

Lafayette County

Financial Statements and
Supplementary Information

December 31, 2021

Lafayette County

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Independent Auditors' Report

To the Finance Committee and Board of Supervisors of
Lafayette County

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Lafayette County, Wisconsin (the County), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County as of December 31, 2021 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.

We did not audit the financial statements of the Memorial Hospital of Lafayette County, a major fund of the County, which represents 55%, 58% and 72%, respectively, of the assets, net position and revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us and our opinions, insofar as it relates to the amounts included for the Memorial Hospital of Lafayette County are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information for the year ended December 31, 2021 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021, 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended December 31, 2020 (not presented herein) and have issued our report thereon dated August 18, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The accompanying supplementary information for the year ended December 31, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
September 21, 2022

Lafayette County

Statement of Net Position

December 31, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments	\$ 10,733,179	\$ 6,672,542	\$ 17,405,721
Receivables (net of allowance for uncollectibles):			
Taxes	6,373,819	2,415,855	8,789,674
Delinquent taxes	293,089	-	293,089
Accounts	197,113	3,614,586	3,811,699
Other	-	261,494	261,494
Internal balances	139,734	(139,734)	-
Due from other governments	1,151,316	330,920	1,482,236
Amounts receivable to third-party reimbursement programs	-	1,000,000	1,000,000
Inventories	25,411	948,655	974,066
Prepaid items	445,051	562,357	1,007,408
Restricted assets:			
Cash and investments	25,640	60,222	85,862
Net pension asset	2,507,674	4,162,870	6,670,544
Investment in unconsolidated affiliate	-	96,826	96,826
Capital assets:			
Land	188,615	183,186	371,801
Construction in progress	105,568	314,629	420,197
Other capital assets, net of accumulated depreciation	15,600,261	11,463,136	27,063,397
Total assets	37,786,470	31,947,544	69,734,014
Deferred Outflows of Resources			
OPEB related amounts	485,299	962,962	1,448,261
Pension-related amounts	4,265,194	6,928,515	11,193,709
Total deferred outflows of resources	4,750,493	7,891,477	12,641,970
Liabilities			
Accounts payable	406,587	1,051,711	1,458,298
Accrued liabilities	657,802	269,472	927,274
Due to other governments	161,639	-	161,639
Unearned revenue	1,207,469	605,297	1,812,766
Liabilities payable from restricted assets	-	7,166	7,166
Noncurrent liabilities:			
Other post employment benefits	877,620	1,608,463	2,486,083
Due within one year	1,409,010	540,149	1,949,159
Due in more than one year	2,474,353	1,508,344	3,982,697
Total liabilities	7,194,480	5,590,602	12,785,082
Deferred Inflows of Resources			
Unearned revenue	6,378,807	2,415,855	8,794,662
OPEB related amounts	107,030	194,504	301,534
Pension-related amounts	5,481,163	9,129,168	14,610,331
Total deferred inflows of resources	11,967,000	11,739,527	23,706,527

See notes to financial statements

Lafayette County

Statement of Net Position

December 31, 2021

	Primary Government		Total
	Governmental Activities	Business- Type Activities	
Net Position			
Net investment in capital assets	\$ 13,033,578	\$ 11,844,389	\$ 24,877,967
Restricted:			
Grant purposes	1,449	-	1,449
Revolving loans	38,114	-	38,114
Human resources	1,350	-	1,350
Debt service	132,846	-	132,846
Pension	2,507,674	4,162,870	6,670,544
Unrestricted	7,660,472	6,501,633	14,162,105
 Total net position	 \$ 23,375,483	 \$ 22,508,892	 \$ 45,884,375

See notes to financial statements

Lafayette County

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government							
Governmental activities:							
General government	\$ 3,636,758	\$ 764,824	\$ 603,515	\$ -	\$ (2,268,419)	\$ -	\$ (2,268,419)
Public safety	3,479,492	173,452	343,523	-	(2,962,517)	-	(2,962,517)
Public works	550,663	-	-	-	(550,663)	-	(550,663)
Health and human services	5,100,517	619,032	2,879,113	-	(1,602,372)	-	(1,602,372)
Culture, recreation and education	593,050	178,124	6,015	-	(408,911)	-	(408,911)
Conservation and economic development	509,695	66,660	234,551	-	(208,484)	-	(208,484)
Interest and fiscal charges	58,337	-	-	-	(58,337)	-	(58,337)
Total governmental activities	13,928,512	1,802,092	4,066,717	-	(8,059,703)	-	(8,059,703)
Business-Type Activities							
Lafayette Manor	4,536,817	3,643,872	418,850	-	-	(474,095)	(474,095)
Memorial Hospital	24,832,425	24,804,948	4,754,614	-	-	4,727,137	4,727,137
Highway	5,465,766	4,793,271	-	23,387	-	(649,108)	(649,108)
EMS	439,368	111,674	3,150	305,600	-	(18,944)	(18,944)
Total business-type activities	35,274,376	33,353,765	5,176,614	328,987	-	3,584,990	3,584,990
Total	\$ 49,202,888	\$ 35,155,857	\$ 9,243,331	\$ 328,987			
General Revenues							
Taxes:							
Property taxes, levied for general purposes					5,417,506	-	5,417,506
Property taxes, levied for debt service					1,206,440	-	1,206,440
Property taxes, levied for Lafayette Manor					-	275,051	275,051
Property taxes, levied for Highway					-	1,778,067	1,778,067
Sales taxes					1,246,984	-	1,246,984
Other taxes					118,409	-	118,409
Intergovernmental revenues not restricted to specific programs							
Investment income					2,045,294	-	2,045,294
Miscellaneous					299,641	743	300,384
Transfers					419,118	59,941	479,059
					988,137	(988,137)	-
Total general revenues and transfers					11,741,529	1,125,665	12,867,194
Change in net position					3,681,826	4,710,655	8,392,481
Net Position, Beginning					19,693,657	17,798,237	37,491,894
Net Position, Ending					\$ 23,375,483	\$ 22,508,892	\$ 45,884,375

See notes to financial statements

Lafayette County

Balance Sheet, Governmental Funds

December 31, 2021

	<u>General</u>	<u>Human Services</u>	<u>Debt Service Fund</u>
Assets			
Cash and investments	\$ 9,112,660	\$ 100	\$ 132,846
Receivables (net of allowances for uncollectibles):			
Taxes	3,327,101	1,691,084	1,240,943
Delinquent taxes	293,089	-	-
Accounts	25,098	162,656	-
Due from other funds	401,208	-	-
Advance to other funds	139,734	-	-
Due from other governments	781,863	337,923	-
Inventories	-	-	-
Prepaid items	401,978	39,746	-
Restricted assets:			
Cash and investments	-	3,140	-
Total assets	<u>\$ 14,482,731</u>	<u>\$ 2,234,649</u>	<u>\$ 1,373,789</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 306,353	\$ 95,161	\$ -
Accrued liabilities	490,871	30,467	-
Due to other governments	158,499	3,140	-
Due to other funds	-	373,701	-
Unearned revenue	-	-	-
Total liabilities	<u>955,723</u>	<u>502,469</u>	<u>-</u>
Deferred Inflows of Resources			
Unearned revenue	3,327,101	1,691,084	1,240,943
Unavailable revenue	75,897	-	-
Total deferred inflows of resources	<u>3,402,998</u>	<u>1,691,084</u>	<u>1,240,943</u>
Fund Balances			
Nonspendable	611,453	39,746	-
Restricted	45,885	1,350	132,846
Committed	750,000	-	-
Assigned	274,002	-	-
Unassigned	8,442,670	-	-
Total fund balances	<u>10,124,010</u>	<u>41,096</u>	<u>132,846</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,482,731</u>	<u>\$ 2,234,649</u>	<u>\$ 1,373,789</u>

See notes to financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,487,573	\$ 10,733,179
114,691	6,373,819
-	293,089
9,359	197,113
-	401,208
-	139,734
31,530	1,151,316
25,411	25,411
3,327	445,051
<u>22,500</u>	<u>25,640</u>
<u><u>\$ 1,694,391</u></u>	<u><u>\$ 19,785,560</u></u>

\$ 5,073	\$ 406,587
136,464	657,802
-	161,639
27,507	401,208
<u>1,207,469</u>	<u>1,207,469</u>
<u>1,376,513</u>	<u>2,834,705</u>

119,679	6,378,807
-	75,897
<u>119,679</u>	<u>6,454,704</u>

3,327	654,526
39,563	219,644
-	750,000
155,309	429,311
<u>-</u>	<u>8,442,670</u>
<u>198,199</u>	<u>10,496,151</u>

<u><u>\$ 1,694,391</u></u>	<u><u>\$ 19,785,560</u></u>
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See notes to financial statements

Lafayette County

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds \$ 10,496,151

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

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

Land	188,615
Construction in progress	105,568
Other capital assets, net of accumulated depreciation	15,600,261

Some receivables that are not currently available are reported as unavailable revenues
in the fund financial statements but are recognized as revenue when earned in the
government-wide statements. See Note 3. 75,897

The net pension asset does not relate to current financial resources and is not reported
in the governmental funds. 2,507,674

Deferred outflows of resources related to pensions do not relate to current financial
resources and are not reported in the governmental funds. 4,265,194

Deferred outflows of resources related to other post employment liabilities do not
relate to current financial resources and are not reported in the governmental funds. 485,299

Deferred inflows of resources related to pensions do not relate to current financial
resources and are not reported in the governmental funds. (5,481,163)

Deferred inflows of resources related to other post employment liabilities do not
relate to current financial resources and are not reported in the governmental funds. (107,030)

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

Bonds and notes payable	(3,091,577)
Other post-employment benefit liability	(877,620)
Compensated absences	(791,786)

Net Position of Governmental Activities \$ 23,375,483

Lafayette CountyStatement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2021

