	1,349,558	100,426	230,883	(1,018,249)	-	(1,018,249)
Interest and Fiscal Charges	55,954	-	-	(55,954)	-	(55,954)
Total Governmental Activities	9,535,025	631,648	3,129,097	(5,774,280)	-	(5,774,280)
<b>BUSINESS-TYPE ACTIVITIES</b>						
Highway	1,755,643	1,754,964	-	-	(679)	(679)
Total	\$ 11,290,668	\$ 2,386,612	\$ 3,129,097	(5,774,280)	(679)	(5,774,959)
<b>GENERAL REVENUES</b>						
Taxes:						
Property Taxes				4,497,924	-	4,497,924
Tax Increments				97,302	-	97,302
Sales Tax				367,495	-	367,495
Other Taxes				270,273	-	270,273
Federal and State Grants and Other						
Contributions not Restricted to						
Specific Functions				381,587	-	381,587
Forest Timber Sales				551,144	-	551,144
Interest and Investment Earnings				134,694	-	134,694
Miscellaneous				152,639	-	152,639
Gain on Sale of Capital Assets				32,612	11,818	44,430
Transfers				(100,000)	100,000	-
Total General Revenues				6,385,670	111,818	6,497,488
<b>CHANGE IN NET POSITION</b>				611,390	111,139	722,529
Net Position - Beginning of Year				27,594,634	2,882,323	30,476,957
<b>NET POSITION - END OF YEAR</b>				\$ 28,206,024	\$ 2,993,462	\$ 31,199,486

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

<b>ASSETS</b>	General	Human Services	EMS Operations	Nonmajor Governmental Funds	Totals
Cash and Investments	\$ 6,033,532	\$ 494,434	\$ -	\$ 1,540,991	\$ 8,068,957
Restricted Cash and Investments	133,616	20,376	-	-	153,992
Receivables:					
Property Taxes	3,599,856	194,828	1,522,449	749,608	6,066,741
Delinquent Taxes	301,967	-	-	-	301,967
Accounts	1,100,536	218,286	-	1,020	1,319,842
Leases	145,761	-	-	-	145,761
Loans	-	-	-	602,123	602,123
Due from Other Funds	8,000	-	-	-	8,000
Advance to Other Funds	280,077	-	-	-	280,077
Prepaid Items	121,096	-	-	-	121,096
<b>Total Assets</b>	<b><u>\$ 11,724,441</u></b>	<b><u>\$ 927,924</u></b>	<b><u>\$ 1,522,449</u></b>	<b><u>\$ 2,893,742</u></b>	<b><u>\$ 17,068,556</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 282,749	\$ 56,550	\$ -	\$ 15,484	\$ 354,783
Accrued and Other Current Liabilities	535,150	25,992	192	3,891	565,225
Due to Other Funds	-	-	-	8,000	8,000
Advance from Other Funds	-	-	-	280,077	280,077
Due to Other Governments	7,136	-	-	-	7,136
Special Deposits	145,757	-	-	-	145,757
Unearned Revenues	553,456	-	-	494,715	1,048,171
<b>Total Liabilities</b>	<b><u>1,524,248</u></b>	<b><u>82,542</u></b>	<b><u>192</u></b>	<b><u>802,167</u></b>	<b><u>2,409,149</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Subsequent Year	3,599,856	194,828	1,522,449	749,608	6,066,741
Leases Receivable	145,761	-	-	-	145,761
Interest on Delinquent Property Taxes	36,558	-	-	-	36,558
Unavailable Receivables	309,094	-	-	-	309,094
Loans Receivable	-	-	-	602,123	602,123
<b>Total Deferred Inflows of Resources</b>	<b><u>4,091,269</u></b>	<b><u>194,828</u></b>	<b><u>1,522,449</u></b>	<b><u>1,351,731</u></b>	<b><u>7,160,277</u></b>
<b>FUND BALANCES</b>					
Nonspendable	618,511	-	-	-	618,511
Restricted	-	20,376	-	239,952	260,328
Committed	545,004	488,516	-	785,969	1,819,489
Assigned	262,739	141,662	-	-	404,401
Unassigned	4,682,670	-	(192)	(286,077)	4,396,401
<b>Total Fund Balances</b>	<b><u>6,108,924</u></b>	<b><u>650,554</u></b>	<b><u>(192)</u></b>	<b><u>739,844</u></b>	<b><u>7,499,130</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 11,724,441</u></b>	<b><u>\$ 927,924</u></b>	<b><u>\$ 1,522,449</u></b>	<b><u>\$ 2,893,742</u></b>	<b><u>\$ 17,068,556</u></b>

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
BALANCE SHEET (CONTINUED)  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page	\$ 7,499,130
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.	21,502,865
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Loans Receivable	602,123
Accounts Receivable	309,094
Interest on Delinquent Taxes	36,558
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	3,634,947
Deferred Inflows Related to Pensions	(4,383,789)
Long-term asset not considered available; therefore, are not reported in governmental funds.	
Net Pension Asset	1,860,980
Long-term liabilities are not due and payable in the current period; therefore, are not reported in the funds.	
Bonds and Notes Payable	(2,583,043)
Premium on Debt	(68,524)
Compensated Absences	(192,529)
Accrued Interest on Long-Term Obligations	(11,788)
	(2,955,884)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$ 28,206,024

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Human Services	EMS Operations	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 4,200,685	\$ 193,022	\$ -	\$ 842,353	\$ 5,236,060
Intergovernmental	1,821,705	1,037,250	-	775,773	3,634,728
Licenses and Permits	59,207	-	-	2,350	61,557
Fines and Forfeits	6,537	-	-	-	6,537
Public Charges for Services	856,099	69,543	-	9,110	934,752
Intergovernmental Charges for Services	85,160	-	-	-	85,160
Miscellaneous	239,775	-	-	109,219	348,994
Total Revenues	<u>7,269,168</u>	<u>1,299,815</u>	<u>-</u>	<u>1,738,805</u>	<u>10,307,788</u>
<b>EXPENDITURES</b>					
Current:					
General Government	1,664,907	-	-	129,964	1,794,871
Public Safety	2,852,877	-	192	24,924	2,877,993
Public Works	75,525	-	-	491,160	566,685
Health and Human Services	1,397,563	1,103,770	-	-	2,501,333
Culture and Recreation	690,076	-	-	32,425	722,501
Conservation and Development	1,147,428	-	-	352,903	1,500,331
Debt Service:					
Principal	-	-	-	339,286	339,286
Interest and Fiscal Charges	-	-	-	75,784	75,784
Capital Outlay	-	-	-	317,833	317,833
Total Expenditures	<u>7,828,376</u>	<u>1,103,770</u>	<u>192</u>	<u>1,764,279</u>	<u>10,696,617</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(559,208)	196,045	(192)	(25,474)	(388,829)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Sale of Capital Assets	69,988	-	-	-	69,988
Transfers In	149,083	-	-	142,557	291,640
Transfers Out	(217,557)	(149,083)	-	(25,000)	(391,640)
Total Other Financing Sources (Uses)	<u>1,514</u>	<u>(149,083)</u>	<u>-</u>	<u>117,557</u>	<u>(30,012)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(557,694)	46,962	(192)	92,083	(418,841)
Fund Balances - Beginning of Year	<u>6,666,618</u>	<u>603,592</u>	<u>-</u>	<u>647,761</u>	<u>7,917,971</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,108,924</u>	<u>\$ 650,554</u>	<u>\$ (192)</u>	<u>\$ 739,844</u>	<u>\$ 7,499,130</u>

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ (418,841)

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 Capital Outlay in Governmental Fund Statements	688,525
Depreciation Expense Reported in the Statement of Activities	(506,398)

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.

Loan Receivable Collections	36,822
Interest on Delinquent Property Taxes	218

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.

Principal Repaid	339,286
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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	2,159
Amortization of Debt Premium	13,225
Compensated Absences	17,601
Net Pension Asset/Liability	416,667
Deferred Outflows of Resources Related to Pensions	1,236,665
Deferred Inflows of Resources Related to Pensions	<u>(1,214,539)</u>

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u><u>\$ 611,390</u></u>
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**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,158,949	\$ 4,158,949	\$ 4,200,685	\$ 41,736
Intergovernmental	2,176,871	2,176,871	1,821,705	(355,166)
Licenses and Permits	48,170	48,170	59,207	11,037
Fines and Forfeits	1,100	1,100	6,537	5,437
Public Charges for Services	845,880	845,880	856,099	10,219
Intergovernmental Charges for Services	90,216	90,216	85,160	(5,056)
Miscellaneous	150,540	150,540	239,775	89,235
Total Revenues	<u>7,471,726</u>	<u>7,471,726</u>	<u>7,269,168</u>	<u>(202,558)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,885,302	1,885,302	1,664,907	220,395
Public Safety	2,553,609	2,553,609	2,852,877	(299,268)
Public Works	78,997	78,997	75,525	3,472
Health and Human Services	1,256,920	1,256,920	1,397,563	(140,643)
Culture and Recreation	1,035,568	1,035,568	690,076	345,492
Conservation and Development	1,206,159	1,206,159	1,147,428	58,731
Total Expenditures	<u>8,016,555</u>	<u>8,016,555</u>	<u>7,828,376</u>	<u>188,179</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(544,829)	(544,829)	(559,208)	(14,379)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	6,000	6,000	69,988	63,988
Transfers In	149,083	149,083	149,083	-
Transfers Out	-	-	(217,557)	(217,557)
Total Other Financing Sources (Uses)	<u>155,083</u>	<u>155,083</u>	<u>1,514</u>	<u>(153,569)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(389,746)	(389,746)	(557,694)	(167,948)
Fund Balances - Beginning of Year	<u>6,666,618</u>	<u>6,666,618</u>	<u>6,666,618</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,276,872</u>	<u>\$ 6,276,872</u>	<u>\$ 6,108,924</u>	<u>\$ (167,948)</u>

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – HUMAN SERVICES SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 193,022	\$ 193,022	\$ 193,022	\$ -
Intergovernmental	810,432	810,432	1,037,250	226,818
Public Charges for Services	19,400	19,400	69,543	50,143
Total Revenues	<u>1,022,854</u>	<u>1,022,854</u>	<u>1,299,815</u>	<u>276,961</u>
<b>EXPENDITURES</b>				
Current:				
Health and Human Services	<u>1,193,682</u>	<u>1,193,682</u>	<u>1,103,770</u>	<u>89,912</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(170,828)	(170,828)	196,045	366,873
<b>OTHER FINANCING (USES)</b>				
Transfers Out	<u>(149,083)</u>	<u>(149,083)</u>	<u>(149,083)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(319,911)	(319,911)	46,962	366,873
Fund Balance - Beginning of Year	<u>603,592</u>	<u>603,592</u>	<u>603,592</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 283,681</u></u>	<u><u>\$ 283,681</u></u>	<u><u>\$ 650,554</u></u>	<u><u>\$ 366,873</u></u>

See accompanying Notes to Basic Financial Statements.



