

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

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

As of December 31, 2013, \$2,160,504 of the county's total bank balances were exposed to custodial credit risk because they were uninsured and uncollateralized.

Credit Risk

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

At December 31, 2013, 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 \$197,487 for the year ended December 31, 2013.

C. RECEIVABLES

Receivables not expected to be collected within one year include \$579,531 of delinquent taxes in the general fund.

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

Human services – accounts receivable	\$	480,159
Lafayette Manor Nursing Home – resident accounts receivable		27,756
Memorial Hospital of Lafayette County – patient receivables		270,000
Revolving loan fund – loans receivable		<u>63,281</u>
Total Uncollectibles – December 31, 2013	\$	<u>841,196</u>

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

C. RECEIVABLES (cont.)

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	\$ 4,626,398	\$ -
Delinquent property taxes receivable	-	134,388
Other unavailable receivables	-	103,648
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 4,626,398	\$ 238,036

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 deferred revenue and are excluded from the fund balance until collected. At December 31, 2013, delinquent property taxes by year levied consists of the following:

Tax Certificates	
2012	\$ 279,831
2011	184,862
2010	80,003
2009	13,706
2008	8,536
2007	6,756
2006	2,974
2005	2,863
Total Delinquent Property Taxes Receivable	579,531
Less: January and February 2014 collections	(24,410)
Subtotal	555,121
County levied portion	(134,388)
County Purchased Portion	\$ 420,733

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

C. RECEIVABLES (cont.)

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

	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ 2,220,624
Grant drawdowns prior to meeting all eligibility requirements	232,198
Transportation cost pools	<u>63,038</u>
Total Unearned Revenue For Enterprise Funds	<u>\$ 2,515,860</u>
Unearned revenue included in liabilities	\$ 232,198
Unearned revenue included in deferred inflows	<u>2,283,662</u>
Total	<u>\$ 2,515,860</u>

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. Program income includes the principal and interest received from economic development loans repayments. Based upon its current population, the county may retain \$750,000.

At December 31, 2013, the county has not exceeded its maximum retention cap. When it does, a liability to the state will be recorded.

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, 2008. 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.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

D. NET PATIENT SERVICE REVENUE (cont.)

Net revenue from Medicare and Medicaid programs accounted for approximately 48% of the Hospital's net patient revenue for the year ended December 31, 2013. 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>2013</u>
Gross patient revenue	<u>\$ 21,016,346</u>
Contractual adjustments and provision for bad debt	
Medicare	(5,064,719)
Medicaid	(1,059,870)
Provision for bad debt	(365,976)
Other insurance	<u>(1,481,522)</u>
Total Contractual Adjustments	<u>(7,972,087)</u>
Net Patient Revenue	<u>\$ 13,044,259</u>

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.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

E. INCENTIVE PAYMENTS (cont.)

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 has not been confirmed or received by the Hospital.

There are two separate components to the incentive payment. The first component is equivalent to 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.

Because the Hospital has earned and is recognizing 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 2013 and 2012, approximately \$128,000 and \$89,000 relates to the depreciation reimbursement, respectively.

The remaining portion of the incentive payment of \$141,000 and \$101,000 represents an incentive to promote the meaningful use of EHR technology for the fiscal years 2013 and 2012, respectively.

During September 2012, the Hospital received an incentive payment of \$195,469 from Medicaid, which was recognized as intergovernmental grant revenues in the financial statements. During 2013, the Hospital recognized intergovernmental grant revenues and due from Medicaid in the amount of \$48,861, which was paid to the Hospital by Medicaid in January 2014. Incentive payments are being paid over a three year schedule and fiscal 2013 was the last year for payment.

