

# **LAFAYETTE COUNTY**

Darlington, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

# LAFAYETTE COUNTY

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## INDEPENDENT AUDITORS' REPORT

To the Finance Committee and the Board of Supervisors  
Lafayette County  
Darlington, Wisconsin

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lafayette County, Wisconsin, as of and for the year ended December 31, 2014, 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 Healthcare Foundation, Inc., the discretely presented component unit of Lafayette County. 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 Healthcare Foundation, Inc., 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 statements 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.

To the Finance Committee and the Board of Supervisors  
Lafayette County

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lafayette County, Wisconsin, as of December 31, 2014 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules 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 opinions on the basic financial statements are not affected by this missing information.

To the Finance Committee and the Board of Supervisors  
Lafayette County

*Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we 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 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 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 Virchow Krause, LLP*

Madison, Wisconsin  
June 19, 2015

**LAFAYETTE COUNTY**

STATEMENT OF NET POSITION  
As of December 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 4,319,307	\$ 558,973	\$ 4,878,280	\$ 126,194
Receivables (net of allowance for uncollectibles)				
Taxes	4,880,028	2,225,671	7,105,699	-
Delinquent taxes	537,773	-	537,773	-
Accounts	171,126	1,971,051	2,142,177	-
Other	-	4,429	4,429	-
Loans	124,530	-	124,530	-
Internal balances	202,597	(202,597)	-	-
Estimated third party payors settlements	-	398,310	398,310	-
Due from other governments	546,957	820,457	1,367,414	-
Due from Medicare	-	13,469	13,469	-
Due from Medicaid	-	82,586	82,586	-
Inventories	-	1,072,546	1,072,546	-
Prepaid items	330,921	322,045	652,966	-
Restricted Assets				
Cash and investments	288,552	5,680	294,232	-
Capital Assets				
Land	16,000	93,476	109,476	-
Construction in progress	295,464	-	295,464	-
Other capital assets, net of accumulated depreciation	12,751,338	7,680,739	20,432,077	-
Total Assets	<u>24,464,593</u>	<u>15,046,835</u>	<u>39,511,428</u>	<u>126,194</u>
<b>LIABILITIES</b>				
Accounts payable	349,899	766,333	1,116,232	-
Accrued liabilities	355,540	310,168	665,708	-
Due to other governments	179,980	-	179,980	-
Unearned revenue	-	221,323	221,323	-
Deposits	45,865	-	45,865	-
Liabilities payable from restricted assets	-	5,680	5,680	-
Noncurrent Liabilities				
Due within one year	357,946	587,436	945,382	-
Due in more than one year	848,707	1,805,654	2,654,361	-
Total Liabilities	<u>2,137,937</u>	<u>3,696,594</u>	<u>5,834,531</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	<u>4,880,028</u>	<u>2,288,709</u>	<u>7,168,737</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	12,806,256	6,920,107	19,726,363	-
Restricted				
Grant purposes	433,159	-	433,159	-
Jail improvement	75,181	-	75,181	-
Land information	84,757	-	84,757	-
Donor-restricted	1,697	-	1,697	-
Revolving loans	367,217	-	367,217	-
Debt service	65,357	-	65,357	-
Unrestricted	<u>3,613,004</u>	<u>2,141,425</u>	<u>5,754,429</u>	<u>126,194</u>
<b>TOTAL NET POSITION</b>	<u>\$ 17,446,628</u>	<u>\$ 9,061,532</u>	<u>\$ 26,508,160</u>	<u>\$ 126,194</u>

See accompanying notes to financial statements.

# LAFAYETTE COUNTY

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 2,482,627	\$ 396,408	\$ 368,985	\$ -
Public safety	3,148,350	196,501	113,857	-
Public works	509,840	-	-	-
Health and human services	5,360,666	705,943	2,138,815	-
Culture, recreation and education	537,342	115,393	43,864	-
Conservation and economic development	526,686	42,900	246,650	-
Interest and fiscal charges	8,110	-	-	-
Total Governmental Activities	<u>12,573,621</u>	<u>1,457,145</u>	<u>2,912,171</u>	<u>-</u>
Business-type Activities				
Lafayette Manor	4,929,181	3,797,018	503,585	8,477
Memorial Hospital	13,845,497	13,700,706	116,247	100,807
Highway	5,953,356	3,218,176	764,237	-
Total Business-type Activities	<u>24,728,034</u>	<u>20,715,900</u>	<u>1,384,069</u>	<u>109,284</u>
Total Primary Government	<u>\$ 37,301,655</u>	<u>\$ 22,173,045</u>	<u>\$ 4,296,240</u>	<u>\$ 109,284</u>
Component Unit				
Memorial Healthcare Foundation, Inc.	101,145	12,444	-	-
General Revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for Lafayette Manor				
Property taxes, levied for Highway				
Sales taxes				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
<b>Change in Net Position</b>				
NET POSITION - Beginning				
<b>NET POSITION - ENDING</b>				

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	Component Unit
\$ (1,717,234)	\$ -	\$ (1,717,234)	\$ -
(2,837,992)	-	(2,837,992)	-
(509,840)	-	(509,840)	-
(2,515,908)	-	(2,515,908)	-
(378,085)	-	(378,085)	-
(237,136)	-	(237,136)	-
(8,110)	-	(8,110)	-
<u>(8,204,305)</u>	<u>-</u>	<u>(8,204,305)</u>	<u>-</u>
-	(620,101)	(620,101)	-
-	72,263	72,263	-
-	<u>(1,970,943)</u>	<u>(1,970,943)</u>	-
-	<u>(2,518,781)</u>	<u>(2,518,781)</u>	-
(8,204,305)	(2,518,781)	(10,723,086)	-
-	-	-	(88,701)
4,535,221	-	4,535,221	-
115,950	-	115,950	-
-	263,464	263,464	-
-	1,957,160	1,957,160	-
839,951	-	839,951	-
56,902	-	56,902	-
1,684,222	-	1,684,222	-
203,438	328	203,766	631
286,477	8,304	294,781	-
113,369	<u>(113,369)</u>	<u>-</u>	<u>-</u>
<u>7,835,530</u>	<u>2,115,887</u>	<u>9,951,417</u>	<u>631</u>
(368,775)	(402,894)	(771,669)	(88,070)
<u>17,815,403</u>	<u>9,464,426</u>	<u>27,279,829</u>	<u>214,264</u>
<u>\$ 17,446,628</u>	<u>\$ 9,061,532</u>	<u>\$ 26,508,160</u>	<u>\$ 126,194</u>

See accompanying notes to financial statements.



# LAFAYETTE COUNTY

## BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2014

	General	Human Services	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 3,870,663	\$ 117,614	\$ 331,030	\$ 4,319,307
Receivables (net of allowances for uncollectibles)				
Taxes	2,828,907	1,817,482	233,639	4,880,028
Delinquent taxes	537,773	-	-	537,773
Accounts	127,485	43,131	510	171,126
Loans	-	-	124,530	124,530
Due from other funds	202,597	-	-	202,597
Due from other governments	349,199	170,844	26,914	546,957
Prepaid items	244,863	81,247	4,811	330,921
Restricted assets				
Cash and investments	-	45,865	242,687	288,552
<b>TOTAL ASSETS</b>	<b><u>\$ 8,161,487</u></b>	<b><u>\$ 2,276,183</u></b>	<b><u>\$ 964,121</u></b>	<b><u>\$ 11,401,791</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 185,195	\$ 157,948	\$ 6,756	\$ 349,899
Accrued liabilities	306,641	45,254	3,645	355,540
Due to other governments	63,892	116,088	-	179,980
Deposits	-	45,865	-	45,865
Total Liabilities	<u>555,728</u>	<u>365,155</u>	<u>10,401</u>	<u>931,284</u>
Deferred Inflows of Resources				
Unearned revenue	2,828,907	1,817,482	233,639	4,880,028
Unavailable revenue	119,404	19,269	-	138,673
Total Deferred Inflows of Resources	<u>2,948,311</u>	<u>1,836,751</u>	<u>233,639</u>	<u>5,018,701</u>
Fund Balances				
Nonspendable	638,835	81,247	4,811	724,893
Restricted	312,098	-	715,270	1,027,368
Committed	750,000	-	-	750,000
Assigned	540,271	-	-	540,271
Unassigned (deficit)	2,416,244	(6,970)	-	2,409,274
Total Fund Balances	<u>4,657,448</u>	<u>74,277</u>	<u>720,081</u>	<u>5,451,806</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 8,161,487</u></b>	<b><u>\$ 2,276,183</u></b>	<b><u>\$ 964,121</u></b>	

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 (see Note II. A.).	13,062,802
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements (see Note IV. C.).	138,673
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds (see Note II. A.).	<u>(1,206,653)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 17,446,628</u></b>

See accompanying notes to financial statements.

