

# **Lafayette County**

Financial Statements and  
Supplementary Information

December 31, 2020

# Lafayette County

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# Lafayette County

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## **Independent Auditors' Report**

To the Finance Committee and Board of Supervisors of  
Lafayette County

### **Report on the Financial Statements**

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 Lafayette County, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Lafayette County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Memorial Hospital of Lafayette County, a major fund of Lafayette County, which represents 58 percent, 47 percent and 67 percent, respectively, of the assets, net position and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Memorial Hospital of Lafayette County, is based solely on the report of the other auditors. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Lafayette County's preparation and fair presentation of the financial statements 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 Lafayette County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, 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 Lafayette County, Wisconsin, as of December 31, 2020 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.

## **Emphasis of Matter**

As discussed in Note I, Lafayette County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2020. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

Our audit for the year ended December 31, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lafayette County's basic financial statements. The accompanying supplementary information for the year ended December 31, 2020 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2020, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Lafayette County as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated July 22, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying supplementary information for the year ended December 31, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Lafayette 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 Lafayette 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 Lafayette County's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
August 18, 2021

**Lafayette County**

Statement of Net Position

December 31, 2020

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 8,245,553	\$ 7,663,965	\$ 15,909,518
Receivables (net of allowance for uncollectibles)			
Taxes	6,623,087	2,053,118	8,676,205
Delinquent taxes	370,867	-	370,867
Accounts	217,925	3,228,160	3,446,085
Other	-	77,425	77,425
Due from other governments	794,156	631,801	1,425,957
Amounts receivable to third-party reimbursement programs	-	2,385,000	2,385,000
Inventories	-	835,440	835,440
Prepaid items	523,886	481,231	1,005,117
Restricted Assets			
Cash and investments	38,069	61,640	99,709
Net pension asset	1,265,473	2,070,699	3,336,172
Investment in unconsolidated affiliate	-	68,966	68,966
Capital Assets			
Land	188,615	179,836	368,451
Construction in progress	158,988	221,911	380,899
Other capital assets, net of accumulated depreciation	14,017,884	11,686,458	25,704,342
Total assets	<u>32,444,503</u>	<u>31,645,650</u>	<u>64,090,153</u>
<b>Deferred Outflows of Resources</b>			
OPEB related amounts	437,746	853,467	1,291,213
Pension-related amounts	3,055,816	4,818,394	7,874,210
Total deferred outflows of resources	<u>3,493,562</u>	<u>5,671,861</u>	<u>9,165,423</u>
<b>Liabilities</b>			
Accounts payable	256,032	739,397	995,429
Accrued liabilities	442,006	204,371	646,377
Due to other governments	75,937	-	75,937
Unearned revenue	-	2,580,627	2,580,627
Deposits	15,569	-	15,569
Liabilities payable from restricted assets	-	8,717	8,717
Noncurrent Liabilities			
Other post employment benefits	739,917	1,289,547	2,029,464
Due within one year	1,435,163	2,375,289	3,810,452
Due in more than one year	2,794,435	3,816,899	6,611,334
Total liabilities	<u>5,759,059</u>	<u>11,014,847</u>	<u>16,773,906</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	6,623,087	2,053,118	8,676,205
OPEB related amounts	114,005	198,856	312,861
Pension-related amounts	3,748,257	6,252,453	10,000,710
Total deferred inflows of resources	<u>10,485,349</u>	<u>8,504,427</u>	<u>18,989,776</u>

See notes to financial statements

**Lafayette County**

Statement of Net Position

December 31, 2020

	Primary Government		Totals
	Governmental Activities	Business- Type Activities	
<b>Net Position</b>			
Net investment in capital assets	\$ 11,237,918	\$ 9,631,965	\$ 20,869,883
Restricted			
Grant purposes	319,345	-	319,345
Jail improvement	114,993	-	114,993
Sheriff	35,877	-	35,877
Land information	53,105	-	53,105
Health department	4,814	-	4,814
UW-Extension	8,187	-	8,187
Fair	6,330	-	6,330
Economic development	3,000	-	3,000
Revolving loans	17,613	-	17,613
Human resources	10,000	-	10,000
Debt service	131,490	-	131,490
Pension	1,265,473	2,070,699	3,336,172
Unrestricted	6,485,512	6,095,573	12,581,085
Total net position	<u>\$ 19,693,657</u>	<u>\$ 17,798,237</u>	<u>\$ 37,491,894</u>

*See notes to financial statements*

**Lafayette County**

Statement of Activities

December 31, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Primary Government</b>						
Governmental activities:						
General government	\$ 3,289,562	\$ 553,903	\$ 337,816	\$ (2,397,843)	\$ -	\$ (2,397,843)
Public safety	3,615,222	175,997	112,389	(3,326,836)	-	(3,326,836)
Public works	481,967	-	-	(481,967)	-	(481,967)
Health and human services	5,164,746	620,658	2,797,115	(1,746,973)	-	(1,746,973)
Culture, recreation and education	505,309	22,241	6,829	(476,239)	-	(476,239)
Conservation and economic development	549,963	69,297	323,818	(156,848)	-	(156,848)
Interest and fiscal charges	69,999	-	-	(69,999)	-	(69,999)
Total governmental activities	13,676,768	1,442,096	3,577,967	(8,656,705)	-	(8,656,705)
<b>Business-type Activities</b>						
Lafayette Manor	5,086,010	4,068,456	860,510	-	(157,044)	(157,044)
Memorial Hospital	23,264,159	21,674,945	2,254,427	-	665,213	665,213
Highway	5,444,252	4,532,314	-	-	(911,938)	(911,938)
Total business-type activities	33,794,421	30,275,715	3,114,937	-	(403,769)	(403,769)
Total	\$ 47,471,189	\$ 31,717,811	\$ 6,692,904			
<b>General Revenues</b>						
Taxes:						
Property taxes, levied for general purposes				5,198,911	-	5,198,911
Property taxes, levied for debt service				1,128,937	-	1,128,937
Property taxes, levied for Lafayette Manor				-	387,200	387,200
Property taxes, levied for Highway				-	1,821,198	1,821,198
Sales taxes				1,028,747	-	1,028,747
Other taxes				78,053	-	78,053
Intergovernmental revenues not restricted to specific programs				2,322,739	-	2,322,739
Investment income				363,813	1,653	365,466
Gain (loss) on disposal of capital assets				-	53,769	53,769
Miscellaneous				401,355	66,078	467,433
Transfers				543,194	(543,194)	-
Total general revenues and transfers				11,065,749	1,786,704	12,852,453
Change in net position				2,409,044	1,382,935	3,791,979
<b>Net Position, Beginning</b>				17,284,613	16,415,302	33,699,915
<b>Net Position, Ending</b>				\$ 19,693,657	\$ 17,798,237	\$ 37,491,894

See notes to financial statements

**Lafayette County**

Balance Sheet, Governmental Funds

December 31, 2020

	<u>General</u>	<u>Human Services</u>	<u>Debt Service Fund</u>
<b>Assets</b>			
Cash and investments	\$ 7,943,781	\$ -	\$ 131,490
Receivables (net of allowances for uncollectibles):			
Taxes	3,432,778	1,887,745	1,206,440
Delinquent taxes	370,867	-	-
Accounts	30,261	160,661	-
Due from other funds	314,600	-	-
Due from other governments	509,493	265,559	-
Prepaid items	475,152	45,036	-
Restricted assets:			
Cash and investments	-	15,569	-
<b>Total assets</b>	<u><u>\$ 13,076,932</u></u>	<u><u>\$ 2,374,570</u></u>	<u><u>\$ 1,337,930</u></u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 188,644	\$ 64,522	\$ -
Accrued liabilities	414,039	25,774	-
Due to other governments	75,937	-	-
Due to other funds	-	306,974	-
Deposits	-	15,569	-
<b>Total liabilities</b>	<u>678,620</u>	<u>412,839</u>	<u>-</u>
Deferred inflows of resources:			
Unearned revenue	3,432,778	1,887,745	1,206,440
Unavailable revenue	72,686	-	-
<b>Total deferred inflows of resources</b>	<u>3,505,464</u>	<u>1,887,745</u>	<u>1,206,440</u>
Fund balances:			
Nonspendable	742,485	45,036	-
Restricted	502,368	-	131,490
Committed	750,000	-	-
Assigned	2,096,473	28,950	-
Unassigned	4,801,522	-	-
<b>Total fund balances</b>	<u>8,892,848</u>	<u>73,986</u>	<u>131,490</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 13,076,932</u></u>	<u><u>\$ 2,374,570</u></u>	<u><u>\$ 1,337,930</u></u>

See notes to financial statements

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<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 170,282	\$ 8,245,553
96,124	6,623,087
-	370,867
27,003	217,925
-	314,600
19,104	794,156
3,698	523,886
<u>22,500</u>	<u>38,069</u>
<u>\$ 338,711</u>	<u>\$ 17,128,143</u>

\$ 2,866	\$ 256,032
2,193	442,006
-	75,937
7,626	314,600
<u>-</u>	<u>15,569</u>
<u>12,685</u>	<u>1,104,144</u>

96,124	6,623,087
<u>-</u>	<u>72,686</u>
<u>96,124</u>	<u>6,695,773</u>

3,698	791,219
70,895	704,753
-	750,000
155,309	2,280,732
<u>-</u>	<u>4,801,522</u>
<u>229,902</u>	<u>9,328,226</u>

<u>\$ 338,711</u>	<u>\$ 17,128,143</u>
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## Lafayette County

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
December 31, 2020

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**Total Fund Balances, Governmental Funds** \$ 9,328,226

Amounts reported for governmental activities in the statement of net position  
are different because:

Capital assets used in governmental funds are not financial resources and,  
therefore, are not reported in the funds.

Land	188,615
Construction in progress	158,988
Other capital assets, net of accumulated depreciation	14,017,884

Some receivables that are not currently available are reported as unavailable revenues  
in the fund financial statements but are recognized as revenue when earned in the  
government-wide statements. See Note III.C.

72,686

The net pension asset does not relate to current financial resources and is not reported  
in the governmental funds.

1,265,473

Deferred outflows of resources related to pensions do not relate to current financial  
resources and are not reported in the governmental funds.

3,055,816

Deferred outflows of resources related to other post employment liabilities do not  
relate to current financial resources and are not reported in the governmental funds.

437,746

Deferred inflows of resources related to pensions do not relate to current financial  
resources and are not reported in the governmental funds.

(3,748,257)

Deferred inflows of resources related to other post employment liabilities do not  
relate to current financial resources and are not reported in the governmental funds.

(114,005)

Some liabilities, including long-term debt, are not due and payable in the current period  
and, therefore, are not reported in the funds.

Bonds and notes payable	(3,383,325)
Other post-employment benefit liability	(739,917)
Compensated absences	(846,273)

**Net Position of Governmental Activities**

**\$ 19,693,657**

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**Lafayette County**

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

December 31, 2020

	<u>General</u>	<u>Human Services</u>	<u>Debt Service Fund</u>
<b>Revenues</b>			
Taxes	\$ 4,414,358	\$ 1,961,103	\$ 1,128,937
Intergovernmental	3,473,990	1,998,410	-
Licenses and permits	85,776	-	-
Fines, forfeitures and penalties	81,570	12,140	-
Public charges for services	645,242	914,499	-
Investment income	197,742	-	-
Miscellaneous	317,739	200	-
	<u>9,216,417</u>	<u>4,886,352</u>	<u>1,128,937</u>
Total revenues			
<b>Expenditures</b>			
Current:			
General government	3,341,035	-	-
Public safety	3,531,713	-	-
Health and human services	670,075	4,226,750	-
Culture, recreation and education	500,409	-	-
Conservation and economic development	585,714	-	-
Debt Service:			
Principal	-	-	1,051,654
Interest and fiscal charges	-	-	69,999
	<u>8,628,946</u>	<u>4,226,750</u>	<u>1,121,653</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>587,471</u>	<u>659,602</u>	<u>7,284</u>
<b>Other Financing Sources (Uses)</b>			
Debt issued	828,232	-	-
Sale of capital assets	35,144	-	-
Transfers in	732,478	-	-
Transfers out	(563,541)	(607,361)	-
	<u>1,032,313</u>	<u>(607,361)</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	1,619,784	52,241	7,284
<b>Fund Balances, Beginning</b>	<u>7,273,064</u>	<u>21,745</u>	<u>124,206</u>
<b>Fund Balances, Ending</b>	<u>\$ 8,892,848</u>	<u>\$ 73,986</u>	<u>\$ 131,490</u>

See notes to financial statements

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 95,419	\$ 7,599,817
209,094	5,681,494
-	85,776
-	93,710
26,145	1,585,886
902	198,644
11,586	329,525
343,146	15,574,852
-	3,341,035
-	3,531,713
294,270	5,191,095
-	500,409
1,510	587,224
-	1,051,654
-	69,999
295,780	14,273,129
47,366	1,301,723
-	828,232
-	35,144
155,309	887,787
(38,110)	(1,209,012)
117,199	542,151
164,565	1,843,874
65,337	7,484,352
\$ 229,902	\$ 9,328,226

See notes to financial statements

## Lafayette County

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
December 31, 2020

**Net Change in Fund Balances, Total Governmental Funds** \$ 1,843,874

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital additions as expenditures. However, in the  
statement of net position the cost of these assets is capitalized and they are  
depreciated over their estimated useful lives with depreciation expense reported  
in the statement of activities.