F. RESTRICTED ASSETS

Human Services has restricted assets in the amount of \$ 37,041. 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 \$5,384. 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 \$ 332,872. These restricted assets represent funds held for future loans.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

G. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 16,000	\$ -	\$ -	\$ 16,000
Construction in process	-	261,046	-	261,046
Total Capital Assets Not Being Depreciated	16,000	261,046	-	277,046
Capital assets being depreciated				
Buildings and improvements	2,010,443	-	-	2,010,443
Machinery and equipment	1,593,175	264,917	307,679	1,550,413
Infrastructure	20,497,779	1,555,730	18,286	22,035,223
Total Capital Assets Being Depreciated	24,101,397	1,820,647	325,965	25,596,079
Less: Accumulated depreciation for				
Buildings and improvements	(1,240,861)	(75,896)	-	(1,316,757)
Machinery and equipment	(1,177,175)	(141,249)	286,835	(1,031,589)
Infrastructure	(9,717,761)	(475,194)	18,285	(10,174,670)
Total Accumulated Depreciation	(12,135,797)	(692,339)	305,120	(12,523,016)
Net Capital Assets Being Depreciated	11,965,600	1,128,308	20,845	13,073,063
Total Governmental Activities Capital Assets, Net of Depreciation	\$ 11,981,600	\$ 1,389,354	\$ 20,845	\$ 13,350,109

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 37,104
Public safety	136,725
Public works	475,194
Health and human services	31,907
Culture, recreation and education	11,409
Total Governmental Activities Depreciation Expense	\$ 692,339

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

G. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 124,733	\$ -	\$ 31,257	\$ 93,476
Construction in progress	90,260	185,569	90,260	185,569
Total Capital Assets Not Being Depreciated	214,993	185,569	121,517	279,045
Capital assets being depreciated				
Land improvements	336,021	-	6,691	329,330
Buildings and improvements	9,682,640	78,461	7,474	9,753,627
Machinery and equipment	10,726,925	692,511	51,407	11,368,029
Total Capital Assets Being Depreciated	20,745,586	770,972	65,572	21,450,986
Less: Accumulated depreciation for				
Land improvements	(129,905)	(17,342)	6,691	(140,556)
Buildings and improvements	(5,560,167)	(389,588)	7,474	(5,942,281)
Machinery and equipment	(7,491,574)	(524,027)	16,428	(7,999,173)
Total Accumulated Depreciation	(13,181,646)	(930,957)	30,593	(14,082,010)
Net Capital Assets Being Depreciated	7,563,940	(159,985)	34,979	7,368,976
Total Business-type Capital Assets, Net of Depreciation	\$ 7,778,933	\$ 25,584	\$ 156,496	\$ 7,648,021

Depreciation expense was charged to functions as follows:

Business-type Activities	
Memorial Hospital	\$ 599,140
Lafayette Manor	81,791
Highway	293,317
Total Business-type Activities Depreciation Expense	\$ 974,251

Depreciation expense may be different from business-type activity additions to accumulated depreciation 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, 2013

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	Nursing Home	\$ 94,010	\$ -
Total Internal Balances – Government-Wide Statement of Net Position		<u>\$ 94,010</u>	<u>\$ -</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.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

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	\$ 465,650	To support county operations
General Fund	Memorial Hospital	313,009	To support county operations
Debt Service	General Fund	363,434	Payment on debt
Lafayette Manor	General Fund	660,191	To restore net position
Lafayette Manor	Memorial Hospital	<u>111,400</u>	To reimburse the Manor for a portion of swing bed revenue
Sub-Total – Fund Financial Statements		1,913,684	
Governmental activities infrastructure paid by highway enterprise fund		1,799,076	
Less: Fund eliminations		(940,484)	
Less: Government-wide eliminations		<u>(1,320,382)</u>	
Total Transfers – Government-Wide Statement of Activities		<u>\$ 1,451,894</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-type Activities	\$ 2,112,085	
Business-type Activities	Governmental Activities	<u>(660,191)</u>	
Total		<u>\$ 1,451,894</u>	