	<u>General</u>	<u>Human Services</u>	<u>Debt Service Fund</u>
Revenues			
Taxes	\$ 4,919,279	\$ 1,887,744	\$ 1,206,440
Intergovernmental	3,362,645	1,969,035	-
Licenses and permits	83,606	-	-
Fines, forfeitures and penalties	91,150	16,731	-
Public charges for services	947,898	882,988	-
Investment income	177,044	-	-
Miscellaneous	283,818	2,014	-
	<u>9,865,440</u>	<u>4,758,512</u>	<u>1,206,440</u>
Total revenues	9,865,440	4,758,512	1,206,440
Expenditures			
Current:			
General government	3,437,167	-	-
Public safety	4,117,609	-	-
Health and human services	786,054	4,158,831	-
Culture, recreation and education	589,330	-	-
Conservation and economic development	533,108	-	-
Debt service:			
Principal	-	-	1,146,749
Interest and fiscal charges	-	-	58,335
	<u>9,463,268</u>	<u>4,158,831</u>	<u>1,205,084</u>
Total expenditures	9,463,268	4,158,831	1,205,084
Excess (deficiency) of revenues over (under) expenditures	<u>402,172</u>	<u>599,681</u>	<u>1,356</u>
Other Financing Sources (Uses)			
Debt issued	855,000	-	-
Sale of capital assets	26,309	-	-
Transfers in	778,377	-	-
Transfers out	(830,696)	(632,571)	-
	<u>828,990</u>	<u>(632,571)</u>	<u>-</u>
Total other financing sources (uses)	828,990	(632,571)	-
Net change in fund balance	1,231,162	(32,890)	1,356
Fund Balances, Beginning	<u>8,892,848</u>	<u>73,986</u>	<u>131,490</u>
Fund Balances, Ending	<u>\$ 10,124,010</u>	<u>\$ 41,096</u>	<u>\$ 132,846</u>

See notes to financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$ 96,124	\$ 8,109,587
622,435	5,954,115
-	83,606
-	107,881
1,439	1,832,325
2,349	179,393
35,715	321,547
758,062	16,588,454
-	3,437,167
133,544	4,251,153
570,016	5,514,901
-	589,330
15,399	548,507
-	1,146,749
-	58,335
718,959	15,546,142
39,103	1,042,312
-	855,000
-	26,309
25,000	803,377
(95,806)	(1,559,073)
(70,806)	125,613
(31,703)	1,167,925
229,902	9,328,226
\$ 198,199	\$ 10,496,151

See notes to financial statements

Lafayette County

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds \$ 1,167,925

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	780,110
Infrastructure financed by the highway fund	1,743,833
Depreciation is reported in the government-wide statements	(947,952)

Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position.	(47,032)
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Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	3,209
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Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(855,000)
Principal repaid	1,146,749

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Net pension (asset) / liability	1,242,201
Deferred outflows of resources related to pensions	1,209,378
Deferred inflows of resources related to pensions	(1,732,906)
Other post-employment benefit liability	(137,703)
Deferred outflows of resources related to post-employment benefit	47,553
Deferred inflows of resources related to post-employment benefit	6,975
Compensated absences	54,486

Change in Net Position of Governmental Activities \$ 3,681,826

Lafayette CountyStatement of Net Position, Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds				
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	Total
Assets					
Current assets:					
Cash and investments	\$ 1,202,575	\$ 3,086,530	\$ 2,383,437	\$ -	\$ 6,672,542
Taxes receivable	637,788	-	1,778,067	-	2,415,855
Patient receivables, net of estimated uncollectibles	-	3,297,321	-	44,378	3,341,699
Resident receivables, net of estimated uncollectibles	272,887	-	-	-	272,887
Other receivables	-	109,977	151,517	-	261,494
Due from other governments	-	-	330,920	-	330,920
Amounts receivable from third-party reimbursement programs	-	1,000,000	-	-	1,000,000
Inventories	36,575	457,144	454,936	-	948,655
Prepaid items	69,881	439,747	41,275	11,454	562,357
Total current assets	<u>2,219,706</u>	<u>8,390,719</u>	<u>5,140,152</u>	<u>55,832</u>	<u>15,806,409</u>
Noncurrent assets:					
Restricted assets:					
Resident trust funds	7,166	-	-	-	7,166
Restricted donation	53,056	-	-	-	53,056
Net pension asset	740,993	2,909,331	512,546	-	4,162,870
Investment in unconsolidated affiliate	-	96,826	-	-	96,826
Capital assets:					
Land	18,020	109,509	55,657	-	183,186
Construction in progress	-	314,629	-	-	314,629
Depreciable capital assets, net of accumulated depreciation	879,076	5,739,782	4,572,578	271,700	11,463,136
Total noncurrent assets	<u>1,698,311</u>	<u>9,170,077</u>	<u>5,140,781</u>	<u>271,700</u>	<u>16,280,869</u>
Total assets	<u>3,918,017</u>	<u>17,560,796</u>	<u>10,280,933</u>	<u>327,532</u>	<u>32,087,278</u>
Deferred Outflows of Resources					
OPEB related amounts	255,298	516,608	191,037	19	962,962
Pension-related amounts	1,417,538	4,581,138	910,514	19,325	6,928,515
Total deferred outflows of resources	<u>1,672,836</u>	<u>5,097,746</u>	<u>1,101,551</u>	<u>19,344</u>	<u>7,891,477</u>

See notes to financial statements

Lafayette CountyStatement of Net Position, Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds				
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	Total
Liabilities					
Current liabilities:					
Accounts payable	\$ 84,791	\$ 892,894	\$ 71,909	\$ 2,117	\$ 1,051,711
Accrued payroll and fringe benefits	60,139	152,971	41,725	10,386	265,221
Accrued interest	-	4,251	-	-	4,251
Current portion of compensated absences	55,552	323,194	92,872	6,742	478,360
Current portion of capital leases payable	-	61,789	-	-	61,789
Unearned revenue	605,297	-	-	-	605,297
Total current liabilities	<u>805,779</u>	<u>1,435,099</u>	<u>206,506</u>	<u>19,245</u>	<u>2,466,629</u>
Noncurrent liabilities:					
Resident trust funds	7,166	-	-	-	7,166
Compensated absences	190,289	943,471	317,496	2,315	1,453,571
Capital leases payable	-	54,773	-	-	54,773
Advance from other funds	-	-	-	139,734	139,734
Other post employment benefits	392,777	925,287	290,399	-	1,608,463
Total noncurrent liabilities	<u>590,232</u>	<u>1,923,531</u>	<u>607,895</u>	<u>142,049</u>	<u>3,263,707</u>
Total liabilities	<u>1,396,011</u>	<u>3,358,630</u>	<u>814,401</u>	<u>161,294</u>	<u>5,730,336</u>
Deferred Inflows of Resources					
Unearned revenue	637,788	-	1,778,067	-	2,415,855
OPEB related amounts	47,029	112,734	34,741	-	194,504
Pension related amounts	1,760,532	6,188,972	1,179,664	-	9,129,168
Total deferred inflows of resources	<u>2,445,349</u>	<u>6,301,706</u>	<u>2,992,472</u>	<u>-</u>	<u>11,739,527</u>
Net Position					
Net investment in capital assets	897,096	6,047,358	4,628,235	271,700	11,844,389
Restricted for pension	740,993	2,909,331	512,546	-	4,162,870
Unrestricted (deficit)	111,404	4,041,517	2,434,830	(86,118)	6,501,633
Total net position	<u>\$ 1,749,493</u>	<u>\$ 12,998,206</u>	<u>\$ 7,575,611</u>	<u>\$ 185,582</u>	<u>\$ 22,508,892</u>

See notes to financial statements

Lafayette CountyStatement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				Total
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	
Operating Revenues					
Charges for services	\$ 3,568,393	\$ 24,117,755	\$ 4,793,271	\$ 111,674	\$ 32,591,093
Other operating revenue	75,479	687,193	-	-	762,672
Total operating revenues	3,643,872	24,804,948	4,793,271	111,674	33,353,765
Operating Expenses					
Lafayette Manor expenses	4,426,060	-	-	-	4,426,060
Memorial Hospital expenses	-	23,880,432	-	-	23,880,432
Highway expenses	-	-	6,784,305	-	6,784,305
EMS expenses	-	-	-	405,468	405,468
Depreciation	110,757	911,475	425,294	33,900	1,481,426
Total operating expenses	4,536,817	24,791,907	7,209,599	439,368	36,977,691
Operating income (loss)	(892,945)	13,041	(2,416,328)	(327,694)	(3,623,926)
Nonoperating Revenues (Expenses)					
General property taxes	275,051	-	1,778,067	-	2,053,118
Investment income	132	611	-	-	743
Interest expense	-	(40,518)	-	-	(40,518)
Equity in unconsolidated affiliate	-	49,714	-	-	49,714
Contributions	-	2,700	23,387	-	26,087
Intergovernmental grants	418,850	2,750,000	-	3,000	3,171,850
Miscellaneous revenue	-	55,415	-	4,526	59,941
Donations and contributions	-	-	-	150	150
Forgiveness of PPP loan	-	1,952,200	-	-	1,952,200
Total nonoperating revenues	694,033	4,770,122	1,801,454	7,676	7,273,285
Income (loss) before contributions and transfers	(198,912)	4,783,163	(614,874)	(320,018)	3,649,359
Contributions and Transfers					
Contributions	-	-	-	305,600	305,600
Transfers in	325,696	-	480,000	200,000	1,005,696
Transfers out	-	(250,000)	-	-	(250,000)
Total contributions and transfers	325,696	(250,000)	480,000	505,600	1,061,296
Change in net position	126,784	4,533,163	(134,874)	185,582	4,710,655
Net Position, Beginning	1,622,709	8,465,043	7,710,485	-	17,798,237
Net Position, Ending	\$ 1,749,493	\$ 12,998,206	\$ 7,575,611	\$ 185,582	\$ 22,508,892