Capital additions are reported as expenditures in the fund financial statements but are capitalized in the government-wide financial statements	416,287
Infrastructure financed by the highway fund	864,419
Depreciation is reported in the government-wide statements	(841,471)

Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position.	(12,390)
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Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(67,378)
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Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(828,232)
Principal repaid	1,051,654

Some expenses 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.	
Net pension (asset) / liability	2,577,297
Deferred outflows of resources related to pensions	(772,355)
Deferred inflows of resources related to pensions	(1,819,964)
Other post-employment benefit liability	(353,340)
Deferred outflows of resources related to post-employment benefit	395,736
Deferred inflows of resources related to post-employment benefit	(99,995)
Compensated absences	54,902

**Change in Net Position of Governmental Activities** \$ 2,409,044

**Lafayette County**Statement of Net Position, Proprietary Funds  
December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Lafayette Manor</b>	<b>Memorial Hospital</b>	<b>Highway</b>	<b>Totals</b>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 532,641	\$ 4,494,608	\$ 2,636,716	\$ 7,663,965
Taxes receivable	275,051	-	1,778,067	2,053,118
Patient receivables, net of estimated uncollectibles	-	2,862,388	-	2,862,388
Resident receivables, net of estimated uncollectibles	365,772	-	-	365,772
Other receivables	-	77,425	-	77,425
Due from other governments	-	-	631,801	631,801
Amounts receivable from third-party reimbursement programs	-	2,385,000	-	2,385,000
Inventories	36,575	358,899	439,966	835,440
Prepaid items	72,136	367,040	42,055	481,231
			-	
Total current assets	<u>1,282,175</u>	<u>10,545,360</u>	<u>5,528,605</u>	<u>17,356,140</u>
Noncurrent assets:				
Restricted assets:				
Resident trust funds	8,717	-	-	8,717
Restricted donation	52,923	-	-	52,923
Net pension asset	405,367	1,388,698	276,634	2,070,699
Investment in unconsolidated affiliate	-	68,966	-	68,966
Capital assets:				
Land	18,020	106,159	55,657	179,836
Construction in progress	-	221,911	-	221,911
Depreciable capital assets, net of accumulated depreciation	987,577	6,155,679	4,543,202	11,686,458
Total noncurrent assets	<u>1,472,604</u>	<u>7,941,413</u>	<u>4,875,493</u>	<u>14,289,510</u>
Total assets	<u>2,754,779</u>	<u>18,486,773</u>	<u>10,404,098</u>	<u>31,645,650</u>
<b>Deferred Outflows of Resources</b>				
OPEB related amounts	225,752	458,842	168,873	853,467
Pension-related amounts	1,061,371	3,092,374	664,649	4,818,394
Total deferred outflows of resources	<u>1,287,123</u>	<u>3,551,216</u>	<u>833,522</u>	<u>5,671,861</u>

See notes to financial statements

**Lafayette County**Statement of Net Position, Proprietary Funds  
December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Lafayette Manor</b>	<b>Memorial Hospital</b>	<b>Highway</b>	<b>Totals</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 70,858	\$ 530,432	\$ 138,107	\$ 739,397
Accrued payroll and fringe benefits	34,683	122,019	43,418	200,120
Accrued interest	-	4,251	-	4,251
Current portion of compensated absences	81,914	294,641	119,914	496,469
Current portion of capital leases payable	-	80,968	-	80,968
Current portion of long-term debt	-	1,797,852	-	1,797,852
Unearned revenue	130,259	2,450,000	368	2,580,627
Total current liabilities	<u>317,714</u>	<u>5,280,163</u>	<u>301,807</u>	<u>5,899,684</u>
Noncurrent liabilities:				
Resident trust funds	8,717	-	-	8,717
Compensated absences	213,967	713,535	359,777	1,287,279
Capital leases payable	-	115,638	-	115,638
Other post employment benefits	307,769	754,802	226,976	1,289,547
Long-term debt	-	2,413,982	-	2,413,982
Total noncurrent liabilities	<u>530,453</u>	<u>3,997,957</u>	<u>586,753</u>	<u>5,115,163</u>
Total liabilities	<u>848,167</u>	<u>9,278,120</u>	<u>888,560</u>	<u>11,014,847</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenue	275,051	-	1,778,067	2,053,118
OPEB related amounts	47,499	116,322	35,035	198,856
Pension related amounts	1,248,476	4,178,504	825,473	6,252,453
Total deferred inflows of resources	<u>1,571,026</u>	<u>4,294,826</u>	<u>2,638,575</u>	<u>8,504,427</u>
<b>Net Position</b>				
Net investment in capital assets	1,005,597	4,027,509	4,598,859	9,631,965
Restricted for pension	405,367	1,388,698	276,634	2,070,699
Unrestricted	211,745	3,048,836	2,834,992	6,095,573
Total net position	<u>\$ 1,622,709</u>	<u>\$ 8,465,043</u>	<u>\$ 7,710,485</u>	<u>\$ 17,798,237</u>

See notes to financial statements

**Lafayette County**

## Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Lafayette Manor</b>	<b>Memorial Hospital</b>	<b>Highway</b>	<b>Totals</b>
<b>Operating Revenues</b>				
Charges for services	\$ 3,995,663	\$ 21,655,307	\$ 4,532,314	\$ 30,183,284
Other operating revenue	72,793	19,638	-	92,431
Total operating revenues	<u>4,068,456</u>	<u>21,674,945</u>	<u>4,532,314</u>	<u>30,275,715</u>
<b>Operating Expenses</b>				
Lafayette Manor expenses	4,967,283	-	-	4,967,283
Memorial Hospital expenses	-	22,078,965	-	22,078,965
Highway expenses	-	-	5,908,434	5,908,434
Depreciation	118,727	1,107,019	400,237	1,625,983
Total operating expenses	<u>5,086,010</u>	<u>23,185,984</u>	<u>6,308,671</u>	<u>34,580,665</u>
Operating loss	<u>(1,017,554)</u>	<u>(1,511,039)</u>	<u>(1,776,357)</u>	<u>(4,304,950)</u>
<b>Nonoperating Revenues (Expenses)</b>				
General property taxes	387,200	-	1,821,198	2,208,398
Investment income	134	1,519	-	1,653
Interest expense	-	(78,175)	-	(78,175)
Equity in unconsolidated affiliate	-	51,443	-	51,443
Contributions	-	14,898	-	14,898
Gain (loss) on disposal of capital assets	(7,289)	61,058	-	53,769
Intergovernmental grants	860,460	2,188,086	-	3,048,546
Miscellaneous revenue	-	66,078	-	66,078
Donations and contributions	50	-	-	50
Total nonoperating revenues	<u>1,240,555</u>	<u>2,304,907</u>	<u>1,821,198</u>	<u>5,366,660</u>
Income (loss) before transfers	<u>223,001</u>	<u>793,868</u>	<u>44,841</u>	<u>1,061,710</u>
<b>Transfers</b>				
Transfers in	8,232	-	400,000	408,232
Transfers out	(87,007)	-	-	(87,007)
Total transfers	<u>(78,775)</u>	<u>-</u>	<u>400,000</u>	<u>321,225</u>
Change in net position	144,226	793,868	444,841	1,382,935
<b>Net Position, Beginning</b>	<u>1,478,483</u>	<u>7,671,175</u>	<u>7,265,644</u>	<u>16,415,302</u>
<b>Net Position, Ending</b>	<u>\$ 1,622,709</u>	<u>\$ 8,465,043</u>	<u>\$ 7,710,485</u>	<u>\$ 17,798,237</u>

See notes to financial statements

**Lafayette County**Statement of Cash Flows, Proprietary Funds  
December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Lafayette Manor</b>	<b>Memorial Hospital</b>	<b>Highway</b>	<b>Totals</b>
<b>Cash Flows From Operating Activities</b>				
Cash received from and on behalf of residents, patients and users	\$ 4,045,757	\$ 19,345,264	\$ 4,798,467	\$ 28,189,488
Cash paid to suppliers and contractors for goods and services	(2,281,466)	(10,913,161)	(4,181,725)	(17,376,352)
Cash payments to employees for operating payroll	(2,725,074)	(10,590,635)	(1,597,287)	(14,912,996)
Net cash flows from operating activities	(960,783)	(2,158,532)	(980,545)	(4,099,860)
<b>Cash Flows From Investing Activities</b>				
Investment income	134	1,519	-	1,653
Net cash flows from investing activities	134	1,519	-	1,653
<b>Cash Flows From Noncapital Financing Activities</b>				
General property tax revenues	387,200	-	1,821,198	2,208,398
Transfers in, debt proceeds	8,232	-	400,000	408,232
Transfers out, lapsing fund	(87,007)	-	-	(87,007)
Transfers out, general fund	-	-	-	-
Intergovernmental grants and contributions	860,460	4,652,984	-	5,513,444
Proceeds from PPP loan	-	1,952,200	-	1,952,200
Distributions from unconsolidated affiliate	-	13,270	-	13,270
Nonoperating income	-	66,078	-	66,078
Net cash flows from noncapital financing activities	1,168,885	6,684,532	2,221,198	10,074,615
<b>Cash Flows From Capital and Related Financing Activities</b>				
Payments on capital leases	-	(73,160)	-	(73,160)
Payments on long-term debt	-	(337,417)	-	(337,417)
Proceeds from sale of capital assets	-	61,058	-	61,058
Interest paid	-	(78,175)	-	(78,175)
Acquisition of capital assets	(42,543)	(1,502,038)	(500,265)	(2,044,846)
Net cash flows from capital and related financing activities	(42,543)	(1,929,732)	(500,265)	(2,472,540)
Net increase (decrease) in cash and cash equivalents	165,693	2,597,787	740,388	3,503,868
<b>Cash and Cash Equivalents, Beginning</b>	<b>428,588</b>	<b>1,896,821</b>	<b>1,896,328</b>	<b>4,221,737</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 594,281</b>	<b>\$ 4,494,608</b>	<b>\$ 2,636,716</b>	<b>\$ 7,725,605</b>

See notes to financial statements

## Lafayette County

### Statement of Cash Flows, Proprietary Funds

December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Lafayette Manor</b>	<b>Memorial Hospital</b>	<b>Highway</b>	<b>Totals</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>				
Operating income (loss)	\$ (1,017,554)	\$ (1,511,039)	\$ (1,776,357)	\$ (4,304,950)
Nonoperating income	50	-	-	50
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities				
Depreciation	118,727	1,107,019	400,237	1,625,983
Provision for bad debts	-	335,468	-	335,468
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources				
Patient receivables, net	-	(289,758)	-	(289,758)
Resident receivables, net	(26,042)	-	-	(26,042)
Other receivable	-	36,859	(97,445)	(60,586)
Amounts receivable from third-party reimbursement programs	-	(2,076,782)	-	(2,076,782)
Inventories	(9,208)	39,475	146,424	176,691
Prepaid items	(15,272)	(87,024)	(1,420)	(103,716)
Accounts payable	(12,357)	171,641	3,035	162,319
Accrued payroll and fringe benefits	(20,112)	(230,156)	(55,332)	(305,600)
Due to/from other governments	-	-	363,598	363,598
Resident trust funds	3,293	-	-	3,293
Compensated absences	23,125	298,244	18,087	339,456
Pension-related amounts	(181,631)	(15,589)	(118,797)	(316,017)
Other post employment benefit items	176,198	63,110	137,425	376,733
Net cash flows from operating activities	<u>\$ (960,783)</u>	<u>\$ (2,158,532)</u>	<u>\$ (980,545)</u>	<u>\$ (4,099,860)</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>				
Cash and investments	\$ 532,641	\$ 4,494,608	\$ 2,636,716	\$ 7,663,965
Restricted assets, donations	52,923	-	-	52,923
Restricted assets, resident trust funds	8,717	-	-	8,717
<b>Cash and cash Equivalents, Ending</b>	<u>\$ 594,281</u>	<u>\$ 4,494,608</u>	<u>\$ 2,636,716</u>	<u>\$ 7,725,605</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Equipment financed through capital leases	<u>\$ -</u>	<u>\$ 92,493</u>	<u>\$ -</u>	<u>\$ 92,493</u>