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 782,345	\$ -	\$ 470,878	\$ 311,467	\$ 59,756
Other Liabilities					
Vested compensated absences	901,212	302,108	288,718	914,602	300,893
Total Other Liabilities	901,212	302,108	288,718	914,602	300,893
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,683,557</u>	<u>\$ 302,108</u>	<u>\$ 759,596</u>	<u>\$ 1,226,069</u>	<u>\$ 360,649</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 304,294	\$ -	\$ 119,452	\$ 184,842	\$ 122,467
Other Liabilities					
Vested compensated absences	1,606,529	353,834	463,281	1,497,082	417,755
Land contract	41,257	-	12,616	28,641	11,758
Capital leases	326,424	83,964	157,444	252,944	129,767
Total Other Liabilities	1,974,210	437,798	633,341	1,778,667	559,280
Total Business-type Activities Long-Term Liabilities	<u>\$ 2,278,504</u>	<u>\$ 437,798</u>	<u>\$ 752,793</u>	<u>\$ 1,963,509</u>	<u>\$ 681,747</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, 2013, was \$ 50,641,880. Total general obligation debt outstanding at year end was \$496,309.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

I. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/13
Governmental Activities					
General Obligation Debt					
Promissory notes	4/8/2009	3/10/2019	2.80%	\$ 500,000	\$ 311,467
Total Governmental Activities – General Obligation Debt					\$ 311,467
Business-type Activities					
General Obligation Debt					
Promissory notes*	4/1/2003	3/1/2015	3.05%	\$ 2,000,000	\$ 184,842
Total Business-type Activities – General Obligation Debt					\$ 184,842

* Original indebtedness includes the Hospital and Governmental Activities portion of debt. The balance is only the Hospital's portion remaining at December 31, 2013.

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2014	\$ 59,756	\$ 8,527	\$ 122,467	\$ 3,208
2015	56,707	6,323	62,375	452
2016	58,301	4,730	-	-
2017	59,969	3,061	-	-
2018	61,670	1,360	-	-
2019	15,064	69	-	-
Totals	\$ 311,467	\$ 24,070	\$ 184,842	\$ 3,660

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

I. LONG-TERM OBLIGATIONS (cont.)

Land Contract

The land contract is payable from Highway revenues.

The land contract at December 31, 2013 consisted of the following:

Business-type Activities

Land Contract	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/13
Land contract	12/5/12	6/5/16	1.00%	\$ 41,257	\$ 28,641
Total Business-type Activities Land Contract					<u>\$ 28,641</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Land Contract	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 11,758	\$ 242
2015	11,876	124
2016	5,007	18
Totals	<u>\$ 28,641</u>	<u>\$ 384</u>

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.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

J. LEASE DISCLOSURES

Lessee – Capital Leases

In 2007 through 2013, Memorial Hospital and the Highway acquired capital assets through lease and purchase agreements. The gross amount of these assets under capital lease is \$693,802 and accumulated depreciation is \$294,972, which are included in property and equipment in the Memorial Hospital and Highway funds. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2013, are as follows:

<u>Years</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 129,767	\$ 10,092
2015	62,580	5,121
2016	58,419	1,759
2017	2,178	9
Totals	<u>\$ 252,944</u>	<u>\$ 16,981</u>

Lessee – Operating Leases

The Hospital leases equipment under non-cancelable operating leases. Amounts paid for the leases for the year ended December 31, 2013 was \$411,515. Future minimum payments are as follows:

<u>Years</u>	
2014	\$ 112,008
2015	110,558
2016	94,608
2017	58,068
2018	58,068
2019	58,068
Totals	<u>\$ 491,378</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.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

K. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2013 includes the following:

Governmental Activities

Net investment in capital assets	
Land	\$ 16,000
Construction in process	261,046
Other capital assets, net of accumulated depreciation	13,073,063
Less: Related long-term debt outstanding	<u>(311,467)</u>
Total Net Investment in Capital Assets	<u>\$ 13,038,642</u>

Governmental fund balances reported on the fund financial statements at December 31, 2013 include the following:

Fund Balances	General Fund	Nonmajor Funds
Nonspendable:		
Delinquent taxes receivable	\$ 420,733	\$ -
Prepaid items	246,270	4,706
Restricted:		
Grant purposes	241,461	207,488
Jail improvement	69,584	-
Land information	86,062	-
Donor-restricted	1,697	-
Revolving loans	-	361,010
Debt service	-	12,438
Committed:		
Stabilization fund	750,000	-
Assigned to:		
Carryforward appropriations	89,126	-
Vested benefits	1,635	-
Applied to subsequent budget	452,487	-
Unassigned	<u>2,508,630</u>	<u>-</u>
Total Fund Balances	<u>\$ 4,867,685</u>	<u>\$ 585,642</u>