## LAFAYETTE COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014

	General	Human Services	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 3,634,270	\$ 1,804,423	\$ 270,872	\$ 5,709,565
Intergovernmental	2,430,069	1,565,621	178,401	4,174,091
Licenses and permits	55,223	-	-	55,223
Fines, forfeitures and penalties	58,925	9,757	-	68,682
Public charges for services	946,554	670,675	32,966	1,650,195
Investment income	35,690	-	6,207	41,897
Miscellaneous	256,223	250	20,510	276,983
Total Revenues	<u>7,416,954</u>	<u>4,050,726</u>	<u>508,956</u>	<u>11,976,636</u>
<b>EXPENDITURES</b>				
Current				
General government	2,307,718	-	-	2,307,718
Public safety	3,227,445	-	-	3,227,445
Health and human services	1,165,282	3,854,781	311,486	5,331,549
Culture, recreation and education	525,933	-	-	525,933
Conservation and economic development	519,609	-	-	519,609
Debt Service				
Principal	-	-	54,921	54,921
Interest and fiscal charges	-	-	8,110	8,110
Total Expenditures	<u>7,745,987</u>	<u>3,854,781</u>	<u>374,517</u>	<u>11,975,285</u>
Excess (deficiency) of revenues over expenditures	<u>(329,033)</u>	<u>195,945</u>	<u>134,439</u>	<u>1,351</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	431,696	-	-	431,696
Transfers out	<u>(312,900)</u>	<u>(121,668)</u>	<u>-</u>	<u>(434,568)</u>
Total Other Financing Sources (Uses)	<u>118,796</u>	<u>(121,668)</u>	<u>-</u>	<u>(2,872)</u>
<b>Net Change in Fund Balance</b>	<b>(210,237)</b>	<b>74,277</b>	<b>134,439</b>	<b>(1,521)</b>
FUND BALANCES - Beginning	<u>4,867,685</u>	<u>-</u>	<u>585,642</u>	<u>5,453,327</u>
<b>FUND BALANCES - ENDING</b>	<u><b>\$ 4,657,448</b></u>	<u><b>\$ 74,277</b></u>	<u><b>\$ 720,081</b></u>	<u><b>\$ 5,451,806</b></u>

See accompanying 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 For the Year Ended December 31, 2014

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Net change in fund balances - total governmental funds	\$ (1,521)
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	495,283
Depreciation is reported in the government-wide statements	(773,993)
Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position.	(8,597)
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.	(99,363)
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.	54,921
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.	
Compensated absences	<u>(35,505)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (368,775)</u></b>

See accompanying notes to financial statements.

# LAFAYETTE COUNTY

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2014

		Business-type Activities - Enterprise Funds			
		Lafayette Manor	Memorial Hospital	Highway	Totals Current Year
<b>ASSETS</b>					
Current Assets					
Cash and investments		\$ 300	\$ 295,478	\$ 263,195	\$ 558,973
Taxes receivable		429,211	-	1,796,460	2,225,671
Patient receivables, net of estimated uncollectibles		-	1,699,583	-	1,699,583
Resident receivables, net of estimated uncollectibles		271,468	-	-	271,468
Other receivables		-	4,429	-	4,429
Estimated third party payors settlements		-	398,310	-	398,310
Due from other governments		225,300	-	595,157	820,457
Due from Medicare		-	13,469	-	13,469
Due from Medicaid			82,586	-	82,586
Inventories		39,015	356,075	677,456	1,072,546
Prepaid items		65,922	224,199	31,924	322,045
Total Current Assets		1,031,216	3,074,129	3,364,192	7,469,537
Noncurrent Assets					
Restricted assets					
Resident trust funds		5,680	-	-	5,680
Capital assets					
Land		18,020	19,799	55,657	93,476
Depreciable capital assets, net of accumulated depreciation		748,775	4,528,793	2,403,171	7,680,739
Total Noncurrent Assets		772,475	4,548,592	2,458,828	7,779,895
Total Assets		1,803,691	7,622,721	5,823,020	15,249,432

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds

	<u>Lafayette Manor</u>	<u>Memorial Hospital</u>	<u>Highway</u>	<u>Totals Current Year</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 74,290	\$ 423,918	\$ 268,125	\$ 766,333
Due to other funds	202,597	-	-	202,597
Accrued payroll and fringe benefits	89,213	134,898	80,862	304,973
Accrued interest	-	5,195	-	5,195
Current portion of compensated absences	139,982	199,100	57,027	396,109
Current portion of capital leases payable	-	62,796	-	62,796
Current portion of land contract payable	-	-	11,886	11,886
Current portion of long-term debt	-	116,645	-	116,645
Unearned revenue	-	-	221,323	221,323
Total Current Liabilities	<u>506,082</u>	<u>942,552</u>	<u>639,223</u>	<u>2,087,857</u>
Noncurrent Liabilities				
Resident trust funds	5,680	-	-	5,680
Compensated absences	307,554	468,806	366,513	1,142,873
Capital leases payable	-	62,102	-	62,102
Land contract payable	-	-	4,987	4,987
Long-term debt	-	595,692	-	595,692
Total Noncurrent Liabilities	<u>313,234</u>	<u>1,126,600</u>	<u>371,500</u>	<u>1,811,334</u>
Total Liabilities	<u>819,316</u>	<u>2,069,152</u>	<u>1,010,723</u>	<u>3,899,191</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	429,211	-	1,859,498	2,288,709
<b>NET POSITION</b>				
Net investment in capital assets	766,795	3,711,357	2,441,955	6,920,107
Unrestricted (deficit)	<u>(211,631)</u>	<u>1,842,212</u>	<u>510,844</u>	<u>2,141,425</u>
<b>TOTAL NET POSITION</b>	<u>\$ 555,164</u>	<u>\$ 5,553,569</u>	<u>\$ 2,952,799</u>	<u>\$ 9,061,532</u>

See accompanying notes to financial statements.

## LAFAYETTE COUNTY

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Lafayette Manor	Memorial Hospital	Highway	Totals Current Year
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,698,087	\$ 13,629,128	\$ 3,218,176	\$ 20,545,391
Other operating revenue	98,931	71,578	-	170,509
Total Operating Revenues	<u>3,797,018</u>	<u>13,700,706</u>	<u>3,218,176</u>	<u>20,715,900</u>
<b>OPERATING EXPENSES</b>				
Lafayette Manor expenses	4,840,793	-	-	4,840,793
Memorial Hospital expenses	-	13,256,842	-	13,256,842
Highway expenses	-	-	5,766,710	5,766,710
Depreciation and amortization	88,388	570,224	302,887	961,499
Total Operating Expenses	<u>4,929,181</u>	<u>13,827,066</u>	<u>6,069,597</u>	<u>24,825,844</u>
Operating Loss	<u>(1,132,163)</u>	<u>(126,360)</u>	<u>(2,851,421)</u>	<u>(4,109,944)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	263,464	-	1,957,160	2,220,624
Nonoperating income	-	66,360	-	66,360
Investment income	7	321	-	328
Interest expense	-	(16,745)	-	(16,745)
Loss on disposal of capital assets	-	(1,686)	-	(1,686)
Intergovernmental grants	503,585	49,887	764,237	1,317,709
Miscellaneous revenue	385	-	7,350	7,735
Donations	569	100,807	-	101,376
Total Nonoperating Revenues	<u>768,010</u>	<u>198,944</u>	<u>2,728,747</u>	<u>3,695,701</u>
Income (Loss) Before Contributions and Transfers	<u>(364,153)</u>	<u>72,584</u>	<u>(122,674)</u>	<u>(414,243)</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Contributions	8,477	-	-	8,477
Transfers in	355,676	-	-	355,676
Transfers out	-	(352,804)	-	(352,804)
Total Contributions and Transfers	<u>364,153</u>	<u>(352,804)</u>	<u>-</u>	<u>11,349</u>
Change in Net Position	<u>-</u>	<u>(280,220)</u>	<u>(122,674)</u>	<u>(402,894)</u>
NET POSITION - Beginning	<u>555,164</u>	<u>5,833,789</u>	<u>3,075,473</u>	<u>9,464,426</u>
<b>NET POSITION - ENDING</b>	<u>\$ 555,164</u>	<u>\$ 5,553,569</u>	<u>\$ 2,952,799</u>	<u>\$ 9,061,532</u>

See accompanying notes to financial statements.