**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2022**

**ASSETS**

**CURRENT ASSETS**

Cash and Investments	\$	102,423
Receivables:		
Accounts		4,921
Due from Other Governments		151,673
Prepaid Supplies		216,000
Total Current Assets		475,017

**OTHER ASSETS**

Net Pension Asset		190,535
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**CAPITAL ASSETS**

Nondepreciable		19,671
Depreciable		2,521,174
Total Capital Assets		2,540,845

Total Assets		3,206,397
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension Related Amounts		374,403
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable		32,249
Accrued and Other Current Liabilities		25,340
Unearned Revenues		65,293
Current Portion of Long-Term Debt		12,352
Total Current Liabilities		135,234

**LONG-TERM OBLIGATIONS**

Compensated Absences		3,272
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Total Liabilities		138,506
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**DEFERRED INFLOWS OF RESOURCES**

Pension Related Amounts		448,832
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**NET POSITION**

Net Investment in Capital Assets		2,528,493
Restricted - Pension Benefits		190,535
Unrestricted		274,434
Total Net Position		\$ 2,993,462

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	Highway
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 1,746,199
Other	8,765
Total Operating Revenues	1,754,964
<b>OPERATING EXPENSES</b>	
Operation and Maintenance	1,534,736
Depreciation	219,906
Total Operating Expenses	1,754,642
<b>OPERATING INCOME</b>	322
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Gain (Loss) on Disposal of Capital Assets	11,818
Interest and Fiscal Charges	(1,001)
Total Nonoperating Revenues	10,817
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	11,139
Transfers in	100,000
<b>CHANGE IN NET POSITION</b>	111,139
Net Position - Beginning of Year	2,882,323
<b>NET POSITION - END OF YEAR</b>	\$ 2,993,462

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	Highway
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 1,302,677
Cash Received from Interfund Services Provided	491,159
Cash Received from Other Revenues	8,765
Cash Paid for Employee Wages and Benefits	(830,096)
Cash Paid to Suppliers	(772,024)
Net Cash Provided by Operating Activities	200,481
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer In	100,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(654,323)
Sale of Capital Assets	17,500
Principal Paid on Installment Purchase Agreement	(11,822)
Interest Paid on Long-Term Debt	(1,001)
Net Cash Used by Capital and Related Financing Activities	(649,646)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(349,165)
Cash and Cash Equivalents - Beginning of Year	451,588
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 102,423
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 322
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	219,906
Change in WRS Pension Asset/Liability	(43,577)
Change in WRS Deferred Outflow	(131,129)
Change in WRS Deferred Inflow	126,364
Change in Operating Assets and Liabilities:	
Accounts Receivables	(4,731)
Due from Other Governments	9,594
Prepaid Supplies	(25,133)
Accounts Payable	6,135
Accrued and Other Current Liabilities	(356)
Unearned Revenue	42,774
Compensated Absences	312
Net Cash Provided by Operating Activities	\$ 200,481

See accompanying Notes to Basic Financial Statements.

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2022**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ -
<b>LIABILITIES</b>	
Due to Other Governments	<u>-</u>
<b>NET POSITION</b>	
Restricted for:	
Other Governments	<u><u>\$ -</u></u>

*See accompanying Notes to Basic Financial Statements.*

**FLORENCE COUNTY, WISCONSIN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Contributions:	
Individuals	\$ 145,846
<b>DEDUCTIONS</b>	
Payments to Other Governments	<u>145,846</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-
Fiduciary Net Position - Beginning of Year	<u>-</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

*See accompanying Notes to Basic Financial Statements.*

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of Florence County, Wisconsin (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

**A. Reporting Entity**

The County is a municipal corporation governed by an elected 12-member board. In accordance with U.S. GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds includes an enterprise fund. The County has no internal service funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The County reports the following major governmental funds:

General Fund

This is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Human Services Special Revenue Fund

This fund accounts for the resources accumulated and payment of services provided by the County's human services department. Taxes and intergovernmental aids represent the significant revenues for this fund.

EMS Special Revenue Fund

This fund accounts for the resources accumulated and payment of services provided by the County's emergency, ambulance and rescue squad. Taxes and charges for services represent the significant revenues for this fund.

The County reports the following major enterprise fund:

Highway Enterprise Fund

This fund is used to account for costs of the highway department for the maintenance and construction of state, county, and local roads and bridges.

Additionally, the County accounts for amounts collected and remitted for other governments in a *custodial fund*.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter 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 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 to the related expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's highway function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.



**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**2. Property Tax Apportionments**

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as a deferred inflow of resources at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's General Fund in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes of \$6,266,741 are recorded on December 31, 2022 for collection in 2023 for the County apportionment. The County apportionment is for financing 2023 operations and will be transferred in 2023 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

**3. Accounts Receivable**

Accounts receivable are recorded at gross amounts 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 basic financial statements.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**4. Loans Receivable**

The County has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The County records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the County records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

**5. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are classified as nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

**6. Prepaid Items and Supplies**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**7. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The County has elected to use the modified approach to report infrastructure. Depreciation will not be recorded on infrastructure. With an up-to-date inventory, replicate conditions assessments, and annual costs to maintain and preserve the infrastructure, the County has agreed to provide a minimum condition level rating of 5.0 on the Paser scale.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	10 - 30	10 - 30
Buildings and Improvements	25 - 40	25 - 40
Machinery and Equipment	4 - 15	5 - 15

**8. Compensated Absences**

Long-term liabilities are recorded for earned and unused sick leave for sheriff's department employees covered under a bargaining unit agreement. Effective in 2013, there is no longer any carry-over or payout for unused sick leave at the end of the year for all other County employees. Long-term liabilities are recorded, however, for unused sick leave earned by these employees under prior County policies or prior bargaining unit agreements until used by the employee or paid out at retirement.

Unused vacation cannot be carried over to the following year except when extenuating circumstances exist. The value of any carried-over vacation is included as a long-term liability for compensated absences.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**8. Compensated Absences (Continued)**

Liabilities for compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. Liabilities are accrued and reported in governmental funds only if they have matured, for example, as a result of employee resignation or termination.

**9. 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 report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for interest on delinquent property taxes and loans receivable. These inflows are recognized as revenues in the government-wide financial statements.

**10. Long-Term Obligations**

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**11. Leases**

The County is a lessor for office space and land used for communications towers.

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 extend, 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 not 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.

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.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**12. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), 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.

**13. Fund Equity**

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** – Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance** – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance** – Amounts that are constrained for specific purposes by action of the County Board. These constraints can only be removed or changed by the County Board using the same action that was used to create them.
- **Assigned Fund Balance** – Amounts that are constrained for specific purposes by action of County management. The County Board has authorized the Audit and Budget Committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance** – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**13. Fund Equity (Continued)**

Governmental Fund Financial Statements (Continued)

The County has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- **Net Investment in Capital Assets** – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted Net Position** – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – Net position that is neither classified as restricted nor as net investment in capital assets.

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**F. 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.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Adoption of New Accounting Standards (Continued)**

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 a lease receivable and deferred inflow of resources in the governmental activities and governmental funds of \$162,038.

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

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

1. During October, County management 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.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. 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. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
5. Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2022.



**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**B. Excess of Expenditures Over Budget Appropriations**

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31 as follows:

Funds	Excess Expenditures
General Fund:	
General Government:	
Family Court Commissioner	\$ 856
Guardian Ad Litem	14,115
Coroner	4,784
Elections	3,415
Auditing and Accounting	8,951
County Clerk	18,691
Copier	615
County Treasurer	496
Building and Grounds	20,750
Sick Leave	11,515
County Land Sale Costs	666
Other	175
Public Safety:	
Law Enforcement	212,949
Jail/Detention	57,566
Drug Enforcement	529
Highway Safety Committee	528
Emergency Government	29,715
Health and Human Services:	
Public Health	180,384
Child Support	1,423
Culture and Recreation:	
Library	5,311
Parks	16,146
County Ski Hill	25,740
Snowmobile Trails	7,630
U.W. Extension	27,098
School Subsidy	3,066
Conservation and Development:	
Forestry Department	12,677
County Forest Roads	1,163
Resource Center	12,705
Wildlife Management	2,691

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**C. Deficit Fund Equity**

The following funds had a deficit fund balance as of December 31:

Fund	Deficit Fund Balance
EMS Operations	\$ 192
Tax Incremental District	193,410
Revolving Loan	92,667

The County anticipates funding the above deficit from future revenues of the fund.

**D. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2022 budget was 1.046%. The actual limit for the County for the 2023 budget was 1.306%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$8,325,372 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$ 900
Deposits with Financial Institutions	8,324,472
Total	\$ 8,325,372

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:

Cash and Investments	\$ 8,171,380
Restricted Cash and Investments	153,992
Total	<u>\$ 8,325,372</u>

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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County currently has no investments that are subject to fair value measurement.

Deposits and investments of the County are subject to various risks. Presented below is a discussion of the County's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The County does not have an additional custodial credit policy.

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. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. 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.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Custodial Credit Risk (Continued)

As of December 31, 2022, none of the County's deposits with financial institutions were in excess of federal and state depository insurance limits.

**B. Property Tax Apportionments**

Property taxes apportioned on December 31, 2022 totals \$6,266,741 and is for financing 2022 operations and will be transferred in 2023 from deferred inflows of resources to current revenues of the County's governmental.

