

Lafayette County

Financial Statements and
Supplementary Information

December 31, 2022

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, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Memorial Hospital of Lafayette County, a major fund of the County, which represents 58%, 61% and 68%, 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, 2022 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, 2022 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, 2022, 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, 2022.

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, 2021 (not presented herein) and have issued our report thereon dated September 21, 2022, 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, 2021 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 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 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, 2021.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
September 20, 2023

Lafayette County

Statement of Net Position

December 31, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments	\$ 11,756,684	\$ 2,018,682	\$ 13,775,366
Receivables (net of allowance for uncollectibles):			
Taxes	6,136,904	2,976,171	9,113,075
Delinquent taxes	298,903	-	298,903
Accounts	428,520	4,146,838	4,575,358
Other	-	78,200	78,200
Internal balances	458,987	(458,987)	-
Due from other governments	1,044,073	682,227	1,726,300
Amounts receivable to third-party reimbursement programs	-	1,574,000	1,574,000
Inventories	-	1,094,842	1,094,842
Prepaid items	379,421	489,301	868,722
Restricted assets:			
Cash and investments	26,828	60,382	87,210
Net pension asset	3,092,762	5,817,921	8,910,683
Investment in unconsolidated affiliate	-	118,962	118,962
Capital assets:			
Land	188,615	1,055,493	1,244,108
Construction in progress	1,612,891	2,894,761	4,507,652
Other capital assets, net of accumulated depreciation	15,943,329	11,305,189	27,248,518
Total assets	41,367,917	33,853,982	75,221,899
Deferred Outflows of Resources			
OPEB related amounts	523,434	941,054	1,464,488
Pension-related amounts	6,455,817	10,952,757	17,408,574
Total deferred outflows of resources	6,979,251	11,893,811	18,873,062
Liabilities			
Accounts payable	559,788	2,013,917	2,573,705
Accrued liabilities	504,578	406,796	911,374
Due to other governments	55,653	-	55,653
Unearned revenue	2,405,042	8,272	2,413,314
Liabilities payable from restricted assets	-	7,477	7,477
Noncurrent liabilities:			
Other post employment benefits	971,069	1,782,526	2,753,595
Due within one year	1,426,728	534,316	1,961,044
Due in more than one year	2,480,650	1,530,168	4,010,818
Total liabilities	8,403,508	6,283,472	14,686,980
Deferred Inflows of Resources			
Unearned revenue	6,136,904	2,976,171	9,113,075
OPEB related amounts	140,020	227,553	367,573
Pension-related amounts	7,694,940	13,293,595	20,988,535
Total deferred inflows of resources	13,971,864	16,497,319	30,469,183

See notes to financial statements

Lafayette County

Statement of Net Position

December 31, 2022

	Primary Government		Total
	Governmental Activities	Business- Type Activities	
Net Position			
Net investment in capital assets	\$ 15,171,883	\$ 14,007,376	\$ 29,179,259
Restricted:			
Grant purposes	27,251	-	27,251
Human resources	63,719	-	63,719
Debt service	133,941	-	133,941
Pension	3,092,762	5,817,921	8,910,683
Unrestricted	7,482,240	3,141,705	10,623,945
Total net position	<u>\$ 25,971,796</u>	<u>\$ 22,967,002</u>	<u>\$ 48,938,798</u>

See notes to financial statements

Lafayette County

Statement of Activities

Year Ended December 31, 2022

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	\$ 3,667,127	\$ 721,932	\$ 700,987	\$ -	\$ (2,244,208)	\$ -	\$ (2,244,208)
Public safety	3,586,851	152,379	253,731	-	(3,180,741)	-	(3,180,741)
Public works	455,624	-	-	-	(455,624)	-	(455,624)
Health and human services	6,001,469	702,660	3,216,829	-	(2,081,980)	-	(2,081,980)
Culture, recreation and education	555,041	163,623	5,915	-	(385,503)	-	(385,503)
Conservation and economic development	412,633	67,169	289,921	-	(55,543)	-	(55,543)
Interest and fiscal charges	49,445	-	-	-	(49,445)	-	(49,445)
Total governmental activities	14,728,190	1,807,763	4,467,383	-	(8,453,044)	-	(8,453,044)
Business-Type Activities							
Lafayette Manor	5,885,156	3,896,842	895,897	-	-	(1,092,417)	(1,092,417)
Memorial Hospital	25,524,162	26,527,634	52,314	-	-	1,055,786	1,055,786
Highway	6,064,932	4,420,314	-	-	-	(1,644,618)	(1,644,618)
EMS	472,419	401,129	163,613	52,894	-	145,217	145,217
Total business-type activities	37,946,669	35,245,919	1,111,824	52,894	-	(1,536,032)	(1,536,032)
Total	\$ 52,674,859	\$ 37,053,682	\$ 5,579,207	\$ 52,894			
General Revenues							
Taxes:							
Property taxes, levied for general purposes					5,133,633	-	5,133,633
Property taxes, levied for debt service					1,240,943	-	1,240,943
Property taxes, levied for Lafayette Manor					-	637,788	637,788
Property taxes, levied for Highway					-	1,778,067	1,778,067
Sales taxes					1,332,578	-	1,332,578
Other taxes					84,450	-	84,450
Intergovernmental revenues not restricted to specific programs							
					2,076,285	-	2,076,285
Investment income					324,519	449	324,968
Gain (loss) on disposal of capital assets					-	2,067	2,067
Miscellaneous					376,434	56,286	432,720
Transfers					480,515	(480,515)	-
Total general revenues and transfers					11,049,357	1,994,142	13,043,499
Change in net position					2,596,313	458,110	3,054,423
Net Position, Beginning					23,375,483	22,508,892	45,884,375
Net Position, Ending					\$ 25,971,796	\$ 22,967,002	\$ 48,938,798

See notes to financial statements

Lafayette County

Balance Sheet - Governmental Funds

December 31, 2022

	<u>General</u>	<u>Human Services</u>	<u>ARPA</u>
Assets			
Cash and investments	\$ 8,941,748	\$ 63,829	\$ 2,451,353
Receivables (net of allowances for uncollectibles):			
Taxes	3,031,581	1,762,214	-
Delinquent taxes	298,903	-	-
Accounts	26,150	395,200	-
Due from other funds	285,275	-	-
Advance to other funds	458,987	-	-
Due from other governments	659,076	345,768	-
Prepaid items	336,671	38,379	-
Restricted assets:			
Cash and investments	-	4,328	-
	<u>\$ 14,038,391</u>	<u>\$ 2,609,718</u>	<u>\$ 2,451,353</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 321,642	\$ 206,901	\$ 19,060
Accrued liabilities	459,124	32,720	-
Due to other governments	51,325	4,328	-
Due to other funds	-	263,695	-
Unearned revenue	-	-	2,405,042
	<u>832,091</u>	<u>507,644</u>	<u>2,424,102</u>
Deferred Inflows of Resources			
Unearned revenue	3,031,581	1,762,214	-
Unavailable revenue	80,265	237,752	-
	<u>3,111,846</u>	<u>1,999,966</u>	<u>-</u>
Fund Balances			
Nonspendable	1,009,053	38,379	-
Restricted	369,030	63,729	27,251
Committed	750,000	-	-
Assigned	1,137,592	-	-
Unassigned	6,828,779	-	-
	<u>10,094,454</u>	<u>102,108</u>	<u>27,251</u>
Total fund balances	<u>10,094,454</u>	<u>102,108</u>	<u>27,251</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,038,391</u>	<u>\$ 2,609,718</u>	<u>\$ 2,451,353</u>

See notes to financial statements

<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 133,941	\$ 165,813	\$ 11,756,684
1,219,218	123,891	6,136,904
-	-	298,903
-	7,170	428,520
-	-	285,275
-	-	458,987
-	39,229	1,044,073
-	4,371	379,421
-	22,500	26,828
<u>\$ 1,353,159</u>	<u>\$ 362,974</u>	<u>\$ 20,815,595</u>
\$ -	\$ 12,185	\$ 559,788
-	12,734	504,578
-	-	55,653
-	21,580	285,275
-	-	2,405,042
-	46,499	3,810,336
1,219,218	123,891	6,136,904
-	-	318,017
<u>1,219,218</u>	<u>123,891</u>	<u>6,454,921</u>
-	4,371	1,051,803
133,941	-	593,951
-	32,904	782,904
-	155,309	1,292,901
-	-	6,828,779
<u>133,941</u>	<u>192,584</u>	<u>10,550,338</u>
<u>\$ 1,353,159</u>	<u>\$ 362,974</u>	<u>\$ 20,815,595</u>

See notes to financial statements

Lafayette County

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2022

Total Fund Balances, Governmental Funds	\$ 10,550,338
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	1,612,891
Other capital assets, net of accumulated depreciation	15,943,329
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.	318,017
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	3,092,762
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	6,455,817
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.	523,434
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(7,694,940)
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.	(140,020)
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	(3,068,244)
Other post-employment benefit liability	(971,069)
Compensated absences	(839,134)
Net Position of Governmental Activities	\$ 25,971,796

See notes to financial statements

Lafayette CountyStatement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2022