**LAFAYETTE COUNTY**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Lafayette Manor	Memorial Hospital	Highway	Totals Current Year
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES</b>				
Cash received from and on behalf of residents, patients and users	\$ 3,793,304	\$ 13,908,399	\$ 3,317,496	\$ 21,019,199
Cash paid to suppliers and contractors for goods and services	(1,460,380)	(7,758,266)	(4,442,355)	(13,661,001)
Cash payments to employees for operating payroll	(3,223,282)	(5,622,958)	(1,394,248)	(10,240,488)
Net Cash Flows From (Used For) Operating Activities	(890,358)	527,175	(2,519,107)	(2,882,290)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	7	321	-	328
Net Cash Flows From Investing Activities	7	321	-	328
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General property tax revenues	263,464	-	1,957,160	2,220,624
Transfers in	355,676	-	-	355,676
Transfers out	-	(352,804)	-	(352,804)
Intergovernmental grants	278,285	358,279	764,237	1,400,801
Nonoperating income	385	66,360	-	66,745
Net Cash Flows From Noncapital Financing Activities	897,810	71,835	2,721,397	3,691,042
<b>CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Payments on capital leases	-	(112,862)	(15,184)	(128,046)
Payments on land contract	-	-	(11,768)	(11,768)
Donations	569	100,807	-	101,376
Long-term debt issued	-	650,000	-	650,000
Payments on long-term debt	-	(122,505)	-	(122,505)
Interest paid	-	(11,550)	-	(11,550)
Acquisition of capital assets	(7,432)	(833,869)	(239,601)	(1,080,902)
Net Cash Flows Used for Capital and Related Financing Activities	(6,863)	(329,979)	(266,553)	(603,395)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	596	269,352	(64,263)	205,685
CASH AND CASH EQUIVALENTS - Beginning of Year	5,384	26,126	327,458	358,968
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 5,980</b>	<b>\$ 295,478</b>	<b>\$ 263,195</b>	<b>\$ 564,653</b>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Lafayette Manor	Memorial Hospital	Highway	Totals Current Year
<b>RECONCILIATION OF OPERATING LOSS TO NET</b>				
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES</b>				
Operating loss	\$ (1,132,163)	\$ (126,360)	\$ (2,851,421)	\$ (4,109,944)
Non-operating income	-	-	7,350	7,350
Adjustments to Reconcile Operating Loss to				
Net Cash Flows From (Used For) Operating Activities				
Depreciation and amortization	88,388	570,224	302,887	961,499
Change in Assets, Liabilities and Deferred Inflows of Resources				
Patient receivables, net	-	417,527	-	417,527
Resident receivables, net	(4,010)	-	-	(4,010)
Other receivable	-	21,062	263,545	284,607
Estimated third party payor settlements	-	(148,310)	-	(148,310)
Due from Medicaid	-	(82,586)	-	(82,586)
Inventories	644	11,656	(96,481)	(84,181)
Prepaid items	(544)	(27,850)	5,924	(22,470)
Accounts payable	7,338	(122,451)	35,652	(79,461)
Due to other funds	108,587	-	-	108,587
Accrued payroll and fringe benefits	9,100	13,452	(17,469)	5,083
Resident trust funds	296	-	-	296
Compensated absences	32,006	811	2,481	35,298
Unearned revenue	-	-	(171,575)	(171,575)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET CASH FLOWS FROM (USED FOR)</b>				
<b>OPERATING ACTIVITIES</b>	<u>\$ (890,358)</u>	<u>\$ 527,175</u>	<u>\$ (2,519,107)</u>	<u>\$ (2,882,290)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE</b>				
<b>STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>				
Cash and investments	<u>\$ 5,980</u>	<u>\$ 295,478</u>	<u>\$ 263,195</u>	<u>\$ 564,653</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 5,980</u></u>	<u><u>\$ 295,478</u></u>	<u><u>\$ 263,195</u></u>	<u><u>\$ 564,653</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Personnel contribution to construction of capital asset	<u>\$ 8,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,477</u>

See accompanying notes to financial statements.



**LAFAYETTE COUNTY**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of December 31, 2014

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 255,814
Taxes receivable	<u>176,952</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 432,766</u></b>
<b>LIABILITIES</b>	
Due to other taxing units	\$ 176,952
Accounts payable	5,942
Funds held for others	<u>249,872</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 432,766</u></b>

See accompanying notes to financial statements.

# LAFAYETTE COUNTY

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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# LAFAYETTE COUNTY

## INDEX TO NOTES TO FINANCIAL STATEMENTS (cont.) As of and for the Year Ended December 31, 2014

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# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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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).

#### **A. 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 primary government is financially accountable if (1) it appoints a voting majority of the organization’s governing body and is able to impose its will on that organization; (2) it appoints a voting majority of the organization’s governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government, or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or had the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and its component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantially the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

#### ***Discretely Presented Component Unit***

##### *Memorial Healthcare Foundation, Inc.*

The government-wide financial statements include the Memorial Healthcare Foundation, Inc. (the “Foundation”) as a component unit. The Foundation is a legally separate organization. The board of the Foundation is made up of volunteers from the county at large. See Note IV.L. As a component unit, the Foundation’s financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2014. Separately issued financial statements of the Foundation may be obtained from the Foundation’s office.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

Funds are organized as major funds or non-major 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% 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% test is at least 5% 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.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

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.

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 non-major 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

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.

Debt Service

In addition, the county reports the following fund types:

Agency funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Agency funds include the Sheriff Commissary, Clerk of Court, Nurse Scholarship, DMV Vehicle Service, Bond Trust, Tri-County Trails Commission, and Tax Collection.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

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

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

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or 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 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.

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.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***Fund Financial Statements (cont.)***

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

##### ***1. Deposits and Investments***

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

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 maturing in three years or less.
- 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.
- 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.



# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **1. Deposits and Investments (cont.)**

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. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of 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, 2014, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

##### **2. 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. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the Statement of Assets and Liabilities – Agency Funds.

Property tax calendar – 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale – 2014 delinquent real estate taxes	October 2017

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **2. Receivables (cont.)**

###### *Property Taxes (cont.)*

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.

The portion of county property taxes receivable at December 31, 2014, 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 \$393,972.

###### *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 IV.C.

The carrying amount of patient receivables at the Hospital is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision. Refer to Note IV.C.

###### *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".

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **2. Receivables (cont.)**

###### *Sales Taxes*

The county has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the county monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2014, the county has accrued two months of subsequent year's collections as receivable.

###### *Loans*

The county has received federal grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The county records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts. Refer to Note IV.C.

It is the county's policy to record revenue when the initial loan is made from the federal grant funds. When new loans are made from loan repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

###### *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 \$1,680,000 from the Title XIX residents in 2014. 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 \$940,000 from the Medicare Program in 2014. 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 and third-party payor obligations. The Hospital does not charge interest on its patient receivables. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***3. Due from Medicare***

Due from Medicare represents the incentive payments to hospitals and physicians that implement and meaningfully use electronic health record technology by 2014. See Note IV.E.

##### ***4. Net Patient Service Revenue***

Net patient services revenue is recorded at the estimated net realizable amounts from patients, third-party payers, and other for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future period, as final settlements are determined.

##### ***5. 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.

##### ***6. 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.

##### ***7. 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 fair value at the date of donation.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **7. Capital Assets (cont.)**

###### **Government–Wide Statements (cont.)**

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	10 - 25
Buildings and improvements	3 - 60
Machinery and equipment	3 - 25
Infrastructure	25 - 50
Leased equipment	5 - 10

###### **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.

##### **8. Compensated Absences**

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

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% of the excess over the 960 hours maximum accumulation. The accrued sick liability was \$1,791,604, and was estimated using probabilities based on the age of each employee. The accrued vacation liability was \$697,485 for a total compensated absences liability (sick and vacation) as of December 31, 2014 of \$2,489,089.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY*** (cont.)