**C. Delinquent Property Taxes – General Fund**

Delinquent property taxes of the General Fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

On December 31, 2022, the County's General Fund showed an investment of \$301,967 in delinquent taxes and interest as follows:

Tax Certificates	\$ 248,819
Tax Deeds	9,944
Interest on Delinquent Taxes	43,204
Total	<u>\$ 301,967</u>

An aging of the delinquent tax certificates of \$248,819 on December 31, 2022 follows:

<u>Year Acquired</u>	<u>Tax Certificates</u>
2016	\$ 663
2017	2,757
2018	3,161
2019	21,064
2020	66,006
2021	155,168
Total	<u>\$ 248,819</u>

Of the total of \$248,819 for delinquent taxes, \$41,425 was collected within 60 days of year-end. The remaining unpaid balance of \$207,394 as well as the \$9,944 of tax deeds, are recorded as nonspendable fund balance for the General Fund.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Delinquent Property Taxes – General Fund (Continued)**

Of the \$43,204 due for interest on delinquent property taxes, \$6,646 was collected by the County within 60 days after December 31, 2022. The remaining unpaid balance of \$36,558 is recorded as a deferred inflows of resources in the General Fund and recognized as income in the government-wide financial statements.

**D. Restricted Assets**

Restricted assets on December 31, 2022 totaled \$153,992 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
General Fund:		
Sheriff Inmate Trust	\$ 9,308	Deposits held by the County in trust
Clerk of Courts Trust	124,308	Deposits held by the County in trust
Human Services Special Revenue Fund:		
COP Risk Reserve	<u>20,376</u>	Resources for future Community Options Program (COP) expenditures
Total Restricted Assets	<u>\$ 153,992</u>	

**E. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 2,538,558	\$ -	\$ -	\$ 2,538,558
Infrastructure	13,841,993	-	-	13,841,993
Total Capital Assets, Nondepreciable	<u>16,380,551</u>	-	-	16,380,551
Capital Assets, Depreciable:				
Land Improvements	1,760,427	-	-	1,760,427
Buildings and Improvements	6,713,674	104,654	-	6,818,328
Machinery and Equipment	2,093,814	583,871	168,093	2,509,592
Subtotals	<u>10,567,915</u>	<u>688,525</u>	<u>168,093</u>	<u>11,088,347</u>
Less Accumulated Depreciation for:				
Land Improvements	596,685	87,814	-	684,499
Buildings and Improvements	3,707,439	173,253	-	3,880,692
Machinery and Equipment	1,323,604	245,331	168,093	1,400,842
Subtotals	<u>5,627,728</u>	<u>506,398</u>	<u>168,093</u>	<u>5,966,033</u>
Total Capital Assets, Depreciable, Net	<u>4,940,187</u>	<u>182,127</u>	<u>-</u>	<u>5,122,314</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,320,738</u>	<u>\$ 182,127</u>	<u>\$ -</u>	21,502,865
Less: Capital Debt				1,214,483
Less: Debt Premium				56,498
Less: Capital Related Accounts Payable				<u>180,029</u>
Net Investment in Capital Assets				<u>\$ 20,051,855</u>

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
<b>Capital Assets, Nondepreciable:</b>				
Land	\$ 19,671	\$ -	\$ -	\$ 19,671
Construction in Progress	18,623	-	18,623	-
Total Capital Assets, Nondepreciable	38,294	-	18,623	19,671
<b>Capital Assets, Depreciable:</b>				
Land Improvements	159,063	-	-	159,063
Buildings and Improvements	1,208,761	322,230	-	1,530,991
Machinery and Equipment	3,047,400	350,716	34,349	3,363,767
Subtotals	4,415,224	672,946	34,349	5,053,821
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	56,018	5,432	-	61,450
Buildings and Improvements	546,611	41,719	-	588,330
Machinery and Equipment	1,738,779	172,755	28,667	1,882,867
Subtotals	2,341,408	219,906	28,667	2,532,647
Total Capital Assets, Depreciable, Net	2,073,816	453,040	5,682	2,521,174
Business-Type Activities Capital Assets, Net	\$ 2,112,110	\$ 453,040	\$ 24,305	2,540,845
Less: Capital Related Debt				12,352
Net Investment in Capital Assets				\$ 2,528,493

Depreciation expense was charged to functions of the County as follows:

<b>Governmental Activities:</b>	
General Government	\$ 96,360
Public Safety	248,379
Health and Human Services	26,363
Culture and Recreation	44,778
Conservation and Development	90,518
Total Depreciation Expense - Governmental Activities	\$ 506,398
<b>Business-Type Activities:</b>	
Highway	\$ 219,906

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivable, Payables, and Transfers**

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Long-Term Advance:		
General	\$ 280,077	\$ -
Revolving Loan	-	94,667
Tax Incremental District	-	185,410
Total	<u>\$ 288,077</u>	<u>\$ 280,077</u>

Interfund transfers for the year ended December 31 were as follows:

<u>Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 149,083	\$ 217,557
Special Revenue:		
Human Service	-	149,083
Revolving Loan	25,000	-
DOT Aging Trust	117,557	-
American Rescue Act	-	25,000
Enterprise:		
Highway	100,000	-
Total	<u>\$ 391,640</u>	<u>\$ 391,640</u>

Interfund transfers were made for the following purposes:

Return Tax Levy to General Fund Based on the Budget	\$ 149,083
Transfer from General Fund to New DOT Aging Special Revenue Fund	117,557
Transfer from General Fund to Highway Fund to Correct Error in Prior Year Budget	100,000
Transfer from American Rescue Act Fund to the Revolving Loan Fund for Expenditures	25,000
Total	<u>\$ 391,640</u>

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the County for the year ended December 31:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Notes	\$ 2,800,000	\$ -	\$ 300,000	\$ 2,500,000	\$ 300,000
Notes from Direct Borrowings	122,329	-	39,286	83,043	40,759
Total General Obligation Debt	2,922,329	-	339,286	2,583,043	340,759
Debt Premium	81,749	-	13,225	68,524	-
Compensated Absences	210,130	16,639	34,240	192,529	-
Governmental Activities Long-Term Obligations	<u>\$ 3,214,208</u>	<u>\$ 16,639</u>	<u>\$ 386,751</u>	<u>\$ 2,844,096</u>	<u>\$ 340,759</u>
Business-Type Activities:					
Installment Purchase Agreement	\$ 24,174	\$ -	\$ 11,822	\$ 12,352	\$ 12,352
Compensated Absences	2,960	312	-	3,272	-
Business-Type Activities Long-Term Obligations	<u>\$ 27,134</u>	<u>\$ 312</u>	<u>\$ 11,822</u>	<u>\$ 15,624</u>	<u>\$ 12,352</u>

Total interest paid during the year on long-term debt totaled \$72,338.

The County's outstanding notes from direct borrowing of \$83,043 is subject to statutory provision that in an event of late or nonpayment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
General Obligation Notes	7/1/14	12/1/24	1.25 - 3.00%	\$ 2,500,000	\$ 1,250,000
General Obligation Notes	8/30/19	3/15/24	3.75%	200,000	83,043
General Obligation Notes	11/3/20	10/1/30	2.00%	1,500,000	1,250,000
Total Outstanding General Obligation Debt					<u>\$ 2,583,043</u>



**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$2,583,043 on December 31, 2022 are detailed below:

<u>Year Ending December 31.</u>	Governmental Activities				<u>Totals</u>
	Bonded Debt		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	
2023	\$ 300,000	\$ 59,656	\$ 40,759	\$ 3,114	\$ 403,529
2024	1,225,000	38,625	42,284	1,590	1,307,499
2025	150,000	19,500	-	-	169,500
2026	150,000	16,500	-	-	166,500
2027	150,000	13,500	-	-	163,500
2028	175,000	10,500	-	-	185,500
2029	175,000	7,000	-	-	182,000
2030	175,000	3,500	-	-	178,500
Total	<u>\$ 2,500,000</u>	<u>\$ 168,781</u>	<u>\$ 83,043</u>	<u>\$ 4,704</u>	<u>\$ 2,756,528</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2022 was \$39,034,272 as follows:

Equalized Valuation of the County	\$ 832,346,300
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	41,617,315
Net Outstanding General Obligation Debt Applicable to Debt Limitation	2,583,043
Legal Margin for New Debt	<u>\$ 39,034,272</u>

Finance Purchased Agreements

The County is required to make various monthly principal and interest payments. These leases have interest rates from 4.15%. The equipment has an estimated useful life of ten years. The financed purchase lease expires in 2024.

This agreement qualifies as a financed purchase for accounting purposes and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. The assets acquired through a financed purchase agreement are as follows:

Assets:	
Machinery and Equipment	\$ 95,252
Less: Accumulated Depreciation	(28,338)
Total	<u>\$ 360,229</u>

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Long-Term Obligations (Continued)**

Finance Purchased Agreements (Continued)

The future minimum obligations of the lease payments as of December 31, 2022 were as follows:

<u>Year Ending</u>	<u>Principal</u>
2023	\$ 12,352

**H. Lease Receivable**

Governmental Activities

Building Facility and Communications Tower leases. Monthly installments ranging from \$505 to \$1,173 including interest at 2.0%, due dates ranging from 2025-2041.

The lease provides for increase in future minimum annual rental payments.

For the year ended December 31, 2022 the County received \$16,277 in lease revenue and \$3,092 in interest on the leases receivables.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 16,948	\$ 2,761	\$ 19,709
2024	17,640	2,416	20,056
2025	17,156	2,056	19,212
2026	4,552	1,839	6,391
2027	4,725	1,749	6,474
2028 - 2032	26,394	4,215	30,609
2033 and thereafter	58,346	5,355	63,701
Total	\$ 145,761	\$ 20,391	\$ 166,152

**I. Pension Plan**

**1. 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.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Pension Plan (Continued)**

**1. Plan Description (Continued)**

All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 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, which can be found at <http://etf.wi.gov/reports-and-studies/financial-reports-and-statements>.

Additionally, EFT 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 December 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.