	<u>General</u>	<u>Human Services</u>	<u>ARPA</u>
Revenues			
Taxes	\$ 4,829,875	\$ 1,691,083	\$ -
Intergovernmental	3,314,857	2,196,041	420,918
Licenses and permits	148,707	-	-
Fines, forfeitures and penalties	90,551	11,907	-
Public charges for services	813,850	865,525	-
Investment income	213,015	-	25,802
Miscellaneous	307,987	63,375	-
	<u>9,718,842</u>	<u>4,827,931</u>	<u>446,720</u>
Total revenues	<u>9,718,842</u>	<u>4,827,931</u>	<u>446,720</u>
Expenditures			
Current:			
General government	4,049,014	-	-
Public safety	3,911,640	-	251,035
Health and human services	718,924	5,022,929	169,883
Culture, recreation and education	591,155	-	-
Conservation and economic development	406,314	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<u>9,677,047</u>	<u>5,022,929</u>	<u>420,918</u>
Total expenditures	<u>9,677,047</u>	<u>5,022,929</u>	<u>420,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,795</u>	<u>(194,998)</u>	<u>25,802</u>
Other Financing Sources (Uses)			
Debt issued	1,167,070	-	-
Transfers in	169,003	256,010	-
Transfers out	(1,407,424)	-	-
	<u>(71,351)</u>	<u>256,010</u>	<u>-</u>
Total other financing sources (uses)	<u>(71,351)</u>	<u>256,010</u>	<u>-</u>
Net change in fund balance	(29,556)	61,012	25,802
Fund Balances, Beginning	<u>10,124,010</u>	<u>41,096</u>	<u>1,449</u>
Fund Balances, Ending	<u>\$ 10,094,454</u>	<u>\$ 102,108</u>	<u>\$ 27,251</u>

See notes to financial statements

Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,240,943	\$ 114,691	\$ 7,876,592
-	225,423	6,157,239
-	-	148,707
-	-	102,458
-	3,578	1,682,953
-	714	239,531
-	35,271	406,633
1,240,943	379,677	16,614,113
-	-	4,049,014
-	-	4,162,675
-	321,416	6,233,152
-	-	591,155
-	13,424	419,738
1,190,403	-	1,190,403
49,445	-	49,445
1,239,848	334,840	16,695,582
1,095	44,837	(81,469)
-	-	1,167,070
-	-	425,013
-	(49,003)	(1,456,427)
-	(49,003)	135,656
1,095	(4,166)	54,187
132,846	196,750	10,496,151
\$ 133,941	\$ 192,584	\$ 10,550,338

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, 2022

Net Change in Fund Balances, Total Governmental Funds \$ 54,187

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	1,360,393
Infrastructure financed by the highway fund	1,511,929
Depreciation is reported in the government-wide statements	(1,021,931)

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. 242,120

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	(1,167,070)
Principal repaid	1,190,403

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	585,088
Deferred outflows of resources related to pensions	2,190,623
Deferred inflows of resources related to pensions	(2,213,777)
Other post-employment benefit liability	(93,449)
Deferred outflows of resources related to post-employment benefit	38,135
Deferred inflows of resources related to post-employment benefit	(32,990)
Compensated absences	(47,348)

Change in Net Position of Governmental Activities \$ 2,596,313

Lafayette CountyStatement of Net Position - Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds				
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	Total
Assets					
Current assets:					
Cash and investments	\$ 349,792	\$ 301,984	\$ 1,366,906	\$ -	\$ 2,018,682
Taxes receivable	765,378	-	1,980,007	230,786	2,976,171
Patient receivables, net of estimated uncollectibles	-	3,397,241	-	129,447	3,526,688
Resident receivables, net of estimated uncollectibles	620,150	-	-	-	620,150
Other receivables	-	78,200	-	-	78,200
Due from other governments	-	-	615,254	66,973	682,227
Amounts receivable from third-party reimbursement programs	-	1,574,000	-	-	1,574,000
Inventories	36,575	534,350	523,917	-	1,094,842
Prepaid items	60,346	373,887	44,522	10,546	489,301
Total current assets	1,832,241	6,259,662	4,530,606	437,752	13,060,261
Noncurrent assets:					
Restricted assets:					
Resident trust funds	7,477	-	-	-	7,477
Restricted donation	52,905	-	-	-	52,905
Net pension asset	905,931	4,159,745	623,317	128,928	5,817,921
Investment in unconsolidated affiliate	-	118,962	-	-	118,962
Capital assets:					
Land	18,020	981,816	55,657	-	1,055,493
Construction in progress	-	2,894,761	-	-	2,894,761
Depreciable capital assets, net of accumulated depreciation	825,742	5,612,460	4,404,467	462,520	11,305,189
Total noncurrent assets	1,810,075	13,767,744	5,083,441	591,448	21,252,708
Total assets	3,642,316	20,027,406	9,614,047	1,029,200	34,312,969
Deferred Outflows of Resources					
OPEB related amounts	217,302	543,399	181,031	(678)	941,054
Pension-related amounts	2,026,943	7,453,886	1,346,516	125,412	10,952,757
Total deferred outflows of resources	2,244,245	7,997,285	1,527,547	124,734	11,893,811

See notes to financial statements

Lafayette CountyStatement of Net Position - Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds				
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	Total
Liabilities					
Current liabilities:					
Accounts payable	\$ 84,223	\$ 1,846,934	\$ 79,174	\$ 3,586	\$ 2,013,917
Accrued payroll and fringe benefits	63,089	275,611	53,433	10,412	402,545
Accrued interest	-	4,251	-	-	4,251
Current portion of compensated absences	45,749	313,747	86,490	8,061	454,047
Current portion of lease liabilities	-	80,269	-	-	80,269
Unearned revenue	-	-	8,272	-	8,272
Total current liabilities	<u>193,061</u>	<u>2,520,812</u>	<u>227,369</u>	<u>22,059</u>	<u>2,963,301</u>
Noncurrent liabilities:					
Resident trust funds	7,477	-	-	-	7,477
Compensated absences	176,924	910,872	294,949	6,183	1,388,928
Long-term lease liabilities	-	141,240	-	-	141,240
Advance from other funds	-	-	-	458,987	458,987
Other post employment benefits	327,026	1,152,102	297,496	5,902	1,782,526
Total noncurrent liabilities	<u>511,427</u>	<u>2,204,214</u>	<u>592,445</u>	<u>471,072</u>	<u>3,779,158</u>
Total liabilities	<u>704,488</u>	<u>4,725,026</u>	<u>819,814</u>	<u>493,131</u>	<u>6,742,459</u>
Deferred Inflows of Resources					
Unearned revenue	765,378	-	1,980,007	230,786	2,976,171
OPEB related amounts	41,271	147,516	38,811	(45)	227,553
Pension related amounts	2,408,990	9,166,488	1,625,831	92,286	13,293,595
Total deferred inflows of resources	<u>3,215,639</u>	<u>9,314,004</u>	<u>3,644,649</u>	<u>323,027</u>	<u>16,497,319</u>
Net Position					
Net investment in capital assets	843,762	8,240,970	4,460,124	462,520	14,007,376
Restricted for pension	905,931	4,159,745	623,317	128,928	5,817,921
Unrestricted (deficit)	216,741	1,584,946	1,593,690	(253,672)	3,141,705
Total net position	<u>\$ 1,966,434</u>	<u>\$ 13,985,661</u>	<u>\$ 6,677,131</u>	<u>\$ 337,776</u>	<u>\$ 22,967,002</u>

See notes to financial statements

Lafayette CountyStatement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds				Total
	Lafayette Manor	Memorial Hospital	Highway	Nonmajor EMS	
Operating Revenues					
Charges for services	\$ 3,820,712	\$ 25,710,121	\$ 4,420,314	\$ 401,129	\$ 34,352,276
Other operating revenue	76,130	817,513	-	-	893,643
Total operating revenues	3,896,842	26,527,634	4,420,314	401,129	35,245,919
Operating Expenses					
Lafayette Manor expenses	5,774,281	-	-	-	5,774,281
Memorial Hospital expenses	-	24,544,220	-	-	24,544,220
Highway expenses	-	-	7,123,424	-	7,123,424
EMS expenses	-	-	-	431,983	431,983
Depreciation	110,875	967,662	453,437	40,436	1,572,410
Total operating expenses	5,885,156	25,511,882	7,576,861	472,419	39,446,318
Operating income (loss)	(1,988,314)	1,015,752	(3,156,547)	(71,290)	(4,200,399)
Nonoperating Revenues (Expenses)					
General property taxes	637,788	-	1,778,067	-	2,415,855
Investment income	-	449	-	-	449
Interest expense	-	(12,280)	-	-	(12,280)
Equity in unconsolidated affiliate	-	50,314	-	-	50,314
Contributions	-	2,000	-	-	2,000
Gain (loss) on disposal of capital assets	-	-	-	2,067	2,067
Intergovernmental grants	895,897	-	-	159,054	1,054,951
Miscellaneous revenue	156	51,220	-	4,910	56,286
Donations	-	-	-	4,559	4,559
Total nonoperating revenues	1,533,841	91,703	1,778,067	170,590	3,574,201
Income (loss) before contributions and transfers	(454,473)	1,107,455	(1,378,480)	99,300	(626,198)
Contributions and Transfers					
Contributions	-	-	-	52,894	52,894
Transfers in	671,414	-	480,000	-	1,151,414
Transfers out	-	(120,000)	-	-	(120,000)
Total contributions and transfers	671,414	(120,000)	480,000	52,894	1,084,308
Change in net position	216,941	987,455	(898,480)	152,194	458,110
Net Position, Beginning	1,749,493	12,998,206	7,575,611	185,582	22,508,892
Net Position, Ending	\$ 1,966,434	\$ 13,985,661	\$ 6,677,131	\$ 337,776	\$ 22,967,002

See notes to financial statements

Lafayette CountyStatement of Cash Flows - Proprietary Funds
Year Ended December 31, 2022