##### ***8. Compensated Absences*** (cont.)

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, 2014 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.

##### ***9. 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.

##### ***10. 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.

##### ***11. 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.”

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.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY*** (cont.)

##### ***11. Equity Classifications*** (cont.)

###### ***Fund Statements***

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 are not considered restricted or committed. Fund balance may be assigned through the following; 1) Board identification, 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. 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.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **11. Equity Classifications (cont.)**

###### **Fund Statements (cont.)**

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%, or in aggregate for tax levy supported funds by 4.6%, 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 IV.K.

##### **12. Charity Care**

To fulfill its mission of community service, the Hospital provides charity care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. See Note IV.B.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position.

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

Land	\$	16,000
Construction in progress		295,464
Buildings and improvements		2,043,328
Machinery and equipment		1,841,092
Infrastructure		22,099,346
Less: Accumulated depreciation		<u>(13,232,428)</u>
Combined Adjustment for Capital Assets	\$	<u>13,062,802</u>



# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

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

Long-term liabilities applicable to the county's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net position.

Bonds and notes payable	\$	256,546	
Compensated absences		950,107	_____
Combined Adjustment for Long-Term Liabilities	\$	1,206,653	_____

### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. EXCESS EXPENDITURES OVER APPROPRIATIONS AND OTHER FINANCING USES

<u>Funds</u>	<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>
General	\$ 7,779,608	\$ 8,058,887	\$ 279,279
Human services	3,837,128	3,854,781	17,653

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.

#### B. 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 As of and for the Year Ended December 31, 2014

### NOTE IV – DETAILED NOTES ON ALL FUNDS

#### A. 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:

	Carrying Value	Statement Balance	Associated Risks
Deposits	\$ 5,343,638	\$ 5,990,237	Custodial credit
LGIP	42,267	42,267	Credit
Petty cash	1,850	-	N/A
Cash on hand	40,571	-	N/A
Total Cash and Investments	<u>\$ 5,428,326</u>	<u>\$ 6,032,504</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 4,878,280		
Restricted cash and investments	294,232		
Per statement of assets and liabilities –			
Agency Funds	255,814		
Total Cash and Investments	<u>\$ 5,428,326</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, 2014, the banks had pledged various government securities with a par amount of \$5,300,400 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.

The county does not have any deposits exposed to custodial credit risk.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Credit Risk**

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

At December 31, 2014, the county had investments in the following external pool which is not rated:

Local Government Investment Pool

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

#### B. CHARITY CARE

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics. The amount of such charges foregone, based on established rates, was \$63,525 for the year ended December 31, 2014.

#### C. RECEIVABLES

Receivables not expected to be collected within one year include \$537,773 of delinquent taxes in the general fund and \$95,838 of loans receivable in the revolving loan fund.

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

Human services – accounts receivable	\$ 484,200
Lafayette Manor Nursing Home – resident accounts receivable	27,756
Memorial Hospital of Lafayette County – patient receivables	307,000
Memorial Hospital of Lafayette County – allowance for contractals	842,200
Revolving loan fund – loans receivable	<u>63,281</u>

Total Uncollectibles – December 31, 2014	<u>\$ 1,661,156</u>
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Governmental funds report *unavailable or unearned revenue* 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 *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 4,880,028	\$ -
Delinquent property taxes receivable	-	111,728
Other unavailable receivables	<u>-</u>	<u>26,945</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 4,880,028</u>	<u>\$ 138,673</u>

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### C. RECEIVABLES (cont.)

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, 2014, delinquent property taxes by year levied consists of the following:

Tax Certificates		
2013	\$	292,751
2012		137,690
2011		64,732
2010		18,026
2009		7,915
2008		6,203
2007		6,756
2006		2,813
2005		887
Total Delinquent Property Taxes Receivable		537,773
Less: January and February 2015 collections		(32,073)
Subtotal		505,700
County levied portion		(111,728)
County Purchased Portion	\$	393,972

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

		Unearned
Property taxes receivable for subsequent year	\$	2,225,671
Grant drawdowns prior to meeting all eligibility requirements		221,323
Transportation cost pools		63,038
Total Unearned Revenue		2,510,032
For Enterprise Funds	\$	2,510,032
Unearned revenue included in liabilities	\$	221,323
Unearned revenue included in deferred inflows		2,288,709
Total	\$	2,510,032

For economic development loans, the county is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain and loan to other businesses and the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2014, the county has not exceeded the maximum amount that it may retain or time established. When it does, a liability to the state will be recorded.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### **D. NET PATIENT SERVICE REVENUE**

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

**Medicare** – The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most inpatient and outpatient services at cost with final settlement determined after submission of annual cost reports by the Hospital subject to audits thereof by the Medicare intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through the period ended December 31, 2008 and the period ended December 31, 2011. The 2009 and 2010 cost reports have not been finalized. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

**Medicaid** – Inpatient and outpatient services rendered to Medicaid recipients are reimbursed on a cost reimbursement methodology. The Hospital is reimbursed at tentative rates with final settlement determined after an audit of its annual cost reports by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through the period ended December 31, 2009. Due to the uncertainty of collectability from the State of Wisconsin, the Hospital has elected to follow *GASB No. 62 – Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which allows revenue to be recognized when payment is received.

Net revenue from Medicare and Medicaid programs accounted for approximately 46% of the Hospital's net patient revenue for the year ended December 31, 2014. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Hospital also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. 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.

A summary of patient revenue and contractual adjustments is as follows:

	<u>2014</u>
Gross patient revenue	\$ 22,269,333
Contractual adjustments and provision for bad debt	
Medicare	(4,512,956)
Medicaid	(1,150,322)
Provision for bad debt	(568,961)
Other insurance	<u>(2,407,966)</u>
Total Contractual Adjustments	<u>(8,640,205)</u>
Net Patient Revenue	<u>\$ 13,629,128</u>

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### *E. INCENTIVE PAYMENTS*

Since 2011, the Hospital took part in an incentive program established by the American Recovery and Reinvestment Act of 2009 (ARRA). This program provides incentive payments from Medicare and Medicaid to certain professionals and hospitals that meet meaningful use criteria. This is to encourage the use of electronic health record (EHR) technology.

ARRA set aside funding so that they could make these incentive payments to hospitals and physicians that implement and meaningfully use EHR technology by 2014. The incentive payments are being paid over a four year schedule. In order for the Hospital to qualify for these incentive payments, the Hospital must demonstrate that it has met the meaningful use criteria over certain time periods.

The first threshold of this incentive program was for the Hospital to demonstrate that it had met meaningful use for 90 consecutive days. This 90 day period was satisfied in 2011. On November 22, 2011, the Hospital attested to the meaningful use criteria, and recognized intergovernmental grant revenues in the amount of \$426,137, which was paid to the Hospital by Medicare in February 2012.

The second threshold of this incentive program was for the Hospital to demonstrate that it had met meaningful use for a 12 month period. This twelve month period was satisfied in 2012. On November 13, 2012, the Hospital attested to the meaningful use criteria, and recognized intergovernmental grant revenues and due from Medicare in the amount of \$189,929, which was paid to the Hospital by Medicare in June 2013.

The third threshold of this incentive program was for the Hospital to demonstrate that it had met meaningful use for a second full year period. This twelve month period was satisfied in 2013. On November 21, 2013, the Hospital attested to the meaningful use criteria, and recognized intergovernmental grant revenues and due from Medicare in the amount of \$273,000, which was received by the Hospital in 2014.

The fourth threshold of this incentive program was for the Hospital to demonstrate that it had met Stage 2 meaningful use requirements for one quarter of 2014, which was between July 1, 2014 and September 30, 2014. On November 18, 2014, the Hospital attested to meaningful use criteria, and recognized intergovernmental grant revenues and due from Medicare for approximately \$13,500, which was received by the Hospital in early 2015.

There are two separate components to the incentive payment. The first component is equivalent to the accelerated depreciation on meaningful use assets. Medicare is allowing critical access hospitals to recognize the full value of all un-depreciated amounts of any capital purchases in the year meaningful use is met. This provision applies to all Medicare qualified capital purchases which occurred prior to the 12 month reporting period which began on October 1, 2012.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### *E. INCENTIVE PAYMENTS* (cont.)

Because the Hospital has earned and recognized the full amount of these un-depreciated amounts in the first (2011) and second (2012) years of attesting to meaningful use, the Hospital will be prohibited from claiming that remaining depreciation in future years on its Medicare cost report.