See notes to financial statements

Lafayette CountyStatement of Cash Flows, Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				Total
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	
Cash Flows From Operating Activities					
Cash received from and on behalf of residents, patients and users	\$ 3,702,714	\$ 25,454,222	\$ 6,301,594	\$ 71,972	\$ 35,530,502
Cash paid to suppliers and contractors for goods and services	(2,134,983)	(12,817,201)	(6,894,487)	(246,872)	(22,093,543)
Cash payments to employees for operating payroll	(2,554,476)	(11,203,837)	(1,487,170)	(167,834)	(15,413,317)
Net cash flows from operating activities	(986,745)	1,433,184	(2,080,063)	(342,734)	(1,976,358)
Cash Flows From Investing Activities					
Investment income	132	611	-	-	743
Net cash flows from investing activities	132	611	-	-	743
Cash Flows From Noncapital Financing Activities					
General property tax revenues	275,051	-	1,778,067	-	2,053,118
Transfers in, lapsing fund	325,696	-	-	-	325,696
Transfers in, operations	-	-	-	200,000	200,000
Transfers in, debt proceeds	-	-	480,000	-	480,000
Advance from the general fund	-	-	-	139,734	139,734
Transfers out, general fund and EMS	-	(250,000)	-	-	(250,000)
Intergovernmental grants and contributions	1,056,638	302,700	-	3,000	1,362,338
Distributions from unconsolidated affiliate	-	21,854	-	-	21,854
Nonoperating income	-	55,415	-	-	55,415
Net cash flows from noncapital financing activities	1,657,385	129,969	2,258,067	342,734	4,388,155
Cash Flows From Capital and Related Financing Activities					
Payments on capital leases	-	(80,044)	-	-	(80,044)
Payments on long-term debt	-	(2,259,634)	-	-	(2,259,634)
Proceeds from sale of capital assets	-	-	23,387	-	23,387
Interest paid	-	(40,518)	-	-	(40,518)
Acquisition of capital assets	(2,256)	(591,646)	(454,670)	-	(1,048,572)
Net cash flows from capital and related financing activities	(2,256)	(2,971,842)	(431,283)	-	(3,405,381)
Net increase (decrease) in cash and cash equivalents	668,516	(1,408,078)	(253,279)	-	(992,841)
Cash and Cash Equivalents, Beginning	<u>594,281</u>	<u>4,494,608</u>	<u>2,636,716</u>	<u>-</u>	<u>7,725,605</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,262,797</u>	<u>\$ 3,086,530</u>	<u>\$ 2,383,437</u>	<u>\$ -</u>	<u>\$ 6,732,764</u>

See notes to financial statements

Lafayette CountyStatement of Cash Flows, Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities					
Operating income (loss)	\$ (892,945)	\$ 13,041	\$ (2,416,328)	\$ (327,694)	\$ (3,623,926)
Nonoperating income	-	-	-	4,676	4,676
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	110,757	911,475	425,294	33,900	1,481,426
Provision for bad debts	-	268,241	-	-	268,241
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Patient receivables, net	-	(703,174)	-	(44,378)	(747,552)
Resident receivables, net	92,885	-	-	-	92,885
Other receivable	-	(32,552)	(54,072)	-	(86,624)
Amounts receivable from third-party reimbursement programs	-	1,385,000	-	-	1,385,000
Inventories	-	(98,245)	(14,970)	-	(113,215)
Prepaid items	2,255	(72,707)	780	(11,454)	(81,126)
Accounts payable	13,933	362,462	(66,198)	2,117	312,314
Accrued payroll and fringe benefits	(50,040)	30,952	2,557	10,386	(6,145)
Due to/from other governments	-	-	203,436	-	203,436
Resident trust funds	(1,551)	-	-	-	(1,551)
Compensated absences	(104,803)	258,489	(73,941)	9,057	88,802
Pension-related amounts	(209,753)	(998,929)	(150,044)	(19,325)	(1,378,051)
Other post employment benefit items	85,008	109,131	63,423	(19)	257,543
Unearned revenue	(32,491)	-	-	-	(32,491)
Net cash flows from operating activities	<u>\$ (986,745)</u>	<u>\$ 1,433,184</u>	<u>\$ (2,080,063)</u>	<u>\$ (342,734)</u>	<u>\$ (1,976,358)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds					
Cash and investments	\$ 1,202,575	\$ 3,086,530	\$ 2,383,437	\$ -	\$ 6,672,542
Restricted assets, donations	53,056	-	-	-	53,056
Restricted assets, resident trust funds	7,166	-	-	-	7,166
Cash and Cash Equivalents, Ending	<u>\$ 1,262,797</u>	<u>\$ 3,086,530</u>	<u>\$ 2,383,437</u>	<u>\$ -</u>	<u>\$ 6,732,764</u>

Noncash Investing, Capital and Financing Activities

The County received EMS assets of \$554,000 and related accumulated depreciation of \$248,400 resulting in a \$305,600 contribution

In 2021, the PPP loan was forgiven for the hospital in the amount of \$1,952,000. The equity in the unconsolidated affiliate was \$49,714.

See notes to financial statements

Lafayette County

Statement of Fiduciary Net Position

Custodial Funds

December 31, 2021

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 157,528
Total assets	<u>157,528</u>
Liabilities	
Accounts payable	1
Due to other governments	121,521
Held for inmates	<u>36,006</u>
Total liabilities	<u>157,528</u>
Net Position	
Restricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

Lafayette County

Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended December 31, 2021

	Custodial Funds
Additions	
Fines and forfeitures, traffic, bonds and other court items	\$ 924,141
Inmate deposits	139,979
Intergovernmental	31,625
Miscellaneous	117,176
Investment income (loss)	7
	<hr/>
Total additions	1,212,928
	<hr/>
Deductions	
Intergovernmental	111,712
Disposition of court collections	924,141
Trials expenditures	39,627
Funds released to former inmates	137,448
	<hr/>
Total deductions	1,212,928
	<hr/>
Change in fiduciary net position	-
	<hr/>
Net Position, Beginning	-
	<hr/>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

Lafayette County

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December 31, 2021

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Lafayette County

Notes to Financial Statements
December 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Lafayette County

Notes to Financial Statements
December 31, 2021

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% 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.

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** is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for human services related programs.
- **Debt Service Fund** is used to account for and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs.

The County reports the following major enterprise funds:

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

The County reports the following nonmajor governmental funds:

- **Special Revenue Funds** is 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
 - American Rescue Plan Act (ARPA)
 - Revolving Loan
- **Capital Improvement Fund** accounts for and reports resources to be used for the acquisition or construction of major capital facilities.

Lafayette County

Notes to Financial Statements
December 31, 2021

The County reports the EMS fund as a nonmajor enterprise fund. This fund accounts for EMS services provided to the County.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

Lafayette County

Notes to Financial Statements

December 31, 2021

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

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

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

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

All Financial Statements

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

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

Deposits and Investments

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

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

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

Lafayette County

Notes to Financial Statements
December 31, 2021

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3. for further information.

Receivables

Property Taxes

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

Property tax calendar - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale, 2021 delinquent real estate taxes	October 2024

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

Lafayette County

Notes to Financial Statements
December 31, 2021

The portion of County property taxes receivable at December 31, 2021, 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 \$209,423.

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

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

Interfund Transactions

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

Sales Taxes

The County has a 0.5% 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, 2021, the County has accrued two months of subsequent year's collections as receivable.

Loans

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

Lafayette County

Notes to Financial Statements
December 31, 2021

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 \$1,468,549 from the Title XIX residents in 2021. These revenues are subject to audit and retroactive adjustment by the Medical Assistance Programs. Resident accounts receivable also includes amounts receivable for services rendered to residents under the Medicare Program. The Nursing Home reported revenues of approximately \$1,234,093 from the Medicare Program in 2021. These revenues are subject to audit and retroactive adjustment by the Medicare Program. All receivables are considered to be collectable in the following year.

Memorial Hospital

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

Net Patient Service Revenue

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

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Lafayette County

Notes to Financial Statements
December 31, 2021

Capital Assets

Government-Wide Statements

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

Fund Financial Statements

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

Deferred Outflows of Resources

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

Compensated Absences

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

Lafayette County

Notes to Financial Statements
December 31, 2021

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. See Note 3 for the total compensated absences liability (sick and vacation) as of December 31, 2021.

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, 2021 are determined on the basis of current salary rates and include salary related payments. All vested vacation and sick leave pay is accrued when incurred in the County's financial statements.

Long-Term Obligations

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

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

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

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

Net position is classified and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Lafayette County

Notes to Financial Statements
December 31, 2021

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

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the County. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

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

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

The stabilization fund is contained as a committed balance within the general fund and is included in each annual budget. The stabilization fund shall not be used except in the following circumstances: 1) externally imposed reductions in revenue due to: a) reductions in revenue support from other governments, b) user fees or c) dramatic and immediate changes in economic or financial condition of Lafayette County (i.e. reduction in sales tax, interest income or property taxes) or 2) unforeseen external factors such as a natural disaster which results in an unforeseen and dramatic increase in, and it must have a financial impact whereby due to the immediate (current budget year) and severe impact of these reductions, the actual expenditures exceed revenues in the general fund by at least 7.2%, 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 3.

Lafayette County

Notes to Financial Statements
December 31, 2021

Charity Care

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

Pension

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

Postemployment Benefits Other than Pensions (OPEB)

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

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for all funds with the exception of the ARPA fund and the EMS fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Appropriations

	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
Funds:			
Aging	\$ 323,177	\$ 388,344	\$ 65,167
Human Services	4,435,138	4,791,402	356,264

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.

Lafayette County

Notes to Financial Statements

December 31, 2021

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.

3. Detailed Notes on All Funds

Deposits and Investments

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

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

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Deposits	\$ 17,433,778	\$ 18,004,300	Custodial Credit
LGIP	44,903	44,903	Credit
Certificates of deposit (nonnegotiable)	22,500	22,500	Custodial Credit
Petty cash	1,670	-	N/A
Cash on hand	146,260	-	N/A
	<u> </u>	<u> </u>	
Total cash and investments	<u>\$ 17,649,111</u>	<u>\$ 18,071,703</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 17,405,721		
Restricted cash and investments	85,862		
Per statement of fiduciary net position:			
Custodial funds	<u>157,528</u>		
	<u> </u>		
Total cash and investments	<u>\$ 17,649,111</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 been considered in computing the custodial credit risk.

The County maintains collateral agreements with its banks. At December 31, 2021, the banks had pledged various government securities of \$23,919,020 to secure the County's deposits.

Lafayette County

Notes to Financial Statements
December 31, 2021

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.

Credit Risk

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

At December 31, 2021, the County had investments in the following external pool which is not rated:

Local Government Investment Pool

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

Charity Care

The estimated cost of providing care to patients under the Hospital's charity care policy was approximately \$122,000 in 2021. The cost was calculated by multiplying the ratio of cost to gross charges for the Hospital times the gross uncompensated charges associated with providing the charity care.

Receivables

Receivables not expected to be collected within one year include \$293,089 of delinquent taxes in the general fund.