	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	\$ 2,944,593	\$ 25,811,013	\$ 4,295,769	\$ 316,060	\$ 33,367,435
Cash paid to suppliers and contractors for goods and services	(3,814,920)	(13,329,406)	(5,745,768)	(248,986)	(23,139,080)
Cash payments to employees for operating payroll	(2,130,008)	(12,054,447)	(1,539,273)	(311,582)	(16,035,310)
Net cash flows from operating activities	(3,000,335)	427,160	(2,989,272)	(244,508)	(5,806,955)
Cash Flows From Investing Activities					
Investment income	-	449	-	-	449
Distributions from affiliate	-	28,177	-	-	28,177
Net cash flows from investing activities	-	28,626	-	-	28,626
Cash Flows From Noncapital Financing Activities					
General property tax revenues	637,788	-	1,778,067	-	2,415,855
Transfers in, lapsing fund	671,414	-	-	-	671,414
Transfers in, debt proceeds	-	-	480,000	-	480,000
Advance from the general fund	-	-	-	319,253	319,253
Transfers out, general fund	-	(120,000)	-	-	(120,000)
Intergovernmental grants and contributions	895,897	2,000	-	25,109	923,006
Nonoperating income	156	51,221	-	9,469	60,846
Net cash flows from noncapital financing activities	2,205,255	(66,779)	2,258,067	353,831	4,750,374
Cash Flows From Capital and Related Financing Activities					
Payments on lease obligations	-	(91,597)	-	-	(91,597)
Intergovernmental grants	-	-	-	66,972	66,972
Proceeds from sale of capital assets	-	-	-	18,000	18,000
Interest paid	-	(12,280)	-	-	(12,280)
Acquisition of capital assets	(57,543)	(3,069,676)	(285,326)	(194,295)	(3,606,840)
Net cash flows from capital and related financing activities	(57,543)	(3,173,553)	(285,326)	(109,323)	(3,625,745)
Net increase (decrease) in cash and cash equivalents	(852,623)	(2,784,546)	(1,016,531)	-	(4,653,700)
Cash and Cash Equivalents, Beginning	1,262,797	3,086,530	2,383,437	-	6,732,764
Cash and Cash Equivalents, Ending	<u>\$ 410,174</u>	<u>\$ 301,984</u>	<u>\$ 1,366,906</u>	<u>\$ -</u>	<u>\$ 2,079,064</u>

See notes to financial statements

Lafayette CountyStatement of Cash Flows - Proprietary Funds
Year Ended December 31, 2022

	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)	\$ (1,988,314)	\$ 1,015,752	\$ (3,156,547)	\$ (71,290)	\$ (4,200,399)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	110,875	967,662	453,437	40,436	1,572,410
Provision for bad debts	-	74,478	-	-	74,478
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Patient receivables, net	-	(174,398)	-	(85,069)	(259,467)
Resident receivables, net	(347,261)	-	-	-	(347,261)
Other receivable	-	31,777	151,517	-	183,294
Amounts receivable from third-party reimbursement programs	-	(574,000)	-	-	(574,000)
Inventories	-	(77,206)	(68,981)	-	(146,187)
Prepaid items	9,535	65,860	(3,247)	(908)	71,240
Accounts payable	(568)	(72,518)	7,265	1,469	(64,352)
Accrued payroll and fringe benefits	2,950	122,640	11,708	26	137,324
Due to/from other governments	-	-	(284,334)	-	(284,334)
Resident trust funds	311	-	-	-	311
Compensated absences	(23,168)	(42,047)	(28,929)	5,187	(88,957)
Pension-related amounts	(93,647)	(1,145,646)	(86,530)	(142,729)	(1,468,552)
Other post employment benefit items	(65,751)	234,806	7,097	8,370	184,522
Unearned revenue	(605,297)	-	8,272	-	(597,025)
Net cash flows from operating activities	<u>\$ (3,000,335)</u>	<u>\$ 427,160</u>	<u>\$ (2,989,272)</u>	<u>\$ (244,508)</u>	<u>\$ (5,806,955)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds					
Cash and investments	\$ 349,792	\$ 301,984	\$ 1,366,906	\$ -	\$ 2,018,682
Restricted assets, donations	52,905	-	-	-	52,905
Restricted assets, resident trust funds	7,477	-	-	-	7,477
Cash and Cash Equivalents, Ending	<u>\$ 410,174</u>	<u>\$ 301,984</u>	<u>\$ 1,366,906</u>	<u>\$ -</u>	<u>\$ 2,079,064</u>

Noncash Investing, Capital and Financing Activities

In 2022, the county purchased EMS radios with ARPA funds which were donated to the EDM fund in the amount of \$52,894.

In 2022, hospital fixed assets in accounts payable was \$1,026,558 and equipment financed through lease obligations was \$196,544.

See notes to financial statements

Lafayette County

Statement of Fiduciary Net Position -

Custodial Funds

December 31, 2022

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 238,746
Total assets	238,746
Liabilities	
Accounts payable	1
Due to other governments	194,480
Held for inmates	44,265
Total liabilities	238,746
Net Position	
Restricted	-
Total net position	\$ -

See notes to financial statements

Lafayette County

Statement of Changes in Fiduciary Net Position -

Custodial Funds

Year Ended December 31, 2022

	Custodial Funds
Additions	
Fines and forfeitures, traffic, bonds and other court items	\$ 935,913
Inmate deposits	143,816
Intergovernmental	324,016
Miscellaneous	116,927
Investment income (loss)	7
	<hr/>
Total additions	1,520,679
	<hr/>
Deductions	
Intergovernmental	97,272
Disposition of court collections	935,913
Trials expenditures	348,128
Funds released to former inmates	139,366
	<hr/>
Total deductions	1,520,679
	<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, 2022

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Lafayette County

Notes to Financial Statements
December 31, 2022

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, 2022

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.
- **American Rescue Plan Act (ARPA) Special Revenue Fund** is used to account for ARPA funds.

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 and three rural health clinics.
- **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
 - Revolving Loan

Lafayette County

Notes to Financial Statements
December 31, 2022

- **Capital Improvement Fund** accounts for and reports resources to be used for the acquisition or construction of major capital facilities.

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, 2022

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, 2022

- 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, 2022, 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 government as well as the local school district and technical college district.

Property tax calendar - 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale - 2022 delinquent real estate taxes	October 2025

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, 2022

The portion of County property taxes receivable at December 31, 2022, 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 \$213,395.

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, 2022, 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, 2022

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 \$1,208,772 from the Title XIX residents in 2022. 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 \$680,542 from the Medicare Program in 2022. 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 at the lower of cost, determined on the first-in, first-out method 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.

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, 2022

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, 2022 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, 2022

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, 2022

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. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Appropriations

	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Funds:			
Aging	\$ 333,134	\$ 370,419	\$ 37,285
Human Services	4,464,199	5,022,929	559,783
Debt Service	1,201,665	1,239,848	38,183

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, 2022

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 0%. 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	\$ 13,976,649	\$ 16,040,313	Custodial Credit
LGIP	45,623	45,623	Credit
Certificates of deposit (nonnegotiable)	15,000	15,000	Custodial Credit
Petty cash	1,370	-	N/A
Cash on hand	62,680	-	N/A
	<u>\$ 14,101,322</u>	<u>\$ 16,100,936</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 13,775,366		
Restricted cash and investments	87,210		
Per statement of fiduciary net position:			
Custodial funds	<u>238,746</u>		
	<u>\$ 14,101,322</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, 2022, the banks had pledged various government securities of \$25,419,020 to secure the County's deposits.

Lafayette County

Notes to Financial Statements

December 31, 2022

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, 2022, 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 \$129,000 in 2022. 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 \$298,903 of delinquent taxes in the general fund.

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

Human services, accounts receivable	\$	71,566
Lafayette Manor Nursing Home, resident accounts receivable		101,860
EMS, accounts receivable		119,481
Memorial Hospital of Lafayette County, allowance for uncollectible accounts		400,000
Memorial Hospital of Lafayette County, contractual adjustments		<u>2,200,000</u>
Total uncollectibles December 31, 2022	\$	<u>2,892,907</u>

Opioid Settlement

On February 25, 2022, the Wisconsin Department of Justice announced final approval of an opioid agreement (Opioid Litigation Case No. MDL 2804, 2021 National Settlements) with Johnson & Johnson (Janssen) and three distributors: Cardinal, McKesson, and AmerisourceBergen. The payments from Johnson & Johnson began in 2022 and will continue over 9 years (2023-2031). The payments from the Distributors began in 2022 and will continue over 16 years (2023-2038).

Funds must be segregated and may be expended solely for purposes identified as approved uses for abatement in the settlement agreement or by court order, as directed by Wisconsin State statute 165.12.

Lafayette County

Notes to Financial Statements
December 31, 2022

The County collected \$63,316 during 2022 or within 60 days after December 31, 2022. The remaining \$237,752 unpaid balance is reported as Human Services unavailable revenues.

In November and December of 2022, five additional defendants have entered into National Opioid Settlements (2022 National Settlements): Teva, Allergan, CVS, Walgreens, and Walmart. The state of Wisconsin is currently in the process of determining allocations for these settlements, so the payment schedule and amounts for these are not able to be disclosed at this time.

The presently known payment schedule is as follows:

<u>Years</u>	<u>Payments</u>
2023	\$ 10,991
2024	13,756
2025	13,756
2026	15,868
2027	15,868
2028-2032	85,913
2033-2037	68,000
2038	13,600
Total	<u>\$ 237,752</u>

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 6,136,904	\$ -
Unspent American Rescue Plan funds*	2,405,042	-
Delinquent property taxes receivable	-	80,265
Opioid settlement	-	237,752
Total unearned/unavailable revenue for governmental funds	<u>\$ 8,541,946</u>	<u>\$ 318,017</u>

*Unearned revenue included in liabilities

Lafayette County

Notes to Financial Statements
December 31, 2022

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, 2022, delinquent property taxes by year levied consists of the following:

Tax Certificates:	
2021	\$ 173,359
2020	98,463
2019	23,773
2018	<u>3,308</u>
Total delinquent property taxes receivable	298,903
Less January and February 2023 collections	<u>(5,243)</u>
Subtotal	293,660
County levied portion	<u>(80,265)</u>
County purchased portion	<u>\$ 213,395</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	<u>\$ 2,976,171</u>
Total unearned revenue for enterprise funds	<u>\$ 2,976,171</u>

Net Patient Service Revenue

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

Hospital Services

Medicare

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

Lafayette County

Notes to Financial Statements

December 31, 2022

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, 2020. The Hospital's Medicaid cost reports have been audited by Medicaid first intermediary through December 31, 2018.