Of the total incentive payment recognized during 2014, approximately \$4,600 relates to the depreciation reimbursement.

The remaining portion of the incentive payment of \$7,000 represents an incentive to promote the meaningful use of EHR technology for 2014.

#### *F. RESTRICTED ASSETS*

Human Services has restricted assets in the amount of \$45,865. 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 \$5,680. These restricted assets represent 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.

The Revolving Loan fund has restricted assets in the amount of \$242,687. These restricted assets represent funds held for future loans.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### G. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 16,000	\$ -	\$ -	\$ 16,000
Construction in process	261,046	52,118	17,700	295,464
Total Capital Assets Not Being Depreciated	277,046	52,118	17,700	311,464
Capital assets being depreciated				
Buildings and improvements	2,010,443	32,885	-	2,043,328
Machinery and equipment	1,550,413	363,857	73,178	1,841,092
Infrastructure	22,035,223	64,123	-	22,099,346
Total Capital Assets Being Depreciated	25,596,079	460,865	73,178	25,983,766
Less: Accumulated depreciation for				
Buildings and improvements	(1,316,757)	(76,992)	-	(1,393,749)
Machinery and equipment	(1,031,589)	(187,161)	64,581	(1,154,169)
Infrastructure	(10,174,670)	(509,840)	-	(10,684,510)
Total Accumulated Depreciation	(12,523,016)	(773,993)	64,581	(13,232,428)
Net Capital Assets Being Depreciated	13,073,063	(313,128)	8,597	12,751,338
Total Governmental Activities Capital Assets, Net of Depreciation	\$ 13,350,109	\$ (261,010)	\$ 26,297	\$ 13,062,802

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 52,281
Public safety	166,119
Public works	509,840
Health and human services	34,344
Culture, recreation and education	11,409
Total Governmental Activities Depreciation Expense	\$ 773,993



# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### G. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 93,476	\$ -	\$ -	\$ 93,476
Construction in progress	185,569	-	185,569	-
Total Capital Assets Not Being Depreciated	279,045	-	185,569	93,476
Capital assets being depreciated				
Land improvements	329,330	15,909	-	345,239
Buildings and improvements	9,753,627	687,488	-	10,441,115
Machinery and equipment	11,368,029	526,838	52,846	11,842,021
Total Capital Assets Being Depreciated	21,450,986	1,230,235	52,846	22,628,375
Less: Accumulated depreciation for				
Land improvements	(140,556)	(16,547)	-	(157,103)
Buildings and improvements	(5,942,281)	(338,503)	-	(6,280,784)
Machinery and equipment <sup>(1)</sup>	(7,999,173)	(597,604)	87,028	(8,509,749)
Total Accumulated Depreciation	(14,082,010)	(952,654)	87,028	(14,947,636)
Net Capital Assets				
Being Depreciated	7,368,976	277,581	(34,182)	7,680,739
Total Business-type Capital Assets, Net of Depreciation				
	\$ 7,648,021	\$ 277,581	\$ 151,387	\$ 7,774,215

<sup>(1)</sup> The accumulated depreciation deleted for machinery and equipment exceeds the capital assets for the same category being deleted due to adjustments to accumulated depreciation relating to major repairs to machinery and equipment in the Highway fund.

Depreciation expense was charged to functions as follows:

<b>Business-type Activities</b>	
Memorial Hospital	\$ 570,224
Lafayette Manor	88,388
Highway	302,887
Total Business-type Activities Depreciation Expense	\$ 961,499

Depreciation expense may be different from business-type activity accumulated depreciation additions because of salvage, cost of removal, or depreciation for state-contributed assets.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### *H. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS*

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Lafayette Manor	\$ 202,597	\$ -
Total Internal Balances – Government-Wide Statement of Net Position		<u>\$ 202,597</u>	

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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	\$ 121,668	To support county operations
General Fund	Memorial Hospital	310,028	To support county operations
Lafayette Manor	General Fund	312,900	To restore net position
Lafayette Manor	Memorial Hospital	<u>42,776</u>	To reimburse the Manor for a portion of swing bed revenue
Sub-Total – Fund Financial Statements		787,372	
Governmental activities infrastructure paid by highway enterprise fund		116,241	
Less: Fund eliminations		(164,444)	
Less: Government-wide eliminations		<u>(625,800)</u>	
Total Transfers – Government-Wide Statement of Activities		<u>\$ 113,369</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-type Activities	\$ 426,269	
Business-type Activities	Governmental Activities	<u>(312,900)</u>	
Total		<u>\$ 113,369</u>	

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### **H. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)**

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.

#### **I. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2014 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	\$ 311,467	\$ -	\$ 54,921	\$ 256,546	\$ 56,570
Other Liabilities					
Vested compensated absences	914,602	336,398	300,893	950,107	301,376
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,226,069</u>	<u>\$ 336,398</u>	<u>\$ 355,814</u>	<u>\$ 1,206,653</u>	<u>\$ 357,946</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation debt	\$ 184,842	\$ 650,000	\$ 122,505	\$ 712,337	\$ 116,645
Other Liabilities					
Vested compensated absences	1,497,082	436,903	395,003	1,538,982	396,109
Land contract	28,641	-	11,768	16,873	11,886
Capital leases	252,944	-	128,046	124,898	62,796
Total Other Liabilities	<u>1,778,667</u>	<u>436,903</u>	<u>534,817</u>	<u>1,680,753</u>	<u>470,791</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,963,509</u>	<u>\$ 1,086,903</u>	<u>\$ 657,322</u>	<u>\$ 2,393,090</u>	<u>\$ 587,436</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% of the equalized value of taxable property within the county's jurisdiction. The debt limit as of December 31, 2014, was \$53,134,725. Total general obligation debt outstanding at year end was \$968,883.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### I. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt (cont.)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12/31/14</u>
<b>Governmental Activities</b>					
<b>General Obligation Debt</b>					
Promissory notes	4/8/2009	3/10/2019	2.80%	\$ 500,000	\$ <u>256,546</u>
Total Government Activities – General Obligation Debt					\$ <u><u>256,546</u></u>
<b>Business-type Activities</b>					
<b>General Obligation Debt</b>					
General obligation debt*	4/1/2003	3/1/2015	3.05%	\$ 2,000,000	\$ 62,337
Promissory note	9/15/2014	12/15/2024	2.49%	650,000	<u>650,000</u>
Total Business-type Activities – General Obligation Debt					\$ <u><u>712,337</u></u>

\* Original indebtedness includes the Hospital and Governmental Activities portion of debt. The balance is only the Hospital's portion remaining at December 31, 2014.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 56,570	\$ 6,461	\$ 116,645	\$ 20,100
2016	58,159	4,871	59,763	14,193
2017	59,824	3,207	61,309	12,647
2018	61,521	1,510	62,854	11,103
2019	20,472	118	64,437	9,520
2020 - 2024	-	-	347,329	22,452
Totals	<u>\$ 256,546</u>	<u>\$ 16,167</u>	<u>\$ 712,337</u>	<u>\$ 90,015</u>

##### **Land Contract**

The land contract is payable from Highway revenues.

The land contract at December 31, 2014 consisted of the following:

##### **Business-type Activities**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/14</u>
Land contract	12/5/12	6/5/16	1.00%	\$ 41,257	\$ <u><u>16,873</u></u>

**LAFAYETTE COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

**I. LONG-TERM OBLIGATIONS (cont.)**

**Land Contract (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Land Contract	
	Principal	Interest
2015	\$ 11,886	\$ 114
2016	4,987	13
Totals	\$ 16,873	\$ 127

**Capital Leases**

Refer to Note IV.J.

**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.

**J. LEASE DISCLOSURES**

**Lessee – Capital Leases**

In 2007 through 2014, the Memorial Hospital acquired capital assets through lease and purchase agreements. The gross amount of these assets under capital lease is \$639,803 and accumulated depreciation is \$360,342, which are included in property and equipment in the Memorial Hospital fund. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2014, are as follows:

<u>Years</u>	Business-type Activities	
	Principal	Interest
2015	\$ 62,796	\$ 5,121
2016	59,924	1,759
2017	2,178	9
Totals	\$ 124,898	\$ 6,889

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### J. LEASE DISCLOSURES (cont.)