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

K. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net investment in capital assets	
Land	\$ 93,476
Construction in progress	185,569
Other capital assets, net of accumulated depreciation	7,368,976
Less: Related long-term debt outstanding	<u>(466,427)</u>
Total Net Investment in Capital Assets	7,181,594
Unrestricted	<u>2,282,832</u>
 Total Business-type Activities Net Position	 <u><u>\$ 9,464,426</u></u>

L. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 61, *The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, which modified certain requirements for inclusion of component units in the financial reporting entity. The details of this restatement are as follows:

	<u>Component Units</u>
Net Position – December 31, 2012 (as reported)	\$ 1,261,210
Less: Housing Authority net position	<u>(1,047,113)</u>
Net Position – January 1, 2013 (as restated)	<u><u>\$ 214,097</u></u>

The Housing Authority of the County of Lafayette no longer meets the definition of a component unit. As a result, the Housing Authority is not reported in the financial statements. See Note V.E.

M. 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.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

M. COMPONENT UNIT (cont.)

MEMORIAL HEALTHCARE FOUNDATION, INC. (cont.)

a. Summary of Significant Accounting Policies (cont.)

Contributions (cont.)

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 stiputed 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.

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 Tax Status

The Foundation is a nonprofit corporation that is exempt from income taxes under 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 risk 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 2010.

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.

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.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

M. COMPONENT UNITS (cont.)

MEMORIAL HEALTHCARE FOUNDATION, INC. (cont.)

a. Summary of Significant Accounting Policies (cont.)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Foundation consider all highly liquid investment 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, 2013, 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.

Advance Event Deposits

Deposits for a special event that had not taken place before the end of the year are classified as unearned revenues in the statement of net position. The exchange portion of the deposits are conditioned on the events taking place. The deposits will be reclassified as revenue after the event takes place.

Unconditional Allocation to Memorial Hospital

During 2013, the Foundation sponsored an event for which the proceeds were to be directed to Memorial Hospital of Lafayette County. The remaining proceeds from the event were disbursed after the end of the year. As of December 31, 2013, these proceeds are reflected as due to other governmental units in the statement of net position.

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, 2013, the Foundation's cash balances were fully insured.

During the year ended December 31, 2013, the Foundation received approximately 79% of total revenue from two events. The revenue from these events is reflected as contribution revenue given that the Foundation did not directly plan or execute the events.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

M. COMPONENT UNITS (cont.)

MEMORIAL HEALTHCARE FOUNDATION, INC. (cont.)

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 2013, \$10,000 was allocated to the Hospital. As of December 31, 2013, \$8,000 in allocations had yet to be paid.

d. Functional Allocation of Expenses

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

Program services	\$	16,325
Management and general		5,185
Fundraising		9,434
Total	\$	30,944

NOTE V – OTHER INFORMATION

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 (PERS). 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 the 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 General category employees and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for county employees covered by WRS for the year ended December 31, 2013 was \$11,542,531; the employer's total payroll was \$12,064,552. The total required contribution for the year ended December 31, 2013 was \$1,609,489 or 13.9 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ended December 31, 2012 and 2011 were \$1,467,009 and \$1,376,799, 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.

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

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, 2013, 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, 2013

NOTE V – OTHER INFORMATION (cont.)

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, 2013 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.

During 2005, the county guaranteed debt issued by the Housing Authority. The outstanding balance on the debt at December 31, 2013 was \$405,910.

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 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. Due to the severity of citations issued during 2012, the Nursing Home will be on the State's watch list for two (2) years. Although the Nursing Home remains on the State's watch list, management has indicated the matters resulting from the citations have been resolved and that there are no other matters being investigated by federal or state regulators as of December 31, 2013.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Nursing Home (cont.)

The State of Wisconsin Department of Commerce has followed up with the Nursing Home regarding an environmental issue, which was identified in 1982. The Nursing Home is working with the State of Wisconsin to resolve this outstanding item as of December 31, 2013. This is a potential liability to the county; however, it is not possible to estimate the financial impact at this time.