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.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Pension Plan (Continued)**

**2. Postretirement 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:

<u>Year</u>	<u>Core Fund Adjustment Percent</u>	<u>Variable Fund Adjustment Percent</u>
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	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

**3. 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 ended December 31, 2022, WRS recognized \$307,564 in contributions from the County.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Pension Plan (Continued)**

**3. Contributions (Continued)**

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50 %	12.00 %
Protective without Social Security	6.50 %	16.40 %

**4. Pension Liabilities, 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 \$2,051,515 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 0.02545246%, which was a decrease of 0.00003587% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the County recognized pension revenue of \$179,286.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,314,117	\$ 238,983
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	4,589,410
Changes in Assumptions	382,741	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,928	4,228
Employer Contributions Subsequent to the Measurement Date	307,564	-
Total	<u>\$ 4,009,350</u>	<u>\$ 4,832,621</u>

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Pension Plan (Continued)**

**4. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$307,564 reported as deferred outflows related to pension resulting from the County'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:

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ (95,568)
2024	(556,823)
2025	(244,487)
2026	(233,957)
Total	<u>\$ (1,130,835)</u>

**5. 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 postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

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.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

Based on this experience study, actuarial assumptions used to measure the total pension liability charged from prior year, including the discount rate, long-term expected rate of return, postretirement 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:

	Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
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
Cash	(15.0)	0.9	N/A
Total Core Fund	100.0 %	6.6	4.1
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0 %	7.1	4.6

New England Pension Consultants Long term US CPI (Inflation) Forecast: 2.4%

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 of up to 20%.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

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 7.00% 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 a 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 members 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 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%, 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%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,455,695	\$ (2,051,515)	\$ (4,576,054)

Pension Plan Fiduciary Net Position

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



**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Pension Plan (Continued)**

**6. Payables to the Pension Plan**

At December 31, 2022, the County reported a payable of \$54,469 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

**J. Fund Equity**

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31 nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Prepaid Items	\$ 121,096
Delinquent Property Taxes	217,338
Long-Term Advance to Other Funds	280,077
Total Nonspendable Fund Balance	<u>\$ 618,511</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31 restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
DOT Transportation Trust	\$ 117,557
COP Risk Reserve	20,376
Debt Service Fund:	
Restricted for:	
Debt Service	<u>3,835</u>

**CAPITAL PROJECTS FUND**

Restricted for:	
Unspent Debt Proceeds	<u>118,560</u>
Total Restricted Fund Balance	<u>\$ 260,328</u>

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Fund Equity (Continued)**

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31 fund balance was committed as follows:

General Fund:	
Committed for:	
Future Year's Expenditures	\$ 545,004
Special Revenue Funds:	
Committed for:	
Human Services	482,413
Housing Authority	77,348
Economic Development	41,707
County Roads and Bridges	217,839
Opioid Settlement	25,043
Capital Projects Fund:	
Committed for:	
Capital Projects	<u>424,032</u>
Total Committed Fund Balance	<u><u>\$ 1,813,386</u></u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31 fund balance was assigned as follows:

General Fund:	
Assigned for Subsequent Years Budget	\$ 262,739
Special Revenue Fund:	
Human Services Balance to Transfer to General Fund in Subsequent Year	<u>141,662</u>
Total	<u><u>\$ 404,401</u></u>

**FLORENCE COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Fund Equity (Continued)**

Minimum General Fund Balance Policy

The County has also adopted a minimum fund balance policy of 15% to 25% of actual current year General Fund expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Actual 2022 General Fund Expenditures	\$ 7,828,376	\$ 7,828,376
Minimum Fund Balance %	<u>(x) 15%</u>	<u>(x) 25%</u>
Minimum Fund Balance Amount	<u>\$ 1,174,256</u>	<u>\$ 1,957,094</u>

The County's unassigned General Fund balance of \$4,682,670 is above the minimum fund balance amount.

**NOTE 4 OTHER INFORMATION**

**A. Tax Incremental Financing Districts**

The County has established a separate capital projects fund for the Tax Incremental District (TID) created by the County in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the County to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The County's District is still eligible to incur project costs.

Since creation of the above Districts, the County has provided various financing sources and has also recorded eligible TID project costs in other funds of the County. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the County from any future excess tax increment revenues. As of December 31, 2022, the County can recover \$193,410 from future excess tax increment revenues of the District.

The intent of the County is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the County prior thereto, the TID has a statutory termination year as 2033.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Tax Abatements**

The County has created a tax incremental financing district (the District) in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the District, the County entered into agreements with developers for a creation of tax base within the District. The agreements require the County to make annual repayments of property taxes collected within the District to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2022, the County abated property taxes totaling \$7,099 under this program, comprised of the following tax abatement agreement:

- A property tax abatement of \$6,995 to a developer for commercial development within the District.
- A property tax abatement of \$103 to a developer for commercial development within the District.

**C. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County has chosen to retain a portion of the risks through a self-insurance program and has also purchased insurance to transfer other risks to outside parties. Settled claims have not exceeded coverage in each of the last three years.

Property and Liability Insurance

During 1994, the County became a member of the Wisconsin County Mutual Insurance Corporation (WCMIC). WCMIC was created by several governmental units within the state of Wisconsin to provide liability insurance services to its members. The County pays premiums to WCMIC for its liability insurance coverage. The actuary for WCMIC determines charges to its members for the expected losses and loss adjustment expenses on which premiums are based. Premium charges for WCMIC are recorded as expenditures or expenses in various funds of the County.

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are also recorded as expenditures or expenses in various funds of the County.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Contingencies**

The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the Corporation Counsel 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FLORENCE COUNTY, WISCONSIN  
MODIFIED APPROACH TO INFRASTRUCTURE ASSETS  
DECEMBER 31, 2022**

County road condition assessments per Paser System

<u>Year</u>	<u>Average Rating</u>
2018	7.2
2019	7.9
2020	7.9
2021	7.6
2022	7.6

<u>Year</u>	<u>Actual Expenditures</u>			<u>Budgeted Annual Amount</u>
	<u>General Maintenance</u>	<u>Improvements</u>	<u>Total</u>	
2018	\$ 361,036	\$ 1,224,585	\$ 1,585,621	\$ 443,752
2019	138,918	5,904	144,822	240,500
2020	223,459	-	223,459	164,700
2021	236,186	328,120	564,306	419,000
2022	250,159	-	250,159	419,000
Total	<u>\$ 1,209,758</u>	<u>\$ 1,558,609</u>	<u>\$ 2,768,367</u>	<u>\$ 1,686,952</u>
Five Year Average	<u>\$ 241,952</u>	<u>\$ 311,722</u>	<u>\$ 553,673</u>	<u>\$ 337,390</u>

Note: The condition of road pavement is measured using the PASER system, which uses visual inspection to evaluate pavement surface conditions. The PASER system uses the following measurement scale: excellent - no maintenance required (9-10), good - crack sealing and minor patching (7-8), fair – preservation treatments non-structural (5-6), poor - structural renewal (3-4) and failed - reconstruction (1-2). It is the County's policy to maintain its road system at a minimum of 5.0 on the PASER system.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	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	0.02438223%	\$ (598,894)	\$ 3,073,165	19.49%	102.74%
12/31/15	0.02488313%	404,346	3,331,846	12.14%	98.20%
12/31/16	0.02519807%	207,692	3,333,407	6.23%	99.12%
12/31/17	0.02572824%	(763,901)	3,394,563	22.50%	102.93%
12/31/18	0.02567875%	913,569	3,522,898	25.93%	96.45%
12/31/19	0.02574577%	(830,161)	3,541,653	23.44%	102.96%
12/31/20	0.02548833%	(1,591,271)	3,588,751	44.34%	105.26%
12/31/21	0.02545246%	(2,051,515)	3,862,655	53.11%	106.02%

**SCHEDULE OF CONTRIBUTIONS  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 252,519	\$ 252,519	\$ -	\$ 3,331,846	7.58%
12/31/16	240,954	240,954	-	3,333,407	7.23%
12/31/17	260,361	260,361	-	3,394,563	7.67%
12/31/18	268,528	268,528	-	3,522,898	7.62%
12/31/19	269,263	269,263	-	3,541,653	7.60%
12/31/20	284,141	284,141	-	3,588,751	7.92%
12/31/21	300,781	300,781	-	3,862,666	7.79%
12/31/22	307,564	307,564	-	4,008,628	7.67%

See accompanying Note to Required Supplementary Information.



**FLORENCE COUNTY, WISCONSIN  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

The County is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**Changes of Assumptions**

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the EFT 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 postretirement 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 EFT Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end 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 postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

**SUPPLEMENTARY INFORMATION**

**FLORENCE COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>TAXES</b>				
General Property	\$ 3,580,949	\$ 3,580,949	\$ 3,559,851	\$ (21,098)
Forest Crop Tax	48,000	48,000	62,989	14,989
County Sales Tax	320,000	320,000	370,561	50,561
Real Estate Transfer Tax	20,000	20,000	18,405	(1,595)
Payment in Lieu of Taxes	190,000	190,000	188,879	(1,121)
Total Taxes	4,158,949	4,158,949	4,200,685	41,736
<b>INTERGOVERNMENTAL</b>				
State:				
State Shared Taxes	146,215	146,215	145,268	(947)
Exempt Computer Aid	400	400	428	28
Judicial Grant	19,000	19,000	19,492	492
Other State Payments	10,600	10,600	10,765	165
Guardian Ad Litem	5,000	5,000	7,426	2,426
Family Resource Program	6,033	6,033	6,033	-
Aging	419,301	419,301	397,768	(21,533)
Land Information	134,936	134,936	97,064	(37,872)
Public Health Grants	265,598	265,598	418,984	153,386
Law Enforcement	37,200	37,200	32,022	(5,178)
Snowmobile and ATV Trails	626,478	626,478	210,042	(416,436)
Ski Hill Aid	21,324	21,324	14,137	(7,187)
Emergency Government	38,250	38,250	53,500	15,250
Child Support	88,000	88,000	93,712	5,712
Veterans Service	500	500	550	50
Park Development Aids	3,000	3,000	3,509	509
Recycling	78,997	78,997	78,997	-
Forestry	91,794	91,794	100,673	8,879
Land Conservation	149,121	149,121	105,956	(43,165)
Library	575	575	1,125	550
Wildlife Grants	34,549	34,549	24,254	(10,295)
Total Intergovernmental	2,176,871	2,176,871	1,821,705	(355,166)
<b>LICENSES AND PERMITS</b>				
Licenses:				
Non-AFDC Application Fee	60	60	40	(20)
Public Health	19,000	19,000	25,494	6,494
Non-Metallic Mine Permit	5,910	5,910	3,145	(2,765)
Zoning	23,200	23,200	30,528	7,328
Total Licenses and Permits	48,170	48,170	59,207	11,037
<b>FINES AND FORFEITS</b>				
Court Fines and Penalties	1,100	1,100	6,537	5,437