##### **Lessee – Operating Leases**

The Hospital leases equipment under non-cancelable operating leases. Amounts paid for the leases for the year ended December 31, 2014 was \$112,008. Future minimum payments are as follows:

<u>Years</u>	
2015	\$ 112,381
2016	96,431
2017	58,064
2018	58,064
2019	<u>53,226</u>
Totals	<u>\$ 378,166</u>

##### **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.

#### K. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2014 includes the following:

##### **Governmental Activities**

Net investment in capital assets	
Land	\$ 16,000
Construction in process	295,464
Other capital assets, net of accumulated depreciation	12,751,338
Less: Related long-term debt outstanding	<u>(256,546)</u>
Total Net Investment in Capital Assets	<u>\$ 12,806,256</u>

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### K. NET POSITION/FUND BALANCES (cont.)

##### **Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

Fund Balances	General Fund	Human Services	Nonmajor Funds	Totals
<b>Nonspendable:</b>				
Delinquent taxes receivable	\$ 393,972	\$ -	\$ -	\$ 393,972
Prepaid items	244,863	81,247	4,811	330,921
<b>Restricted:</b>				
Grant purposes	150,463	-	282,696	433,159
Jail improvement	75,181	-	-	75,181
Land information	84,757	-	-	84,757
Donor-restricted	1,697	-	-	1,697
Revolving loans	-	-	367,217	367,217
Debt service	-	-	65,357	65,357
<b>Committed:</b>				
Stabilization fund	750,000	-	-	750,000
<b>Assigned to:</b>				
Carryforward appropriations	176,008	-	-	176,008
Vested benefits	11,825	-	-	11,825
Applied to subsequent budget	352,438	-	-	352,438
<b>Unassigned (deficit)</b>	<u>2,416,244</u>	<u>(6,970)</u>	<u>-</u>	<u>2,409,274</u>
<b>Total Fund Balances</b>	<u>\$ 4,657,448</u>	<u>\$ 74,277</u>	<u>\$ 720,081</u>	<u>\$ 5,451,806</u>

##### **Business-type Activities**

Net investment in capital assets		
Land		\$ 93,476
Other capital assets, net of accumulated depreciation		7,680,739
Less: Related long-term debt outstanding		<u>(854,108)</u>
Total Net Investment in Capital Assets		6,920,107
Unrestricted		<u>2,141,425</u>
<b>Total Business-type Activities Net Position</b>		<u>\$ 9,061,532</u>

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### L. COMPONENT UNIT

##### **MEMORIAL HEALTHCARE FOUNDATION, INC.**

Memorial Healthcare Foundation, Inc. (the "Foundation") is a not-for-profit organization that promotes and supports the Memorial Hospital of Lafayette County, located in Darlington, Wisconsin. The Society is primarily supported by contributions and donated assets from the general public. The following summary of significant accounting policies is presented to enhance the usefulness of the financial statements to the reader.

#### a. Summary of Significant Accounting Policies

##### **Contributions**

The Foundation accounts for contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net position, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net position is reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions.

The Foundation records promises to give as revenue when an unconditional promise to give is received or the condition has been fulfilled for a conditional promise to give.

##### **Income Taxes**

The Foundation is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Wisconsin franchise or income tax. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Foundation has adopted accounting guidance for recognizing and measuring uncertain tax positions. The Foundation follows statutory requirements for income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing income taxes from activities deemed to be unrelated to the Foundation's tax-exempt status would not be material to the financial statements. The Foundation's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, the Foundation is no longer subject to such examinations for tax years before 2012.

##### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### L. COMPONENT UNIT (cont.)

##### **MEMORIAL HEALTHCARE FOUNDATION, INC.** (cont.)

#### a. Summary of Significant Accounting Policies (cont.)

##### **Functional Expenses**

Expenses are charged directly to program, management and general, or fundraising based on specific identification by management.

##### **Investments**

Investments held by the Foundation include certificates of deposit.

##### **Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include checking and money market accounts in financial institutions.

##### **Advertising Costs**

Advertising costs are expensed as they are incurred.

##### **Contributed Services**

During the year ended December 31, 2014, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

#### b. Concentration of Credit Risk

The Foundation maintains its cash accounts with various local banks. The total cash balances are insured by the FDIC up to \$250,000. As of December 31, 2014, the Foundation's cash balances were fully insured.

During the year ended December 31, 2014, the Foundation received approximately 65% of total revenue from one event. The revenue from this event is reflected as contribution revenue given that the Foundation did not directly plan or execute the event.

#### c. Related Party Transactions

The Foundation and the Memorial Hospital of Lafayette County share some of the same board members. The Hospital is not able to exercise any control over the Foundation.

During 2014, \$85,129 was allocated to the Hospital.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### L. COMPONENT UNIT (cont.)

##### MEMORIAL HEALTHCARE FOUNDATION, INC. (cont.)

#### d. Functional Allocation of Expenses

The cost of providing the various programs and other activities are as follows:

Program services	\$	90,129
Management and general		4,364
Fundraising		<u>6,652</u>
Total	\$	<u><u>101,145</u></u>

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### NOTE V – OTHER INFORMATION

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#### A. EMPLOYEES' RETIREMENT SYSTEM

All eligible county employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 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. All employees initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, and Executives and Elected Officials. Required contributions for protective employees are the same 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. Contribution rates for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V – OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

The payroll for county employees covered by the WRS for the year ended December 31, 2014 was \$12,001,154; the employer's total payroll was \$12,590,029. The total required contribution for the year ended December 31, 2014 was \$1,732,409 or 14.4% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ended December 31, 2013 and 2012 were \$1,609,489 and \$1,467,009, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting an application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2014, there was no pension-related debt for the county.

#### **B. 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.

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1,000,000 per claim and an annual aggregate limit of \$3,000,000. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V – OTHER INFORMATION (cont.)

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#### **B. RISK MANAGEMENT** (cont.)

##### *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, 2014 can be obtained directly from WCMIC's offices.

#### **C. 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.

##### ***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 \$504,000 in 2014 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 As of and for the Year Ended December 31, 2014

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### NOTE V – OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

##### ***Hospital***

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patients. Management believes that the Hospital is in substantial compliance with current laws and regulations.

The State of Wisconsin Department of Health Services conducts annual surveys to monitor compliance with state and federal regulations in regards to patient care and physical environment, compliance with billing regulations, and other matters. From time to time, the State of Wisconsin may issue citations or points of review. Management has indicated there are no matters being investigated by federal or state regulators as of December 31, 2014.

#### **D. 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, 2014 is available directly from the commission’s office.

#### **E. 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.

#### **F. ECONOMIC DEPENDENCY**

In 2014, approximately 79% 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.

# LAFAYETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V – OTHER INFORMATION (cont.)

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#### **F. ECONOMIC DEPENDENCY** (cont.)

Lafayette County passed a resolution authorizing a county referendum to exceed the State of Wisconsin imposed tax levy limits in years 2009, 2010 and 2011. The referendum passed which authorized the county to exceed its levy limit by \$500,000 for each of these three years (\$1.5M total) to provide financial support to the Nursing Home. The final general property tax levy of \$500,000 was levied by the county in 2011 and collected by the Manor in 2013. As of December 31, 2014, the nursing home had a deficit cash position of \$202,597 which is reflected on the balance sheet as due to other funds. The county levied property taxes of \$429,211 for the Manor in 2014.

#### **G. CONCENTRATION OF CREDIT RISKS**

The Hospital is located in Darlington, Wisconsin. The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The significant concentrations of gross accounts receivable for services to patients include the following at December 31:

	<u>2014</u>
Medicare	31%
Medicaid	10
Other third party payors	40
Self-pay	<u>19</u>
Total	<u><u>100%</u></u>

#### **H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension – Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*

When they become effective, application of these standards may restate portions of these financial statements.

#### **I. SUBSEQUENT EVENTS**

On January 28, 2015, the county issued a promissory note in the amount of \$550,000 with an interest rate of 2.29%. This amount will be used on road construction projects.

## LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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### **NOTE V – OTHER INFORMATION (cont.)**

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#### ***I. SUBSEQUENT EVENTS*** (cont.)

On March 26, 2015, the county purchased property to be used for county offices including Human Services and Commission on Aging in the amount of \$396,639. As part of this purchase, the county entered into a lease agreement with the State of Wisconsin to rent offices to the Department of Corrections.