Net patient service revenue consisted of the following:

Gross patient revenue:	
Inpatient services	\$ 7,176,235
Outpatient services	28,369,532
Other services	<u>8,548,845</u>
Total gross patient service revenue	44,094,612
Less:	
Contractual adjustments	18,310,013
Provision for bad debts	<u>74,478</u>
Net patient service revenue	<u>\$ 25,710,121</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

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, 2022:

Medicare and Medicare Advantage Plans	55 %
Medicaid and Medicaid Health Maintenance Organization (HMO) Plans	9
Other third-party payors	34
Private pay	2
	<hr/>
Total	100 %
	<hr/> <hr/>

Restricted Assets

Human Services has restricted assets in the amount of \$4,328. 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 \$60,382. \$7,477 represents residents' funds held for safekeeping by the Nursing Home. The funds are maintained in individual savings accounts and the balance in a checking account. All interest earned is added to the respective resident's balance. \$52,905 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 \$3,092,762. The business-type activities report a net pension asset of \$5,817,921.

Lafayette County

Notes to Financial Statements
December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022 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	105,568	1,507,323	-	1,612,891
Total capital assets not being depreciated	<u>294,183</u>	<u>1,507,323</u>	<u>-</u>	<u>1,801,506</u>
Capital assets being depreciated:				
Buildings and improvements	3,364,806	537,889	-	3,902,695
Machinery and equipment	3,013,692	822,504	57,438	3,778,758
Infrastructure	25,644,512	4,606	-	25,649,118
Total capital assets being depreciated	<u>32,023,010</u>	<u>1,364,999</u>	<u>57,438</u>	<u>33,330,571</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,571,606)	(103,288)	-	(1,674,894)
Machinery and equipment	(1,811,866)	(463,019)	57,438	(2,217,447)
Infrastructure	(13,039,277)	(455,624)	-	(13,494,901)
Total accumulated depreciation	<u>(16,422,749)</u>	<u>(1,021,931)</u>	<u>57,438</u>	<u>(17,387,242)</u>
Net capital assets being depreciated	<u>15,600,261</u>	<u>343,068</u>	<u>-</u>	<u>15,943,329</u>
Total governmental activities capital assets, net of depreciation	<u>\$ 15,894,444</u>	<u>\$ 1,850,391</u>	<u>\$ -</u>	<u>\$ 17,744,835</u>

Depreciation expense was charged to functions as follows:

General government	\$ 187,131
Public safety	306,404
Public works	455,624
Health and human services	56,107
Culture, recreation and education	6,022
Conservation and development	10,643
Total governmental activities depreciation expense	<u>\$ 1,021,931</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

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>8,689,168</u>	<u>321,807</u>	<u>40,737</u>	<u>8,970,238</u>
Total capital assets being depreciated	<u>11,284,269</u>	<u>321,807</u>	<u>40,737</u>	<u>11,565,339</u>
Less accumulated depreciation for:				
Land improvements	(119,420)	(9,881)	-	(129,301)
Buildings and improvements	(1,247,996)	(63,969)	-	(1,311,965)
Machinery and equipment	<u>(5,344,275)</u>	<u>(379,587)</u>	<u>4,256</u>	<u>(5,719,606)</u>
Total accumulated depreciation	<u>(6,711,691)</u>	<u>(453,437)</u>	<u>4,256</u>	<u>(7,160,872)</u>
Net capital assets being depreciated	<u>4,572,578</u>	<u>(131,630)</u>	<u>36,481</u>	<u>4,404,467</u>
Total highway capital assets, net of depreciation	<u>\$ 4,628,235</u>	<u>\$ (131,630)</u>	<u>\$ 36,481</u>	<u>\$ 4,460,124</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

	<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	9,790	-	1,764,774
Machinery and equipment	<u>1,389,156</u>	<u>47,753</u>	<u>-</u>	<u>1,436,909</u>
Total capital assets being depreciated	<u>3,205,755</u>	<u>57,543</u>	<u>-</u>	<u>3,263,298</u>
Less accumulated depreciation for:				
Land improvements	(45,055)	(2,147)	-	(47,202)
Buildings and improvements	(1,172,368)	(62,523)	-	(1,234,891)
Machinery and equipment	<u>(1,109,258)</u>	<u>(46,205)</u>	<u>-</u>	<u>(1,155,463)</u>
Total accumulated depreciation	<u>(2,326,681)</u>	<u>(110,875)</u>	<u>-</u>	<u>(2,437,556)</u>
Net capital assets being depreciated	<u>879,074</u>	<u>(53,332)</u>	<u>-</u>	<u>825,742</u>
Total manor capital assets, net of depreciation	<u>\$ 897,094</u>	<u>\$ (53,332)</u>	<u>\$ -</u>	<u>\$ 843,762</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

	<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	<u>464,000</u>	<u>247,189</u>	<u>32,000</u>	<u>679,189</u>
Total capital assets being depreciated	<u>554,000</u>	<u>247,189</u>	<u>32,000</u>	<u>769,189</u>
Less accumulated depreciation for:				
Building and improvements	(1,800)	(1,800)	-	(3,600)
Machinery and equipment	<u>(280,500)</u>	<u>(38,636)</u>	<u>16,067</u>	<u>(303,069)</u>
Total accumulated depreciation	<u>(282,300)</u>	<u>(40,436)</u>	<u>16,067</u>	<u>(306,669)</u>
Total EMS capital assets, net of depreciation	<u>\$ 271,700</u>	<u>\$ 206,753</u>	<u>\$ 15,933</u>	<u>\$ 462,520</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Memorial Hospital				
Capital assets not being depreciated:				
Land	\$ 109,509	\$ 872,307	\$ -	\$ 981,816
Construction work in progress	314,629	2,580,132	-	2,894,761
Total capital assets not being depreciated	<u>424,138</u>	<u>3,452,439</u>	<u>-</u>	<u>3,876,577</u>
Capital assets being depreciated:				
Land improvements	251,240	4,407	-	255,647
Buildings	10,037,091	-	-	10,037,091
Machinery and equipment	8,169,177	835,933	21,778	8,983,332
Total capital assets being depreciated	<u>18,457,508</u>	<u>840,340</u>	<u>21,778</u>	<u>19,276,070</u>
Less accumulated depreciation for:				
Land improvements	(111,222)	(11,250)	-	(122,472)
Buildings	(6,672,141)	(310,716)	-	(6,982,857)
Machinery and equipment	(5,934,363)	(645,696)	21,778	(6,558,281)
Total accumulated depreciation	<u>(12,717,726)</u>	<u>(967,662)</u>	<u>21,778</u>	<u>(13,663,610)</u>
Net capital assets being depreciated	<u>5,739,782</u>	<u>(127,322)</u>	<u>-</u>	<u>5,612,460</u>
Total hospital capital assets, net of depreciation	<u>\$ 6,163,920</u>	<u>\$ 3,325,117</u>	<u>\$ -</u>	<u>\$ 9,489,037</u>
Total business-type capital assets, net of depreciation	<u>\$ 11,960,949</u>	<u>\$ 3,346,908</u>	<u>\$ 52,414</u>	<u>\$ 15,255,443</u>

Included in construction in progress are costs related to planning and design for a replacement hospital.

Depreciation expense was charged to functions as follows:

Business-Type activities:

Lafayette Manor	\$ 110,875
EMS	40,436
Memorial Hospital	967,662
Highway	<u>453,437</u>

Total business-type activities depreciation expense \$ 1,572,410

Lafayette County

Notes to Financial Statements
December 31, 2022

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Human Services	\$ 263,695
General fund	Aging Fund	21,580
	Total, fund financial statements	285,275
	Less fund eliminations	(285,275)
	Add interfund advance	458,987
	Total internal balances, government-wide statements of net position	<u>\$ 458,987</u>

All interfund amounts are due within one year.

The principal reason for the above interfund amounts relates to timing of cash receipts.

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	EMS	\$ 458,987	\$ 458,987

No repayment schedule has been determined as of December 31, 2022.

Lafayette County

Notes to Financial Statements
December 31, 2022

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>
Highway	General fund	\$ 480,000	Capital asset purchases
Lafayette Manor	General fund	671,414	Lapsing fund
General fund	Aging	49,003	Lapsing fund
General fund	Memorial Hospital	120,000	Budgeted transfer
Human Services	General fund	256,010	Lapsing fund
Subtotal, fund financial statements		1,576,427	
Governmental activities infrastructure paid by highway enterprise fund		1,511,929	
Less GASB 34 eliminations		(2,302,828)	
Less fund eliminations		(305,013)	
Total transfers, government-wide statement of activities		<u>\$ 480,515</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 1,631,929	
Business-type activities	Governmental activities	(1,151,414)	
Total		<u>\$ 480,515</u>	

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

Lafayette County

Notes to Financial Statements
December 31, 2022

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022 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>\$ 3,091,577</u>	<u>\$ 1,167,070</u>	<u>\$ 1,190,403</u>	<u>\$ 3,068,244</u>	<u>\$ 1,150,596</u>
Other liabilities:					
Vested compensated absences	<u>791,786</u>	<u>265,835</u>	<u>218,487</u>	<u>839,134</u>	<u>276,132</u>
Total other liabilities	<u>791,786</u>	<u>265,835</u>	<u>218,487</u>	<u>839,134</u>	<u>276,132</u>
Total governmental activities long-term liabilities	<u>\$ 3,883,363</u>	<u>\$ 1,432,905</u>	<u>\$ 1,408,890</u>	<u>\$ 3,907,378</u>	<u>\$ 1,426,728</u>
Business-Type Activities					
Other liabilities:					
Vested compensated absences	<u>\$ 1,931,931</u>	<u>\$ 389,404</u>	<u>\$ 478,360</u>	<u>\$ 1,842,975</u>	<u>\$ 454,047</u>
Lease liabilities	<u>116,562</u>	<u>196,544</u>	<u>91,597</u>	<u>221,509</u>	<u>80,269</u>
Total business-type activities long-term liabilities	<u>\$ 2,048,493</u>	<u>\$ 585,948</u>	<u>\$ 569,957</u>	<u>\$ 2,064,484</u>	<u>\$ 534,316</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.