**FLORENCE COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>PUBLIC CHARGES FOR SERVICES</b>				
Register of Deeds Fees	\$ 45,000	\$ 45,000	\$ 37,959	\$ (7,041)
County Clerk Fees	100	100	1,012	912
County Treasurer Fees	900	900	1,192	292
Circuit Court Fees and Costs	30,500	30,500	42,317	11,817
Guardian Ad Litem	17,000	17,000	13,845	(3,155)
Zoning Fees	2,200	2,200	1,700	(500)
Drug Enforcement	-	-	874	874
Inmate Revenues	37,350	37,350	38,116	766
Public Health	9,000	9,000	11,822	2,822
Plat Book Sales	2,000	2,000	1,317	(683)
District Attorney	1,000	1,000	1,185	185
Child Support	400	400	213	(187)
Coroner	16,000	16,000	21,900	5,900
Family Resource Center	1,000	1,000	2,478	1,478
Sheriff Fees	7,350	7,350	8,173	823
Aging Fees	21,080	21,080	46,432	25,352
Emergency Government	-	-	8,000	8,000
Extension Program	-	-	24,660	24,660
Park Fees	40,000	40,000	44,626	4,626
Recreation Fees	24,800	24,800	31,775	6,975
Timber Sales	540,000	540,000	451,145	(88,855)
Forestry Revenue	24,200	24,200	26,708	2,508
Library	-	-	2,902	2,902
Land Conservation	26,000	26,000	35,748	9,748
Total Public Charges for Services	<u>845,880</u>	<u>845,880</u>	<u>856,099</u>	<u>10,219</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
Housing of Prisoners	-	-	1,480	1,480
Resource Center from State	66,827	66,827	73,169	6,342
Service Contract	1,389	1,389	1,389	-
Central Duplication Revenue	3,500	3,500	2,377	(1,123)
Forestry Stewardship	18,000	18,000	6,745	(11,255)
Land Charges	500	500	-	(500)
Total Intergovernmental Charges for Services	<u>90,216</u>	<u>90,216</u>	<u>85,160</u>	<u>(5,056)</u>
<b>MISCELLANEOUS</b>				
Interest on Investments	50,000	50,000	71,196	21,196
Insurance Recoveries and Dividends	7,000	7,000	32,336	25,336
Donations	-	-	49,075	49,075
Rent of County Offices and Buildings	3,540	3,540	21,827	18,287
Other	-	-	1,924	1,924
Interest on Taxes	90,000	90,000	63,417	(26,583)
Total Miscellaneous	<u>150,540</u>	<u>150,540</u>	<u>239,775</u>	<u>89,235</u>
Total Revenues	<u>\$ 7,471,726</u>	<u>\$ 7,471,726</u>	<u>\$ 7,269,168</u>	<u>\$ (202,558)</u>

**FLORENCE COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
County Board	\$ 88,588	\$ 88,588	\$ 80,557	\$ 8,031
Legislative Committee	1,850	1,850	773	1,077
Circuit Court	172,950	172,950	170,495	2,455
Family Court Commissioner	2,000	2,000	2,856	(856)
Law Library	1,500	1,500	1,239	261
Guardian Ad Litem	19,000	19,000	33,115	(14,115)
Coroner	32,512	32,512	37,296	(4,784)
District Attorney	67,473	67,473	61,821	5,652
Elections	28,500	28,500	31,915	(3,415)
Auditing and Accounting	30,700	30,700	39,651	(8,951)
County Clerk	339,152	339,152	357,843	(18,691)
Copier	5,000	5,000	5,615	(615)
Information Systems	76,986	76,986	70,867	6,119
County Treasurer	126,226	126,226	126,722	(496)
Building and Grounds	204,032	204,032	224,782	(20,750)
Tax Foreclosure Fees	6,400	6,400	-	6,400
Register of Deeds	168,383	168,383	146,073	22,310
Land Information	144,936	144,936	108,649	36,287
Property Description Office	35,314	35,314	32,914	2,400
Property and Liability Insurance	130,000	130,000	118,797	11,203
Employee Bonds	800	800	-	800
Workers' Comp Insurance	-	-	(9,683)	9,683
Unemployment Insurance	2,500	2,500	1,757	743
Sick Leave	-	-	11,515	(11,515)
County Land Sale Costs	500	500	1,166	(666)
Contingency	200,000	200,000	7,997	192,003
Other	-	-	175	(175)
Total General Government	1,885,302	1,885,302	1,664,907	220,395
<b>PUBLIC SAFETY</b>				
Law Enforcement	1,349,390	1,349,390	1,562,339	(212,949)
Jail/Detention	1,090,837	1,090,837	1,148,403	(57,566)
Drug Enforcement	-	-	529	(529)
Highway Safety Committee	20,396	20,396	20,924	(528)
Emergency Government	86,886	86,886	116,601	(29,715)
County Rescue Squad	6,000	6,000	4,000	2,000
Fire Suppression	100	100	81	19
Total Public Safety	2,553,609	2,553,609	2,852,877	(299,268)
<b>PUBLIC WORKS</b>				
Recycling	78,997	78,997	75,525	3,472

**FLORENCE COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>HEALTH AND HUMAN SERVICES</b>				
Public Health	\$ 503,879	\$ 503,879	\$ 684,263	\$ (180,384)
Child Support	112,313	112,313	113,736	(1,423)
Aging	609,848	609,848	572,532	37,316
Veteran's Service Officer	26,630	26,630	22,782	3,848
Indirect Cost Study	4,250	4,250	4,250	-
Total Health and Human Services	<u>1,256,920</u>	<u>1,256,920</u>	<u>1,397,563</u>	<u>(140,643)</u>
<b>CULTURE AND RECREATION</b>				
Library	130,547	130,547	135,858	(5,311)
Parks	55,000	55,000	71,146	(16,146)
County Ski Hill	70,025	70,025	95,765	(25,740)
Snowmobile Trails	48,240	48,240	55,870	(7,630)
ATV Trails	578,238	578,238	152,880	425,358
County Fair and Exhibits	5,000	5,000	-	5,000
U.W. Extension	143,518	143,518	170,616	(27,098)
School Subsidy	-	-	3,066	(3,066)
Promotions	5,000	5,000	4,875	125
Total Culture and Recreation	<u>1,035,568</u>	<u>1,035,568</u>	<u>690,076</u>	<u>345,492</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Forestry Department	623,689	623,689	636,366	(12,677)
USFS Project	17,946	17,946	2,696	15,250
County Forest Roads	34,000	34,000	35,163	(1,163)
Visitor Resource	34,120	34,120	34,120	-
Resource Center	85,485	85,485	98,190	(12,705)
Land Conservation	192,695	192,695	131,027	61,668
Wildlife Management	14,489	14,489	17,180	(2,691)
Wildlife Abatement	22,845	22,845	21,329	1,516
Non-Metallic Mining	5,097	5,097	4,323	774
Zoning	175,793	175,793	167,034	8,759
Total Conservation and Development	<u>1,206,159</u>	<u>1,206,159</u>	<u>1,147,428</u>	<u>58,731</u>
Total Expenditures	<u>\$ 8,016,555</u>	<u>\$ 8,016,555</u>	<u>\$ 7,828,376</u>	<u>\$ 188,179</u>

**FLORENCE COUNTY, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Special Revenue			
	Housing Authority	Revolving Loan	Economic Development	County Roads and Bridges
<b>ASSETS</b>				
Cash and Investments	\$ 77,348	\$ 1,550	\$ 44,921	\$ 217,839
Receivables:				
Property Taxes	12,367	-	83,711	250,000
Accounts	-	450	570	-
Loans	373,560	228,563	-	-
	<u>373,560</u>	<u>228,563</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 463,275</u>	<u>\$ 230,563</u>	<u>\$ 129,202</u>	<u>\$ 467,839</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 813	\$ -
Accrued and Other Current Liabilities	-	-	2,971	-
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	94,667	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>94,667</u>	<u>3,784</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	12,367	-	83,711	250,000
Loans Receivable	373,560	228,563	-	-
	<u>373,560</u>	<u>228,563</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	385,927	228,563	83,711	250,000
<b>FUND BALANCES</b>				
Restricted	-	-	-	-
Committed	77,348	-	41,707	217,839
Unassigned	-	(92,667)	-	-
Total Fund Balances	<u>77,348</u>	<u>(92,667)</u>	<u>41,707</u>	<u>217,839</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 463,275</u>	<u>\$ 230,563</u>	<u>\$ 129,202</u>	<u>\$ 467,839</u>

**FLORENCE COUNTY, WISCONSIN  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Special Revenue		
	ARPA	Aging DOT Operations	Opioid Settlement
<b>ASSETS</b>			
Cash and Investments	\$ 495,635	\$ 117,557	\$ 25,043
Receivables:			
Property Taxes	-	-	-
Accounts	-	-	-
Loans	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 495,635</u>	<u>\$ 117,557</u>	<u>\$ 25,043</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	920	-	-
Due to Other Funds	-	-	-
Advance from Other Funds	-	-	-
Unearned Revenues	494,715	-	-
Total Liabilities	<u>495,635</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	-	-	-
Loans Receivable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	-	-	-
<b>FUND BALANCES</b>			
Restricted	-	117,557	-
Committed	-	-	25,043
Unassigned	-	-	-
Total Fund Balances	<u>-</u>	<u>117,557</u>	<u>25,043</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 495,635</u>	<u>\$ 117,557</u>	<u>\$ 25,043</u>



**FLORENCE COUNTY, WISCONSIN  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Capital Projects			Total
	Capital Projects	Tax Incremental District	Debt Service	
<b>ASSETS</b>				
Cash and Investments	\$ 557,263	\$ -	\$ 3,835	\$ 1,540,991
Receivables:				
Property Taxes	-	-	403,530	749,608
Accounts	-	-	-	1,020
Loans	-	-	-	602,123
	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,123</u>
Total Assets	<u>\$ 557,263</u>	<u>\$ -</u>	<u>\$ 407,365</u>	<u>\$ 2,893,742</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 14,671	\$ -	\$ -	\$ 15,484
Accrued and Other Current Liabilities	-	-	-	3,891
Due to Other Funds	-	8,000	-	8,000
Advance from Other Funds	-	185,410	-	280,077
Unearned Revenues	-	-	-	494,715
Total Liabilities	<u>14,671</u>	<u>193,410</u>	<u>-</u>	<u>802,167</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	-	-	403,530	749,608
Loans Receivable	-	-	-	602,123
	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,123</u>
Total Deferred Inflows of Resources	-	-	403,530	1,351,731
<b>FUND BALANCES</b>				
Restricted	118,560	-	3,835	239,952
Committed	424,032	-	-	785,969
Unassigned	-	(193,410)	-	(286,077)
Total Fund Balances	<u>542,592</u>	<u>(193,410)</u>	<u>3,835</u>	<u>739,844</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 557,263</u>	<u>\$ -</u>	<u>\$ 407,365</u>	<u>\$ 2,893,742</u>