See notes to financial statements

## Lafayette County

Statement of Fiduciary Net Position

Custodial Funds

December 31, 2020

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 173,798
Total assets	<u>173,798</u>
<b>Liabilities</b>	
Accounts payable	2
Due to other governments	145,068
Held for inmates	<u>28,728</u>
Total liabilities	<u>173,798</u>
<b>Net Position</b>	
Restricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

## Lafayette County

### Statement of Changes in Fiduciary Net Position

#### Custodial Funds

Year Ended December 31, 2020

	<b>Custodial Funds</b>
<b>Additions</b>	
Fines and forfeitures, traffic, bonds and other court items	\$ 637,740
Inmate deposits	105,902
Intergovernmental	106,305
Miscellaneous	65,854
Investment income (loss)	8
	<hr/>
Total additions	915,809
	<hr/>
<b>Deductions</b>	
Intergovernmental	57,999
Disposition of court collections	637,740
Trials expenditures	114,168
Funds released to former inmates	105,902
	<hr/>
Total deductions	915,809
	<hr/>
Change in fiduciary net position	-
	<hr/>
<b>Net Position, Beginning</b>	-
	<hr/>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# Lafayette County

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December 31, 2020

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# Lafayette County

Notes to Financial Statements  
December 31, 2020

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## 1. Nature of Operations and Summary of Significant Accounting Policies

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

### Reporting Entity

This report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The County has not identified any organizations that meet this criteria.

### Government-Wide and Fund Financial Statements

#### Government-Wide Financial Statements

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2020.

In March 2018, the GASB issued statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosures in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

#### Fund Financial Statements

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

## Lafayette County

Notes to Financial Statements  
December 31, 2020

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Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

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

The County reports the following major governmental funds:

- General Fund - accounts for the County's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- Human Services Special Revenue Fund - used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for human services related programs.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.

The County reports the following major enterprise funds:

- Lafayette Manor Nursing Home (the Nursing Home) - accounts for operations of a long-term health care facility.
- Memorial Hospital (the Hospital) - accounts for operations of an acute care critical access hospital.
- Highway (the Highway) - accounts for funds used to maintain and improve roadways within the County's jurisdiction.

The County reports the following nonmajor governmental funds:

- Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).
  - Aging
  - Revolving Loan
- Capital Improvement Fund - accounts for and reports resources to be used for the acquisition or construction of major capital facilities.

Custodial funds are used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

- Sheriff Commissary
- Clerk of Courts
- DMV Vehicle Service
- Bond Trust
- Project Dare
- Tri-County Trails Commission

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

### **Government-Wide Financial Statements**

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

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

### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for federal and state grant type payments and human services reimbursable grants, for which available is defined as six months. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Sales taxes are recognized as revenues in the year in which the underlying sales relating to it takes place.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

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Intergovernmental aids and grants are recognized as revenues in the period the County is entitled the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are reported as deferred inflows.

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

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

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

### All Financial Statements

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

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

#### Deposits and Investments

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

Investment of County funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

# Lafayette County

Notes to Financial Statements  
December 31, 2020

- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The County follows the state statute for allowable investments but has not formally adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of various accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3. for further information.

## Receivables

### Property Taxes

Property taxes are levied in December on the assessed value as of the prior January 1. They are not legally available for appropriation until the ensuing year. In addition to property taxes for the County, taxes are collected for and remitted to the state government as well as the local school district and technical college district.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale, 2020 delinquent real estate taxes	October 2023

Property taxes are due, in the year subsequent to levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid taxes are assigned to the County and appropriate receivables and payables are recorded. Tax collections become the responsibility of the County and taxes receivable include unpaid taxes levied for all taxing entities within the County. The County makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1. The interest and penalties on taxes not paid within 60 days of the end of the current fiscal period is shown as unavailable revenue until it is received in cash.

## Lafayette County

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Notes to Financial Statements  
December 31, 2020

The portion of County property taxes receivable at December 31, 2020, which relates to taxes initially levied by other municipalities and uncollected within sixty days after year-end, has been reflected in the accompanying financial statements as nonspendable fund balance of the general fund in the amount of \$267,333.

### **Uncollectible Accounts**

Accounts receivable in all funds have been adjusted for all known uncollectible accounts. No allowance for uncollectible delinquent taxes has been provided because of the County's demonstrated ability to recover any losses through the sale of the applicable property.

The Nursing Home uses the allowance method to provide for losses from uncollectible accounts. The allowance is maintained at a level which management feels is sufficient to cover potential uncollectible accounts. Refer to Note 3.

The Hospital patient receivables are recorded in the accompanying statements of net position net of contractual adjustments and an allowance for uncollectible accounts, which reflect management's best estimate of the accounts that will not be collected.

### **Interfund Transactions**

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

### **Sales Taxes**

The County has a 0.5 percent sales tax which is collected by the State of Wisconsin and remitted to the County monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2020, the County has accrued two months of subsequent year's collections as receivable.

### **Loans**

In prior years, the County received federal grant funds for economic development and housing rehabilitation loan programs to assist businesses and individuals. The County returned these funds to the state in 2019 and began its own loan program with County funds.

## **Lafayette County**

Notes to Financial Statements  
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### **Lafayette Manor**

Nursing Home revenues are recorded based on actual service rendered, with billings made to residents monthly. The Nursing Home does not accrue revenues beyond such billing dates. The Nursing Home does not charge interest on its receivables.

Resident accounts receivable includes amounts receivable for services rendered to residents under the Title XIX Wisconsin Medical Assistance Program (Medicaid). The Nursing Home reported revenues of approximately \$1,705,676 from the Title XIX residents in 2020. These revenues are subject to audit and retroactive adjustment by the Medical Assistance Programs. Resident accounts receivable also includes amounts receivable for services rendered to residents under the Medicare Program. The Nursing Home reported revenues of approximately \$1,030,233 from the Medicare Program in 2020. These revenues are subject to audit and retroactive adjustment by the Medicare Program. All receivables are considered to be collectable in the following year.

### **Memorial Hospital**

Patient receivables are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. The Hospital does not have a policy to charge interest on its past due accounts. Payments of patient receivables are applied to the specific claims identified on the remittance advice or statement.

### **Net Patient Service Revenue**

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retroactive adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are provided.

### **Inventories and Prepaid Items**

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work - not for resale. They are valued on the first-in, first-out basis of costing and are charged to operation and maintenance expense when used.

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

### **Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

# Lafayette County

Notes to Financial Statements  
December 31, 2020

## Capital Assets

### Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, with the exception of those reported in the Nursing Home fund which reports general capital assets with an initial cost of \$500 or more, and an estimated useful life in excess of one year. Infrastructure assets include those with an initial cost of \$25,000 or more for bridges and \$100,000 for roads, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets are recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Land improvements	5 - 40
Buildings and improvements	3 - 60
Machinery and equipment	3 - 25
Infrastructure	25 - 50
Leased equipment	3 - 25

### Fund Financial Statements

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

### Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

### Compensated Absences

Under terms of employment, employees are granted sick leave, vacation, floating, personal and compensation benefits in varying amounts.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

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The County's employees earn one day of sick leave per month. Administrative employees and union employees can accumulate a maximum of 960 hours. Under the County's personnel policy, employees who retire under the Wisconsin Retirement System or retire due to disability shall have their accumulated sick leave paid out to them at their current rate of pay. The payment may be in the form of a lump sum or in bi-weekly installments. At the end of each calendar year, the County shall pay each employee 50 percent of the excess over the 960 hours maximum accumulation. The total compensated absences liability (sick and vacation) as of December 31, 2020 was \$2,630,020.

Payments for sick leave, vacation, personal days, floating holidays and other compensation benefits will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020 are determined on the basis of current salary rates and include salary related payments. All vested vacation and sick leave pay is accrued when incurred in the County's financial statements.

### Long-Term Obligations

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

### Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

### Equity Classifications

#### Government-Wide Statements

Net position is classified and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

## Lafayette County

Notes to Financial Statements  
December 31, 2020

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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.

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either 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.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the County. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

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

The County considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The stabilization fund is contained as a committed balance within the general fund and is included in each annual budget. The stabilization fund shall not be used except in the following circumstances: 1) externally imposed reductions in revenue due to: a) reductions in revenue support from other governments, b) user fees or c) dramatic and immediate changes in economic or financial condition of Lafayette County (i.e. reduction in sales tax, interest income or property taxes) or 2) unforeseen external factors such as a natural disaster which results in an unforeseen and dramatic increase in, and it must have a financial impact whereby due to the immediate (current budget year) and severe impact of these reductions, the actual expenditures exceed revenues in the general fund by at least 7.2 percent, or in aggregate for tax levy supported funds by 4.6 percent, or in any case where the County is unable to meet its current general obligation debt service commitments with currently available resources, or where the general fund's unassigned fund balance is a deficit at the end of a calendar year after all transactions have been recorded. The County's resolution does not address the requirements for additions to the stabilization fund. The balance in the account at year-end was \$750,000. See Note 3.

# Lafayette County

Notes to Financial Statements  
December 31, 2020

## Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The Hospital maintains records to identify the amount of charges foregone for services and supplies furnished under the charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue in the accompanying statement of revenue, expenses and changes in net position. See Note 3.

## Pension

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

## Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB, and OPEB expense, information has been determined on the same basis as reported by the Lafayette County's OPEB plan. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms.

## 2. Stewardship, Compliance and Accountability

### Excess Expenditures and Other Financing Uses Over Appropriations

	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
Funds:			
Aging	\$ 318,122	\$ 332,380	\$ 14,258
Debt Service	800,194	1,121,653	321,459
Revolving Loan	-	1,510	1,510
Human Service	4,525,097	4,834,111	309,014

The County controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those can be found in the County's year-end budget to actual report.

### Limitations on the County's Tax Levy

Wisconsin law limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the County's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The County is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

# Lafayette County

Notes to Financial Statements  
December 31, 2020

## 3. Detailed Notes on All Funds

### Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The County's cash and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Deposits	\$ 16,044,531	\$ 16,660,291	Custodial Credit
LGIP	44,877	44,877	Credit
Certificates of deposit (nonnegotiable)	22,500	22,500	Custodial Credit
Petty cash	1,250	-	N/A
Cash on hand	69,287	-	N/A
	<u>\$ 16,182,445</u>	<u>\$ 16,727,668</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 15,908,938		
Restricted cash and investments	99,709		
Per statement of fiduciary net position:			
Custodial funds	<u>173,798</u>		
	<u>\$ 16,182,445</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing the custodial credit risk.

The County maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities of \$14,519,020 to secure the County's deposits.

### Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

As of December 31, 2020, \$1,240,089 of the County's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 1,240,089</u>
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# Lafayette County

Notes to Financial Statements  
December 31, 2020

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

At December 31, 2020, the County had investments in the following external pool which is not rated:

Local Government Investment Pool

See Note 1. for further information on deposits and investments.

## Charity Care

The estimated cost of providing care to patients under the Hospital's charity care policy was approximately \$32,000 in 2020. The cost was calculated by multiplying the ratio of cost to gross charges for the Hospital times the gross uncompensated charges associated with providing the charity care.

## Receivables

Receivables not expected to be collected within one year include \$370,867 of delinquent taxes in the general fund.