Lafayette County

Notes to Financial Statements
December 31, 2022

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, 2022, was \$75,939,605. Total general obligation debt outstanding at year-end was \$3,068,244.

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

	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	\$ 126,262
Promissory notes	12/30/2015	12/30/2025	2.29%	2,400,000	815,565
Promissory notes	12/20/2018	12/18/2028	2.74%	681,020	430,638
Promissory notes	12/13/2019	12/13/2029	1.96%	421,300	303,440
Promissory notes	12/14/2021	1/14/2023	0.75%	480,000	37,054
Promissory notes	12/14/2021	12/14/2023	0.77%	375,000	188,215
Promissory notes	12/20/2022	12/20/2032	3.74%	200,000	200,000
Promissory notes	12/20/2022	12/20/2024	3.49%	967,070	967,070
Total					<u>\$ 3,068,244</u>

Debt service requirements to maturity are as follows:

	Governmental Activities Notes from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
Years ending December 31:		
2023	\$ 1,150,596	\$ 68,687
2024	952,599	40,508
2025	414,902	20,500
2026	134,827	13,542
2027	138,416	9,952
2028-2032	276,904	13,733
	<u>\$ 3,068,244</u>	<u>\$ 166,922</u>

The County's outstanding debt from direct placements related to governmental activities \$3,068,244 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, 2022

Lease Disclosures

Lessee – Leases Liabilities

The future minimum lease payments required under the lease and the present value of the minimum lease payments as of December 31, 2022, are as follows:

	Business-Type	
	Principal	Interest
Years ending December 31, 2022		
2023	\$ 80,269	\$ 14,606
2024	87,037	7,837
2025	54,203	1,195
Total	<u>\$ 221,509</u>	<u>\$ 23,638</u>

The cost of equipment financed with lease obligations was \$289,055 at December 31, 2022. The related accumulated depreciation was \$94,798.

Net Position/Fund Balances

Governmental activities net position reported on the government-wide statement of net position at December 31, 2022 includes the following:

Governmental Activities

Net investment in capital assets:	
Land	\$ 188,615
Construction in process	1,612,891
Other capital assets, net of accumulated depreciation	15,943,329
Less long-term debt outstanding	(3,068,244)
Add unspent bond proceeds	369,030
Add noncapital debt outstanding	<u>126,262</u>
Total net investment in capital assets	<u>\$ 15,171,883</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

	<u>General Fund</u>	<u>Human Services</u>	<u>ARPA</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances Nonspendable:						
Delinquent taxes receivable	\$ 213,395	\$ -	\$ -	-	\$ -	\$ 213,395
Prepaid items	336,671	38,379	-	-	4,371	379,421
Advances	458,987	-	-	-	-	458,987
Restricted:						
Donations	-	404	-	-	-	404
Unspent bond proceeds	369,030	-	-	-	-	369,030
ARPA	-	-	27,251	-	-	27,251
Debt service	-	-	-	133,941	-	133,941
Opioid settlement	-	63,315	-	-	-	63,315
Committed:						
Stabilization fund	750,000	-	-	-	-	750,000
Loans	-	-	-	-	32,904	32,904
Assigned:						
Fund balance applied to the 2023 budget	937,592	-	-	-	-	937,592
Capital projects	-	-	-	-	155,309	155,309
Human services	200,000	-	-	-	-	200,000
Unassigned	<u>6,828,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,828,779</u>
Total fund balances	<u>\$ 10,094,454</u>	<u>\$ 102,098</u>	<u>\$ 27,251</u>	<u>133,941</u>	<u>\$ 192,584</u>	<u>\$ 10,550,328</u>

Business-Type Activities

Net investment in capital assets:

Land	\$ 1,055,493
Construction in process	2,894,767
Other capital assets, net of accumulated depreciation	11,305,189
Less leases outstanding and capital related accounts payable	<u>(1,248,067)</u>

Total net investment in capital assets 14,007,376

Restricted for pension	5,817,921
Unrestricted	<u>3,141,705</u>

Total business-type activities, net position \$ 22,967,002

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>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective 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, 2022

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>
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
2021	5.1	13.0

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 was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,333,888 in contributions from the County.

Contribution rates as of December 31, 2022 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%	11.75%
Protective without Social Security	6.75%	16.35%

Lafayette County

Notes to Financial Statements

December 31, 2022

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

At December 31, 2022, the County reported an asset of \$8,910,683 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the County's proportion was .11055186%, which was an increase of 0.00370586% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the County recognized pension revenue of \$741,178.

At December 31, 2022, 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 projected and actual experience	\$ 14,394,758	\$ 1,038,017
Changes of actuarial assumptions	1,662,428	-
Net differences between project and actual investment earnings on pension plan investment	-	19,933,940
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,533	16,578
Employer contributions subsequent to the measurement date	<u>1,315,855</u>	<u>-</u>
Total	<u>\$ 17,408,574</u>	<u>\$ 20,988,535</u>

\$1,315,855 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources (Net)
2023	\$ (409,031)
2024	(2,406,651)
2025	(1,058,460)
2026	(1,021,674)

Lafayette County

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions

The total pension asset in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Lafayette County

Notes to Financial Statements

December 31, 2022

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns¹

As of December 31, 2021

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %²
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund ³	115	6.6	4
Variable Fund Asset			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.00% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's *20-year Municipal GO AA Index* as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% 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 liability (asset) liability calculated using the discount rate of 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
County's proportionate share of the net pension (asset) liability	\$ 6,322,761	\$ (8,910,683)	\$ (19,875,929)

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, 2022, the County reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

Lafayette County

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The Hospital has professional liability insurance coverage to provide protection for professional liability losses on an occurrence basis subject to a limit of \$1,000,000 per claim and an annual aggregate limit of \$3,000,000. Should the occurrence policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to July 1, 2023.

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.

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 \$290,600 in 2022 through the Supplemental Payment Program to help offset the use of local tax dollars to subsidize governmental operated nursing homes. The Nursing Home may have to repay a portion of these funds at a later date pending the outcome of a federal audit of the state's Medicaid Program.

Lafayette County

Notes to Financial Statements
December 31, 2022

Hospital

The Hospital accounts for the fair value of legal obligations associated with environmental remediation obligations in accordance with accounting guidance. Management has considered this accounting guidance, specifically as it relates to its legal obligation to perform environmental remediation activities, such as asbestos removal on its existing properties.

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, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>318</u>
Total	<u>338</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

Total OPEB Liability

Lafayette County's total OPEB liability of \$1,184,197 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2022.

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

	<u>Annual Medical-Trend Rate</u>
Years ending December 31:	
2023	6.50%
2024	6.80
2025	6.30
2026	5.60
2027	5.00
2028	4.80
2029	4.60
2030	4.50
2031	4.30
2032-2059	4.10
2060	4.20
2061-2065	4.10
2066-2067	4.00
2068-2070	3.90
2071-2072	3.80
Ultimate (2073)	3.70
Discount rate	2.06%
Mortality	Wisconsin 2018 Mortality Table
Actuarial assumptions	Based on an experience study using WRS experience from 2018-2020
Retirees' share of benefit, related costs	100%

The 2.06% 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, 2022.

Lafayette County

Notes to Financial Statements
December 31, 2022

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	<u>\$ 1,042,407</u>
Changes for the year:	
Service cost	85,726
Interest	22,724
Effect of economic/demographic gains or losses	258,539
Changes in assumptions	(112,120)
Benefit payments	<u>(113,079)</u>
Net changes	<u>141,790</u>
Balance at December 31, 2022	<u><u>\$ 1,184,197</u></u>

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 (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 1,258,110	\$ 1,184,197	\$ 1,114,529

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,086,009	\$ 1,184,197	\$ 1,302,033

Lafayette County

Notes to Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, Lafayette County recognized OPEB expense of \$130,573. At December 31, 2022, 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	\$ 38,281	\$ 211,670
Differences between expected and actual experience	339,775	-
Employer contributions, subsequent to the measurement date	<u>113,078</u>	<u>-</u>
Total	<u>\$ 491,134</u>	<u>\$ 211,670</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$113,078, will be recognized as a reduction of the total 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:

	<u>Net Deferred Outflows (Inflows) of Resources (Net)</u>
Years ending December 31:	
2023	\$ 22,123
2024	22,123
2025	22,123
2026	20,329
2027	23,422
2028	23,094
Thereafter	33,172

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 the link above.

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.

Lafayette County

Notes to Financial Statements
December 31, 2022

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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2022 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member 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
35-39	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 \$5,434 in contributions from the employer.

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

At December 31, 2022, the County reported a liability of \$1,569,398 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, 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, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

The County's proportion of the net 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, 2021, the County's proportion was .26553300%, which was an increase of .00308100% from its proportion measured as of December 31, 2020.