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

Human services, accounts receivable	\$	118,348
Lafayette Manor Nursing Home, resident accounts receivable		46,124
EMS, accounts receivable		45,091
Memorial Hospital of Lafayette County, allowance for uncollectible accounts		470,000
Memorial Hospital of Lafayette County, contractual adjustments		<u>2,250,000</u>
Total uncollectibles December 31, 2021	\$	<u><u>2,929,563</u></u>

Lafayette County

Notes to Financial Statements
December 31, 2021

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 6,378,807	\$
Unspent American Rescue Plan funds*	1,207,469	
Delinquent property taxes receivable		<u>75,897</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,586,276</u>	<u>\$ 75,897</u>

*Unearned revenue included in liabilities

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, 2021, delinquent property taxes by year levied consists of the following:

Tax Certificates:	
2020	\$ 182,286
2019	77,467
2018	31,197
2017	1,951
2016	<u>189</u>
Total delinquent property taxes receivable	293,089
Less January and February 2022 collections	<u>(7,770)</u>
Subtotal	285,319
County levied portion	<u>(75,897)</u>
County purchased portion	<u>\$ 209,423</u>

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

	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ 2,415,855
Unspent grant funds	<u>605,297</u>
Total unearned revenue for enterprise funds	<u>\$ 3,021,152</u>
Unearned revenue included in deferred inflows	\$ 2,415,855
Unearned revenue in current liabilities	<u>605,297</u>
Total	<u>\$ 3,021,152</u>

Net Patient Service Revenue

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

Hospital Services**Medicare**

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

Medicaid

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

Other Payors

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

Clinic Services

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

Accounting for Contractual Arrangements

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

Lafayette County

Notes to Financial Statements

December 31, 2021

Net patient service revenue consisted of the following:

Gross patient revenue:	
Inpatient services	\$ 6,911,481
Outpatient services	29,044,314
Other services	<u>8,111,294</u>
Total gross patient service revenue	44,067,089
Less:	
Contractual adjustments	19,681,093
Provision for bad debts	<u>268,241</u>
Net patient service revenue	<u>\$ 24,117,755</u>

The following table reflects the approximate portion of gross patient service revenue provided to patients whose bills were paid in full or in part by the following programs or third-party payors, which are considered to be the significant sources of revenue for the Hospital for the year ended December 31, 2021:

Medicare and Medicare Advantage Plans	54 %
Medicaid and Medicaid Health Maintenance Organization (HMO) Plans	9
Other third-party payors	35
Private pay	<u>2</u>
Total	<u>100 %</u>

COVID 19 – Hospital/Manor

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

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

Through December 31, 2020, the Hospital received approximately \$4,640,000 in funding from these programs and deferred recognition of \$2,450,000 of funds received based on the current terms and conditions of the programs. Funding was received from multiple sources, including but not limited to approximately \$4,441,000 of provider relief funds from the HHS Coronavirus Aid, Relief, and Economic Security (CARES) Act.

During 2021, the Hospital received \$300,000 of additional funding from these programs and has recognized these funds, as well as the \$2,450,000 of unearned revenue from 2020, as grant revenue in the accompanying statements of revenue, expenses and changes in net position in 2021.

Lafayette County

Notes to Financial Statements
December 31, 2021

These funds are subject to various financial and compliance guidelines for intended uses as published by the federal and state governments. Management is continuing to monitor compliance with the terms and conditions of the Provider Relief Fund as new guidance and clarification is released from HHS and other agencies.

In addition, the Hospital received \$1,952,200 of funding from the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) in the form of a loan as part of the CARES Act. The Hospital applied for full loan forgiveness and received notice of forgiveness on May 6, 2021, and thus recognized forgiveness of the PPP loan as nonoperating revenue in the accompanying statements of revenue, expenses and changes in net position as of December 31, 2021.

During 2021, the Manor received \$605,297 in grant funding related to the pandemic. This is being reported as unearned revenue as of December 31, 2021.

Restricted Assets

Human Services has restricted assets in the amount of \$3,140. 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 \$60,222. \$7,166 represents residents' funds held for safekeeping by the Nursing Home. The funds are maintained in individual savings accounts and the balance in a checking account. All interest earned is added to the respective resident's balance. \$53,056 represents a donation to the nursing home that can only be spent on specific items.

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

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balances since this balance must be used to fund employee benefits. The governmental activities report a net pension asset of \$2,507,674. The business-type activities report a net pension asset of \$4,162,870.

Lafayette County

Notes to Financial Statements
December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 188,615	\$ -	\$ -	\$ 188,615
Construction in process	158,988	66,903	120,323	105,568
Total capital assets not being depreciated	<u>347,603</u>	<u>66,903</u>	<u>120,323</u>	<u>294,183</u>
Capital assets being depreciated:				
Buildings and improvements	3,276,189	88,617	-	3,364,806
Machinery and equipment	2,343,169	811,816	141,292	3,013,692
Infrastructure	24,504,365	1,676,930	536,783	25,644,512
Total capital assets being depreciated	<u>30,123,722</u>	<u>2,577,363</u>	<u>678,075</u>	<u>32,023,010</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,482,612)	(88,994)	-	(1,571,606)
Machinery and equipment	(1,597,831)	(355,327)	141,292	(1,811,866)
Infrastructure	(13,025,397)	(503,631)	489,751	(13,039,277)
Total accumulated depreciation	<u>(16,105,840)</u>	<u>(947,952)</u>	<u>631,043</u>	<u>(16,422,749)</u>
Net capital assets being depreciated	<u>14,017,882</u>	<u>1,629,411</u>	<u>47,032</u>	<u>15,600,261</u>
Total governmental activities capital assets, net of depreciation	<u>\$ 14,365,485</u>	<u>\$ 1,696,314</u>	<u>167,355</u>	<u>15,894,444</u>

Depreciation expense was charged to functions as follows:

General government	\$ 101,782
Public safety	274,476
Public works	503,631
Health and human services	55,965
Culture, recreation and education	4,559
Conservation and development	7,539
Total governmental activities depreciation expense	<u>\$ 947,952</u>

Lafayette County

Notes to Financial Statements
December 31, 2021

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Highway				
Capital assets not being depreciated:				
Land	\$ 55,657	\$ -	\$ -	\$ 55,657
Total capital assets not being depreciated	<u>55,657</u>	<u>-</u>	<u>-</u>	<u>55,657</u>
Capital assets being depreciated:				
Land improvements	258,723	-	-	258,723
Buildings and improvements	2,336,378	-	-	2,336,378
Machinery and equipment	<u>8,526,899</u>	<u>538,400</u>	<u>376,131</u>	<u>8,689,168</u>
Total capital assets being depreciated	<u>11,122,000</u>	<u>538,400</u>	<u>376,131</u>	<u>11,284,269</u>
Less accumulated depreciation for:				
Land improvements	(109,593)	(9,881)	-	(119,420)
Buildings and improvements	(1,183,973)	(63,969)	-	(1,247,996)
Machinery and equipment	<u>(5,285,232)</u>	<u>(351,444)</u>	<u>292,401</u>	<u>(5,344,275)</u>
Total accumulated depreciation	<u>(6,578,798)</u>	<u>(425,294)</u>	<u>292,401</u>	<u>(6,711,691)</u>
Net capital assets being depreciated	<u>4,543,202</u>	<u>113,106</u>	<u>83,730</u>	<u>4,572,578</u>
Total highway capital assets, net of depreciation	<u>\$ 4,598,859</u>	<u>\$ 113,106</u>	<u>83,730</u>	<u>\$ 4,628,235</u>

Lafayette County

Notes to Financial Statements
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lafayette Manor				
Capital assets not being depreciated:				
Land	\$ 18,020	\$ -	\$ -	\$ 18,020
Total capital assets not being depreciated	<u>18,020</u>	<u>-</u>	<u>-</u>	<u>18,020</u>
Capital assets being depreciated:				
Land improvements	61,615	-	-	61,615
Buildings and improvements	1,754,984	-	-	1,754,984
Machinery and equipment	<u>1,386,900</u>	<u>2,256</u>	<u>-</u>	<u>1,389,156</u>
Total capital assets being depreciated	<u>3,203,499</u>	<u>2,256</u>	<u>-</u>	<u>3,205,755</u>
Less accumulated depreciation for:				
Land improvements	(42,531)	(2,523)	-	(45,054)
Buildings and improvements	(1,109,814)	(62,554)	-	(1,172,368)
Machinery and equipment	<u>(1,063,577)</u>	<u>(45,680)</u>	<u>-</u>	<u>(1,109,257)</u>
Total accumulated depreciation	<u>(2,215,922)</u>	<u>(110,757)</u>	<u>-</u>	<u>(2,326,679)</u>
Net capital assets being depreciated	<u>987,577</u>	<u>(108,501)</u>	<u>-</u>	<u>879,076</u>
Total manor capital assets, net of depreciation	<u>\$ 1,005,597</u>	<u>\$ (108,501)</u>	<u>\$ -</u>	<u>\$ 897,096</u>

Lafayette County

Notes to Financial Statements
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
EMS				
Capital assets being depreciated:				
Buildings and improvements	\$ -	\$ 90,000	\$ -	\$ 90,000
Machinery and equipment	-	464,000	-	464,000
 Total capital assets being depreciated	 -	 554,000	 -	 554,000
Less accumulated depreciation for:				
Building and improvements	-	1,800	-	1,800
Machinery and equipment	-	280,500	-	280,500
 Total accumulated depreciation	 -	 282,300	 -	 282,300
 Total EMS capital assets, net of depreciation	 \$ -	 \$ 271,700	 \$ -	 \$ 271,700

* Includes current year depreciation expense of \$33,900.