Total uncollectible amounts related to revenues of the current period are as follows:

Human services, accounts receivable	\$	136,462
Lafayette Manor Nursing Home, resident accounts receivable		46,124
Memorial Hospital of Lafayette County, allowance for uncollectible accounts		430,873
Memorial Hospital of Lafayette County, contractual adjustments		<u>2,064,792</u>
Total uncollectibles December 31, 2020	\$	<u><u>2,678,251</u></u>

Governmental funds report unavailable or deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and deferred inflows reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 6,623,087	\$ -
Delinquent property taxes receivable	<u>-</u>	<u>72,686</u>
Total unearned/unavailable revenue for governmental funds	<u><u>\$ 6,623,087</u></u>	<u><u>\$ 72,686</u></u>

## Lafayette County

Notes to Financial Statements  
December 31, 2020

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes levied by the County are reflected as unavailable revenue and are excluded from the fund balance until collected. At December 31, 2020, delinquent property taxes by year levied consists of the following:

Tax Certificates:	
2019	\$ 181,747
2018	127,941
2017	51,565
2016	<u>9,614</u>
Total delinquent property taxes receivable	370,867
Less January and February 2021 collections	<u>(30,848)</u>
Subtotal	340,019
County levied portion	<u>(72,686)</u>
County purchased portion	<u>\$ 267,333</u>

At the end of the current fiscal year, the various components of *unearned revenue* reported in the enterprise funds were as follows:

	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ 2,053,118
Advanced Medicare payments	130,259
Advanced CARES act payments	2,450,000
Transportation cost pools	<u>368</u>
Total unearned revenue for enterprise funds in deferred inflows	<u>\$ 4,633,745</u>
Unearned revenue included in deferred inflows	\$ 2,053,118
Unearned revenue in current liabilities	<u>2,580,627</u>
Total	<u>\$ 4,633,745</u>

### Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for reimbursement to the Hospital at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

#### Hospital Services

##### Medicare

The Hospital is designated as a Critical Access Hospital (CAH) with reimbursement based upon cost for inpatient, swing bed, and outpatient services with the exception of certain lab and radiology services, which are reimbursed based on fee schedules. Professional services provided by physicians and other clinicians are reimbursed based upon prospectively determined fee schedules.

## Lafayette County

Notes to Financial Statements

December 31, 2020

### Medicaid

The Hospital is also designated as a CAH by the Medicaid program. Under legislation enacted by the State of Wisconsin (the State), eligible CAHs, including the Hospital, are required to pay the State an annual assessment. The assessment is based on each hospital's gross inpatient revenue, as defined. The revenue generated from the assessment is to be used, in part, to increase overall reimbursement under the Wisconsin Medicaid program through the development of an access payment system. The Wisconsin Medicaid program pays a hospital-specific amount per discharge or visit for inpatient and outpatient services adjusted by patient acuity, determined based on prior hospital cost reports, plus an additional access payment on outpatient services. Professional services provided by physicians and other clinicians in the hospital setting continue to be reimbursed on prospectively determined fee schedules.

### Other Payors

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, preferred provider organizations, and the State of Wisconsin county agencies. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

### Clinic Services

Certain physician and professional services rendered to Medicare and Medicaid beneficiaries qualify for reimbursement as Medicare-approved rural health clinic services. Qualifying services are reimbursed based on a cost-reimbursement methodology. All other physician and professional services rendered to Medicare and Medicaid beneficiaries are paid based on prospectively determined fee schedules.

### Accounting for Contractual Arrangements

The Hospital is reimbursed for certain cost-reimbursable items at interim rates with final settlements determined after audit of the related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying financial statements. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2018.

Net patient service revenue consisted of the following:

Gross patient revenue:	
Inpatient services	\$ 6,527,558
Outpatient services	23,455,808
Other services	<u>6,692,040</u>
Total gross patient service revenue	36,675,406
Less:	
Contractual adjustments	14,684,631
Provision for bad debts	<u>355,468</u>
Net patient service revenue	<u>\$ 21,655,307</u>

## Lafayette County

### Notes to Financial Statements

December 31, 2020

The following table reflects the approximate portion of gross patient service revenue provided to patients whose bills were paid in full or in part by the following programs or third-party payors, which are considered to be the significant sources of revenue for the Hospital for the year ended December 31, 2020:

Medicare and Medicare Advantage Plans	52%
Medicaid and Medicaid Health Maintenance Organization (HMO) Plans	7%
Other third-party payors	39%
Private pay	2%
	<hr/>
Total	100%
	<hr/> <hr/>

### COVID 19 – Hospital/Manor

Starting in March 2020, the nation in general, and healthcare-related entities specifically, have been faced with a global pandemic. As healthcare entities prepared for the crisis, operational changes were made to delay routine visits and elective procedures and re-evaluate the entire care delivery model to care for patient needs, specifically those affected by COVID-19. The complete financial impact on the economy in general and healthcare-related entities specifically is undeterminable at this time; however, it was noted and is anticipated by the Hospital that both operational performance and cash flows for healthcare-related entities has been and will be impacted in fiscal year 2020 as well as future periods until the pandemic ends.

The federal and state governments, as well as other agencies, have been assisting many healthcare organizations to prevent significant financial constraints by providing supplemental payment programs in the forms of distributions which are intended to help in offsetting lost revenues as well as the cost of staffing, supplies and equipment from treating patients impacted by or preparing for the pandemic's healthcare needs.

Through December 31, 2020, the Hospital received approximately \$4,640,000 in funding from these programs and has deferred recognition of \$2,450,000 of funds received based on the current terms and conditions of the programs as of the date of these financial statements. Funding was received from multiple sources, including but not limited to approximately \$4,441,000 of provider relief funds from the HHS Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the unexpended provider relief funds are included in current liabilities as unearned revenues in the accompanying statements of net position at December 31, 2020.

These funds are subject to various financial and compliance guidelines for intended uses as published by the federal and state governments. Management is continuing to monitor compliance with the terms and conditions of the Provider Relief Fund as new guidance and clarification is released from HHS and other agencies. If the Hospital is unable to attest to or comply with current or future terms and conditions as more information becomes available, the Hospital's ability to retain some or all of the distributions received may be impacted.

In addition, the Hospital received \$1,952,200 of funding from the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) in the form of a loan as part of the CARES Act.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

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The Coronavirus Aid, Relief and Economic Security (CARES) Act included provisions to expand the Centers for Medicare and Medicaid Services (CMS) Accelerated and Advance Payment Program in order to improve cash flows for providers impacted by the COVID-19 pandemic. In 2020, the Nursing Home received \$130,259 in advance payments under this program. Repayment of the advances to the government is scheduled to begin one year after receipt of the advances and end 29 months later, at which time the advances are required to be repaid in full or any remaining outstanding amounts will be subject to interest at 4 percent. The Nursing Home expects to begin repaying the Medicare advances during January 2021. The repayments are expected to occur automatically through a partial reduction in Medicare payments due to the Nursing Home for services rendered to Medicare program beneficiaries. The current liability represents the amount the Nursing Home believes will be repaid in 2021 based on an estimate of Medicare claims using historical information.

### **Restricted Assets**

Human Services has restricted assets in the amount of \$15,569. These restricted assets represent clients' funds held for safekeeping by Human Services. The funds are maintained in a checking account. All interest earned is added to the respective client's balance.

The Nursing Home has restricted assets in the amount of \$61,640. \$8,717 represents residents' funds held for safekeeping by the Nursing Home. The funds are maintained in individual savings accounts and the balance in a checking account. All interest earned is added to the respective resident's balance. \$52,923 represents a donation to the nursing home that can only be spent on specific items.

The Revolving Loan fund has restricted assets in the amount of \$22,500. This represents funds held for future loans.

### **Net Pension Asset**

Restricted assets have been reported in connection with the net pension asset balances since this balance must be used to fund employee benefits. The governmental activities report a net pension asset of \$1,265,473. The business-type activities report a net pension asset of \$2,070,699.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

### Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

#### Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 188,615	\$ -	\$ -	\$ 188,615
Construction in process	275,715	158,988	275,715	158,988
Total capital assets not being depreciated	<u>464,330</u>	<u>158,988</u>	<u>275,715</u>	<u>347,603</u>
Capital assets being depreciated:				
Buildings and improvements	3,276,189	-	-	3,276,189
Machinery and equipment	2,334,177	295,964	286,971	2,343,170
Infrastructure	23,402,896	1,101,469	-	24,504,365
Total capital assets being depreciated	<u>29,013,262</u>	<u>1,397,433</u>	<u>286,971</u>	<u>30,123,724</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,395,833)	(86,779)	-	(1,482,612)
Machinery and equipment	(1,599,687)	(272,725)	274,581	(1,597,831)
Infrastructure	(12,543,430)	(481,967)	-	(13,025,397)
Total accumulated depreciation	<u>(15,538,950)</u>	<u>(841,471)</u>	<u>274,581</u>	<u>(16,105,840)</u>
Net capital assets being depreciated	<u>13,474,312</u>	<u>555,962</u>	<u>12,390</u>	<u>14,017,884</u>
Total governmental activities capital assets, net of depreciation	<u>\$ 13,938,642</u>	<u>\$ 714,950</u>	<u>288,105</u>	<u>14,365,487</u>

Depreciation expense was charged to functions as follows:

General government	\$ 83,156
Public safety	221,244
Public works	481,967
Health and human services	4,559
Culture, recreation and education	4,434
Conservation and development	46,111
Total governmental activities depreciation expense	<u>\$ 841,471</u>

# Lafayette County

Notes to Financial Statements  
December 31, 2020

## Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Highway</b>				
Capital assets not being depreciated:				
Land	\$ 55,657	\$ -	\$ -	\$ 55,657
Total capital assets not being depreciated	<u>55,657</u>	<u>-</u>	<u>-</u>	<u>55,657</u>
Capital assets being depreciated:				
Land improvements	234,628	24,095	-	258,723
Buildings and improvements	2,317,114	34,350	15,086	2,336,378
Machinery and equipment	<u>8,268,575</u>	<u>498,510</u>	<u>240,186</u>	<u>8,526,899</u>
Total capital assets being depreciated	<u>10,820,317</u>	<u>556,955</u>	<u>255,272</u>	<u>11,122,000</u>
Less accumulated depreciation for:				
Land improvements	(97,763)	(11,831)	-	(109,594)
Buildings and improvements	(1,130,740)	(68,319)	15,086	(1,183,973)
Machinery and equipment	<u>(5,148,640)</u>	<u>(320,088)</u>	<u>183,497</u>	<u>(5,148,640)</u>
Total accumulated depreciation	<u>(6,377,143)</u>	<u>(400,237)</u>	<u>198,582</u>	<u>(6,578,798)</u>
Net capital assets being depreciated	<u>4,443,174</u>	<u>156,718</u>	<u>56,690</u>	<u>4,543,202</u>
Total Highway capital assets, net of depreciation	<u>\$ 4,498,831</u>	<u>\$ 156,718</u>	<u>56,690</u>	<u>\$ 4,598,859</u>

## Lafayette County

Notes to Financial Statements  
December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Lafayette Manor</b>				
Capital assets not being depreciated:				
Land	\$ 18,020	\$ -	\$ -	\$ 18,020
Total capital assets not being depreciated	<u>18,020</u>	<u>-</u>	<u>-</u>	<u>18,020</u>
Capital assets being depreciated:				
Land improvements	61,615	-	-	61,615
Buildings and improvements	1,750,933	4,051	-	1,754,984
Machinery and equipment	<u>1,410,885</u>	<u>38,492</u>	<u>62,477</u>	<u>1,386,900</u>
Total capital assets being depreciated	<u>3,223,433</u>	<u>42,543</u>	<u>62,477</u>	<u>3,203,499</u>
Less accumulated depreciation for:				
Land improvements	(40,008)	(2,523)	-	(42,531)
Buildings and improvements	(1,046,654)	(63,160)	-	(1,109,814)
Machinery and equipment	<u>(1,065,721)</u>	<u>(53,044)</u>	<u>55,188</u>	<u>(1,063,577)</u>
Total accumulated depreciation	<u>(2,152,383)</u>	<u>(118,727)</u>	<u>55,188</u>	<u>(2,215,922)</u>
Net capital assets being depreciated	<u>1,071,050</u>	<u>(76,184)</u>	<u>7,289</u>	<u>987,577</u>
Total Manor capital assets, net of depreciation	<u>\$ 1,089,070</u>	<u>\$ (76,184)</u>	<u>\$ 7,289</u>	<u>\$ 1,005,597</u>