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 \$577,000 in 2013 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.

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, 2013.

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, 2013 is available directly from the commission's office.

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

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 2013, approximately 77% 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 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 2012. There was no general property tax revenue available to the Manor in 2013. As of December 31, 2013, the nursing home had a deficit cash position of \$94,010 which is reflected on the balance sheet as due to other funds. The county did levy property taxes in the Manor for 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>2013</u>
Medicare	38%
Medicaid	8%
Other third party payors	42%
Self-pay	<u>12%</u>
Total	<u><u>100%</u></u>

LAFAYETTE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

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

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

- > GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

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

I. SUBSEQUENT EVENT

On February 19, 2014, the hospital board approved a contract for an amount not to exceed \$750,000 for a hospital remodeling project. Subsequent to year-end the county approved a borrowing not to exceed \$650,000 to finance the project. The remaining \$100,000 will be paid by donations.

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
REVENUES				
TAXES				
General property taxes	\$ 2,556,471	\$ 2,556,471	\$ 2,598,254	\$ 41,783
Interest on taxes	152,000	152,000	160,441	8,441
Real estate transfer	-	-	33,601	33,601
Forest cropland	400	400	750	350
Payment in lieu of taxes	11,481	11,481	7,234	(4,247)
County sales tax	710,120	710,120	759,696	49,576
Land use penalty	25	25	1,538	1,513
Total Taxes	<u>3,430,497</u>	<u>3,430,497</u>	<u>3,561,514</u>	<u>131,017</u>
INTERGOVERNMENTAL				
Shared taxes from state	1,674,657	1,674,657	1,676,021	1,364
Exempt computer aid	4,400	4,400	2,592	(1,808)
Circuit court	66,575	66,575	68,205	1,630
DWD state grant	95,011	95,011	110,350	15,339
Land info board grant	15,000	15,000	25,700	10,700
State fair grants	5,300	5,300	6,094	794
Private sewer grant	30,971	30,971	26,109	(4,862)
DNR trails	30,700	30,700	36,369	5,669
Other DNR	-	-	27,245	27,245
Veterans service	10,750	10,750	10,867	117
DATCP - LWRM	40,000	40,000	175,031	135,031
DOJ training reimbursement	-	-	11,929	11,929
DOJ crime victim witness	6,000	6,000	12,201	6,201
DOT - BOT Grant	-	-	5,039	5,039
Other DOJ grants	2,000	2,000	15,852	13,852
Department of military affairs	-	-	37,547	37,547
Interpreter reimbursement	1,606	1,606	3,761	2,155
Sheriff	20,000	20,000	-	(20,000)
Health grants	61,000	61,000	64,529	3,529
Other miscellaneous grants	87,200	87,200	2,012	(85,188)
Total Intergovernmental	<u>2,151,170</u>	<u>2,151,170</u>	<u>2,317,453</u>	<u>166,283</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
LICENSES AND PERMITS				
Marriage licenses and divorce mediation	\$ 1,000	\$ 1,000	\$ 4,150	\$ 3,150
License plates	-	-	5,927	5,927
Sanitary permits	-	-	22,375	22,375
Conditional use/rezoning permits	11,673	11,673	11,360	(313)
Mine reclamation	781	781	4,135	3,354
Other licenses and permits	7,780	7,780	11,277	3,497
Total Licenses and Permits	<u>21,234</u>	<u>21,234</u>	<u>59,224</u>	<u>37,990</u>