Lafayette County

Notes to Financial Statements
December 31, 2022

For the year ended December 31, 2022, the County recognized OPEB expense (revenue) of \$301,709.

At December 31, 2022, 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	\$ -	\$ 79,834
Net differences between projected and investment earnings on plan investments	20,420	-
Changes in actuarial assumptions	474,169	76,069
Changes in proportion and differences between employer contributions and proportionate share of contributions	473,333	-
Employer contributions subsequent to the measurement date	5,432	-
	<u>973,354</u>	<u>155,903</u>
Total	<u>\$ 973,354</u>	<u>\$ 155,903</u>

\$5,432 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 (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years Ending December 31:	
2023	\$ 189,371
2024	187,003
2025	179,851
2026	196,759
2027	56,833
Thereafter	2,202
	<u>812,019</u>
Total	<u>\$ 812,019</u>

Lafayette County

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
	January 1, 2018 – December 31, 2020,
Experience Study:	Published November
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation:	3.00%
Seniority / Merit:	0.10% - 5.6%
Mortality:	Wisconsin 2020 Mortality Table

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, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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.

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	45.00 %	1.68 %
U.S. Long Credit Bonds	Bloomberg US Long Credit	5.00	1.82
U.S. Mortgages	Bloomberg US MBS	50.00	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate

A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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.

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 (Asset) to Changes in the Discount Rate

The following presents the County's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
The County's proportionate share of the net OPEB liability (asset)	\$ 2,129,108	\$ 1,569,398	\$ 1,148,240

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, 2022 is available directly from the commission's office.

Lafayette County

Notes to Financial Statements
December 31, 2022

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 2022, 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.

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	43 %
Medicaid and Medicaid HMO Plans	11
Other third-party payors	42
Private pay	<u>4</u>
Total	<u>100 %</u>

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

Subsequent Events

Replacement Hospital and Healthcare Campus

On June 22, 2023, the Hospital secured financing for a replacement hospital and healthcare campus. The replacement hospital will include 25 licensed inpatient beds, four exam/treatment room emergency department, two operating rooms for inpatient and outpatient services, and ancillary services including laboratory, radiology, rehabilitation services, eye care clinic, dietary and administrative offices.

The estimated cost of the replacement hospital and healthcare campus is \$64,870,000. The terms of the construction financing are as follows:

- \$45,870,000 Taxable Memorial Hospital Mortgage Revenue Bonds, Series 2023C (Interim Financing Draw Down Bond - USDA Direct Loan, Unguaranteed), initial variable interest rate of 6.25% due on the first day of each month, commencing August 1, 2023, with payment in full of all principal and interest on February 2, 2026 (Issuer: Compeer Financial, FLCA)
- \$3,200,000 Taxable Memorial Hospital Mortgage Revenue Bonds, Series 2023A (USDA Guaranteed), interest at a fixed rate of 7.50% due January 1, and July 1 of each year, commencing on January 1, 2024, with final payment in full of all principal and interest on July 1, 2025 (Issuer: Compeer Financial, FLCA)
- \$800,000 Taxable Memorial Hospital Mortgage Revenue Bonds, Series 2023A (USDA Guaranteed), interest at a fixed rate of 7.50% due January 1, and July 1 of each year, commencing on January 1, 2024, with final payment in full of all principal and interest on July 1, 2055 (Issuer: Clare Bank)
- \$800,000 Taxable Memorial Hospital Mortgage Revenue Bonds, Series 2023A (Unguaranteed), interest at a fixed rate of 7.50% due January 1, and July 1 of each year, commencing on January 1, 2024, with final payment in full of all principal and interest on July 1, 2055 (Issuer: Compeer Financial, FLCA)
- \$200,000 Taxable Memorial Hospital Mortgage Revenue Bonds, Series 2023B (Unguaranteed), interest at a fixed rate of 7.50% due January 1, and July 1 of each year, commencing on January 1, 2024, with final payment in full of all principal and interest on July 1, 2055 (Issuer: Clare Bank)

Additional grant funding for the replacement hospital is as follows:

- \$1,000,000 USDA Rural Housing Service Emergency Rural Healthcare Grant from the American Rescue Plan Act of 2021
- \$4,000,000 USDA Rural Housing Service 2022 Congressional District Spending
- \$5,000,000 USDA Rural Housing Service 2023 Congressional District Spending
- \$4,000,000 Healthcare Infrastructure Grant Program State of Wisconsin Department of Administration

In August 2023, the Hospital opened a primary care clinic located in Blanchardville, WI.

REQUIRED SUPPLEMENTARY INFORMATION

Lafayette County

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 3,327,101	\$ 3,327,101	\$ 3,327,859	\$ 758
Interest on taxes	117,000	117,000	84,988	(32,012)
Real estate transfer	7,500	7,500	72,641	65,141
Forest cropland	400	400	1,003	603
Payment in lieu of taxes	12,000	12,000	-	(12,000)
County sales tax	912,120	912,120	1,332,678	420,558
Land use penalty	-	-	10,706	10,706
	<u>4,376,121</u>	<u>4,376,121</u>	<u>4,829,875</u>	<u>453,754</u>
Total taxes				
Intergovernmental				
Shared taxes from state	1,971,147	1,971,147	1,974,141	2,994
Exempt computer aid	3,002	3,002	3,002	-
Personal property aid	59,649	59,649	59,649	-
Circuit court	73,076	73,076	79,020	5,944
DWD state grant	161,847	161,847	184,481	22,634
Land info board grant	115,602	115,602	123,880	8,278
State fair grants	4,500	4,500	5,109	609
DNR trails	16,000	16,000	46,673	30,673
Other DNR	-	-	145,959	145,959
Veterans service	21,350	21,350	9,350	(12,000)
DATCP, LWRM	177,062	177,062	139,475	(37,587)
DOJ training reimbursement	87,600	87,600	89,420	1,820
DOJ crime victim witness	23,500	23,500	25,758	2,258
Other DOJ grants	11,000	11,000	53,965	42,965
Department of military affairs	36,000	36,000	74,051	38,051
Interpreter reimbursement	8,469	8,469	9,438	969
Department of administration	-	-	12,245	12,245
Health grants	62,000	62,000	262,353	200,353
Other miscellaneous grants	57,203	57,203	16,888	(40,315)
	<u>2,889,007</u>	<u>2,889,007</u>	<u>3,314,857</u>	<u>425,850</u>
Total intergovernmental				

See notes to required supplementary information

Lafayette County

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Licenses and Permits				
Marriage licenses and divorce mediation	\$ 2,000	\$ 2,000	\$ 4,225	\$ 2,225
License plates	-	-	2,322	2,322
Sanitary permits	-	-	20,100	20,100
Conditional use/rezoning permits	28,000	28,000	23,355	(4,645)
Mine reclamation	5,470	5,470	6,645	1,175
Other licenses and permits	9,538	9,538	92,060	82,522
	<u>45,008</u>	<u>45,008</u>	<u>148,707</u>	<u>103,699</u>
Fines, Forfeitures and Penalties				
County ordinances, forfeitures and defaults	84,069	84,069	58,164	(25,905)
County share of state fines	-	-	32,387	32,387
	<u>84,069</u>	<u>84,069</u>	<u>90,551</u>	<u>6,482</u>
Public Charges for Services				
General government	3,030	3,030	1,690	(1,340)
Child support	3,750	3,750	2,767	(983)
Circuit court	66,000	66,000	106,324	40,324
Clerk of courts	39,435	39,435	38,351	(1,084)
Coroner	4,500	4,500	4,100	(400)
County clerk	18,000	18,000	20,280	2,280
Sheriff and jail fees	163,400	163,400	156,745	(6,655)
District attorney	3,000	3,000	36,999	33,999
Fair	126,500	126,500	157,701	31,201
Land conservation	15,100	15,100	16,937	1,837
Land information fees	40,635	40,635	34,928	(5,707)
Parks and trails	2,200	2,200	2,250	50
Planning and zoning	15,000	15,000	1,000	(14,000)
Public health	140,990	140,990	129,901	(11,089)
Register of deeds	121,235	121,235	100,989	(20,246)
Treasurer	-	-	408	408
UW extension	14,235	14,235	2,360	(11,875)
Veterans	-	-	120	120
	<u>777,010</u>	<u>777,010</u>	<u>813,850</u>	<u>36,840</u>

See notes to required supplementary information

Lafayette County

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Investment Income				
Investment income	\$ 150,100	\$ 150,100	\$ 213,015	\$ 62,915
Miscellaneous				
Rent on buildings	55,492	55,492	60,403	4,911
Rent on other property	10,000	10,000	9,991	(9)
Insurance recoveries	11,300	11,300	23,444	12,144
Fair donations	-	-	5,867	5,867
Other donations	14,250	14,250	-	(14,250)
WCMIC dividend	28,000	28,000	83,329	55,329
Sale of property/assets	25,000	25,000	40,862	15,862
Workman's compensation discount	306,000	306,000	81,473	(224,527)
Miscellaneous	82,000	82,000	2,618	(79,382)
Total miscellaneous	532,042	532,042	307,987	(224,055)
Total revenues	\$ 8,853,357	\$ 8,853,357	\$ 9,718,842	\$ 865,485