**FLORENCE COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Special Revenue			
	Housing Authority	Revolving Loan	Economic Development	County Roads and Bridges
<b>REVENUES</b>				
Taxes	\$ 11,700	\$ -	\$ 97,728	\$ 225,000
Intergovernmental	-	99,999	97,309	342,574
Licenses and Permits	-	-	-	2,350
Public Charges for Services	-	1,110	8,000	-
Miscellaneous	16,013	80,846	12,360	-
Total Revenues	<u>27,713</u>	<u>181,955</u>	<u>215,397</u>	<u>569,924</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	491,160
Culture and Recreation	-	-	-	-
Conservation and Development	15,472	128,938	186,942	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>15,472</u>	<u>128,938</u>	<u>186,942</u>	<u>491,160</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	12,241	53,017	28,455	78,764
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	25,000	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	12,241	78,017	28,455	78,764
Fund Balances - Beginning of Year	<u>65,107</u>	<u>(170,684)</u>	<u>13,252</u>	<u>139,075</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 77,348</u>	<u>\$ (92,667)</u>	<u>\$ 41,707</u>	<u>\$ 217,839</u>

**FLORENCE COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue		
	ARPA	Aging DOT Operations	Opioid Settlement
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	200,913	-	25,043
Licenses and Permits	-	-	-
Public Charges for Services	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>200,913</u>	<u>-</u>	<u>25,043</u>
<b>EXPENDITURES</b>			
Current:			
General Government	111,964	-	-
Public Safety	24,924	-	-
Public Works	-	-	-
Culture and Recreation	32,425	-	-
Conservation and Development	6,600	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>175,913</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	25,000	-	25,043
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	117,557	-
Transfers Out	(25,000)	-	-
Total Other Financing Sources	<u>(25,000)</u>	<u>117,557</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	117,557	25,043
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 117,557</u>	<u>\$ 25,043</u>

**FLORENCE COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Capital Projects			Total
	Capital Projects	Tax Incremental District	Debt Service	
<b>REVENUES</b>				
Taxes	\$ -	\$ 97,302	\$ 410,623	\$ 842,353
Intergovernmental	-	9,935	-	775,773
Licenses and Permits	-	-	-	2,350
Public Charges for Services	-	-	-	9,110
Miscellaneous	-	-	-	109,219
Total Revenues	-	107,237	410,623	1,738,805
<b>EXPENDITURES</b>				
Current:				
General Government	18,000	-	-	129,964
Public Safety	-	-	-	24,924
Public Works	-	-	-	491,160
Culture and Recreation	-	-	-	32,425
Conservation and Development	-	14,951	-	352,903
Debt Service:				
Principal	-	-	339,286	339,286
Interest and Fiscal Charges	-	4,446	71,338	75,784
Capital Outlay	317,833	-	-	317,833
Total Expenditures	335,833	19,397	410,624	1,764,279
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(335,833)	87,840	(1)	(25,474)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	-	-	142,557
Transfers Out	-	-	-	(25,000)
Total Other Financing Sources	-	-	-	117,557
<b>NET CHANGE IN FUND BALANCES</b>	(335,833)	87,840	(1)	92,083
Fund Balances - Beginning of Year	878,425	(281,250)	3,836	647,761
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 542,592</u>	<u>\$ (193,410)</u>	<u>\$ 3,835</u>	<u>\$ 739,844</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC 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  
Florence County, 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 Florence County (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 September 11, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Florence 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 Florence County's internal control. Accordingly, we do not express an opinion on the effectiveness of Florence County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned cost as item 2022-002 to be a significant deficiency.

**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*.

**Florence County’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 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 compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
September 11, 2023

## **FEDERAL AND STATE AWARDS**





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

County Board  
Florence County, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal Program and Major State Program***

We have audited Florence 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 each of the County's major federal and state programs for the year ended December 31, 2022. The County's major federal and 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 each of its major federal program and major state program for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program and 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; and 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 and 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 the 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 the 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.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures Florence County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Florence County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 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 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003, to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Florence County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Florence County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

County Board  
Florence County, Wisconsin

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. Accordingly, this report is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
September 11, 2023

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Rural Business Development Grant	10.351	Direct Program	N/A	\$ -	\$ 99,999	\$ -	\$ 99,999	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI Department of Health Services	154710	(1,894)	28,669	-	26,775	-
SNAP Cluster								
COVID-19 State Administrative Matching Grants for Food Stamp Program	10.561	Wood County, Wisconsin	250	-	6,904	-	6,904	-
State Administrative Matching Grants for Food Stamp Program	10.561	Wood County, Wisconsin	284	(2,280)	21,545	-	19,265	-
Total SNAP Cluster				<u>(2,280)</u>	<u>28,449</u>	<u>-</u>	<u>26,169</u>	<u>-</u>
Total U.S. Department of Agriculture				(4,174)	157,117	-	152,943	-
<b>U.S. DEPARTMENT OF ADMINISTRATION</b>								
Community Development Block Grant Program	14.228	WI Department of Administration	CDBG CL-PF 21-13	-	56,738	-	56,738	-
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>								
Highway Planning and Construction Cluster								
Recreational Trails Program	20.219	WI Department of Natural Resources	RTP-855-17M	(45,000)	-	45,000	-	-
Recreational Trails Program	20.219	WI Department of Natural Resources	RTP-970-19D	(5,681)	-	12,087	6,406	-
Recreational Trails Program	20.219	WI Department of Natural Resources	RTP-973-19D	(1,506)	7,570	1,668	7,732	-
Total Highway Planning and Construction Cluster				<u>(52,187)</u>	<u>7,570</u>	<u>58,755</u>	<u>14,138</u>	<u>-</u>
Highway Safety Cluster								
State and Community Highway Safety	20.600	WI Department of Transportation	Unknown	-	3,391	-	3,391	-
Total U.S. Department of Transportation				(52,187)	10,961	58,755	17,529	-

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF THE TREASURY</b>								
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Program	N/A	\$ 147,114	\$ 445,689	\$ (363,327)	\$ 229,476	\$ -
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	WI Department of Health Services	155811	-	225,000	3,440	228,440	-
Total COVID 19 - Coronavirus State and Local Fiscal Recovery Funds				147,114	670,689	(359,887)	457,916	-
Local Assistance and Tribal Consistency Fund	21.032	Direct Program	N/A	-	131,388	(131,388)	-	-
Total U.S. Department of the Treasury				147,114	802,077	(491,275)	457,916	-
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Special Education - Grants for Infants and Families	84.181	WI Department of Health Services	550	-	12,075	-	12,075	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
Special Programs for the Aging Title VII	93.042	United Way	39-9142-00-004	-	5,428	-	5,428	-
COVID 19 - Special Programs for the Aging Title VII	93.042	United Way	ARPAR-9142-00-004	-	7,194	-	7,194	-
Total Special Programs for the Aging Title VII				-	12,622	-	12,622	-
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	Greater WI Agency on Aging Resources, Inc.	560510	(1,180)	2,029	326	1,175	-
Aging Cluster								
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	Greater WI Agency on Aging Resources, Inc.	560340	(4,851)	19,461	-	14,610	-
COVID 19 - Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	Greater WI Agency on Aging Resources, Inc.	560342	(323)	323	-	-	-
COVID 19 - Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	Greater WI Agency on Aging Resources, Inc.	560343	-	5,144	6,596	11,740	-
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers				(5,174)	24,928	6,596	26,350	-

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>								
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Greater WI Agency on Aging Resources, Inc.	560350	\$ (5,776)	\$ 8,681	\$ -	\$ 2,905	\$ -
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Greater WI Agency on Aging Resources, Inc.	560353	(1,057)	1,057	-	-	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Greater WI Agency on Aging Resources, Inc.	560355	-	17,711	-	17,711	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Greater WI Agency on Aging Resources, Inc.	560360	(11,043)	16,926	-	5,883	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Greater WI Agency on Aging Resources, Inc.	560363	-	4,348	-	4,348	-
Total Special Programs for the Aging Title III, Part C Nutrition Services				(17,876)	48,723	-	30,847	-
Total Aging Cluster				(23,050)	73,651	6,596	57,197	-
COVID 19 - National Family Caregiver Support, Title III, Part E	93.052	Greater WI Agency on Aging Resources, Inc.	560523	-	-	69	69	-
National Family Caregiver Support, Title III, Part E	93.052	Greater WI Agency on Aging Resources, Inc.	560520	-	3,337	1,663	5,000	-
Total National Family Caregiver Support, Title III, Part E				-	3,337	1,732	5,069	-
Nutrition Services Incentive Program	93.053	Greater WI Agency on Aging Resources, Inc.	560422	-	6,545	-	6,545	-
Public Health Emergency Preparedness	93.069	WI Department of Health Services	155015	(6,554)	28,254	5,546	27,246	-
Substance Abuse and Mental Health Services	93.243	Marshfield Clinic Research Institute	35162	-	7,200	-	7,200	-
Immunization Cooperative Agreements	93.268	WI Department of Health Services	155020	-	4,891	-	4,891	-
COVID 19 - Immunization Cooperative Agreements	93.268	WI Department of Health Services	155809	(15,786)	26,607	872	11,693	-
Total Immunization Cooperative Agreements				(15,786)	31,498	872	16,584	-
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	WI Department of Health Services	155806	(20,076)	72,610	-	52,534	-
State Health Insurance Assistance Program	93.324	WI Department of Health Services	560432	-	4,330	-	4,330	-
COVID 19 - Public Health Crisis Response Awards	93.354	WI Department of Health Services	155812	(679)	10,620	4,275	14,216	-
Promoting Safe and Stable Families	93.556	WI Department of Children and Families	3306	(1,876)	35,186	-	33,310	-
COVID 19 - Promoting Safe and Stable Families	93.556	WI Department of Children and Families	3306C	(11,915)	11,915	-	-	-
Total Promoting Safe and Stable Families				(13,791)	47,101	-	33,310	-