**REQUIRED SUPPLEMENTARY INFORMATION**



## LAFAYETTE COUNTY

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
<b>REVENUES</b>				
<b>TAXES</b>				
General property taxes	\$ 2,551,102	\$ 2,551,102	\$ 2,575,876	\$ 24,774
Interest on taxes	159,000	159,000	161,541	2,541
Real estate transfer	-	-	36,030	36,030
Forest cropland	400	400	4,539	4,139
Payment in lieu of taxes	10,154	10,154	15,903	5,749
County sales tax	740,120	740,120	840,073	99,953
Land use penalty	25	25	308	283
Total Taxes	<u>3,460,801</u>	<u>3,460,801</u>	<u>3,634,270</u>	<u>173,469</u>
<b>INTERGOVERNMENTAL</b>				
Shared taxes from state	1,674,657	1,674,657	1,678,526	3,869
Exempt computer aid	4,400	4,400	5,696	1,296
Circuit court	66,395	66,395	66,559	164
DWD state grant	103,719	103,719	143,542	39,823
Land info board grant	-	-	35,948	35,948
State fair grants	5,500	5,500	5,545	45
Private sewer grant	25,250	25,250	23,535	(1,715)
DNR trails	50,700	50,700	46,691	(4,009)
Other DNR	-	-	11,963	11,963
Veterans service	10,750	10,750	10,727	(23)
DATCP - LWRM	67,500	67,500	219,656	152,156
DOJ training reimbursement	-	-	5,240	5,240
DOJ crime victim witness	13,978	13,978	16,631	2,653
DOT - BOT Grant	-	-	4,028	4,028
Other DOJ grants	7,000	7,000	7,909	909
Department of military affairs	10,000	10,000	62,699	52,699
Interpreter reimbursement	2,992	2,992	3,419	427
Health grants	61,000	61,000	77,044	16,044
Other miscellaneous grants	150,471	150,471	4,711	(145,760)
Total Intergovernmental	<u>2,254,312</u>	<u>2,254,312</u>	<u>2,430,069</u>	<u>175,757</u>

See independent auditors' report and accompanying notes to required supplementary information.

## LAFAYETTE COUNTY

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
<b>LICENSES AND PERMITS</b>				
Marriage licenses and divorce mediation	\$ -	\$ -	\$ 4,200	\$ 4,200
License plates	-	-	8,333	8,333
Sanitary permits	-	-	19,275	19,275
Conditional use/rezoning permits	12,000	12,000	7,642	(4,358)
Mine reclamation	5,270	5,270	1,115	(4,155)
Other licenses and permits	9,630	9,630	14,658	5,028
Total Licenses and Permits	<u>26,900</u>	<u>26,900</u>	<u>55,223</u>	<u>28,323</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
County ordinances, forfeitures and defaults	86,852	86,852	37,625	(49,227)
County share of state fines	-	-	21,300	21,300
Total Fines, Forfeitures and Penalties	<u>86,852</u>	<u>86,852</u>	<u>58,925</u>	<u>(27,927)</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
General government	3,550	3,550	11,351	7,801
Child support	1,150	1,150	1,669	519
Circuit court	20,900	20,900	39,655	18,755
Clerk of courts	38,702	38,702	32,923	(5,779)
Coroner	20	20	9	(11)
County clerk	14,050	14,050	12,441	(1,609)
Sheriff and jail fees	201,200	201,200	187,736	(13,464)
District attorney	1,000	1,000	300	(700)
Fair	129,400	129,400	106,673	(22,727)
Land conservation	12,800	12,800	14,012	1,212
Land information fees	32,050	32,050	25,565	(6,485)
Parks and trails	2,200	2,200	2,200	-
Planning and zoning	14,000	14,000	2,530	(11,470)
Public health	517,000	517,000	413,367	(103,633)
Register of deeds	135,000	135,000	89,630	(45,370)
Treasurer	1,250	1,250	1,691	441
UW extension	2,950	2,950	4,346	1,396
Veterans	400	400	456	56
Total Public Charges for Services	<u>1,127,622</u>	<u>1,127,622</u>	<u>946,554</u>	<u>(181,068)</u>

See independent auditors' report and accompanying notes to required supplementary information.

# LAFAYETTE COUNTY

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2014

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	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
<b>INVESTMENT INCOME</b>				
Investment income	\$ 40,074	\$ 40,074	\$ 35,690	\$ (4,384)
<b>MISCELLANEOUS</b>				
Rent on buildings	61,000	61,000	62,152	1,152
Rent on other property	9,720	9,720	5,361	(4,359)
Insurance recoveries	4,000	4,000	18,867	14,867
Other donations	6,311	6,311	51,969	45,658
WCMIC dividend	27,000	27,000	18,621	(8,379)
Sale of property/assets	15,000	15,000	19,551	4,551
Workman's compensation discount	-	-	72,273	72,273
Miscellaneous	(1,332)	(1,332)	7,429	8,761
Total Miscellaneous	<u>121,699</u>	<u>121,699</u>	<u>256,223</u>	<u>134,524</u>
 TOTAL REVENUES	 <u>7,118,260</u>	 <u>7,118,260</u>	 <u>7,416,954</u>	 <u>298,694</u>

See independent auditors' report and accompanying notes to required supplementary information.

# LAFAYETTE COUNTY

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
County board	\$ 81,990	\$ 81,990	\$ 79,966	\$ 2,024
District attorney	59,334	59,334	60,242	(908)
Family court commissioner	13,141	13,141	13,065	76
Circuit court	206,923	206,923	201,339	5,584
Clerk of court	197,750	197,750	198,546	(796)
Other court	69,100	69,100	71,366	(2,266)
Corporate counsel	17,000	17,000	3,223	13,777
Copy machines	(30)	(30)	(253)	223
County buildings-operations and maintenance	269,896	269,896	286,554	(16,658)
Child support	157,150	157,150	155,856	1,294
County clerk	151,196	151,196	151,264	(68)
County treasurer	202,342	202,342	192,092	10,250
Coroner	37,767	37,767	31,790	5,977
County website	780	780	780	-
Elections	50,802	50,802	40,359	10,443
Finance	220,839	220,839	227,721	(6,882)
Indirect cost plan	4,200	4,200	3,990	210
Labor relations	1,000	1,000	3,459	(2,459)
Land information	95,482	95,482	99,280	(3,798)
Land use value penalty	1,000	1,000	178	822
Maps and plats	2,000	2,000	5,451	(3,451)
County fleet	(3,100)	(3,100)	(11,268)	8,168
Network administration	131,310	131,310	165,007	(33,697)
Personnel	83,016	83,016	35,976	47,040
Postage	3,200	3,200	4,410	(1,210)
Property and liability insurance	40,315	40,315	46,989	(6,674)
Register of deeds	173,816	173,816	158,139	15,677
Rent county facility	60,000	60,000	60,952	(952)
Special accounting and auditing	43,730	43,730	24,665	19,065
Telephone	500	500	153	347
Health insurance	750	750	(3,573)	4,323
Other benefits	5,000	5,000	-	5,000
Total General Government	<u>2,378,199</u>	<u>2,378,199</u>	<u>2,307,718</u>	<u>70,481</u>

See independent auditors' report and accompanying notes to required supplementary information.

## LAFAYETTE COUNTY

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
<b>PUBLIC SAFETY</b>				
Crime victim/witness	\$ 29,428	\$ 29,428	\$ 28,892	\$ 536
Sheriff administration	1,844,983	1,844,983	1,940,770	(95,787)
Jail	1,133,546	1,133,546	1,064,098	69,448
EMS	16,836	16,836	16,836	-
Emergency government	75,087	75,087	82,061	(6,974)
SARA	23,860	23,860	85,965	(62,105)
Jail improvement	23,751	23,751	8,823	14,928
Total Public Safety	<u>3,147,491</u>	<u>3,147,491</u>	<u>3,227,445</u>	<u>(79,954)</u>
<b>HEALTH AND HUMAN SERVICES</b>				
County nurse	511,379	511,379	494,019	17,360
Home nursing	572,384	572,384	587,067	(14,683)
Medical/psychiatric	250	250	-	250
Veterans' service	75,804	75,804	72,733	3,071
Veterans' relief and care of veterans' graves	3,500	3,500	2,559	941
Veterans' service grant	10,750	10,750	8,904	1,846
Total Health and Social Services	<u>1,174,067</u>	<u>1,174,067</u>	<u>1,165,282</u>	<u>8,785</u>
<b>CULTURE, RECREATION AND EDUCATION</b>				
County extension programs	66,138	66,138	66,198	(60)
Workshops	3,940	3,940	3,826	114
Agriculture agent	17,964	17,964	15,945	2,019
Library	154,175	154,175	154,175	-
Family living agent	21,083	21,083	19,538	1,545
Resource agent	28,902	28,902	30,477	(1,575)
Fairs and exhibits	190,400	190,400	183,377	7,023
State Fair dairy	1,738	1,738	747	991
4-H agent	33,696	33,696	16,426	17,270
Snowmobile trails	21,050	21,050	20,356	694
ATV	10,700	10,700	14,781	(4,081)
Sunshine fund	500	500	87	413
Total Culture, Recreation and Education	<u>550,286</u>	<u>550,286</u>	<u>525,933</u>	<u>24,353</u>

See independent auditors' report and accompanying notes to required supplementary information.