See notes to required supplementary information

Lafayette County

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
General Government				
County board	\$ 88,060	\$ 88,060	\$ 103,131	\$ (15,071)
District attorney	104,873	104,873	132,989	(28,116)
Family court commissioner	13,000	13,000	13,292	(292)
Circuit court	332,178	332,178	326,390	5,788
Clerk of court	226,001	226,001	222,070	3,931
Other court	137,750	137,750	159,387	(21,637)
County buildings-operations and maintenance	286,542	286,542	661,573	(375,031)
Child support	200,539	200,539	199,259	1,280
County clerk	167,735	167,735	163,782	3,953
County treasurer	270,062	270,062	251,027	19,035
Coroner	38,490	38,490	38,378	112
County website	4,100	4,100	3,500	600
Elections	66,034	66,034	61,010	5,024
Finance	265,353	265,353	219,940	45,413
Indirect cost plan	4,450	4,450	4,450	-
Labor relations	37,300	37,300	1,139	36,161
Land information	237,557	237,557	164,585	72,972
Land use value penalty	1,500	1,500	9,305	(7,805)
Maps and plats	2,500	2,500	1,467	1,033
County fleet	384,200	384,200	20,648	363,552
County K building	16,500	16,500	11,464	5,036
Network administration	654,165	654,165	566,262	87,903
Personnel	450,100	450,100	279,388	170,712
Postage	1,662	1,662	5,043	(3,381)
Property and liability insurance	27,611	27,611	(3,880)	31,491
Register of deeds	186,082	186,082	197,999	(11,917)
Special accounting and auditing	37,500	37,500	36,570	930
Telephone	20,082	20,082	29,021	(8,939)
Health insurance	-	-	(41,941)	41,941
General Buildings	216,230	216,230	212,567	3,663
Other benefits	256,000	256,000	(801)	256,801
Miscellaneous	1,100	1,100	-	1,100
	<u>4,735,256</u>	<u>4,735,256</u>	<u>4,049,014</u>	<u>686,242</u>
Total general government				
Public Safety				
Crime victim/witness	55,123	55,123	58,128	(3,005)
Sheriff administration	2,120,167	2,120,167	2,322,183	(202,016)
Jail	1,490,823	1,490,823	1,373,918	116,905
EMS	-	-	16,611	(16,611)
Emergency government	103,658	103,658	108,159	(4,501)
SARA	18,860	18,860	32,641	(13,781)
Jail improvement	8,500	8,500	-	8,500
	<u>3,797,131</u>	<u>3,797,131</u>	<u>3,911,640</u>	<u>(114,509)</u>
Total public safety				

See notes to required supplementary information

Lafayette County

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Health and Human Services				
County nurse	\$ 588,700	\$ 588,700	\$ 627,633	\$ (38,933)
Electronic health records	88,057	88,057	82,374	5,683
Personnel	-	-	865	(865)
Veterans' relief and care of veterans' graves	5,000	5,000	3,280	1,720
Veterans' service grant	9,600	9,600	4,772	4,828
	<u>691,357</u>	<u>691,357</u>	<u>718,924</u>	<u>(27,567)</u>
Culture, Recreation and Education				
County extension programs	45,320	45,320	40,106	5,214
Workshops	1,250	1,250	648	602
Agriculture agent	63,311	63,311	35,721	27,590
Library	196,375	196,375	196,375	-
Family living agent	24,300	24,300	19,160	5,140
Fairs and exhibits	202,620	202,620	236,604	(33,984)
4-H agent	54,360	54,360	22,667	31,693
Snowmobile trails	19,795	19,795	36,371	(16,576)
ATV	1,510	1,510	3,503	(1,993)
Sunshine fund	300	300	-	300
	<u>609,141</u>	<u>609,141</u>	<u>591,155</u>	<u>17,986</u>
Conservation and Economic Development				
Land conservation	206,761	206,761	189,316	17,445
Land conservation, cost share	15,000	15,000	2,525	12,475
Land conservation, LWRM cost share	60,000	60,000	25,941	34,059
Fish and game habitat	4,000	4,000	-	4,000
Wildlife damage program	10,000	10,000	14,967	(4,967)
Economic development	1,600	1,600	44,543	(42,943)
Lafayette development corp	78,264	78,264	25,454	52,810
Industrial development	1,700	1,700	6,645	(4,945)
Planning and zoning	59,681	59,681	79,391	(19,710)
FPP-technical assist	14,493	14,493	17,532	(3,039)
	<u>451,499</u>	<u>451,499</u>	<u>406,314</u>	<u>45,185</u>
Total conservation and economic developm	<u>451,499</u>	<u>451,499</u>	<u>406,314</u>	<u>45,185</u>
Total expenditures	<u>10,284,384</u>	<u>10,284,384</u>	<u>9,677,047</u>	<u>607,337</u>
Excess (deficiency) of revenues over expenditures	<u>(1,431,027)</u>	<u>(1,431,027)</u>	<u>41,795</u>	<u>1,472,822</u>

See notes to required supplementary information

Lafayette County

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

General Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Debt issued	\$ -	\$ -	\$ 1,167,070	\$ 1,167,070
Sale of capital assets	-	-	-	-
Transfers in	120,000	120,000	169,003	49,003
Transfers out	-	-	(1,407,424)	(1,407,424)
	<u>120,000</u>	<u>120,000</u>	<u>(71,351)</u>	<u>(191,351)</u>
Total other financing sources (uses)				
	<u>120,000</u>	<u>120,000</u>	<u>(71,351)</u>	<u>(191,351)</u>
Net change in fund balance	(1,311,027)	(1,311,027)	(29,556)	1,281,471
Fund Balance, Beginning	<u>10,124,010</u>	<u>10,124,010</u>	<u>10,124,010</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,812,983</u>	<u>\$ 8,812,983</u>	<u>\$ 10,094,454</u>	<u>\$ 1,281,471</u>

See notes to required supplementary information

Lafayette County

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Human Services Special Revenue Fund
Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,691,083	\$ 1,691,083	\$ 1,691,083	\$ -
Intergovernmental	1,901,708	1,901,708	2,196,041	294,333
Fines, forfeitures and penalties	12,140	12,140	11,907	(233)
Public charges for services	870,658	870,658	865,525	(5,133)
Miscellaneous	750	750	63,375	62,625
Total revenues	<u>4,476,339</u>	<u>4,476,339</u>	<u>4,827,931</u>	<u>351,592</u>
Expenditures				
Health and human services	<u>4,464,199</u>	<u>4,464,199</u>	<u>5,022,929</u>	<u>(558,730)</u>
Excess of revenues over expenditures	<u>12,140</u>	<u>12,140</u>	<u>(194,998)</u>	<u>(207,138)</u>
Other Financing Sources				
Transfer in	<u>-</u>	<u>-</u>	<u>256,010</u>	<u>256,010</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>256,010</u>	<u>256,010</u>
Net change in fund balance	12,140	12,140	61,012	48,872
Fund Balance, Beginning	<u>41,096</u>	<u>41,096</u>	<u>41,096</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 53,236</u>	<u>\$ 53,236</u>	<u>\$ 102,108</u>	<u>\$ 48,872</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 %
12/31/22	0.11055186 %	(8,910,683)	18,310,892	48.66 %	106.02 %

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 %
12/31/22	1,315,855	1,315,855	-	18,385,439	7.16 %

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%
12/31/22	0.26553300%	1,569,398	14,581,000	10.76%	29.57%

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%
12/31/22	5,431	5,431	-	15,263,552	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, 2022

	2018	2019	2020	2021	2022
Measurement Date	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Total OPEB Liability					
Service cost	\$ 68,127	\$ 74,740	\$ 72,718	\$ 76,156	\$ 85,726
Interest	37,627	35,621	40,939	28,231	22,724
Changes of benefit terms	-	-	-	-	-
Liability gains / losses	-	-	-	-	258,539
Differences between expected and actual experience	-	-	170,152	-	-
Changes of assumptions	19,743	(40,589)	(140,666)	39,817	(112,120)
Benefit payments	(92,000)	(92,000)	(117,883)	(111,198)	(113,079)
Net change in total OPEB	33,497	(22,228)	25,260	33,006	141,790
Total OPEB Liability, Beginning	972,872	1,006,369	984,141	1,009,401	1,042,407
Total OPEB Liability, Ending	<u>\$ 1,006,369</u>	<u>\$ 984,141</u>	<u>\$ 1,009,401</u>	<u>\$ 1,042,407</u>	<u>\$ 1,184,197</u>
Covered-Employee Payroll	\$ 14,064,014	\$ 15,625,168	\$ 17,373,578	\$ 18,310,890	\$ 18,385,439
Total OPEB Liability as a Percentage of Covered Employee Payroll	7.16%	6.30%	5.81%	5.69%	6.44%

Notes to Schedule:
Benefit changes. There were no changes to the benefits.

Changes in assumptions.

The discount rate was changed pursuant to GASB 75.

The demographic and salary increase assumptions have been updated as a result of the WRS Three-Year Experience Study for 2018-2020.

The estimated annual claim costs were changed to reflect anticipated experience pursuant to a review of the plan provisions and current premiums.

The medical trend rates were changed to reflect anticipated experience under the most recent Getzen Mod application.