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>								
Temporary Assistance for Needy Families	93.558	WI Department of Health Services	561	\$ (502)	\$ 11,269	\$ 6,175	\$ 16,942	\$ -
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7332F	5	(43)	(7)	(45)	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7332R	(8)	66	10	68	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7477	(17,889)	82,134	19,625	83,870	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7482	-	(70)	(38)	(108)	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7506	(129)	524	90	485	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7560	(203)	203	-	-	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7618C	(82)	82	-	-	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7620	-	7,620	-	7,620	-
Child Support Enforcement (Title IV-D)	93.563	WI Department of Children and Families	7620F	-	(5,029)	-	(5,029)	-
Total Child Support Enforcement (Title IV-D)				(18,306)	85,487	19,680	86,861	-
CCDF Cluster								
Child Care and Development Block Grant	93.575	Vilas County, Wisconsin	0852	(26,002)	97,829	26,391	98,218	-
Child Care and Development Block Grant	93.575	WI Department of Children Families	0831	(83)	640	56	613	-
Total CCDF Cluster				(26,085)	98,469	26,447	98,831	-
Stephanie Tubbs Jones Child Welfare Services Program								
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children Families	3413	(47)	305	43	301	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI Department of Children Families	3561	(180)	4,952	1,898	6,670	-
Total Stephanie Tubbs Jones Child Welfare Services Program				(227)	5,257	1,941	6,971	-
Foster Care (Title IV-E)								
Foster Care (Title IV-E)	93.658	WI Department of Children Families	3413	(85)	548	77	540	-
Foster Care (Title IV-E)	93.658	WI Department of Children Families	3561	(4,062)	82,419	31,165	109,522	-
Total Foster Care (Title IV-E)				(4,147)	82,967	31,242	110,062	-
Social Services Block Grant								
Social Services Block Grant	93.667	WI Department of Health Services	561	(942)	21,200	11,618	31,876	-
COVID-19 Elder Abuse Prevention Interventions Program								
COVID-19 Elder Abuse Prevention Interventions Program	93.747	WI Department of Health Services	560332	-	-	4,657	4,657	-
Children's Health Insurance Program	93.767	Wood County, Wisconsin	284	(298)	3,487	-	3,189	-
Medicaid Cluster								
Medical Assistance Program	93.778	WI Department of Health Services	560152	(8,505)	21,476	9,439	22,410	-
Medical Assistance Program	93.778	WI Department of Health Services	560155	(9,061)	42,166	17,265	50,370	-
Medical Assistance Program	93.778	WI Department of Health Services	878	3,498	12,144	1,291	16,933	-
Medical Assistance Program	93.778	WI Department of Health Services	N/A	-	58,037	-	58,037	-
Medical Assistance Program	93.778	WI Department of Health Services	159322	(259)	2,733	543	3,017	-
Medical Assistance Program	93.778	Wood County, Wisconsin	284	(3,064)	42,827	-	39,763	-
Total Medicaid Cluster				(17,391)	179,383	28,538	190,530	-

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.



**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>								
Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	515	\$ 440	\$ 3,198	\$ 3,108	\$ 6,746	\$ -
Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	569	(3,123)	6,557	-	3,434	-
COVID-19 Block Grants for Community Mental Health Services	93.958	WI Department of Health Services	533287	-	8,357	13,665	22,022	-
Total Block Grants for Community Mental Health Services				(2,683)	18,112	16,773	32,202	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	515	64	526	504	1,094	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	545	(4,852)	4,852	-	-	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	546	(1,532)	1,532	-	-	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	570	-	2,128	-	2,128	-
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	533288	-	50	10,481	10,531	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	533291	-	11,287	3,713	15,000	-
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI Department of Health Services	533292	-	11	333	344	-
Total Block Grants for Prevention and Treatment of Substance Abuse				(6,320)	20,386	15,031	29,097	-
Preventive Health and Health Services Block Grant	93.991	WI Department of Health Services	159220	-	4,444	-	4,444	-
Maternal and Child Health Services Block Grant to the States	93.994	WI Department of Health Services	159316	(7,634)	20,177	2,457	15,000	-
Maternal and Child Health Services Block Grant to the States	93.994	WI Department of Health Services	159320	-	5,717	-	5,717	-
Total Maternal and Child Health Services Block Grant to the States				(7,634)	25,894	2,457	20,717	-
Total U.S. Department of Health and Human Services				(165,651)	856,152	183,906	874,407	-
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>								
Emergency Management Performance Grant	97.042	WI Department of Military Affairs	2021-EMPG-01-12072	(21,295)	21,295	-	-	-
Emergency Management Performance Grant	97.042	WI Department of Military Affairs	2022-EMPG-01-12637	-	-	31,237	31,237	-
Total Emergency Management Performance Grants				(21,295)	21,295	31,237	31,237	-
Total U.S. Department of Homeland Security				(21,295)	21,295	31,237	31,237	-
Total Expenditures of Federal Awards				\$ (96,193)	\$ 1,916,415	\$ (217,377)	\$ 1,602,845	\$ -

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>DEPARTMENT OF AGRICULTURE, TRADE, AND CONSUMER PROTECTION</b>								
County Staff and Support	115.15	Direct Program	N/A	\$ (75,000)	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
<b>DEPARTMENT OF NATURAL RESOURCES</b>								
ATV Enforcement	370.551	Direct Program	N/A	-	5,211	-	5,211	-
Snowmobile Enforcement	370.552	Direct Program	N/A	-	4,883	-	4,883	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	N/A	-	19,406	-	19,406	-
County Conservation Aids	370.563	Direct Program	N/A	-	4,351	-	4,351	-
Aquatic Invasive Species	370.678	Direct Program	CBCW116022	-	4,500	13,500	18,000	-
Aquatic Invasive Species	370.678	Direct Program	CBCW99921	-	12,956	-	12,956	-
Total Aquatic Invasive Species				-	17,456	13,500	30,956	-
County Forest Administrator Grants	370.572	Direct Program	N/A	-	57,705	-	57,705	-
Boating Projects	370.573	Direct Program	RBF-1613	(155,502)	155,502	-	-	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5075	(169,807)	-	179,307	9,500	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5624	21,874	24,690	-	46,564	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5754	-	24,045	(24,019)	26	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5699	6,443	-	(6,443)	-	-
Total Recreational Aids - Snowmobile Trail and Area Aid				(141,490)	48,735	148,845	56,090	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3701	(172,526)	-	182,026	9,500	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4405-T	424	4,252	-	4,676	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4418	6,443	-	(6,443)	-	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4419	38,031	-	(30,620)	7,411	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4420	30,600	-	9,973	40,573	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4338	20,719	25,080	-	45,799	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4376	741	484	-	1,225	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4379	9,361	-	9,661	19,022	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4458	245,148	-	(231,359)	13,789	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4458	-	25,080	(13,123)	11,957	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4458	-	615	(615)	-	-

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF STATE AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>DEPARTMENT OF NATURAL RESOURCES (Continued)</b>								
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4458	\$ -	\$ 9,661	\$ (9,661)	\$ -	\$ -
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4458	-	4,258	(4,258)	-	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4458	-	8,752	(8,752)	-	-
Total All-Terrain Vehicle (ATV) Program				178,941	78,182	(103,171)	153,952	-
Recycling Grant	370.670	Direct Program	N/A	-	78,997	-	78,997	-
Total Department of Natural Resources				(118,051)	470,428	59,174	411,551	-
<b>DEPARTMENT OF TRANSPORTATION</b>								
Elderly and Handicapped Transportation Aids	395.101	Direct Program	N/A	-	79,889	-	79,889	-
<b>DEPARTMENT OF HEALTH SERVICES</b>								
IMAA State Share	435.283	Wood County, Wisconsin	283	(2,392)	5,752	19,247	22,607	-
IMAA Federal Share	435.284	Wood County, Wisconsin	284	(38)	351	-	313	-
APS - Adult Protective Services	435.312	Direct Program	312	(386)	7,402	5,903	12,919	-
Children's COP	435.377	Direct Program	377	(622)	2,733	2,275	4,386	-
Coordinated Services - County	435.515	Direct Program	515	2,472	20,248	19,410	42,130	-
Community Mental Health	435.516	Direct Program	516	-	10,568	-	10,568	-
Birth To Three Initiative	435.550	Direct Program	550	-	13,293	-	13,293	-
Basic County Allocation	435.561	Direct Program	561	(5,557)	121,225	66,332	182,000	-
State/County Match	435.681	Direct Program	681	(25,352)	25,352	25,352	25,352	-
CLTS Waiver GPR	435.871	Direct Program	N/A	-	29,645	-	29,645	-
CLTS Other CWA Admin GPR	435.877	Direct Program	877	(225)	6,004	11,155	16,934	-
WIC Farmers Market	435.154720	Direct Program	154720	-	578	-	578	-
Comm Disease Ctr & Prev	435.155800	Direct Program	155800	(95)	1,274	579	1,758	-
Cons Contracts CHHD LD	435.157720	Direct Program	157720	(52)	823	-	771	-
Outreach to Low Income Pregnant Women	435.159322	Direct Program	159322	(259)	2,733	543	3,017	-
Aging Disability Resource Center	435.560100	Direct Program	560100	(24,801)	99,619	30,581	105,399	-
Elder Abuse	435.560490	Greater WI Agency on Aging Resources, Inc.	N/A	(3,000)	12,900	-	9,900	-
State Alzheimer's Family and Caregiver Support	435.560381	Greater WI Agency on Aging Resources, Inc.	560381	(2,698)	5,383	2,315	5,000	-
Benefit Specialist County	435.560320	Direct Program	560320	-	23,518	4,697	28,215	-
ADRC SPAP EBS	435.560328	Direct Program	560328	-	1,637	1,638	3,275	-
State Senior Community Services	435.560330	Greater WI Agency on Aging Resources, Inc.	560330	-	4,070	-	4,070	-
Title III-CI Congregate Meals	435.560350	Greater WI Agency on Aging Resources, Inc.	560350	(5,614)	8,437	-	2,823	-
Title III-CI Congregate Meals	435.560355	Greater WI Agency on Aging Resources, Inc.	560355	-	21,637	-	21,637	-
Title III-C2 Home Delivered Meals	435.560360	Greater WI Agency on Aging Resources, Inc.	560360	(442)	806	-	364	-
Total Department of Health Services				(69,061)	425,988	190,027	546,954	-