Lafayette County

Notes to Financial Statements
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Memorial Hospital				
Capital assets not being depreciated:				
Land	\$ 106,159	\$ 3,350	\$ -	\$ 109,509
Construction work in progress	221,911	283,179	190,461	314,629
Total capital assets not being depreciated	<u>328,070</u>	<u>286,529</u>	<u>190,461</u>	<u>424,138</u>
Capital assets being depreciated:				
Land improvements	239,674	11,566	-	251,240
Buildings	10,037,091	-	-	10,037,091
Machinery and equipment	7,685,165	484,012	-	8,169,177
Total capital assets being depreciated	<u>17,961,930</u>	<u>495,578</u>	<u>-</u>	<u>18,457,508</u>
Less accumulated depreciation for:				
Land improvements	(99,972)	(11,250)	-	(111,222)
Buildings	(6,353,097)	(319,044)	-	(6,672,141)
Machinery and equipment	(5,353,182)	(581,181)	-	(5,934,363)
Total accumulated depreciation	<u>(11,806,251)</u>	<u>(911,475)</u>	<u>-</u>	<u>(12,717,726)</u>
Net capital assets being depreciated	<u>6,155,679</u>	<u>(415,897)</u>	<u>-</u>	<u>5,739,782</u>
Total hospital capital assets, net of depreciation	<u>\$ 6,483,749</u>	<u>\$ (129,368)</u>	<u>\$ 190,461</u>	<u>\$ 6,163,920</u>
Total business-type capital assets, net of depreciation	<u>\$ 12,088,205</u>	<u>\$ 146,937</u>	<u>\$ 274,191</u>	<u>\$ 11,960,951</u>
Depreciation expense was charged to functions as follows:				
Business-Type activities:				
Lafayette Manor				\$ 110,757
EMS				33,900
Memorial Hospital				911,475
Highway				<u>425,294</u>
Total business-type activities depreciation expense				<u>\$ 1,481,426</u>

Lafayette County

Notes to Financial Statements
December 31, 2021

Interfund Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Human services	\$ 632,571	Lapsing fund
Highway	General fund	480,000	Capital asset purchases
Lafayette Manor	General fund	325,696	Lapsing fund
General fund	Aging	95,806	Funding purposes
EMS	Memorial Hospital	200,000	Start-up funding
General fund	Memorial Hospital	50,000	Budgeted transfer
Revolving loan	General fund	25,000	Loan funding
	Subtotal, fund financial statements	1,809,073	
	Governmental activities infrastructure paid by highway enterprise fund	1,743,833	
	Less GASB 34 eliminations	(1,611,392)	
	Less fund eliminations	(953,377)	
	Total transfers, government-wide statement of activities	\$ 988,137	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 1,793,833	
Business-type activities	Governmental activities	(805,696)	
	Total	\$ 988,137	

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

Lafayette County

Notes to Financial Statements

December 31, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt from direct borrowings and direct placement	<u>\$ 3,383,326</u>	<u>\$ 855,000</u>	<u>\$ 1,146,749</u>	<u>\$ 3,091,577</u>	<u>\$ 1,190,523</u>
Other liabilities:					
Vested compensated absences	<u>846,272</u>	<u>199,623</u>	<u>254,109</u>	<u>791,786</u>	<u>218,487</u>
Total other liabilities	<u>846,272</u>	<u>199,623</u>	<u>254,109</u>	<u>791,786</u>	<u>218,487</u>
Total governmental activities long-term liabilities	<u>\$ 4,229,598</u>	<u>\$ 1,054,623</u>	<u>\$ 1,400,858</u>	<u>\$ 3,883,363</u>	<u>\$ 1,409,010</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt from direct borrowings and direct placement	<u>\$ 4,211,834</u>	<u>\$ -</u>	<u>\$ 4,211,834</u>	<u>\$ -</u>	<u>\$ -</u>
Other liabilities:					
Vested compensated absences	<u>1,783,748</u>	<u>296,607</u>	<u>148,424</u>	<u>1,931,931</u>	<u>478,360</u>
Capital leases	<u>196,606</u>	<u>1,796</u>	<u>81,840</u>	<u>116,562</u>	<u>61,789</u>
Total other liabilities	<u>1,980,354</u>	<u>298,403</u>	<u>230,264</u>	<u>2,048,493</u>	<u>540,149</u>
Total business-type activities long-term liabilities	<u>\$ 6,192,188</u>	<u>\$ 298,403</u>	<u>\$ 4,442,098</u>	<u>\$ 2,048,493</u>	<u>\$ 540,149</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, 2021, was \$68,210,550. Total general obligation debt outstanding at year-end was \$3,091,577.

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

Lafayette County

Notes to Financial Statements

December 31, 2021

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Governmental Activities					
General obligation debt:					
Promissory notes	1/28/2015	1/15/2025	2.29%	\$ 550,000	\$ 184,826
Promissory notes	12/30/2015	12/30/2025	2.29%	2,400,000	1,074,912
Promissory notes	12/20/2018	12/18/2028	2.74%	681,020	495,842
Promissory notes	12/13/2019	12/13/2029	1.96%	421,300	343,461
Promissory notes	12/15/2020	12/15/2022	0.77%	75,000	37,635
Promissory notes	12/15/2020	12/15/2022	0.77%	100,000	50,180
Promissory notes	12/15/2020	1/15/2022	0.75%	245,000	18,886
Promissory notes	12/15/2020	1/15/2022	0.75%	400,000	30,835
Promissory notes	12/14/2021	1/14/2023	0.75%	480,000	480,000
Promissory notes	12/14/2021	12/14/2023	0.77%	375,000	375,000
Total					<u>\$ 3,091,577</u>

Debt service requirements to maturity are as follows:

	Governmental Activities Notes from Direct Borrowings and Direct Placements	
	Principal	Interest
Years ending December 31:		
2022	\$ 1,190,523	\$ 49,236
2023	658,456	35,488
2024	443,320	24,561
2025	395,858	14,614
2026	116,022	8,341
2027-2029	287,398	8,485
	<u>\$ 3,091,577</u>	<u>\$ 199,057</u>

The County's outstanding debt from direct placements related to governmental activities \$3,091,577 contain provisions that in an event of default, lender may collect a delinquency charge of 5% of the unpaid amount. Unpaid principal and interest bear interest after maturity until paid at the rate which would otherwise be applicable plus 5 percentage points per year.

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
December 31, 2021

Lease Disclosures

Lessee – Capital Leases

The future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2021, are as follows:

	Business-Type	
	Principal	Interest
Years ending December 31, 2021	\$ 61,789	\$ 3,627
2022	18,595	1,000
2023	19,025	570
2024	17,187	139
Total	<u>\$ 116,562</u>	<u>\$ 5,336</u>

Lessee – Operating Leases

The Hospital has entered into a number of operating lease agreements for equipment with unrelated parties. Rental expense totaled \$349,621 in 2021.

Lessor – Capital Leases

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

Lessor – Operating Leases

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

Net Position/Fund Balances

Governmental activities net position reported on the government-wide statement of net position at December 31, 2021 includes the following:

Governmental Activities

Net investment in capital assets:	
Land	\$ 188,615
Construction in process	105,568
Other capital assets, net of accumulated depreciation	15,600,261
Less long-term debt outstanding	(3,091,577)
Add unspent bond proceeds	45,855
Add noncapital debt outstanding	184,826
Total net investment in capital assets	<u>\$ 13,033,578</u>

Lafayette County

Notes to Financial Statements
December 31, 2021

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	General Fund	Human Services	Debt Service	Nonmajor Funds	Total
Fund Balances Nonspendable:					
Delinquent taxes receivable	\$ 209,423	\$ -	\$ -	\$ -	\$ 209,423
Prepaid items	402,030	39,746	-	3,327	445,103
Restricted:					
Donations	-	1,350	-	-	1,350
Unspent bond proceeds	45,885	-	-	-	45,885
Revolving loan	-	-	-	38,114	38,114
ARPA	-	-	-	1,449	1,449
Debt service	-	-	132,846	-	132,846
Committed:					
Stabilization fund	750,000	-	-	-	750,000
Assigned:					
Fund balance applied to the 2022 budget	74,002	-	-	-	74,002
Capital projects	-	-	-	155,309	155,309
Human services	200,000	-	-	-	200,000
Unassigned	<u>8,442,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,442,670</u>
Total fund balances	<u>\$ 10,124,010</u>	<u>\$ 41,096</u>	<u>\$ 132,846</u>	<u>\$ 198,199</u>	<u>\$ 10,496,151</u>

Business-Type Activities

Net investment in capital assets:

Land	\$ 183,186
Construction in process	314,629
Other capital assets, net of accumulated depreciation	11,463,136
Less related long-term debt and capital leases outstanding	<u>(116,562)</u>
Total net investment in capital assets	11,844,389
Restricted for pension	4,162,870
Unrestricted	<u>6,501,633</u>
Total business-type activities, net position	<u>\$ 22,508,892</u>

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Vesting

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

Benefits Provided

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

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

The WRS also provides death and disability benefits for employees.

Lafayette County

Notes to Financial Statements

December 31, 2021

Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	(1.2)%	11.0%
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

Contributions

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

During the reporting period, the WRS recognized \$1,264,659 in contributions from the County.

Contribution rates as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

Lafayette County

Notes to Financial Statements

December 31, 2021

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

At December 31, 2021, the County reported a liability (asset) of \$(6,670,544) for its proportionate share of the net pension asset. The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the County's proportion was 0.10684600%, which was an increase of 0.00338136% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the County recognized pension expense of (\$777,376).

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,654,325	\$ 2,079,524
Changes of actuarial assumptions	151,300	-
Net differences between project and actual investment		
Earnings on pension plan investment	-	12,523,403
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,462	7,404
Employer contributions subsequent to the measurement date	<u>1,335,622</u>	<u>-</u>
Total	<u>\$ 11,193,709</u>	<u>\$ 14,610,331</u>

\$1,335,622 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources (Net)
2022	\$ (1,220,324)
2023	(324,543)
2024	(2,255,097)
2025	(952,280)

Lafayette County

Notes to Financial Statements

December 31, 2021

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Postretirement Adjustments*:	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4.0	5.8	3.3
Total Core Fund	115.0	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0	7.1	4.6

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

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

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

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

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
County's proportionate share of the net pension (asset) liability	\$ 6,349,433	\$ (6,670,544)	\$ (16,233,620)

Pension Plan Fiduciary Net Position

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

At December 31, 2021, the County reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

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

Wisconsin County Mutual Insurance Corporation

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

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

Summary financial information of WCMIC as of December 31, 2021 can be obtained directly from WCMIC's offices.

Commitments and Contingencies

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

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

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

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

Nursing Home

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

The Nursing Home recorded revenues of approximately \$418,850 in 2021 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

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December 31, 2021

Hospital

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

Other Postemployment Benefits (OPEB)

Plan Description

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

Benefits Provided

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

Employees Covered by Benefit Terms

At December 30, 2021, the following employees were covered by the benefit terms:

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

Total OPEB Liability

Lafayette County's total OPEB liability of \$1,042,407 was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2021.