FINES, FORFEITURES AND PENALTIES				
County ordinances, forfeitures and defaults	83,194	83,194	49,573	(33,621)
County share of state fines	-	-	22,279	22,279
Total Fines, Forfeitures and Penalties	<u>83,194</u>	<u>83,194</u>	<u>71,852</u>	<u>(11,342)</u>
PUBLIC CHARGES FOR SERVICES				
General government	5,550	5,550	4,705	(845)
Child support	800	800	1,514	714
Circuit court	19,900	19,900	37,808	17,908
Clerk of courts	38,768	38,768	34,843	(3,925)
Coroner	-	-	53	53
County clerk	15,536	15,536	12,776	(2,760)
Sheriff and jail fees	201,200	201,200	217,286	16,086
District attorney	1,000	1,000	5,173	4,173
Fair	130,200	130,200	137,380	7,180
Land conservation	29,731	29,731	19,008	(10,723)
Land information fees	27,250	27,250	32,995	5,745
Parks and trails	2,200	2,200	2,200	-
Planning and zoning	21,597	21,597	1,953	(19,644)
Public health	411,075	411,075	558,329	147,254
Register of deeds	135,000	135,000	108,764	(26,236)
Treasurer	1,250	1,250	1,646	396
UW extension	3,270	3,270	6,180	2,910
Veterans	400	400	430	30
Total Public Charges for Services	<u>1,044,727</u>	<u>1,044,727</u>	<u>1,183,043</u>	<u>138,316</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
INVESTMENT INCOME				
Investment income	\$ 40,482	\$ 40,482	\$ 43,367	\$ 2,885
MISCELLANEOUS				
Rent on buildings	61,665	61,665	60,969	(696)
Rent on other property	6,720	6,720	11,182	4,462
Insurance recoveries	4,000	4,000	24,207	20,207
Other donations	20,311	20,311	32,903	12,592
WCMIC dividend	7,000	7,000	52,478	45,478
Sale of property/assets	15,000	15,000	619	(14,381)
Workman's compensation refund	-	-	40,448	40,448
Interdepartmental charge	-	-	13,227	13,227
Miscellaneous	25,000	25,000	4,630	(20,370)
Total Miscellaneous	<u>139,696</u>	<u>139,696</u>	<u>240,663</u>	<u>100,967</u>
TOTAL REVENUES	<u>6,911,000</u>	<u>6,911,000</u>	<u>7,477,116</u>	<u>566,116</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
County board	\$ 84,700	\$ 84,700	\$ 85,034	\$ (334)
District attorney	51,824	51,824	55,238	(3,414)
Family court commissioner	13,141	13,141	13,000	141
Circuit court	201,988	201,988	200,696	1,292
Clerk of court	191,381	191,381	196,473	(5,092)
Other court	88,400	88,400	77,046	11,354
Corporate counsel	17,000	17,000	7,461	9,539
Copy machines	70	70	(374)	444
County buildings-operations and maintenance	291,088	291,088	299,021	(7,933)
Child support	143,956	143,956	134,125	9,831
County clerk	147,534	147,534	146,734	800
County treasurer	179,008	179,008	189,243	(10,235)
Coroner	36,700	36,700	49,063	(12,363)
County website	780	780	780	-
Elections	18,760	18,760	16,555	2,205
Finance	228,340	228,340	219,738	8,602
Indirect cost plan	4,200	4,200	3,990	210
Labor relations	28,800	28,800	21,833	6,967
Land information	69,295	69,295	77,679	(8,384)
Land use value penalty	1,000	1,000	769	231
County fleet	8,824	8,824	6,455	2,369
Network administration	121,722	121,722	107,488	14,234
Personnel	23,880	23,880	16,299	7,581
Postage	4,900	4,900	8,423	(3,523)
Property and liability insurance	45,403	45,403	43,860	1,543
Property tax charges	1,331	1,331	553	778
Register of deeds	169,011	169,011	160,702	8,309
Rent county facility	60,465	60,465	59,769	696
Special accounting and auditing	43,000	43,000	26,409	16,591
Telephone	600	600	52,248	(51,648)
Health insurance	71,000	71,000	(24,929)	95,929
Retiree insurance incentive	-	-	(153)	153
Other benefits	5,000	5,000	(1,539)	6,539
Miscellaneous	-	-	10	(10)
Total General Government	<u>2,353,101</u>	<u>2,353,101</u>	<u>2,249,699</u>	<u>103,402</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