## Lafayette County

Notes to Financial Statements  
December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Memorial Hospital</b>				
Capital assets not being depreciated:				
Land	\$ 106,159	\$ -	\$ -	\$ 106,159
Construction work in progress	296,295	903,634	978,018	221,911
Total capital assets not being depreciated	<u>402,454</u>	<u>903,634</u>	<u>978,018</u>	<u>328,070</u>
Capital assets being depreciated:				
Land improvements	156,891	82,783	-	239,674
Buildings and improvements	9,333,948	776,443	73,300	10,037,091
Machinery and equipment	5,924,805	786,959	27,947	6,683,817
Intangible assets, computer software	978,618	22,730	-	1,001,348
Total capital assets being depreciated	<u>16,394,262</u>	<u>1,668,915</u>	<u>101,247</u>	<u>17,961,930</u>
Less accumulated depreciation for:				
Land improvements	(89,493)	(10,749)	-	(99,972)
Buildings and improvements	(5,900,964)	(525,433)	73,300	(6,353,097)
Machinery and equipment	(4,518,621)	(428,279)	27,947	(4,918,953)
Intangible assets, computer software	(291,401)	(142,828)	-	(434,229)
Total accumulated depreciation	<u>(10,800,479)</u>	<u>(1,107,019)</u>	<u>101,247</u>	<u>(11,806,251)</u>
Net capital assets being depreciated	<u>5,593,783</u>	<u>561,896-</u>	<u>-</u>	<u>6,155,679</u>
Total Hospital capital assets, net of depreciation	<u>\$ 5,996,237</u>	<u>\$ 1,465,530</u>	<u>\$ 978,018</u>	<u>\$ 6,483,749</u>
Total business-type capital assets, net of depreciation	<u>\$ 11,584,138</u>	<u>\$ 1,546,064</u>	<u>\$ 1,041,997</u>	<u>\$ 12,088,205</u>

Depreciation expense was charged to functions as follows:

Business-Type activities:

Lafayette Manor	\$ 118,727
Memorial Hospital	1,107,019
Highway	<u>400,237</u>

Total business-type activities depreciation expense \$ 1,625,983

# Lafayette County

Notes to Financial Statements  
December 31, 2020

## Interfund Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Human services	\$ 607,361	Lapsing fund
Highway	General fund	400,000	Capital asset purchases
General fund	Lafayette Manor	87,007	Lapsing fund
General fund	Aging	38,110	Funding purposes
Capital Improvement fund	General fund	155,309	Fund capital projects
Lafayette Manor	General fund	8,232	Capital asset purchases
Subtotal, fund financial statements		1,296,019	
Governmental activities infrastructure paid by highway enterprise fund		864,419	
Less GASB 34 eliminations		(816,464)	
Less fund eliminations		(800,780)	
Total transfers, government-wide statement of activities		<u>\$ 543,194</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 951,426	
Business-type activities	Governmental activities	(408,232)	
Total		<u>\$ 543,194</u>	

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

# Lafayette County

Notes to Financial Statements  
December 31, 2020

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable					
General obligation debt from direct borrowings and direct placement	\$ 3,606,747	\$ 828,232	\$ 1,051,654	\$ 3,383,326	\$ 1,146,749
Other liabilities					
Vested compensated absences	901,175	324,211	379,114	846,272	288,414
Total other liabilities	901,175	324,211	379,115	846,272	288,414
Total governmental activities long-term liabilities	<u>\$ 4,507,922</u>	<u>\$ 1,152,443</u>	<u>\$ 1,430,769</u>	<u>\$ 4,229,598</u>	<u>\$ 1,435,163</u>
<b>Business-Type Activities</b>					
Bonds and notes payable					
General obligation debt from direct borrowings and direct placement	\$ 2,597,051	\$ 1,952,200	\$ 337,417	\$ 4,211,834	\$ 1,797,852
Other liabilities					
Vested compensated absences	1,483,391	718,324	417,967	1,783,748	496,469
Capital leases	177,273	92,493	73,160	196,606	80,968
Total other liabilities	1,660,664	810,817	491,127	1,980,354	577,437
Total business-type activities long-term liabilities	<u>\$ 4,257,715</u>	<u>\$ 2,763,017</u>	<u>\$ 828,544</u>	<u>\$ 6,192,188</u>	<u>\$ 2,375,289</u>

## General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed 5 percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2020, was \$63,376,700. Total general obligation debt outstanding at year-end was \$7,595,160.

See Note 4 for details on the net post-employment liability.

# Lafayette County

## Notes to Financial Statements

December 31, 2020

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<b>Governmental Activities</b>					
General obligation debt:					
Promissory notes	1/28/2015	1/15/2025	2.29%	\$ 550,000	\$ 242,068
Promissory notes	12/30/2015	12/30/2025	2.29%	2,400,000	1,328,334
Promissory notes	12/20/2018	12/18/2028	2.74%	681,020	559,247
Promissory notes	12/13/2019	12/13/2029	1.64%	258,000	19,954
Promissory notes	12/13/2019	12/13/2029	1.64%	400,000	30,985
Promissory notes	12/13/2019	12/13/2029	1.96%	421,300	382,739
Promissory notes	12/15/2020	12/15/2022	0.77%	75,000	75,000
Promissory notes	12/15/2020	12/15/2022	0.77%	100,000	100,000
Promissory notes	12/15/2020	1/15/2022	0.75%	245,000	245,000
Promissory notes	12/15/2020	1/15/2022	0.75%	400,000	400,000
Total					<u>\$ 3,383,326</u>

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<b>Business-Type Activities</b>					
General obligation debt:					
Promissory notes	9/15/2014	12/15/2024	2.49%	\$ 650,000	\$ 281,288
Promissory notes	1/4/2017	1/4/2027	2.29%	1,400,000	963,327
Promissory notes	1/4/2017	1/4/2027	2.29%	1,300,000	1,015,019
Promissory notes	5/1/2020	5/1/2022	1.00%	1,952,200	1,952,200
Total					<u>\$ 4,211,834</u>

Debt service requirements to maturity are as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Notes from Direct Borrowings and Direct Placements</b>		<b>Notes from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Years Ending December 31:				
2021	\$ 1,146,749	\$ 58,335	\$ 1,797,852	\$ 48,387
2022	560,777	45,037	911,359	59,103
2023	433,202	34,679	395,561	30,490
2024	443,320	24,561	405,219	21,253
2025	395,783	14,611	339,781	12,516
2026-2029	403,495	16,826	362,062	4,685
	<u>\$ 3,383,326</u>	<u>\$ 194,049</u>	<u>\$ 4,211,834</u>	<u>\$ 176,434</u>

The County's outstanding debt from direct placements related to governmental and business-type activities \$3,383,326 and \$4,211,834 contain provisions that in an event of default, lender may collect a delinquency charge of 5 percent of the unpaid amount. Unpaid principal and interest bear interest after maturity until paid at the rate which would otherwise be applicable plus 5 percentage points per year.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

### Other Debt Information

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

### Lease Disclosures

#### Lessee - Capital Leases

The future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2020, are as follows:

	Business-Type	
	Principal	Interest
Years Ending December 31, 2020		
2021	\$ 80,968	\$ 13,626
2022	60,831	3,553
2023	18,595	1,000
2024	19,025	570
	17,187	139
Total	<u>\$ 196,606</u>	<u>\$ 18,888</u>

#### Lessee - Operating Leases

The Hospital has entered into a number of operating lease agreements for equipment with unrelated parties. Rental expense totaled \$387,100 in 2020.

#### Lessor - Capital Leases

The County has no material outstanding sales-type or direct financing leases.

#### Lessor - Operating Leases

The County does not receive material lease payments from property rented to others.

### Net Position/Fund Balances

Governmental activities net position reported on the government-wide statement of net position at December 31, 2020 includes the following:

#### Governmental Activities

Net investment in capital assets:

Land	\$ 188,615
Construction in process	158,988
Other capital assets, net of accumulated depreciation	14,017,884
Less long-term debt outstanding	(3,383,326)
Plus noncapital debt outstanding	255,757
Total net investment in capital assets	<u>\$ 11,237,918</u>

# Lafayette County

Notes to Financial Statements  
December 31, 2020

Governmental fund balances reported on the fund financial statements at December 31, 2020 include the following:

	<u>General Fund</u>	<u>Human Services</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Unassigned (Deficit)</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Delinquent taxes receivable	\$ 267,333	\$ -	\$ -	\$ -	\$ 267,333
Prepaid items	475,152	45,036	-	3,698	523,886
<b>Restricted:</b>					
Grant purposes	266,063	-	-	53,282	319,345
Jail improvement	114,993	-	-	-	114,993
Sheriff	35,877	-	-	-	35,877
Health department	4,814	-	-	-	4,814
UW extension	8,187	-	-	-	8,187
Land information	53,105	-	-	-	53,105
Fair	6,330	-	-	-	6,330
Economic development	3,000	-	-	-	3,000
Human resources	10,000	-	-	-	10,000
Revolving loan	-	-	-	17,613	17,613
Human services	-	-	-	-	28,950
Debt service	-	-	131,490	-	131,490
<b>Committed:</b>					
Stabilization fund	750,000	-	-	-	750,000
<b>Assigned:</b>					
Carryforward appropriations	1,475,249	28,950	-	-	1,702,466
Fund balance applied to the 2021 budget	421,224	-	-	-	421,224
Capital projects	-	-	-	155,309	155,309
Human services	200,000	-	-	-	200,000
<b>Unassigned (Deficit)</b>	<u>4,801,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,574,304</u>
<b>Total fund balances</b>	<u>\$ 8,892,848</u>	<u>\$ 73,986</u>	<u>\$ 131,490</u>	<u>\$ 229,902</u>	<u>\$ 9,328,226</u>

## Business-Type Activities

Net investment in capital assets:

Land	\$ 179,836
Construction in process	221,911
Other capital assets, net of accumulated depreciation	11,686,458
Less related long-term debt and capital leases outstanding	<u>(2,456,240)</u>

Total net investment in capital assets

9,631,965

Restricted for pension	2,070,699
Unrestricted	<u>6,095,573</u>

Total business-type activities, net position

\$ 17,798,237

**4. Other Information****Employees' Retirement System****Plan Description**

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 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 Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**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 occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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.

The WRS also provides death and disability benefits for employees.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

### 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</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

### 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 and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category 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 reporting period, the WRS recognized \$1,094,309 in contributions from the County.

Contribution rates as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

# Lafayette County

Notes to Financial Statements  
December 31, 2020

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

At December 31, 2020, the County reported a liability (asset) of \$(3,336,172) for its proportionate share of the net pension asset. The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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, 2020, the County's proportion was 0.10346464 percent, which was an increase of 0.00532274 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized pension expense of \$1,091,021.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,332,817	\$ 3,169,151
Changes of actuarial assumptions	259,976	-
Net differences between project and actual investment		
Earnings on pension plan investment	-	6,820,323
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,543	11,236
Employer contributions subsequent to the measurement date	<u>1,266,874</u>	<u>-</u>
Total	<u>\$ 7,874,210</u>	<u>\$ 10,000,710</u>

\$1,266,874 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b>Net Deferred Outflows (Inflows) of Resources (Net)</b>
2021	\$ (1,004,876)
2022	(751,277)
2023	116,071
2024	(1,753,292)

# Lafayette County

Notes to Financial Statements

December 31, 2020

## Actuarial Assumptions

The total pension asset 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, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Postretirement Adjustments*:	1.9%

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2019 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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent

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

**Single Discount Rate**

A single discount rate of 7.00 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (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, 2019. 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 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

**Sensitivity of the County's Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate**

The following presents the County's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
County's proportionate share of the net pension (asset) liability	\$ 8,591,239	\$ (3,336,172)	\$ (12,253,284)

**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/publications/cafr.htm>.

At December 31, 2020, the County reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

**Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to prior year.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

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The Hospital has professional liability insurance coverage to provide protection for professional liability losses on an occurrence basis subject to a limit of \$1,000,000 per claim and an annual aggregate limit of \$3,000,000. Should the occurrence policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to July 1, 2022.

### **Wisconsin County Mutual Insurance Corporation**

Fifty-five Wisconsin counties jointly participate in the Wisconsin County Mutual Insurance Corporation (WCMIC) for general, personal injury, automobile, law enforcement, and public officials' errors and omissions liability insurance. The creation of the County Mutual requires the establishment of capital reserves with each of the participating counties depositing amounts as specified in projected rates. This company began operation on January 1, 1988.

The governing body is made up of nineteen directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation.

Summary financial information of WCMIC as of December 31, 2020 can be obtained directly from WCMIC's offices.

### **Commitments and Contingencies**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

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

Included in construction in progress are costs related to the planning and design for a replacement hospital. The replacement hospital is in the planning phase. No formal commitments have been made as of the audit report date.

### **Nursing Home**

The Nursing Home's existing buildings do contain asbestos; however, the Nursing Home has no intentions to disturb the asbestos in the building. This is a source of potential liability to the County; however, it is not possible to estimate the financial impact at this time.