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF STATE AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
<b>DEPARTMENT OF CHILDREN AND FAMILIES</b>								
Food Stamp Agency Incentives	437.0965	Direct Program	965	\$ -	\$ 1,411	\$ 51	\$ 1,462	\$ -
Medicaid Agency Incentives	437.0980	Direct Program	980	(37)	121	2	86	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377A	-	4,886	-	4,886	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377B	(1,016)	23,730	4,886	27,600	-
Total Kinship Care Program - Benefits				<u>(1,016)</u>	<u>28,616</u>	<u>4,886</u>	<u>32,486</u>	<u>-</u>
Kinship Care Program - Assessment	437.3380	Direct Program	3380A	-	1,380	-	1,380	-
Kinship Care Program - Assessment	437.3380	Direct Program	3380B	(639)	3,399	-	2,760	-
Alcohol and Other Drug Abuse	437.3411	Direct Program	3411	-	1,098	-	1,098	-
Youth Aids	437.3413	Direct Program	3413	(5,305)	34,275	4,845	33,815	-
Basic County Allocation	437.3561	Direct Program	3561	(4,853)	97,176	36,720	129,043	-
Child Support Additional Funding	437.7335	Direct Program	7335	(611)	611	-	-	-
Child Support Activities	437.7502	Direct Program	7502	-	6,759	-	6,759	-
Child Support Medical Support	437.7606	Direct Program	7606	-	92	-	92	-
Total Department of Children and Families				(12,461)	174,938	46,504	208,981	-
<b>DEPARTMENT OF JUSTICE</b>								
Victim Witness Cluster	455.532	Direct Program	N/A	(6,784)	11,135	6,189	10,540	-
<b>DEPARTMENT OF MILITARY AFFAIRS</b>								
Computer and Hazmat Equipment Grant	465.308	Direct Program	2021-EPCRA-01-12472	-	7,530	-	7,530	-
Computer and Hazmat Equipment Grant	465.308	Direct Program	2022-EPCRA-01-12894	-	-	7,517	7,517	-
Hazardous Materials Emergency Preparedness	465.310	Direct Program	N/A	-	450	-	450	-
Emergency Planning and Community Right-to-Know Act	465.337	Direct Program	2021-EPCRA-LEPC-02-12074	-	3,380	-	3,380	-
Emergency Planning and Community Right-to-Know Act	465.337	Direct Program	2022-EPCRA-LEPC-02-12638	-	-	3,386	3,386	-
Total Department of Military Affairs				<u>-</u>	<u>11,360</u>	<u>10,903</u>	<u>22,263</u>	<u>-</u>
<b>DEPARTMENT OF ADMINISTRATION</b>								
Land Information Board	505.110	Direct Program	N/A	122,732	83,936	(167,537)	39,131	-
Training Grant	505.118	Direct Program	N/A	-	1,000	-	1,000	-
Strategic Initiative Grant	505.166	Direct Program	N/A	27,560	80,000	(50,627)	56,933	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	N/A	(2,483)	2,483	-	-	-
Total Department of Administration				<u>147,809</u>	<u>167,419</u>	<u>(218,164)</u>	<u>97,064</u>	<u>-</u>
Total State Programs				<u>\$ (133,548)</u>	<u>\$ 1,416,157</u>	<u>\$ 169,633</u>	<u>\$ 1,452,242</u>	<u>\$ -</u>

(1) Victim Witness is a cluster program funded by the following State ID Numbers: 455.503, 455.532, 455.536, 455.537 and 455.539

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**DECEMBER 31, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedules of Expenditures of Federal and State Awards for the County 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 the Florence County, Wisconsin. Because the schedules present only a selected portion of the operations of the Florence County, Wisconsin, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Florence County, Wisconsin.

**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 Florence County, Wisconsin's 2022 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to Florence County, Wisconsin in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded Florence County, Wisconsin expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

Florence County, Wisconsin has not elected to charge a de minimis rate of 10% of modified total costs.

**NOTE 3 OVERSIGHT AGENCIES**

The federal and state oversight agencies for the Florence County, Wisconsin are as follows:

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

**NOTE 4 STATE DIRECT PAYMENTS**

Payments made directly to recipients and vendors by the state of Wisconsin under the FoodShare Wisconsin program on behalf of the County are not included in the Schedules of Expenditures of Federal and State Awards.

**FLORENCE COUNTY, WISCONSIN  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
DECEMBER 31, 2022**

**NOTE 5 STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM**

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS and DCF programs agree with the expenditures reported on the May 2023 CARS for the Human Services and Public Health Departments, and the December 2022 SPARC for Child Support and Child Care programs.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

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**Section I – Summary of the Auditors' Results**

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**Basic Financial Statements**

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?   X   yes            no
  - Significant deficiency(ies) identified?   X   yes            none reported
3. Noncompliance material to basic financial statements noted?            yes   X   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?            yes   X   no
  - Significant deficiency(ies) identified?   X   yes            none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   yes            no

**Identification of Major Federal Programs**

Assistance Listing Number	Name of Federal Programs
14.228	Community Development Block Grant
21.027	COVID - 19 Coronavirus State and Local Fiscal Recovery Funds
93.323	COVID - 19 Epidemiology
93.575	Child Care and Development Block Grant

- Dollar threshold used to distinguish between Type A and Type B programs: \$   750,000
- Auditee qualified as low-risk auditee?            yes   X   no

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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**Section I – Summary of the Auditors' Results (Continued)**

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**State Financial Assistance**

1. Internal control over state programs:

- Material weakness(es) identified?                    \_\_\_\_\_ yes       X   no
- Significant deficiency(ies) identified?              \_\_\_\_\_ yes       X   none reported

2. Type of auditors' report issued on compliance for major federal programs:                    Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with *State Single Audit Guidelines*?                    \_\_\_\_\_ yes       X   no

**Identification of Major State Programs:**

State ID Number	Name of State Programs
115.15	County Staff and Support
370.576 and 370.577	ATV Trail Aids
395.101	Elderly and Handicapped Transportation Aids
435.561	Basic County Allocation
435.368	State/County Match
437.3561	Basic County Allocation

Dollar threshold used to distinguish between Type A and Type B programs:                    \$   250,000  

Auditee qualified as low-risk auditee?                    \_\_\_\_\_ yes       X   no



FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022

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***Section II – Financial Statement Findings***

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**2022-001**

**Adjustments to the County’s Financial Records**

**Type of Finding**

Material weakness in internal control over financial reporting.

**Condition**

As part of our audit, we proposed adjusting journal entries that were material to the County’s financial statements.

**Criteria or specific requirement**

Adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

**Effect**

Year-end financial records prepared by the County may contain material misstatements.

**Cause**

While County staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

**Repeat Finding**

The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2021-002.

**Recommendation**

We recommend the County designate an individual to obtain additional training in order to prepare the adjusting and closing entries. In addition, we recommend the county consider developing a financial policies and procedures manual to document and assist in completing the year-end close process. We are available to assist the individual in obtaining the understanding to prepare these entries.

**Views of Responsible Officials and Planned Corrective Actions**

Management agrees with the finding and has developed a plan to correct the finding.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022-002**

**Preparation of Annual Financial Report**

**Type of Finding**

Significant deficiency in Internal control over Financial Reporting.

**Condition**

Management and the Board of the County share the ultimate responsibility for the County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

Uniform Guidance and the *State Single Audit Guidelines* require the County to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of the County maintains financial records supporting amounts reported in the schedules of expenditures of federal and state awards, the County engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements, accompanying disclosures, and the schedules of expenditures of federal and state awards for the County. However, as independent auditors, CLA cannot be considered part of the County's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the County has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the County's activities and operations.

The County's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the County's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

**Criteria or specific requirement**

Having staff with expertise in federal and state financial reporting prepare the County's annual financial report and schedules of expenditures of federal and state awards by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements, related notes, the schedules of expenditures of federal and state awards, or accompanying notes to the schedule.

**Effect**

Without our involvement, Florence County may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America. In addition, the County could receive federal or state grant awards which are not included in the accompanying schedules of expenditures of federal and state awards.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022-002 (Continued)**

**Preparation of Annual Financial Report**

**Cause**

Florence County management has determined that the additional costs associated with hiring staff to become experienced in applicable accounting principles and note disclosures and to prepare the County's schedules of expenditures of federal and state awards, including the additional training time, outweigh the derived benefits.

**Repeat Finding**

The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2021-003.

**Recommendation**

We recommend Florence County personnel continue reviewing the year-end adjusting and GASB 34 conversion journal entries, the annual financial report, and the schedules of expenditures of federal and state awards. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of Florence County is necessary to obtain a complete and adequate understanding of Florence County's annual financial report and ensure all federal and state financial assistance programs are properly reported in the County's single audit report.

**Views of Responsible Officials and Planned Corrective Actions**

Management agrees with the finding and has developed a plan to correct the finding.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2022-003 - Federal Grants Management - Procurement Policy**

Federal Agency: Department of Treasury

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: N/A

Pass-Through Agency: N/A

Award Period: March 1, 2021 – December 31, 2024

Type of Finding: Significant deficiency in internal control over compliance, other matters.

**Criteria or Specific Requirement**

2 CFR Section 200.214 requires non-federal entities to follow suspension and debarment regulations outlined in 2 CFR part 180. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

2 CFR 200.303 states “The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)

**Condition**

The County did not perform a search for suspension and debarment for vendors the County initiated procurement transactions in excess of \$25,000.

**Questioned Costs**

None

**Context**

There were five transactions that exceeded the \$25,000 covered transaction threshold during the granting period. During our testing, it was noted on four of the five items tested that Florence County was not reviewing vendors prior to entering into a contract with a vendor to ensure the vendor was not on the suspended or debarred vendor list maintained by the General Services Administration.

**Cause**

The County was not aware of the requirements under suspension and debarment.

**Effect**

The County could contract with a vendor that has been suspended or debarred from receiving federal funds.

**FLORENCE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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2022-003 - Federal Grants Management - Procurement Policy (continued)

**Recommendation**

We recommend the County use sam.gov or the ELPS listing to review clients at the beginning of the year or before a transaction is incurred in accordance with Uniform Guidance requirements.

**Views of Responsible Officials and Planned Corrective Actions**

There is no disagreement with the audit finding.

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***Section III – Findings and Questioned Costs – Major Federal and State Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).


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***Section IV – Other Issues***

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|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?   | No  |
| 2. Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue, or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : |     |
| a. Department of Agriculture, Trade and Consumer Protection  | No  |
| b. Department of Natural Resources   | No  |
| c. Department of Transportation  | No  |
| d. Department of Health Services   | No  |
| e. Department of Children and Families   | No  |
| f. Department of Justice   | No  |
| g. Department of Military Affairs  | No  |
| h. Department of Administration  | No  |
| 3. Was a management letter or other document conveying audit comments issued as a result of this audit?  | Yes |

4. Name and signature of partner

  
\_\_\_\_\_  
Scott Sternhagen, CPA

5. Date of report

September 11, 2023



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