PUBLIC SAFETY				
Crime victim/witness	\$ 27,073	\$ 27,073	\$ 27,380	\$ (307)
Sheriff administration	1,715,788	1,715,788	1,823,814	(108,026)
Jail	1,073,692	1,073,692	1,139,153	(65,461)
EMS	16,836	16,836	16,836	-
Emergency government	68,970	68,970	67,904	1,066
SARA	23,860	23,860	21,719	2,141
Jail improvement	23,751	23,751	1,948	21,803
Total Public Safety	<u>2,949,970</u>	<u>2,949,970</u>	<u>3,098,754</u>	<u>(148,784)</u>
HEALTH AND HUMAN SERVICES				
County nurse	477,045	477,045	468,558	8,487
Home nursing	569,959	569,959	591,832	(21,873)
Hepatitis	2,000	2,000	-	2,000
Veterans' service	79,900	79,900	72,698	7,202
Veterans' relief and care of veterans' graves	3,500	3,500	3,223	277
Veterans' service grant	10,750	10,750	9,257	1,493
Total Health and Social Services	<u>1,143,154</u>	<u>1,143,154</u>	<u>1,145,568</u>	<u>(2,414)</u>
CULTURE, RECREATION AND EDUCATION				
County extension programs	64,117	64,117	66,197	(2,080)
Workshops	1,880	1,880	2,564	(684)
Agriculture agent	17,771	17,771	18,153	(382)
Library	149,819	149,819	149,819	-
Family living agent	20,022	20,022	19,709	313
Resource agent	31,116	31,116	23,680	7,436
Fairs and exhibits	188,500	188,500	207,235	(18,735)
State Fair dairy	-	-	19	(19)
4-H agent	32,615	32,615	30,963	1,652
Snowmobile trails	21,050	21,050	13,309	7,741
ATV	10,700	10,700	13,517	(2,817)
Sunshine fund	200	200	80	120
Total Culture, Recreation and Education	<u>537,790</u>	<u>537,790</u>	<u>545,245</u>	<u>(7,455)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
CONSERVATION AND ECONOMIC DEVELOPMENT				
Land conservation	\$ 286,500	\$ 286,500	\$ 197,866	\$ 88,634
Land conservation-cost share	15,000	15,000	4,798	10,202
Land conservation-LWRM cost share	40,000	40,000	73,790	(33,790)
Fish and game habitat	4,122	4,122	4,122	-
Wildlife damage program	-	-	7,224	(7,224)
Economic development	25,748	25,748	21,302	4,446
Regional planning	14,168	14,168	14,096	72
Planning and zoning	82,073	82,073	62,367	19,706
Sewer replacement	30,988	30,988	26,109	4,879
Water testing	781	781	-	781
FPP-technical assist	-	-	63,504	(63,504)
Total Conservation and Economic Development	499,380	499,380	475,178	24,202
Total Expenditures	7,483,395	7,483,395	7,514,444	(31,049)
Excess (deficiency) of revenues over expenditures	(572,395)	(572,395)	(37,328)	535,067
OTHER FINANCING SOURCES (USES)				
Transfers in	313,009	313,009	778,659	465,650
Transfers out	-	-	(1,023,625)	(1,023,625)
Total Other Financing Sources (Uses)	313,009	313,009	(244,966)	(557,975)
Net change in fund balance	(259,386)	(259,386)	(282,294)	(22,908)
FUND BALANCE - Beginning of Year	5,149,979	5,149,979	5,149,979	-
FUND BALANCE - END OF YEAR	\$ 4,890,593	\$ 4,890,593	\$ 4,867,685	\$ (22,908)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
REVENUES				
Taxes	\$ 1,747,007	\$ 1,747,007	\$ 1,747,007	\$ -
Intergovernmental	1,403,241	1,403,241	1,450,906	47,665
Fines, forfeitures and penalties	-	-	12,461	12,461
Public charges for services	567,310	567,310	815,971	248,661
Miscellaneous	-	-	650	650
Total Revenues	<u>3,717,558</u>	<u>3,717,558</u>	<u>4,026,995</u>	<u>309,437</u>
EXPENDITURES				
Health and human services	<u>3,717,558</u>	<u>3,717,558</u>	<u>3,561,345</u>	<u>156,213</u>
Excess of revenues over expenditures	-	-	465,650	465,650
OTHER FINANCING USES				
Transfer out	-	-	(465,650)	(465,650)
Total Other Financing Uses	-	-	(465,650)	(465,650)
Net change in fund balance	-	-	-	-
FUND BALANCE - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2013