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

Valuation Date:

December 31, 2022

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	2.06 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 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.
Mortality	Based on the Wisconsin 2020 mortality table in conjunction with the 2018-2020. 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, 2022

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. Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

Lafayette County

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2022

	Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan	Capital Improvement	
Assets				
Cash and investments	\$ 100	\$ 10,404	\$ 155,309	\$ 165,813
Taxes receivable	123,891	-	-	123,891
Accounts receivable	7,170	-	-	7,170
Due from other governments	39,229	-	-	39,229
Prepaid items	4,371	-	-	4,371
Restricted assets:				
Cash and investments	-	22,500	-	22,500
Total assets	\$ 174,761	\$ 32,904	\$ 155,309	\$ 362,974
Liabilities, Deferred Inflows Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 12,185	\$ -	\$ -	\$ 12,185
Accrued liabilities	12,734	-	-	12,734
Due to other funds	21,580	-	-	21,580
Unearned revenue	-	-	-	-
Total liabilities	46,499	-	-	46,499
Deferred inflows of resources:				
Unearned revenue	123,891	-	-	123,891
Total deferred inflows of resources	123,891	-	-	123,891
Fund balances:				
Nonspendable	4,371	-	-	4,371
Restricted	-	-	-	-
Committed	-	32,904	-	32,904
Assigned	-	-	155,309	155,309
Total fund balances	4,371	32,904	155,309	192,584
Total liabilities, deferred inflows of resources and fund balances	\$ 174,761	\$ 32,904	\$ 155,309	\$ 362,974

Lafayette County

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2022

	Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Aging Fund	Revolving Loan	Capital Improvement	
Revenues				
Taxes	\$ 114,691	\$ -	\$ -	\$ 114,691
Intergovernmental	225,423	-	-	225,423
Public charges for services	3,578	-	-	3,578
Investment income	-	714	-	714
Miscellaneous	27,771	7,500	-	35,271
Total revenues	371,463	8,214	-	379,677
Expenditures				
Current:				
Public safety	-	-	-	-
Health and human services	321,416	-	-	321,416
Conservation and economic development	-	13,424	-	13,424
Total expenditures	321,416	13,424	-	334,840
Excess (deficiency) of revenues over expenditures	50,047	(5,210)	-	44,837
Other Financing Uses				
Transfers out	(49,003)	-	-	(49,003)
Total other financing uses	(49,003)	-	-	(49,003)
Excess (deficiency) of revenues over (under) expenditures	1,044	(5,210)	-	(4,166)
Fund Balances, Beginning	3,327	38,114	155,309	196,750
Fund Balances, Ending	\$ 4,371	\$ 32,904	\$ 155,309	\$ 192,584

Lafayette County

Combining Statement of Fiduciary Net Position -
Custodial Funds
December 31, 2022

	Custodial Funds						
	Sheriff Commissary	Clerk of Court	DMV Vehicle Service	Bond Trust	Project DARE	Tri-County Trails Commission	Total Custodial Funds
Assets							
Cash and investments	\$ 44,265	\$ 181,871	\$ 9,209	\$ 1	\$ 2,130	\$ 1,270	\$ 238,746
Total assets	44,265	181,871	9,209	1	2,130	1,270	238,746
Liabilities							
Accounts payable	-	-	-	1	-	-	1
Due to other governmental units	-	181,871	9,209	-	2,130	1,270	194,480
Held for inmates	44,265	-	-	-	-	-	44,265
Total liabilities	44,265	181,871	9,209	1	2,130	1,270	238,746
Net Position							
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Lafayette County

Combining Statement of Changes in Fiduciary Net Position -
 Custodial Funds
 Year Ended December 31, 2022

	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	\$ -	\$ 935,913	\$ -	\$ -	\$ -	\$ -	\$ 935,913
Inmate deposits	139,366	-	-	4,450	-	-	143,816
Intergovernmental	-	-	-	-	-	324,016	324,016
Miscellaneous	-	-	92,822	-	-	24,105	116,927
Investment income (loss)	-	-	-	-	-	7	7
Total additions	<u>139,366</u>	<u>935,913</u>	<u>92,822</u>	<u>4,450</u>	<u>-</u>	<u>348,128</u>	<u>1,520,679</u>
Deductions							
Intergovernmental	-	-	92,822	4,450	-	-	97,272
Disposition of court collections	-	935,913	-	-	-	-	935,913
Trails expenditures	-	-	-	-	-	348,128	348,128
Funds released to former inmates	139,366	-	-	-	-	-	139,366
Total deductions	<u>139,366</u>	<u>935,913</u>	<u>92,822</u>	<u>4,450</u>	<u>-</u>	<u>348,128</u>	<u>1,520,679</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 County

Statements of Net Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and investments	\$ 349,792	\$ 1,202,575
Taxes receivable	765,378	637,788
Resident receivables, net of estimated uncollectibles	620,150	272,887
Inventories	36,575	36,575
Prepaid items	60,346	69,881
	<u>1,832,241</u>	<u>2,219,706</u>
Total current assets		
Noncurrent assets:		
Restricted assets:		
Resident trust funds	7,477	7,166
Restricted donation	52,905	53,056
Net pension asset	905,931	740,993
Capital assets:		
Land	18,020	18,020
Depreciable capital assets, net of accumulated depreciation	825,742	879,076
	<u>1,810,075</u>	<u>1,698,311</u>
Total noncurrent assets		
Total assets		
	<u>3,642,316</u>	<u>3,918,017</u>
Deferred Outflows of Resources		
OPEB related amounts	217,302	255,298
Pension related amounts	2,026,943	1,417,538
	<u>2,244,245</u>	<u>1,672,836</u>
Total deferred outflows of resources		
Liabilities		
Current liabilities:		
Accounts payable	84,223	84,791
Accrued payroll and fringe benefits	63,089	60,139
Current portion compensated absences	45,749	55,552
Unearned revenue	-	605,297
	<u>193,061</u>	<u>805,779</u>
Total current liabilities		
Noncurrent liabilities:		
Resident trust funds	7,477	7,166
Compensated absences	176,924	190,289
Other post-employment benefits	327,026	392,777
	<u>511,427</u>	<u>590,232</u>
Total noncurrent liabilities		
Total liabilities		
	<u>704,488</u>	<u>1,396,011</u>
Deferred Inflows of Resources		
Unearned revenue	765,378	637,788
OPEB related amounts	41,271	47,029
Pension related amounts	2,408,990	1,760,532
	<u>3,215,639</u>	<u>2,445,349</u>
Total deferred inflows of resources		
Net Position		
Net investment in capital assets	843,762	897,096
Restricted for pension	905,931	740,993
Unrestricted	216,741	111,404
	<u>1,966,434</u>	<u>1,749,493</u>
Total net position		

Lafayette Manor Nursing Home of Lafayette County

Statements of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Daily resident service revenue, net	\$ 3,820,712	\$ 3,568,393
Other operating revenue	76,130	75,479
Total operating revenues	<u>3,896,842</u>	<u>3,643,872</u>
Operating Expenses		
Daily patient services, support and general services	5,157,330	3,798,464
Administrative services	616,951	627,596
Depreciation	110,875	110,757
Total operating expenses	<u>5,885,156</u>	<u>4,536,817</u>
Operating loss	<u>(1,988,314)</u>	<u>(892,945)</u>
Nonoperating Revenues		
General property taxes	637,788	275,051
Intergovernmental grants	895,897	418,850
Investment income	-	132
Miscellaneous	156	-
Total nonoperating revenues	<u>1,533,841</u>	<u>694,033</u>
Income (loss) before transfers	<u>(454,473)</u>	<u>(198,912)</u>
Transfers		
Transfers in	<u>671,414</u>	<u>325,696</u>
Total transfers	<u>671,414</u>	<u>325,696</u>
Change in net position	216,941	126,784
Net Position, Beginning	<u>1,749,493</u>	<u>1,622,709</u>
Net Position, Ending	<u>\$ 1,966,434</u>	<u>\$ 1,749,493</u>

Lafayette Manor Nursing Home of Lafayette County

Statements of Cash Flows

Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Cash received from and on behalf of residents	\$ 2,944,593	\$ 3,702,714
Cash paid to suppliers and contractors for goods and services	(3,814,920)	(2,134,983)
Cash payments to employees for operating payroll	(2,130,008)	(2,554,476)
	<u>(3,000,335)</u>	<u>(986,745)</u>
Net cash flows from operating activities		
	<u>(3,000,335)</u>	<u>(986,745)</u>
Cash Flows From Investing Activities		
Investment income	-	132
	<u>-</u>	<u>132</u>
Cash Flows From Noncapital Financing Activities		
General property tax revenues	637,788	275,051
Intergovernmental grants	895,897	1,056,638
Nonoperating income	156	-
Transfers in	671,414	325,696
	<u>2,205,255</u>	<u>1,657,385</u>
Net cash flows from noncapital financing activities		
	<u>2,205,255</u>	<u>1,657,385</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(57,543)	(2,256)
	<u>(57,543)</u>	<u>(2,256)</u>
Net cash flows from capital and related financing activities		
	<u>(57,543)</u>	<u>(2,256)</u>
Net change in cash and cash equivalents	(852,623)	668,516
Cash and Cash Equivalents, Beginning	<u>1,262,797</u>	<u>594,281</u>
Cash and Cash Equivalents, Ending	<u>\$ 410,174</u>	<u>\$ 1,262,797</u>

Lafayette Manor Nursing Home of Lafayette County

Statements of Cash Flows

Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of Operating Loss to Net Cash Flows		
From Operating Activities		
Operating loss	\$ (1,988,314)	\$ (892,945)
Adjustments to reconcile operating loss to:		
Net cash flows from operating activities:		
Depreciation	110,875	110,757
Change in assets, deferred outflows of resources, liabilities		
and deferred inflows of resources:		
Resident receivables, net	(347,261)	92,885
Prepaid items	9,535	2,255
Accounts payable	(568)	13,933
Accrued payroll and fringe benefits	2,950	(50,040)
Resident trust funds	311	(1,551)
Pension related amounts	(93,647)	(209,753)
OPEB related amounts	(65,751)	85,008
Compensated absences	(23,168)	(104,803)
Compensated absences	<u>(605,297)</u>	<u>(32,491)</u>
Net cash flows from operating activities	<u>\$ (3,000,335)</u>	<u>\$ (986,745)</u>
Reconciliation of Cash and Cash Equivalents		
to the Statement of Net Position		
Cash and investments	\$ 349,792	\$ 1,202,575
Restricted assets, donations	52,905	53,056
Restricted assets, resident trust funds	<u>7,477</u>	<u>7,166</u>
Cash and Cash Equivalents, Ending	<u>\$ 410,174</u>	<u>\$ 1,262,797</u>
Noncash Investing, Capital and Financing Activities		
None		