Lafayette County

Notes to Financial Statements
December 31, 2021

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

Salary Increases:	
Inflation	3.0%
Merit	0.5%-4.8%

Health and Dental Cost

	Annual Pre Medicare-Trend Rate	
	Medical	Dental
Years ending December 31:		
2021	6.00%	5.00%
2022	5.50	5.00
2023	5.00	5.00
2024	4.90	4.90
2025	4.80	4.80
2030	4.40	4.40
2040	4.50	4.50
2050	4.60	4.60
2060	4.40	4.40
2070	4.00	4.00
Ultimate (2074)	3.70	3.70
Discount rate	2.12%	
Mortality	Wisconsin 2018 Mortality Table	
Actuarial assumptions	Based on an experience study using WRS experience from 2015-2017	
Retirees' share of benefit, related costs	100%	

The 2.12% discount rate used to measure the total OPEB liability was determined by the actuary at Bond Buyer 20-Bond Go index for a 20-year AA municipal bond as of December 31, 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2020	\$ 1,009,401
Changes for the year:	
Service cost	76,156
Interest	28,231
Differences between expected and actual experience	-
Changes in assumptions	39,817
Benefit payments	(111,198)
Net changes	33,006
Balance at December 31, 2021	\$ 1,042,407

Lafayette County

Notes to Financial Statements

December 31, 2021

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

The following presents the total OPEB liability Lafayette County, as well as what the Lafayette County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	<u>1% Decrease (1.12%)</u>	<u>Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB liability	\$ 1,109,683	\$ 1,042,407	\$ 978,960

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 937,757	\$ 1,042,407	\$ 1,169,063

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

For the year ended December 31, 2021, Lafayette County recognized OPEB expense of \$109,966. At December 31, 2021, Lafayette County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in actuarial assumptions	\$ 175,681	\$ 133,591
Employer contributions, subsequent to the measurement date	111,199	-
Total	<u>\$ 286,880</u>	<u>\$ 133,591</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$111,199, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2022.

Lafayette County

Notes to Financial Statements
December 31, 2021

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

	Net Deferred Outflows (Inflows) of Resources (Net)
Years ending December 31"	
2022	\$ 5,579
2023	5,579
2024	5,579
2025	5,579
2026	3,785
Thereafter	15,989

Local Retiree Life Insurance Fund (LRIF)

Plan Description

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

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

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

Vesting

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

Benefits Provided

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

Contributions

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

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

Lafayette County

Notes to Financial Statements

December 31, 2021

Contribution rates for the plan year reported as of December 31, 2021 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

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

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

Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$5,233 in contributions from the employer.

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

At December 31, 2021, the County reported a liability of \$1,443,676 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the County's proportion was 0.26245200%, which was an increase of 0.02289900% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the County recognized OPEB expense of \$282,793. The County recognized total health and life insurance OPEB expense of \$392,759 in 2021.

Lafayette County

Notes to Financial Statements
December 31, 2021

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 68,887
Net differences between projected and actual earnings on OPEB plan investments	21,020	-
Changes in assumptions	561,609	99,056
Changes in proportion and differences between employer contributions and proportionate share of contributions	573,699	-
Employer contributions subsequent to the measurement date	5,053	-
	<u>\$ 1,161,381</u>	<u>\$ 167,943</u>
Total		

\$5,053 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years Ending December 31:	
2022	\$ 188,696
2023	186,423
2024	184,081
2025	177,012
2026	193,724
Thereafter	58,449
	<u>\$ 988,385</u>
Total	

Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority / Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Lafayette County

Notes to Financial Statements

December 31, 2021

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Long Credit Bonds	Barclays Long Credit	5	2.90
U.S. Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20%, respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Single Discount Rate

A single discount rate of 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Lafayette County

Notes to Financial Statements

December 31, 2021

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

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

The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 2.25%, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
The County's proportionate share of the net OPEB liability	\$ 1,963,811	\$ 1,443,676	\$ 1,050,312

OPEB Plan Fiduciary Net Position

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

Joint Ventures

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

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

Financial information of the commission as of December 31, 2021 is available directly from the commission's office.

Related Organizations

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

Economic Dependency

In 2021, approximately 67% of Nursing Home resident days were the responsibility of the Title XVIII (Medicare) or Title XIX (Medical Assistance) programs that are funded by the United States government and the State of Wisconsin.

Concentration of Credit Risk

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

Lafayette County

Notes to Financial Statements

December 31, 2021

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

Medicare and Medicare advantage plans	45 %
Medicaid and Medicaid HMO Plans	10
Other third-party payors	43
Private pay	<u>2</u>
Total	<u>100 %</u>

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32.*

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

Subsequent Events

Subsequent to year end, the hospital purchased land for approximately \$870,000 for construction of a replacement hospital. In addition, the hospital is in the process of securing financing for the construction costs related to the replacement hospital. The hospital is working with the United States Departments of Agriculture (USDA) to secure approximately \$46,000,000 through the USDA Rural Housing Service Community Facility Direct loan program. An additional \$5,000,000 of financing has been obligated through the USDA Community Facility Guaranteed Loan program. The Hospital has also been approved to receive a \$4,000,000 grant from the State of Wisconsin – American Rescue Plan Act of 2021 and has applied for an additional \$1,000,000 from the Emergency Rural Health Care Grant Program.

Subsequent to year end, the hospital entered into a \$75,000 commitment to be paid over three years with Southwest Wisconsin Technical College Foundation. The funding will be used to enhance the nursing program at Southwest Wisconsin Technical College, as well as, assist with recruiting for nurses at the Hospital.

REQUIRED SUPPLEMENTARY INFORMATION

Lafayette County

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 3,432,777	\$ 3,432,777	\$ 3,433,338	\$ 561
Interest on taxes	127,000	127,000	120,548	(6,452)
Real estate transfer	6,000	6,000	97,058	91,058
Forest cropland	400	400	868	468
Payment in lieu of taxes	12,000	12,000	-	(12,000)
County sales tax	834,120	834,120	1,247,114	412,994
Land use penalty	-	-	20,353	20,353
	<u>4,412,297</u>	<u>4,412,297</u>	<u>4,919,279</u>	<u>506,982</u>
Total taxes				
Intergovernmental				
Shared taxes from state	1,971,466	1,971,466	1,975,371	3,905
Exempt computer aid	3,002	3,002	3,002	-
Personal property aid	45,462	45,462	45,462	-
Circuit court	68,076	68,076	78,489	10,413
DWD state grant	151,000	151,000	162,225	11,225
Land info board grant	111,760	111,760	119,520	7,760
State fair grants	4,500	4,500	4,404	(96)
DNR trails	16,000	16,000	36,658	20,658
Other DNR	-	-	77,141	77,141
Veterans service	20,500	20,500	8,500	(12,000)
DATCP, LWRM	181,434	181,434	157,743	(23,691)
DOJ training reimbursement	23,193	23,193	82,454	59,261
DOJ crime victim witness	25,870	25,870	25,355	(515)
Other DOJ grants	105,438	105,438	152,028	46,590
Department of military affairs	41,900	41,900	51,326	9,426
Interpreter reimbursement	8,469	8,469	9,294	825
Department of administration	-	-	33,973	33,973
Health grants	62,000	62,000	338,089	276,089
Other miscellaneous grants	77,203	77,203	1,611	(75,592)
	<u>2,917,273</u>	<u>2,917,273</u>	<u>3,362,645</u>	<u>445,372</u>
Total intergovernmental				

See notes to required supplementary information

Lafayette County

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Licenses and Permits				
Marriage licenses and divorce mediation	\$ 2,000	\$ 2,000	\$ 4,700	\$ 2,700
License plates	-	-	2,346	2,346
Sanitary permits	-	-	25,100	25,100
Conditional use/rezoning permits	25,000	25,000	17,648	(7,352)
Mine reclamation	5,470	5,470	5,470	-
Other licenses and permits	9,538	9,538	28,342	18,804
	<u>42,008</u>	<u>42,008</u>	<u>83,606</u>	<u>41,598</u>
Total licenses and permits				
Fines, Forfeitures and Penalties				
County ordinances, forfeitures and defaults	84,069	84,069	61,553	(22,516)
County share of state fines	-	-	29,597	29,597
	<u>84,069</u>	<u>84,069</u>	<u>91,150</u>	<u>7,081</u>
Total fines, forfeitures and penalties				
Public Charges for Services				
General government	3,060	3,060	2,455	(605)
Child support	3,150	3,150	2,203	(947)
Circuit court	47,000	47,000	104,123	57,123
Clerk of courts	39,435	39,435	37,583	(1,852)
Coroner	4,500	4,500	4,700	200
County clerk	20,650	20,650	19,400	(1,250)
Sheriff and jail fees	154,900	154,900	291,233	136,333
District attorney	3,000	3,000	9,291	6,291
Fair	126,500	126,500	184,174	57,674
Land conservation	14,600	14,600	15,609	1,009
Land information fees	34,277	34,277	50,260	15,983
Parks and trails	2,200	2,200	2,200	-
Planning and zoning	13,000	13,000	500	(12,500)
Public health	144,490	144,490	101,492	(42,998)
Register of deeds	124,000	124,000	119,548	(4,452)
Treasurer	-	-	476	476
UW extension	14,235	14,235	2,527	(11,708)
Veterans	100	100	124	24
	<u>749,097</u>	<u>749,097</u>	<u>947,898</u>	<u>198,801</u>
Total public charges for services				

See notes to required supplementary information

Lafayette County

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Investment Income				
Investment income	\$ 90,263	\$ 90,263	\$ 177,044	\$ 86,781
Miscellaneous				
Rent on buildings	48,895	48,895	58,439	9,544
Rent on other property	10,000	10,000	3,001	(6,999)
Insurance recoveries	7,300	7,300	52,074	44,774
Fair donations	-	-	1,267	1,267
Other donations	15,500	15,500	3,333	(12,167)
WCMIC dividend	28,000	28,000	17,358	(10,642)
Sale of property/assets	25,000	25,000	1,340	(23,660)
Workman's compensation discount	303,000	303,000	136,452	(166,548)
Miscellaneous	29,000	29,000	10,554	(18,446)
Total miscellaneous	466,695	466,695	283,818	(182,877)
Total revenues	\$ 8,761,702	\$ 8,761,702	\$ 9,865,440	\$ 1,103,738