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.

A budget has been adopted for all governmental funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

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 \$541,613 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, 2013

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan		
ASSETS				
Cash and investments	\$ 197,857	\$ -	\$ 12,438	\$ 210,295
Taxes receivable	154,922	-	115,950	270,872
Accounts receivable	563	-	-	563
Loans receivable	-	28,138	-	28,138
Due from other governments	30,073	-	-	30,073
Prepaid items	4,706	-	-	4,706
Restricted Assets				
Cash and investments	-	332,872	-	332,872
TOTAL ASSETS	<u>\$ 388,121</u>	<u>\$ 361,010</u>	<u>\$ 128,388</u>	<u>\$ 877,519</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,462	\$ -	\$ -	\$ 5,462
Accrued liabilities	4,025	-	-	4,025
Total Liabilities	<u>9,487</u>	<u>-</u>	<u>-</u>	<u>9,487</u>
Deferred Inflows of Resources				
Unearned revenues	154,922	-	115,950	270,872
Unavailable revenues	11,518	-	-	11,518
Total Deferred Inflows of Resources	<u>166,440</u>	<u>-</u>	<u>115,950</u>	<u>282,390</u>
Fund Balances				
Nonspendable	4,706	-	-	4,706
Restricted	207,488	361,010	12,438	580,936
Total Fund Balances	<u>212,194</u>	<u>361,010</u>	<u>12,438</u>	<u>585,642</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 388,121</u>	<u>\$ 361,010</u>	<u>\$ 128,388</u>	<u>\$ 877,519</u>

LAFAYETTE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2013

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan		
REVENUES				
Taxes	\$ 155,301	\$ -	\$ 125,802	\$ 281,103
Intergovernmental	181,051	-	-	181,051
Public charges for services	32,919	-	-	32,919
Investment income	-	2,897	-	2,897
Miscellaneous	14,091	-	-	14,091
Total Revenues	<u>383,362</u>	<u>2,897</u>	<u>125,802</u>	<u>512,061</u>
EXPENDITURES				
Current				
Health and human services	346,443	-	-	346,443
Debt Service				
Principal	-	-	470,878	470,878
Interest and fiscal charges	-	-	18,358	18,358
Total Expenditures	<u>346,443</u>	<u>-</u>	<u>489,236</u>	<u>835,679</u>
Excess (deficiency) of revenues over expenditures	<u>36,919</u>	<u>2,897</u>	<u>(363,434)</u>	<u>(323,618)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	363,434	363,434
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>363,434</u>	<u>363,434</u>
Net change in fund balance	36,919	2,897	-	39,816
FUND BALANCES - Beginning of Year	<u>175,275</u>	<u>358,113</u>	<u>12,438</u>	<u>545,826</u>
FUND BALANCES - END OF YEAR	<u>\$ 212,194</u>	<u>\$ 361,010</u>	<u>\$ 12,438</u>	<u>\$ 585,642</u>

LAFAYETTE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS

As of December 31, 2013

	Sheriff Commissary	Clerk of Court	DMV Vehicle Service	Bond Trust	Nurse Scholarship	Tri-County Trails Commission	Tax Collection	Totals
ASSETS								
Cash and investments	\$ 18,730	\$ 81,838	\$ 4,820	\$ 8	\$ 8,270	\$ 89,992	\$ -	\$ 203,658
Taxes receivable	-	-	-	-	-	-	171,885	171,885
Due from other governments	-	-	-	-	-	54,879	-	54,879
TOTAL ASSETS	\$ 18,730	\$ 81,838	\$ 4,820	\$ 8	\$ 8,270	\$ 144,871	\$ 171,885	\$ 430,422
LIABILITIES								
Due to other taxing units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,885	\$ 171,885
Accounts payable	-	-	-	-	-	1,745	-	1,745
Funds held for others	18,730	81,838	4,820	8	8,270	143,126	-	256,792
TOTAL LIABILITIES	\$ 18,730	\$ 81,838	\$ 4,820	\$ 8	\$ 8,270	\$ 144,871	\$ 171,885	\$ 430,422