The Nursing Home recorded revenues of approximately \$463,800 in 2020 through the Supplemental Payment Program to help offset the use of local tax dollars to subsidize governmental operated nursing homes. The Nursing Home may have to repay a portion of these funds at a later date pending the outcome of a federal audit of the state's Medicaid Program.

# Lafayette County

Notes to Financial Statements  
December 31, 2020

## Hospital

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and billing regulations. Government activity with respect to investigations and allegations concerning possible violations of such regulations by health care providers has increased. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayment for patient services previously billed. Management believes that the Hospital is in compliance with applicable government laws and regulations. While no significant regulatory inquiries have been made of the Hospital, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

## Other Postemployment Benefits (OPEB)

### Plan Description

The County's defined benefit OPEB plan provides coverage to active employees and retirees (or other qualified terminated employees). The County's plan is a single employer defined benefit OPEB plan administered by the County. Continuous health insurance coverage is provided at the blended employee rate to all eligible retirees, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under Lafayette County's retirement plan (see Note 4). Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from Lafayette County's insurance provider. There are no assets accumulated in a GASB compliant trust. A separate report is not issued.

### Benefits Provided

Retirees who have at least five years of continuous full-time service and have reached retirement age may participate in Lafayette County health and dental insurance plan. The cost to the retiree for this coverage shall be 100 percent of Lafayette County's cost. The cost to retirees who are eligible for Medicare shall be at a rate as determined by Lafayette County for Medicare eligible recipients.

### Employees Covered by Benefit Terms

At December 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>308</u>
Total	<u><u>330</u></u>

### Total OPEB Liability

Lafayette County's total OPEB liability of \$1,009,401 was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2020.

# Lafayette County

Notes to Financial Statements  
December 31, 2020

There have been no changes of assumptions or other inputs and no changes of benefit terms that affected measurement of the total OPEB liability since the prior measurement date. There have been no changes that are expected to have a significant effect on the total OPEB liability since the measurement date. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases:

Inflation	3.0%
Merit	0.5% - 4.8%

**Health and Dental Cost**

	Annual Pre Medicare Trend Rate	
	Medical	Dental
2021	6.00%	5.00%
2022	5.50	5.00
2023	5.00	5.00
2024	4.90	4.90
2025	4.80	4.80
2030	4.40	4.40
2040	4.50	4.50
2050	4.60	4.60
2060	4.40	4.40
2070	4.00	4.00
Ultimate (2074)	3.70	3.70
Discount Rate	2.74%	
Mortality	Wisconsin 2018 Mortality Table	
Actuarial assumptions	Based on an experience study using WRS experience from 2015-2017	
Retirees' share of benefit, related costs	100%	

The 2.74 percent discount rate used to measure the total OPEB liability was determined by the actuary at Bond Buyer 20-Bond Go index for a 20-year AA municipal bond as of December 31, 2019.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at December 31, 2019	\$ 984,141
Changes for the year:	
Service cost	72,718
Interest	40,939
Differences between expected and actual experience	170,152
Changes in assumptions	(140,666)
Benefit payments	(117,883)
Net changes	25,260
Balance at December 31, 2020	\$ 1,009,401

## Lafayette County

Notes to Financial Statements

December 31, 2020

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability Lafayette County, as well as what the Lafayette County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74 percent) or 1-percentage-point higher (3.74 percent) than the current discount rate:

	<u>1% Decrease (1.74%)</u>	<u>Discount Rate (2.74%)</u>	<u>1% Increase (3.74%)</u>
Total OPEB liability	\$ 1,070,446	\$ 1,009,401	\$ 951,833

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of Lafayette County, calculated using the current healthcare cost trend rates as well as what County's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point higher than the current trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 925,300	\$ 1,009,401	\$ 1,110,244

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, Lafayette County recognized OPEB expense of \$114,579. At December 31, 2020, Lafayette County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in actuarial assumptions	\$ 162,815	\$ 154,964
Employer contributions, subsequent to the measurement date	117,883	-
Total	<u>\$ 280,698</u>	<u>\$ 154,964</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$117,883, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021.

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

	<u>Net Deferred Outflows (Inflows) of Resources (Net)</u>
2021	\$ 922
2022	922
2023	922
2024	922
2025	922
Thereafter	3,242

**Local Retiree Life Insurance Fund (LRIF)**

**Plan Description**

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

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

**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 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**

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

**Contributions**

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

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

Contribution rates for the plan year reported as of December 31, 2020 are:

<b>Coverage Type</b>	<b>Employer Contribution</b>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

## Lafayette County

Notes to Financial Statements  
December 31, 2020

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

	<u>Basic</u>
Life insurance member contribution rates for the plan year:	
Attained Age:	\$
Under 30	0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$4,330 in contributions from the employer.

### **OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs**

At December 31, 2020, the County reported a liability of \$1,020,063 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the County's proportion was .23955300 percent, which was an increase of .23955330 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized OPEB expense of \$171,775. The County recognized total health and life insurance OPEB expense of \$286,354 in 2020.

# Lafayette County

Notes to Financial Statements  
December 31, 2020

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 45,698
Net differences between projected and actual earnings on OPEB plan investments	376,306	112,199
Changes in assumptions	19,242	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	609,618	-
Employer contributions subsequent to the measurement date	5,349	-
<b>Total</b>	<b>\$ 1,010,515</b>	<b>\$ 157,897</b>

\$5,349 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
Years Ending December 31:	
2021	\$ 140,747
2022	140,747
2023	138,672
2024	136,535
2025	130,082
Thereafter	160,486
<b>Total</b>	<b>\$ 847,269</b>

## Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.00%
Seniority / Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

## Lafayette County

Notes to Financial Statements

December 31, 2020

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

### Long-Term Expected Return on Plan Assets

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

### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2019

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5	2.90
U.S. Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return decreased slightly from 5.00 percent in the prior year to 4.25 percent in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30 percent in the prior year to 2.20 percent in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

### Single Discount Rate

A single discount rate of 2.87 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10 percent as of December 31, 2018 to 2.74 percent as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

## Lafayette County

Notes to Financial Statements

December 31, 2020

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

### Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<b>1% Decrease to Discount Rate (1.87%)</b>	<b>Current Discount Rate (2.87%)</b>	<b>1% Increase to Discount Rate (3.87%)</b>
The County's proportionate share of the net OPEB liability	\$ 1,408,537	\$ 1,020,063	\$ 724,511

### OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

### Joint Ventures

Lafayette County, Green County, and Iowa County jointly operate the Tri-County Trails Commission (the commission) which maintains and manages the Monroe to Mineral Point railroad right-of-way for use as an all year, all purpose public recreational corridor.

The governing body is made up of commissioners from each county. Local representatives are appointed by the chair of their respective county boards. The governing body has authority to adopt its own budget and control the financial affairs of the commission.

Financial information of the commission as of December 31, 2020 is available directly from the commission's office.

### Related Organizations

The County's officials are responsible for appointing the board members of the Housing Authority of the County of Lafayette, but the County's accountability for this organization does not extend beyond making the appointments.

### Economic Dependency

In 2020, approximately 66 percent of Nursing Home resident days were the responsibility of the Title XVIII (Medicare) or Title XIX (Medical Assistance) programs that are funded by the United States government and the State of Wisconsin.

### Concentration of Credit Risk

Financial instruments that potentially subject the Hospital to possible credit risk consist principally of patient receivables.

## Lafayette County

Notes to Financial Statements  
December 31, 2020

Patient receivables consist of amounts due from patients, their insurers, or government agencies (primarily Medicare and Medicaid) for health care provided to the patients. The majority of the Hospital's patients are from Darlington, Wisconsin, and the surrounding area. The risk of receivables from patients and third-party payors was as follows at December 31:

Medicare and Medicare advantage plans	42 %
Medicaid and Medicaid HMO Plans	8
Other third-party payors	46
Private pay	<u>4</u>
Total	<u>100 %</u>

### Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32.*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. When they become effective, application of these standards may restate portions of these financial statements.

### Subsequent Events

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The County's estimated award is \$3,236,981, which will be used to combat the negative effects of the public health emergency in the local economy. The County has received 50 percent of the funds in June 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

## Lafayette County

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Notes to Financial Statements

December 31, 2020

Subsequent to year-end, the Hospital received additional funds of approximately \$300,000 to be used in response to the global pandemic. Effective April 1, 2021, the Hospital's rural health clinics will be subject to new Medicare reimbursement rates based on a 2020 base rate indexed by the Medicare Economic Index (MEI). Management is evaluating the impact this change in reimbursement will have on the Hospital. On May 6, 2021, the Hospital received notice that the PPP loan in the amount of \$1,952,200 was fully forgiven. The loan forgiveness will be recorded as nonoperating revenue in the Statement of Revenue, Expenses and Changes in Net Position in 2021. On June 17, 2021, the Hospital paid off three general obligation promissory notes totaling approximately \$2,078,000.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Lafayette County**

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
<b>Taxes</b>				
General property taxes	\$ 3,098,702	\$ 3,098,702	\$ 3,142,389	\$ 43,687
Interest on taxes	110,010	110,010	165,169	55,159
Real estate transfer	6,000	6,000	61,595	55,595
Forest cropland	1,000	1,000	531	(469)
Payment in lieu of taxes	11,000	11,000	-	(11,000)
County sales tax	875,120	875,120	1,028,867	153,747
Land use penalty	-	-	15,807	15,807
	<u>4,101,832</u>	<u>4,101,832</u>	<u>4,414,358</u>	<u>312,526</u>
Total taxes				
<b>Intergovernmental</b>				
Shared taxes from state	1,973,472	1,973,472	1,975,819	2,347
Exempt computer aid	3,002	3,002	3,002	-
Personal Property Aid	59,649	59,649	59,649	-
Circuit court	68,077	68,077	80,491	12,414
DWD state grant	151,000	151,000	154,260	3,260
Land info board grant	111,760	111,760	116,824	5,064
State fair grants	6,000	6,000	8,218	2,218
DNR trails	16,000	16,000	25,370	9,370
Other DNR	-	-	99,637	99,637
Veterans service	20,500	20,500	9,365	(11,135)
DATCP - LWRM	74,620	74,620	228,187	153,567
DOJ training reimbursement	-	-	41,649	41,649
DOJ crime victim witness	22,120	22,120	18,520	(3,600)
Other DOJ grants	-	-	6,753	6,753
Department of military affairs	30,000	30,000	47,942	17,942
Interpreter reimbursement	8,469	8,469	9,232	763
Department of administration	-	-	260,324	260,324
Health grants	62,000	62,000	281,899	219,899
FEMA	-	-	3,303	3,303
Other miscellaneous grants	161,934	161,934	43,546	(118,388)
	<u>2,768,603</u>	<u>2,768,603</u>	<u>3,473,990</u>	<u>705,387</u>
Total intergovernmental				

See independent auditors' report and notes to required supplementary information

**Lafayette County**

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

December 31, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Licenses and Permits</b>				
Marriage licenses and divorce mediation	\$ 2,000	\$ 2,000	\$ 4,325	\$ 2,325
License plates	-	-	873	873
Sanitary permits	-	-	26,955	26,955
Conditional use/rezoning permits	25,000	25,000	12,343	(12,657)
Mine reclamation	5,470	5,470	5,470	-
Other licenses and permits	8,538	8,538	35,810	27,272
	<u>41,008</u>	<u>41,008</u>	<u>85,776</u>	<u>44,768</u>
Total licenses and permits				
<b>Fines, Forfeitures and Penalties</b>				
County ordinances, forfeitures and defaults	84,069	84,069	60,791	(23,278)
County share of state fines	-	-	20,779	20,779
	<u>84,069</u>	<u>84,069</u>	<u>81,570</u>	<u>(2,499)</u>
Total fines, forfeitures and penalties				
<b>Public Charges for Services</b>				
General government	5,280	5,280	1,119	(4,161)
Child support	1,950	1,950	1,828	(122)
Circuit court	47,000	47,000	70,751	23,751
Clerk of courts	39,435	39,435	33,207	(6,228)
Coroner	4,500	4,500	4,300	(200)
County clerk	20,650	20,650	19,517	(1,133)
Sheriff and jail fees	134,400	134,400	187,321	52,921
District attorney	1,500	1,500	10,951	9,451
Fair	121,000	121,000	20,178	(100,822)
Land conservation	9,000	9,000	19,450	10,450
Land information fees	31,690	31,690	45,019	13,329
Parks and trails	2,200	2,200	2,200	-
Planning and zoning	13,000	13,000	800	(12,200)
Public health	173,010	173,010	107,652	(65,358)
Register of deeds	124,000	124,000	116,965	(7,035)
Treasurer	600	600	352	(248)
UW extension	14,235	14,235	3,632	(10,603)
Veterans	100	100	-	(100)
	<u>743,550</u>	<u>743,550</u>	<u>645,242</u>	<u>(98,308)</u>
Total public charges for services				