## LAFAYETTE COUNTY

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
<b>CONSERVATION AND ECONOMIC DEVELOPMENT</b>				
Land conservation	\$ 247,434	\$ 247,434	\$ 185,535	\$ 61,899
Land conservation-cost share	15,000	15,000	32,754	(17,754)
Land conservation-LWRM cost share	67,500	67,500	120,436	(52,936)
Fish and game habitat	4,122	4,122	4,122	-
Wildlife damage program	-	-	5,113	(5,113)
Economic development	27,300	27,300	6,178	21,122
Regional planning	14,577	14,577	14,577	-
Planning and zoning	59,770	59,770	62,679	(2,909)
Sewer replacement	25,500	25,500	22,725	2,775
Water testing	5,270	5,270	-	5,270
FPP-technical assist	63,092	63,092	65,490	(2,398)
Total Conservation and Economic Development	<u>529,565</u>	<u>529,565</u>	<u>519,609</u>	<u>9,956</u>
Total Expenditures	<u>7,779,608</u>	<u>7,779,608</u>	<u>7,745,987</u>	<u>33,621</u>
Excess (deficiency) of revenues over expenditures	<u>(661,348)</u>	<u>(661,348)</u>	<u>(329,033)</u>	<u>332,315</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	310,028	310,028	431,696	121,668
Transfers out	-	-	(312,900)	(312,900)
Total Other Financing Sources (Uses)	<u>310,028</u>	<u>310,028</u>	<u>118,796</u>	<u>(191,232)</u>
Net change in fund balance	(351,320)	(351,320)	(210,237)	141,083
FUND BALANCE - Beginning of Year	<u>4,867,685</u>	<u>4,867,685</u>	<u>4,867,685</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,516,365</u>	<u>\$ 4,516,365</u>	<u>\$ 4,657,448</u>	<u>\$ 141,083</u>

See independent auditors' report and accompanying notes to required supplementary information.

## LAFAYETTE COUNTY

### HUMAN SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,804,423	\$ 1,804,423	\$ 1,804,423	\$ -
Intergovernmental	1,463,195	1,463,195	1,565,621	102,426
Fines, forfeitures and penalties	-	-	9,757	9,757
Public charges for services	569,110	569,110	670,675	101,565
Miscellaneous	400	400	250	(150)
Total Revenues	<u>3,837,128</u>	<u>3,837,128</u>	<u>4,050,726</u>	<u>213,598</u>
<b>EXPENDITURES</b>				
Health and human services	<u>3,837,128</u>	<u>3,837,128</u>	<u>3,854,781</u>	<u>(17,653)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>195,945</u>	<u>195,945</u>
<b>OTHER FINANCING USES</b>				
Transfer out	<u>-</u>	<u>-</u>	<u>(121,668)</u>	<u>(121,668)</u>
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(121,668)</u>	<u>(121,668)</u>
Net change in fund balance	-	-	74,277	74,277
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,277</u>	<u>\$ 74,277</u>

See independent auditors' report and accompanying notes to required supplementary information.

## LAFAYETTE COUNTY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

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#### ***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 I. C.

The budgeted amounts presented include any amendments made. 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 \$528,446 in the general fund. Budgets are adopted at the detail level of expenditure.



**SUPPLEMENTARY INFORMATION**

# LAFAYETTE COUNTY

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2014

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan		
<b>ASSETS</b>				
Cash and investments	\$ 265,673	\$ -	\$ 65,357	\$ 331,030
Taxes receivable	113,507	-	120,132	233,639
Accounts receivable	510	-	-	510
Loans receivable (net of allowances for uncollectibles)	-	124,530	-	124,530
Due from other governments	26,914	-	-	26,914
Prepaid items	4,811	-	-	4,811
Restricted Assets				
Cash and investments	-	242,687	-	242,687
TOTAL ASSETS	<u>\$ 411,415</u>	<u>\$ 367,217</u>	<u>\$ 185,489</u>	<u>\$ 964,121</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 6,756	\$ -	\$ -	\$ 6,756
Accrued liabilities	3,645	-	-	3,645
Total Liabilities	<u>10,401</u>	<u>-</u>	<u>-</u>	<u>10,401</u>
Deferred Inflows of Resources				
Unearned revenue	<u>113,507</u>	<u>-</u>	<u>120,132</u>	<u>233,639</u>
Fund Balances				
Nonspendable	4,811	-	-	4,811
Restricted	<u>282,696</u>	<u>367,217</u>	<u>65,357</u>	<u>715,270</u>
Total Fund Balances	<u>287,507</u>	<u>367,217</u>	<u>65,357</u>	<u>720,081</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 411,415</u>	<u>\$ 367,217</u>	<u>\$ 185,489</u>	<u>\$ 964,121</u>

## LAFAYETTE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan		
<b>REVENUES</b>				
Taxes	\$ 154,922	\$ -	\$ 115,950	\$ 270,872
Intergovernmental	178,401	-	-	178,401
Public charges for services	32,966	-	-	32,966
Investment income	-	6,207	-	6,207
Miscellaneous	20,510	-	-	20,510
Total Revenues	<u>386,799</u>	<u>6,207</u>	<u>115,950</u>	<u>508,956</u>
<b>EXPENDITURES</b>				
Current				
Health and human services	311,486	-	-	311,486
Debt Service				
Principal	-	-	54,921	54,921
Interest and fiscal charges	-	-	8,110	8,110
Total Expenditures	<u>311,486</u>	<u>-</u>	<u>63,031</u>	<u>374,517</u>
Excess of revenues over expenditures	75,313	6,207	52,919	134,439
FUND BALANCES - Beginning of Year	<u>212,194</u>	<u>361,010</u>	<u>12,438</u>	<u>585,642</u>
FUND BALANCES - END OF YEAR	<u>\$ 287,507</u>	<u>\$ 367,217</u>	<u>\$ 65,357</u>	<u>\$ 720,081</u>

## LAFAYETTE COUNTY

### COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of December 31, 2014

	<u>Sheriff Commissary</u>	<u>Clerk of Court</u>	<u>DMV Vehicle Service</u>	<u>Bond Trust</u>	<u>Nurse Scholarship</u>	<u>Tri-County Trails Commission</u>	<u>Tax Collection</u>	<u>Totals</u>
<b>ASSETS</b>								
Cash and investments	\$ 17,364	\$ 80,955	\$ 3,924	\$ 8	\$ 8,306	\$ 145,257	\$ -	\$ 255,814
Taxes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,952</u>	<u>176,952</u>
<b>TOTAL ASSETS</b>	<u>\$ 17,364</u>	<u>\$ 80,955</u>	<u>\$ 3,924</u>	<u>\$ 8</u>	<u>\$ 8,306</u>	<u>\$ 145,257</u>	<u>\$ 176,952</u>	<u>\$ 432,766</u>
<b>LIABILITIES</b>								
Due to other taxing units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,952	\$ 176,952
Accounts payable	-	-	-	-	-	5,942	-	5,942
Funds held for others	<u>17,364</u>	<u>80,955</u>	<u>3,924</u>	<u>8</u>	<u>8,306</u>	<u>139,315</u>	<u>-</u>	<u>249,872</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 17,364</u>	<u>\$ 80,955</u>	<u>\$ 3,924</u>	<u>\$ 8</u>	<u>\$ 8,306</u>	<u>\$ 145,257</u>	<u>\$ 176,952</u>	<u>\$ 432,766</u>