See notes to required supplementary information

Lafayette County

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
General Government				
County board	\$ 88,060	\$ 88,060	\$ 103,057	\$ (14,997)
District attorney	101,949	101,949	98,138	3,811
Family court commissioner	13,000	13,000	13,170	(170)
Circuit court	245,117	245,117	278,968	(33,851)
Clerk of court	207,533	207,533	205,562	1,971
Other court	135,650	135,650	115,086	20,564
Administrator	13,880	13,880	96	13,784
County buildings-operations and maintenance	287,927	287,927	400,145	(112,218)
Child support	183,930	183,930	189,724	(5,794)
County clerk	161,395	161,395	162,752	(1,357)
County treasurer	245,141	245,141	242,441	2,700
Coroner	37,790	37,790	30,613	7,177
County website	4,100	4,100	3,500	600
Elections	27,359	27,359	23,333	4,026
Finance	237,700	237,700	264,536	(26,836)
Indirect cost plan	4,390	4,390	4,390	-
Labor relations	46,150	46,150	19,213	26,937
Land information	238,019	238,019	222,284	15,735
Land use value penalty	1,500	1,500	10,177	(8,677)
Maps and plats	2,500	2,500	2,714	(214)
County fleet	122,384	122,384	10,034	112,350
County K building	13,800	13,800	18,884	(5,084)
Network administration	498,374	498,374	609,558	(111,184)
Personnel	525,272	525,272	175,500	349,772
Postage	1,662	1,662	719	943
Property and liability insurance	28,502	28,502	30,732	(2,230)
Register of deeds	170,018	170,018	200,421	(30,403)
Special accounting and auditing	32,500	32,500	23,290	9,210
Telephone	20,082	20,082	16,132	3,950
Health insurance	-	-	(11,523)	11,523
Other benefits	280,000	280,000	(26,479)	306,479
Miscellaneous	1,100	1,100	-	1,100
Total general government	3,976,784	3,976,784	3,437,167	539,617

See notes to required supplementary information

Lafayette County

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Safety				
Crime victim/witness	\$ 53,502	\$ 53,502	\$ 59,103	\$ (5,601)
Sheriff administration	2,089,346	2,089,346	2,528,957	(439,611)
Jail	1,447,113	1,447,113	1,402,711	44,402
EMS	17,002	17,002	17,002	-
Emergency government	99,916	99,916	101,647	(1,731)
SARA	18,860	18,860	8,189	10,671
Jail improvement	19,300	19,300	-	19,300
Total public safety	<u>3,745,039</u>	<u>3,745,039</u>	<u>4,117,609</u>	<u>(372,570)</u>
Health and Human Services				
County nurse	561,515	561,515	699,660	(138,145)
Electronic health records	85,358	85,358	79,438	5,920
Personnel	-	-	233	(233)
Veterans' relief and care of veterans' graves	5,000	5,000	1,169	3,831
Veterans' service grant	8,500	8,500	5,554	2,946
Total health and social services	<u>660,373</u>	<u>660,373</u>	<u>786,054</u>	<u>(125,681)</u>
Culture, Recreation and Education				
County extension programs	45,211	45,211	45,049	162
Workshops	1,250	1,250	1,446	(196)
Agriculture agent	47,080	47,080	41,378	5,702
Library	237,680	237,680	213,201	24,479
Family living agent	19,432	19,432	7,296	12,136
Fairs and exhibits	203,720	203,720	207,525	(3,805)
4-H agent	53,130	53,130	42,962	10,168
Snowmobile trails	19,795	19,795	27,527	(7,732)
ATV	1,510	1,510	3,347	(1,837)
Sunshine fund	300	300	(401)	701
Total culture, recreation and education	<u>629,108</u>	<u>629,108</u>	<u>589,330</u>	<u>39,778</u>

See notes to required supplementary information

Lafayette County

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Conservation and Economic Development				
Land conservation	\$ 252,837	\$ 252,837	\$ 270,942	\$ (18,105)
Land conservation, cost share	15,000	15,000	14,351	649
Land conservation, LWRM cost share	80,000	80,000	59,871	20,129
Fish and game habitat	4,000	4,000	-	4,000
Wildlife damage program	10,000	10,000	9,691	309
Economic development	1,600	1,600	41,070	(39,470)
Lafayette development corp	71,504	71,504	25,542	45,962
Regional planning	17,150	17,150	17,150	-
Industrial development	3,500	3,500	5,620	(2,120)
Planning and zoning	59,032	59,032	88,832	(29,800)
FPP-technical assist	-	-	39	(39)
	<u>514,623</u>	<u>514,623</u>	<u>533,108</u>	<u>(18,485)</u>
Total conservation and economic development				
	<u>514,623</u>	<u>514,623</u>	<u>533,108</u>	<u>(18,485)</u>
Total expenditures	<u>9,525,927</u>	<u>9,525,927</u>	<u>9,463,268</u>	<u>62,659</u>
Excess (deficiency) of revenues over expenditures	<u>(764,225)</u>	<u>(764,225)</u>	<u>402,172</u>	<u>1,166,397</u>
Other Financing Sources (Uses)				
Debt issued	425,000	425,000	855,000	430,000
Sale of capital assets	-	-	26,309	26,309
Transfers in	-	-	778,377	778,377
Transfers out	-	-	(830,696)	(830,696)
	<u>425,000</u>	<u>425,000</u>	<u>828,990</u>	<u>403,990</u>
Total other financing sources (uses)				
	<u>425,000</u>	<u>425,000</u>	<u>828,990</u>	<u>403,990</u>
Net change in fund balance	(339,225)	(339,225)	1,231,162	1,570,387
Fund Balance, Beginning	<u>8,892,848</u>	<u>8,892,848</u>	<u>8,892,848</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,553,623</u>	<u>\$ 8,553,623</u>	<u>\$ 10,124,010</u>	<u>\$ 1,570,387</u>

See notes to required supplementary information

Lafayette County

Human Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,887,744	\$ 1,887,744	\$ 1,887,744	\$ -
Intergovernmental	1,709,144	1,709,144	1,969,035	259,891
Fines, forfeitures and penalties	10,000	10,000	16,731	6,731
Public charges for services	827,500	827,500	882,988	55,488
Miscellaneous	750	750	2,014	1,264
Total revenues	<u>4,435,138</u>	<u>4,435,138</u>	<u>4,758,512</u>	<u>323,374</u>
Expenditures				
Health and human services	<u>4,435,138</u>	<u>4,435,138</u>	<u>4,158,831</u>	<u>276,307</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>599,681</u>	<u>599,681</u>
Other Financing Uses				
Transfer out	<u>-</u>	<u>-</u>	<u>(632,571)</u>	<u>(632,571)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(632,571)</u>	<u>(632,571)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(32,890)</u>	<u>(32,890)</u>
Fund Balance, Beginning	<u>73,986</u>	<u>73,986</u>	<u>73,986</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 73,986</u>	<u>\$ 73,986</u>	<u>\$ 41,096</u>	<u>\$ (32,890)</u>

See notes to required supplementary information

Lafayette County

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
 Wisconsin Retirement System
 Year Ended December 31, 2021

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.09041769 %	\$ (2,220,906)	\$ 12,001,154	-18.51 %	102.74 %
12/31/16	0.08972445 %	1,458,005	11,935,302	12.22 %	98.20 %
12/31/17	0.08891082 %	732,837	12,029,374	6.09 %	99.12 %
12/31/18	0.09302513 %	(2,762,026)	14,309,142	-19.30 %	102.93 %
12/31/19	0.09814190 %	3,491,581	14,921,093	23.40 %	96.45 %
12/31/20	0.10346464 %	(3,336,172)	15,645,403	21.32 %	102.96 %
12/31/21	0.10684600 %	(6,670,544)	17,372,577	38.40 %	105.26 %

Schedule of Employer Contributions - Wisconsin Retirement System
 Year Ended December 31, 2021

Village Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 854,910	\$ 854,910	\$ -	\$ 11,935,302	7.16 %
12/31/16	837,752	837,752	-	12,023,064	6.97 %
12/31/17	1,038,141	1,038,141	-	14,309,142	7.26 %
12/31/18	1,070,074	1,070,074	-	14,921,094	7.17 %
12/31/19	1,095,941	1,095,941	-	15,625,168	7.01 %
12/31/20	1,266,874	1,266,874	-	17,373,578	7.29 %
12/31/21	1,335,622	1,335,622	-	18,310,890	7.29 %

Schedule of Proportionate Share of the Net Life Insurance OPEB Liability - Local Retiree Life Insurance Fund
 Year Ended December 31, 2021

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/20	0.23955300%	\$ 1,020,063	\$ 12,448,000	8.19%	37.58%
12/31/21	0.26245200%	1,443,676	13,712,000	10.53%	31.36%

Schedule of Employer Contributions - Local Retiree Life Insurance Fund
 Year Ended December 31, 2021

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/20	\$ 5,349	\$ 5,349	\$ -	\$ 15,030,328	0.04%
12/31/21	5,053	5,053	-	14,198,588	0.04%

See notes to required supplementary information

Lafayette County

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

December 31, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Measurement Date	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Total OPEB Liability				
Service cost	\$ 68,127	\$ 74,740	\$ 72,718	\$ 76,156
Interest	37,627	35,621	40,939	28,231
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	170,152	-
Changes of assumptions	19,743	(40,589)	(140,666)	39,817
Benefit payments	(92,000)	(92,000)	(117,883)	(111,198)
OPEB liability	33,497	(22,228)	25,260	33,006
Total OPEB Liability, Beginning	<u>972,872</u>	<u>1,006,369</u>	<u>984,141</u>	<u>1,009,401</u>
Total OPEB Liability, Ending	<u>\$ 1,006,369</u>	<u>\$ 984,141</u>	<u>\$ 1,009,401</u>	<u>\$ 1,042,407</u>
Covered-Employee Payroll	\$ 14,064,014	\$ 15,625,168	\$ 17,373,578	\$ 18,310,890
Total OPEB Liability as a Percentage of Covered Employee Payroll	7.16%	6.30%	5.81%	5.69%

Notes to Schedule:

Benefit changes . There were no changes to the benefits.

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

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

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

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

Valuation Date:

December 31, 2020

Methods and assumptions used to determine the total OPEB liability:

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

Other Information:

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

Note: This schedule is to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information

Lafayette County

Notes to Required Supplementary Information
December 31, 2021

1. Budgetary Information

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

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

Wisconsin Retirement System

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

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

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

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

Local Retiree Life Insurance Fund

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

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

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

Changes in assumptions. The *Single Discount Rate* assumption used to develop the Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional details.