*See independent auditors' report and notes to required supplementary information*

**Lafayette County**

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

December 31, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Investment Income</b>				
Investment income	\$ 189,088	\$ 189,088	\$ 197,742	\$ 8,654
<b>Miscellaneous</b>				
Rent on buildings	62,587	62,587	45,960	(16,627)
Rent on other property	10,619	10,619	11,559	940
Insurance recoveries	6,800	6,800	18,369	11,569
Fair donations	-	-	1,050	1,050
Other donations	21,500	21,500	8,691	(12,809)
WCMIC dividend	31,000	31,000	95,037	64,037
Sale of property/assets	18,000	18,000	300	(17,700)
Workman's compensation discount	303,000	303,000	130,627	(172,373)
Miscellaneous	31,650	31,650	6,146	(25,504)
Total miscellaneous	485,156	485,156	317,739	(167,417)
Total revenues	8,413,306	8,413,306	9,216,417	803,111

*See independent auditors' report and notes to required supplementary information*

**Lafayette County**

General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
December 31, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
<b>General Government</b>				
County board	\$ 95,560	\$ 95,560	\$ 86,199	\$ 9,361
District attorney	88,595	88,595	84,328	4,267
Family court commissioner	13,000	13,000	12,108	892
Circuit court	242,219	242,219	219,449	22,770
Clerk of court	220,319	220,319	193,257	27,062
Other court	117,350	117,350	110,042	7,308
County buildings-operations and maintenance	285,611	285,611	381,415	(95,804)
Child support	182,243	182,243	182,821	(578)
County clerk	175,681	175,681	167,338	8,343
County treasurer	236,026	236,026	206,875	29,151
Coroner	38,340	38,340	37,154	1,186
County website	4,100	4,100	12,168	(8,068)
Elections	64,559	64,559	53,770	10,789
Finance	222,871	222,871	256,299	(33,428)
Indirect cost plan	4,390	4,390	4,390	-
Labor relations	64,000	64,000	42,428	21,572
Land information	296,336	296,336	232,441	63,895
Land use value penalty	1,500	1,500	7,904	(6,404)
Maps and plats	2,500	2,500	(160)	2,660
County fleet	107,600	107,600	24,608	82,992
County K building	10,900	10,900	11,759	(859)
Network administration	479,971	479,971	583,144	(103,173)
Personnel	213,946	213,946	208,935	5,011
Postage	3,662	3,662	9,216	(5,554)
Property and liability insurance	21,611	21,611	18,931	2,680
Register of deeds	163,165	163,165	164,026	(861)
Special accounting and auditing	31,500	31,500	25,959	5,541
Telephone	20,082	20,082	7,684	12,398
Health insurance	-	-	(3,610)	3,610
Retiree insurance incentive	1,000	1,000	-	1,000
Other benefits	280,000	280,000	157	279,843
Miscellaneous	1,100	1,100	-	1,100
Total general government	3,689,737	3,689,737	3,341,035	348,702

See independent auditors' report and notes to required supplementary information

**Lafayette County**

General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Public Safety</b>				
Crime victim/witness	\$ 46,546	\$ 46,546	\$ 51,419	\$ (4,873)
Sheriff administration	2,025,249	2,025,249	2,081,514	(56,265)
Jail	1,434,007	1,434,007	1,237,297	196,710
EMS	17,002	17,002	17,002	-
Emergency government	91,998	91,998	131,018	(39,020)
SARA	18,860	18,860	11,455	7,405
Jail improvement	1,900	1,900	2,008	(108)
Total public safety	<u>3,635,562</u>	<u>3,635,562</u>	<u>3,531,713</u>	<u>103,849</u>
<b>Health and Human Services</b>				
County nurse	558,525	558,525	588,799	(30,274)
Veterans' service	86,510	86,510	74,238	12,272
Veterans' relief and care of veterans' graves	2,500	2,500	3,190	(690)
Veterans' service grant	11,000	11,000	3,848	7,152
Total health and social services	<u>658,535</u>	<u>658,535</u>	<u>670,075</u>	<u>(11,540)</u>
<b>Culture, Recreation and Education</b>				
County extension programs	71,873	71,873	81,367	(9,494)
Workshops	1,250	1,250	1,027	223
Agriculture agent	46,250	46,250	38,980	7,270
Library	173,496	173,496	197,975	(24,479)
Family living agent	19,100	19,100	11,054	8,046
Fairs and exhibits	200,220	200,220	104,788	95,432
4-H agent	52,300	52,300	43,226	9,074
Snowmobile trails	19,706	19,706	18,896	810
ATV	1,514	1,514	2,996	(1,482)
Sunshine fund	300	300	100	200
Total culture, recreation and education	<u>586,009</u>	<u>586,009</u>	<u>500,409</u>	<u>85,600</u>

See independent auditors' report and notes to required supplementary information

**Lafayette County**

General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Conservation and Economic Development</b>				
Land conservation	\$ 308,132	\$ 308,132	\$ 319,372	\$ (11,240)
Land conservation, cost share	15,000	15,000	11,278	3,722
Land conservation, LWRM cost share	74,620	74,620	68,040	6,580
Fish and game habitat	4,000	4,000	9,026	(5,026)
Wildlife damage program	-	-	16,841	(16,841)
Economic development	1,600	1,600	43,351	(41,751)
Lafayette development corp	67,615	67,615	22,838	44,777
Regional planning	16,814	16,814	16,814	-
Planning and zoning	84,458	84,458	78,154	6,304
	<u>572,239</u>	<u>572,239</u>	<u>585,714</u>	<u>(13,475)</u>
Total conservation and economic development				
	<u>572,239</u>	<u>572,239</u>	<u>585,714</u>	<u>(13,475)</u>
Total expenditures	<u>9,142,082</u>	<u>9,142,082</u>	<u>8,628,946</u>	<u>513,136</u>
Excess (deficiency) of revenues over expenditures	<u>(728,776)</u>	<u>(728,776)</u>	<u>587,471</u>	<u>1,316,247</u>
<b>Other Financing Sources (Uses)</b>				
Debt issued	420,000	420,000	828,232	408,232
Sale of capital assets	-	-	35,144	35,144
Transfers in	-	-	732,478	732,478
Transfers out	-	-	(563,541)	(563,541)
	<u>420,000</u>	<u>420,000</u>	<u>1,032,313</u>	<u>612,313</u>
Total other financing sources (uses)				
	<u>420,000</u>	<u>420,000</u>	<u>1,032,313</u>	<u>612,313</u>
Net change in fund balance	(308,776)	(308,776)	1,619,784	1,928,560
<b>Fund Balance, Beginning</b>	<u>7,273,064</u>	<u>7,273,064</u>	<u>7,273,064</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 6,964,288</u>	<u>\$ 6,964,288</u>	<u>\$ 8,892,848</u>	<u>\$ 1,928,560</u>

See independent auditors' report and notes to required supplementary information

**Lafayette County**

Human Services Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
December 31, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 1,961,103	\$ 1,961,103	\$ 1,961,103	\$ -
Intergovernmental	1,720,644	1,720,644	1,998,410	277,766
Fines, forfeitures and penalties	-	-	12,140	12,140
Public charges for services	841,650	841,650	914,499	72,849
Miscellaneous	1,700	1,700	200	(1,500)
Total revenues	<u>4,525,097</u>	<u>4,525,097</u>	<u>4,886,352</u>	<u>361,255</u>
<b>Expenditures</b>				
Health and human services	<u>4,525,097</u>	<u>4,525,097</u>	<u>4,226,750</u>	<u>298,347</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>659,602</u>	<u>659,602</u>
<b>Other Financing Uses</b>				
Transfer out	<u>-</u>	<u>-</u>	<u>(607,361)</u>	<u>(607,361)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(607,361)</u>	<u>(607,361)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>52,241</u>	<u>52,241</u>
<b>Fund Balance, Beginning</b>	<u>21,745</u>	<u>21,745</u>	<u>21,745</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 21,745</u>	<u>\$ 21,745</u>	<u>\$ 73,986</u>	<u>\$ 52,241</u>

See independent auditors' report and notes to required supplementary information

**Lafayette County**

Schedule of Proportionate Share of the Net Pension Liability (Asset) -  
 Wisconsin Retirement System  
 Year Ended December 31, 2020

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.09041769 %	\$ (2,220,906)	\$ 12,001,154	-18.51 %	102.74 %
12/31/16	0.08972445 %	1,458,005	11,935,302	12.22 %	98.20 %
12/31/17	0.08891082 %	732,837	12,029,374	6.09 %	99.12 %
12/31/18	0.09302513 %	(2,762,026)	14,309,142	-19.30 %	102.93 %
12/31/19	0.09814190 %	3,491,581	14,921,093	23.40 %	96.45 %
12/31/20	0.10346464 %	(3,336,172)	15,645,403	21.32 %	102.96 %

Schedule of Employer Contributions - Wisconsin Retirement System  
 Year Ended December 31, 2020

Village Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 854,910	\$ 854,910	\$ -	\$ 11,935,302	7.16 %
12/31/16	837,752	837,752	-	12,023,064	6.97 %
12/31/17	1,038,141	1,038,141	-	14,309,142	7.26 %
12/31/18	1,070,074	1,070,074	-	14,921,094	7.17 %
12/31/19	1,095,941	1,095,941	-	15,625,168	7.01 %
12/31/20	1,266,874	1,266,874	-	17,373,578	7.29 %

Schedule of Proportionate Share of the Net Life Insurance OPEB Liability - Local Retiree Life Insurance Fund  
 Year Ended December 31, 2020

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/20	0.23955300%	\$ 1,020,063	\$ 12,448,000	8.19%	37.58%

Schedule of Employer Contributions - Local Retiree Life Insurance Fund  
 Year Ended December 31, 2020

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/20	\$ 5,349	\$ 5,349	\$ -	\$ 15,030,328	0.04%

See notes to required supplementary information

## Lafayette County

### Schedule of Changes in Employer's Total OPEB Liability and Related Ratios, Health Insurance

December 31, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Measurement Date</b>	December 31, 2017	December 31, 2018	December 31, 2019
<b>Total OPEB Liability</b>			
Service cost	\$ 68,127	\$ 74,740	\$ 72,718
Interest	37,627	35,621	40,939
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	170,152
Changes of assumptions	19,743	(40,589)	(140,666)
Benefit payments	<u>(92,000)</u>	<u>(92,000)</u>	<u>(117,883)</u>
Net change in total OPEB liability	33,497	(22,228)	25,260
<b>Total OPEB Liability, Beginning</b>	<u>972,872</u>	<u>1,006,369</u>	<u>984,141</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 1,006,369</u>	<u>\$ 984,141</u>	<u>\$ 1,009,401</u>
<b>Covered-Employee Payroll</b>	\$ 14,064,014	\$ 15,625,168	\$ 17,373,578
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	7.16%	6.30%	5.81%

#### Notes to Schedule:

*Benefit changes.* There were no changes to the benefits.

*Changes in assumptions.* The discount rate changed from 3.236% to 2.12%

The termination rate, retirement rate and salary scale assumptions have been updated to the most recent WRS tables as of December 31, 2019

Health care trend rates have been updated to an initial rate of 8.00%, decreasing by 0.50% annually to an ultimate rate of 4.50%

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

#### Valuation Date:

December 31, 2019

Methods and assumptions used to determine the total OPEB liability:

Actuarial cost method	Entry age normal
Amortization method	Average remaining member service life
Amortization period	8 years
Asset valuation method	Market Value
Inflation	2.5 percent
Healthcare cost trend rates	"Long Term Healthcare Costs Trend Resource Model" created for the Society of Actuaries by Professor Thomas E. Getzen of Temple University then decreasing by 0.1% per year to 5.0% and level thereafter
Salary increases	3.0% per year inflationary
Investment rate of return	N/A
Retirement age	Based on an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2015-2017.
Mortality	Based on the Wisconsin 2018 mortality table in conjunction with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

#### Other Information:

The county implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

Note: This schedule is to show information for 10 years. However, until a full 10-year trend is compiled,

# Lafayette County

Notes to Required Supplementary Information  
December 31, 2020

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## 1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The County may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$1,475,249 in the general fund. Budgets are adopted at the detail level of expenditure.

### Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

*Changes in benefit terms.* There were no changes of benefit for any participating employer in the Wisconsin Retirement System.

*Changes in assumptions.* No significant change in assumptions were noted from prior year.

### Local Retiree Life Insurance Fund

*Changes in benefit terms.* There were no changes of benefit for any participating employer in LRIF.

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The County is required to present the last ten years of detail, however, Accounting Standards allow the presentation of as many years as are available until 10 fiscal years are presented.

*Changes in assumptions.* Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

**SUPPLEMENTARY INFORMATION**

## Lafayette County

Combining Balance Sheet, Nonmajor Governmental Funds  
December 31, 2020

	Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan	Capital Improvement	
<b>Assets</b>				
Cash and investments	\$ 12,234	\$ 2,739	\$ 155,309	\$ 170,282
Taxes receivable	96,124	-	-	96,124
Accounts receivable	27,003	-	-	27,003
Due from other governments	19,104	-	-	19,104
Prepaid items	3,698	-	-	3,698
Restricted assets:				
Cash and investments	-	22,500	-	22,500
Total assets	<u>\$ 158,163</u>	<u>\$ 25,239</u>	<u>\$ 155,309</u>	<u>\$ 338,711</u>
<b>Liabilities, Deferred Inflows</b>				
<b>Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 2,866	\$ -	\$ -	\$ 2,866
Accrued liabilities	2,193	-	-	2,193
Due to other funds	-	7,626	-	7,626
Total liabilities	<u>5,059</u>	<u>7,626</u>	<u>-</u>	<u>12,685</u>
Deferred inflows of resources:				
Unearned revenue	<u>96,124</u>	<u>-</u>	<u>-</u>	<u>96,124</u>
Total deferred inflows of resources	<u>96,124</u>	<u>-</u>	<u>-</u>	<u>96,124</u>
Fund balances:				
Nonspendable	3,698	-	-	3,698
Restricted	53,282	17,613	-	70,895
Assigned	-	-	155,309	155,309
Total fund balances	<u>56,980</u>	<u>17,613</u>	<u>155,309</u>	<u>229,902</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 158,163</u>	<u>\$ 25,239</u>	<u>\$ 155,309</u>	<u>\$ 338,711</u>

**Lafayette County**

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

December 31, 2020

	Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan	Capital Improvement	
<b>Revenues</b>				
Taxes	\$ 95,419	\$ -	\$ -	\$ 95,419
Intergovernmental	209,094	-	-	209,094
Public charges for services	26,145	-	-	26,145
Investment income	-	902	-	902
Miscellaneous	11,586	-	-	11,586
<b>Total revenues</b>	<b>342,244</b>	<b>902</b>	<b>-</b>	<b>343,146</b>
<b>Expenditures</b>				
Current:				
Health and human services	294,270	-	-	294,270
Conservation and economic development	-	1,510	-	1,510
<b>Total expenditures</b>	<b>294,270</b>	<b>1,510</b>	<b>-</b>	<b>295,780</b>
Excess (deficiency) of revenues over expenditures	47,974	(608)	-	47,366
<b>Other Financing Sources</b>				
Transfers in	-	-	155,309	155,309
Transfers out	(38,110)	-	-	(38,110)
<b>Total other financing sources</b>	<b>(38,110)</b>	<b>-</b>	<b>155,309</b>	<b>117,199</b>
Excess (deficiency) of revenues over (under) expenditures	9,864	(608)	155,309	164,565
<b>Fund Balances, Beginning</b>	<b>47,116</b>	<b>18,221</b>	<b>-</b>	<b>65,337</b>
<b>Fund Balances, Ending</b>	<b>\$ 56,980</b>	<b>\$ 17,613</b>	<b>\$ 155,309</b>	<b>\$ 229,902</b>

**Lafayette County**

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2020

	Custodial Funds						Total Custodial Funds
	Sheriff Commissary	Clerk of Court	DMV Vehicle Service	Bond Trust	Project DARE	Tri-County Trails Commission	
<b>Assets</b>							
Cash and investments	\$ 28,728	\$ 127,319	\$ 8,571	\$ 2	\$ 2,130	\$ 7,048	\$ 173,798
Total assets	<u>28,728</u>	<u>127,319</u>	<u>8,571</u>	<u>2</u>	<u>2,130</u>	<u>7,048</u>	<u>173,798</u>
<b>Liabilities</b>							
Accounts payable	-	-	-	2	-	-	2
Due to other governmental units	-	127,319	8,571	-	2,130	7,048	145,068
Held for inmates	28,728	-	-	-	-	-	28,728
Total liabilities	<u>28,728</u>	<u>127,319</u>	<u>8,571</u>	<u>2</u>	<u>2,130</u>	<u>7,048</u>	<u>173,798</u>
<b>Net Position</b>							
Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Lafayette County**

Combining Statement of Changes in Fiduciary Net Position  
 Custodial Funds  
 Year Ended December 31, 2020

	<b>Custodial Funds</b>						
	<b>Sheriff Commissary</b>	<b>Clerk of Court</b>	<b>DMV Vehicle Service</b>	<b>Bond Trust</b>	<b>Project DARE</b>	<b>Tri-County Trails Commission</b>	<b>Total Custodial Funds</b>
<b>Additions</b>							
Fines and forfeitures, traffic, bonds and other court items	\$ -	\$ 637,740	\$ -	\$ -	\$ -	\$ -	\$ 637,740
Inmate deposits	105,902	-	-	-	-	-	105,902
Intergovernmental	-	-	-	2,080	-	104,225	106,305
Miscellaneous	-	-	55,919	-	-	9,935	65,854
Investment income (loss)	-	-	-	-	-	8	8
<b>Total additions</b>	<b>105,902</b>	<b>637,740</b>	<b>55,919</b>	<b>2,080</b>	<b>-</b>	<b>114,168</b>	<b>915,809</b>
<b>Deductions</b>							
Intergovernmental	-	-	55,919	2,080	-	-	57,999
Disposition of court collections	-	637,740	-	-	-	-	637,740
Trials expenditures	-	-	-	-	-	114,168	114,168
Funds released to former inmates	105,902	-	-	-	-	-	105,902
<b>Total deductions</b>	<b>105,902</b>	<b>637,740</b>	<b>55,919</b>	<b>2,080</b>	<b>-</b>	<b>114,168</b>	<b>915,809</b>
Change in fiduciary net position	-	-	-	-	-	-	-
<b>Net Position, Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Lafayette Manor Nursing Home of Lafayette County**Statements of Net Position  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 532,641	\$ 369,941
Taxes receivable	275,051	387,200
Resident receivables, net of estimated uncollectibles	365,772	339,730
Inventories	36,575	27,367
Prepaid items	72,136	56,864
	<u>1,282,175</u>	<u>1,181,102</u>
Total current assets		
Noncurrent assets:		
Restricted assets:		
Resident trust funds	8,717	5,424
Restricted donation	52,923	53,223
Net pension asset	405,367	-
Capital assets:		
Land	18,020	18,020
Depreciable capital assets, net of accumulated depreciation	987,577	1,071,050
	<u>1,472,604</u>	<u>1,147,717</u>
Total noncurrent assets		
Total assets		
	<u>2,754,779</u>	<u>2,328,819</u>
<b>Deferred Outflows of Resources</b>		
OPEB related amounts	225,752	14,299
Pension related amounts	1,061,371	1,378,289
	<u>1,287,123</u>	<u>1,392,588</u>
Total deferred outflows of resources		
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	70,858	83,215
Accrued payroll and fringe benefits	34,683	141,817
Current portion compensated absences	81,914	69,647
Unearned revenue	130,259	-
	<u>317,714</u>	<u>294,679</u>
Total current liabilities		
Noncurrent liabilities:		
Resident trust funds	8,717	5,424
Compensated absences	213,967	246,346
Other post-employment benefits	307,769	131,571
Net pension liability	-	449,763
	<u>530,453</u>	<u>833,104</u>
Total noncurrent liabilities		
Total liabilities		
	<u>848,167</u>	<u>1,127,783</u>
<b>Deferred Inflows of Resources</b>		
Unearned revenue	275,051	387,200
OPEB related amounts	47,499	4,769
Pension related amounts	1,248,476	723,172
	<u>1,571,026</u>	<u>1,115,141</u>
Total deferred inflows of resources		
<b>Net Position</b>		
Net investment in capital assets	1,005,597	1,089,070
Restricted for pension	405,367	-
Unrestricted	211,745	389,413
	<u>1,622,709</u>	<u>1,478,483</u>
Total net position		

# Lafayette Manor Nursing Home of Lafayette County

## Statements of Revenues, Expenses and Changes in Net Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>		
Daily resident service revenue, net	\$ 3,995,663	\$ 4,601,732
Other operating revenue	72,793	91,330
Total operating revenues	<u>4,068,456</u>	<u>4,693,062</u>
<b>Operating Expenses</b>		
Daily patient services	2,550,825	2,702,023
Support and special services	592,803	590,643
General services	1,171,424	1,265,606
Administrative services	652,231	823,849
Depreciation	118,727	97,401
Total operating expenses	<u>5,086,010</u>	<u>5,479,522</u>
Operating loss	<u>(1,017,554)</u>	<u>(786,460)</u>
<b>Nonoperating Revenues</b>		
General property taxes	387,200	338,716
Intergovernmental grants	860,460	667,946
Gain (loss) on disposal of capital asset	(7,289)	-
Investment income	134	162
Donations	50	17,164
Total nonoperating revenues	<u>1,240,555</u>	<u>1,023,988</u>
Income (loss) before transfers	<u>223,001</u>	<u>237,528</u>
<b>Transfers</b>		
Transfers in	8,232	487,718
Transfers out	(87,007)	(287,044)
Total transfers	<u>(78,775)</u>	<u>200,674</u>
Change in net position	144,226	438,202
<b>Net Position, Beginning</b>	<u>1,478,483</u>	<u>1,040,281</u>
<b>Net Position, Ending</b>	<u>\$ 1,622,709</u>	<u>\$ 1,478,483</u>

## Lafayette Manor Nursing Home of Lafayette County

Statements of Cash Flows  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from and on behalf of residents	\$ 4,045,757	\$ 4,808,681
Cash paid to suppliers and contractors for goods and services	(2,281,466)	(2,554,253)
Cash payments to employees for operating payroll	<u>(2,725,074)</u>	<u>(2,628,178)</u>
Net cash flows from operating activities	<u>(960,783)</u>	<u>(373,750)</u>
<b>Cash Flows From Investing Activities</b>		
Investment income	<u>134</u>	<u>162</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
General property tax revenues	387,200	338,716
Intergovernmental grants	860,460	667,946
Nonoperating income	-	17,164
Transfers in	8,232	487,718
Transfers out	<u>(87,007)</u>	<u>(287,044)</u>
Net cash flows from noncapital financing activities	<u>1,168,885</u>	<u>1,224,500</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisition of capital assets	<u>(42,543)</u>	<u>(578,792)</u>
Net cash flows from capital and related financing activities	<u>(42,543)</u>	<u>(578,792)</u>
Net change in cash and cash equivalents	165,693	272,120
<b>Cash and Cash Equivalents, Beginning</b>	<u>428,588</u>	<u>156,468</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 594,281</u></u>	<u><u>\$ 428,588</u></u>

## Lafayette Manor Nursing Home of Lafayette County

Statements of Cash Flows  
December 31, 2019 and 2018

	<u>2020</u>	<u>2019</u>
<b>Reconciliation of Operating Loss to Net Cash Flows From Operating Activities</b>		
Operating loss	\$ (1,017,554)	\$ (786,460)
Nonoperating income	50	-
Adjustments to reconcile operating loss to: Net cash flows from operating activities:		
Depreciation	118,727	97,401
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Resident receivables, net	(26,042)	116,289
Inventories	(9,208)	7,450
Prepaid items	(15,272)	3,174
Accounts payable	(12,357)	(17,716)
Accrued payroll and fringe benefits	(20,112)	16,493
Resident trust funds	3,293	(670)
Pension related amounts	(181,631)	217,552
OPEB related amounts	176,198	(2,972)
Compensated absences	23,125	(24,291)
	<u>\$ (960,783)</u>	<u>\$ (373,750)</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>		
Cash and investments	\$ 532,641	\$ 369,941
Restricted assets, donations	52,923	53,223
Restricted assets, resident trust funds	<u>8,717</u>	<u>5,424</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 594,281</u>	<u>\$ 428,588</u>
<b>Noncash Investing, Capital and Financing Activities</b>		
None		