SUPPLEMENTARY INFORMATION

Lafayette County

Combining Balance Sheet, Nonmajor Governmental Funds
December 31, 2021

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Aging Fund	ARPA	Revolving Loan	Capital Improvement	
Assets					
Cash and investments	\$ 100	\$ 1,316,550	\$ 15,614	\$ 155,309	\$ 1,487,573
Taxes receivable	114,691	-	-	-	114,691
Accounts receivable	9,359	-	-	-	9,359
Due from other governments	31,530	-	-	-	31,530
Inventories	-	25,411	-	-	25,411
Prepaid items	3,327	-	-	-	3,327
Restricted assets:					
Cash and investments	-	-	22,500	-	22,500
Total assets	\$ 159,007	\$ 1,341,961	\$ 38,114	\$ 155,309	\$ 1,694,391
Liabilities, Deferred Inflows Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 5,073	\$ -	\$ -	\$ -	\$ 5,073
Accrued liabilities	3,421	133,043	-	-	136,464
Due to other funds	27,507	-	-	-	27,507
Unearned revenue	-	1,207,469	-	-	1,207,469
Total liabilities	36,001	1,340,512	-	-	1,376,513
Deferred inflows of resources:					
Unearned revenue	119,679	-	-	-	119,679
Total deferred inflows of resources	119,679	-	-	-	119,679
Fund balances:					
Nonspendable	3,327	-	-	-	3,327
Restricted	-	1,449	38,114	-	39,563
Assigned	-	-	-	155,309	155,309
Total fund balances	3,327	1,449	38,114	155,309	198,199
Total liabilities, deferred inflows of resources and fund balances	\$ 159,007	\$ 1,341,961	\$ 38,114	\$ 155,309	\$ 1,694,391

Lafayette County

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Aging Fund	ARPA	Revolving Loan	Capital Improvement	
Revenues					
Taxes	\$ 96,124	\$ -	\$ -	\$ -	\$ 96,124
Intergovernmental	211,413	411,022	-	-	622,435
Public charges for services	1,439	-	-	-	1,439
Investment income	-	1,449	900	-	2,349
Miscellaneous	25,715	-	10,000	-	35,715
Total revenues	334,691	412,471	10,900	-	758,062
Expenditures					
Current:					
Public safety	-	133,544	-	-	133,544
Health and human services	292,538	277,478	-	-	570,016
Conservation and economic development	-	-	15,399	-	15,399
Total expenditures	292,538	411,022	15,399	-	718,959
Excess (deficiency) of revenues over expenditures	42,153	1,449	(4,499)	-	39,103
Other Financing Sources					
Transfers in	-	-	25,000	-	25,000
Transfers out	(95,806)	-	-	-	(95,806)
Total other financing sources	(95,806)	-	25,000	-	(70,806)
Excess (deficiency) of revenues over (under) expenditures	(53,653)	1,449	20,501	-	(31,703)
Fund Balances, Beginning	56,980	-	17,613	155,309	229,902
Fund Balances, Ending	\$ 3,327	\$ 1,449	\$ 38,114	\$ 155,309	\$ 198,199

Lafayette County

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2021

	Custodial Funds						Total Custodial Funds
	Sheriff Commissary	Clerk of Court	DMV Vehicle Service	Bond Trust	Project DARE	Tri-County Trails Commission	
Assets							
Cash and investments	\$ 36,006	\$ 127,596	\$ 9,277	\$ 1	\$ 2,130	\$ (17,482)	\$ 157,528
Total assets	36,006	127,596	9,277	1	2,130	(17,482)	157,528
Liabilities							
Accounts payable	-	-	-	1	-	-	1
Due to other governmental units	-	127,596	9,277	-	2,130	(17,482)	121,521
Held for inmates	36,006	-	-	-	-	-	36,006
Total liabilities	36,006	127,596	9,277	1	2,130	(17,482)	157,528
Net Position							
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Lafayette County

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended December 31, 2021

	Custodial Funds						
	Sheriff Commissary	Clerk of Court	DMV Vehicle Service	Bond Trust	Project DARE	Tri-County Trails Commission	Total Custodial Funds
Additions							
Fines and forfeitures, traffic, bonds and other court items	\$ -	\$ 924,141	\$ -	\$ -	\$ -	\$ -	\$ 924,141
Inmate deposits	137,448	-	-	2,531	-	-	139,979
Intergovernmental	-	-	-	-	-	31,625	31,625
Miscellaneous	-	-	109,181	-	-	7,995	117,176
Investment income (loss)	-	-	-	-	-	7	7
Total additions	<u>137,448</u>	<u>924,141</u>	<u>109,181</u>	<u>2,531</u>	<u>-</u>	<u>39,627</u>	<u>1,212,928</u>
Deductions							
Intergovernmental	-	-	109,181	2,531	-	-	111,712
Disposition of court collections	-	924,141	-	-	-	-	924,141
Trails expenditures	-	-	-	-	-	39,627	39,627
Funds released to former inmates	137,448	-	-	-	-	-	137,448
Total deductions	<u>137,448</u>	<u>924,141</u>	<u>109,181</u>	<u>2,531</u>	<u>-</u>	<u>39,627</u>	<u>1,212,928</u>
Change in fiduciary net position	-	-	-	-	-	-	-
Net Position, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Lafayette Manor Nursing Home of Lafayette CountyStatements of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets:		
Cash and investments	\$ 1,202,575	\$ 532,641
Taxes receivable	637,788	275,051
Resident receivables, net of estimated uncollectibles	272,887	365,772
Inventories	36,575	36,575
Prepaid items	69,881	72,136
	<u>2,219,706</u>	<u>1,282,175</u>
Total current assets		
Noncurrent assets:		
Restricted assets:		
Resident trust funds	7,166	8,717
Restricted donation	53,056	52,923
Net pension asset	740,993	405,367
Capital assets:		
Land	18,020	18,020
Depreciable capital assets, net of accumulated depreciation	879,076	987,577
	<u>1,698,311</u>	<u>1,472,604</u>
Total noncurrent assets		
Total assets		
	<u>3,918,017</u>	<u>2,754,779</u>
Deferred Outflows of Resources		
OPEB related amounts	255,298	225,752
Pension related amounts	1,417,538	1,061,371
	<u>1,672,836</u>	<u>1,287,123</u>
Total deferred outflows of resources		
Liabilities		
Current liabilities:		
Accounts payable	84,791	70,858
Accrued payroll and fringe benefits	60,139	34,683
Current portion compensated absences	55,552	81,914
Unearned revenue	605,297	130,259
	<u>805,779</u>	<u>317,714</u>
Total current liabilities		
Noncurrent liabilities:		
Resident trust funds	7,166	8,717
Compensated absences	190,289	213,967
Other post-employment benefits	392,777	307,769
	<u>590,232</u>	<u>530,453</u>
Total noncurrent liabilities		
Total liabilities		
	<u>1,396,011</u>	<u>848,167</u>
Deferred Inflows of Resources		
Unearned revenue	637,788	275,051
OPEB related amounts	47,029	47,499
Pension related amounts	1,760,532	1,248,476
	<u>2,445,349</u>	<u>1,571,026</u>
Total deferred inflows of resources		
Net Position		
Net investment in capital assets	897,096	1,005,597
Restricted for pension	740,993	405,367
Unrestricted	111,404	211,745
	<u>1,749,493</u>	<u>1,622,709</u>
Total net position		

Lafayette Manor Nursing Home of Lafayette County

Statements of Revenues, Expenses and Changes in Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Daily resident service revenue, net	\$ 3,568,393	\$ 3,995,663
Other operating revenue	75,479	72,793
Total operating revenues	<u>3,643,872</u>	<u>4,068,456</u>
Operating Expenses		
Daily patient services	2,093,124	2,550,825
Support and special services	427,783	592,803
General services	1,277,557	1,171,424
Administrative services	627,596	652,231
Depreciation	110,757	118,727
Total operating expenses	<u>4,536,817</u>	<u>5,086,010</u>
Operating loss	<u>(892,945)</u>	<u>(1,017,554)</u>
Nonoperating Revenues		
General property taxes	275,051	387,200
Intergovernmental grants	418,850	860,460
Gain (loss) on disposal of capital asset	-	(7,289)
Investment income	132	134
Donations	-	50
Total nonoperating revenues	<u>694,033</u>	<u>1,240,555</u>
Income (loss) before transfers	<u>(198,912)</u>	<u>223,001</u>
Transfers		
Transfers in	325,696	8,232
Transfers out	-	(87,007)
Total transfers	<u>325,696</u>	<u>(78,775)</u>
Change in net position	126,784	144,226
Net Position, Beginning	<u>1,622,709</u>	<u>1,478,483</u>
Net Position, Ending	<u>\$ 1,749,493</u>	<u>\$ 1,622,709</u>

Lafayette Manor Nursing Home of Lafayette County

Statements of Cash Flows
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Cash received from and on behalf of residents	\$ 3,702,714	\$ 4,045,757
Cash paid to suppliers and contractors for goods and services	(2,134,983)	(2,281,466)
Cash payments to employees for operating payroll	(2,554,476)	(2,725,074)
	<u>(986,745)</u>	<u>(960,783)</u>
Net cash flows from operating activities		
Cash Flows From Investing Activities		
Investment income	<u>132</u>	<u>134</u>
Cash Flows From Noncapital Financing Activities		
General property tax revenues	275,051	387,200
Intergovernmental grants	1,056,638	860,460
Transfers in	325,696	8,232
Transfers out	<u>-</u>	<u>(87,007)</u>
Net cash flows from noncapital financing activities	<u>1,657,385</u>	<u>1,168,885</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	<u>(2,256)</u>	<u>(42,543)</u>
Net cash flows from capital and related financing activities	<u>(2,256)</u>	<u>(42,543)</u>
Net change in cash and cash equivalents	668,516	165,693
Cash and Cash Equivalents, Beginning	<u>594,281</u>	<u>428,588</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,262,797</u>	<u>\$ 594,281</u>

Lafayette Manor Nursing Home of Lafayette County

Statements of Cash Flows
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities		
Operating loss	\$ (892,945)	\$ (1,017,554)
Nonoperating income	-	50
Adjustments to reconcile operating loss to: Net cash flows from operating activities:		
Depreciation	110,757	118,727
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Resident receivables, net	92,885	(26,042)
Inventories	-	(9,208)
Prepaid items	2,255	(15,272)
Accounts payable	13,933	(12,357)
Accrued payroll and fringe benefits	(50,040)	(20,112)
Resident trust funds	(1,551)	3,293
Pension related amounts	(209,753)	(181,631)
OPEB related amounts	85,008	176,198
Compensated absences	(104,803)	23,125
Compensated absences	(32,491)	-
	<u>\$ (986,745)</u>	<u>\$ (960,783)</u>
Net cash flows from operating activities		
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and investments	\$ 1,202,575	\$ 532,641
Restricted assets, donations	53,056	52,923
Restricted assets, resident trust funds	7,166	8,717
	<u>\$ 1,262,797</u>	<u>\$ 594,281</u>
Cash and Cash Equivalents, Ending		
Noncash Investing, Capital and Financing Activities		
None		