

**LINCOLN COUNTY, WISCONSIN**  
**Merrill, Wisconsin**

**BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

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## INDEPENDENT AUDITORS' REPORT

County Board  
Lincoln County, Wisconsin

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lincoln County, Wisconsin (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, based on our audit, 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 Lincoln County, Wisconsin as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter Regarding Transfer of Operations***

As discussed in Note 16, the County transferred operations of the Pine Crest Nursing Home and Lincoln Industries to North Central Health Care as of January 1, 2020. This is shown as a special item on the County's Statement of Activities and Proprietary Fund Statement Revenues, Expenses, and Changes in Net Position in accordance with GASB Statement 69. Our opinions are not modified with respect to that matter.

***Emphasis-of-Matter Regarding a Correction of an Error***

As discussed in Note 17 of the basic financial statements, a prior period adjustment was recorded relating to the valuation of the County's equity share of the North Central Health Care Joint Venture. Accordingly, amounts reported for the investment in joint venture and net position have been restated to correct the error. Our opinions are not modified with respect to that matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to pensions and other post-employment benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln County, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of Lincoln County, Wisconsin'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 Lincoln County, Wisconsin'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 Lincoln County, Wisconsin's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
July 30, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# LINCOLN COUNTY FINANCE DEPARTMENT

## Lincoln County Service Center

801 North Sales Street, Suite 211

MERRILL, WI 54452-1632

Phone: (715) 539-1030

FAX: (715) 539-8056

Dan Leydet, Finance Director  
Heather Marheine, County Accountant  
Samantha Fenske, County Accountant

Elayne Lang, Payroll Clerk  
Amy Kohnhorst, Fiscal Clerk/  
Accounts Payable

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### Management's Discussion and Analysis

As management of Lincoln County, we offer the readers of Lincoln County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2020.

#### Financial Highlights

- The assets and deferred outflows of resources of Lincoln County exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$73,098,071 (net position). Of this amount, \$17,508,458 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental activities total net position increased by \$7,714,118 and the business-type activities decreased by \$3,414,496.
- As of the close of the current fiscal year, Lincoln County's governmental funds reported combined ending fund balances of \$13,269,226, an increase of \$342,301 in comparison with the prior year. Eighty-two percent of this total amount, \$10,917,350, is available for spending at the government's discretion (committed, assigned, or unassigned).
- At the end of the current fiscal year, revenues exceeded expenditures in the general fund by \$340,566.
- In 2020 Lincoln County's capital assets decreased by \$3,622,086.

#### Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Lincoln County's basic financial statements. The County's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

The *statement of net position* reports what a government owns (assets and deferred outflows of resources) and owes (liabilities and deferred inflows of resources), as well as the net difference between the two (net position). This statement reports the financial position of Lincoln County at December 31, 2020. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the *statement of net position* and the *statement of activities*, the County has two kinds of activities:

- **Governmental Activities** - Most of the County's programs and services are reported here, including general government, public safety, public works, health and human services, culture recreation and education, and conservation and development.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all or most of the services provided. The County's Nursing Home, Solid Waste Landfill, Lincoln Industries (developmental disabilities workshop) and Forestry are reported here. Effective January 1, 2020, the County transferred operations of the County's Nursing Home and Lincoln Industries to North Central Health Care.

Infrastructure assets (which include roads, bridges, curbs and gutters, street and sidewalks, drainage systems, and lighting systems) are reported at historical cost, or estimated historical cost, in the governmental activities column in the government-wide financial statements. They are part of the County Roads and Bridges governmental fund and were not required to have been reported before the implementation of GASB Statement No. 34.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. The County's major governmental funds are the General Fund, County Roads and Bridges Fund, Social Services Fund, and Emergency Medical Fund.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the county roads and bridges special revenue fund, the social services special revenue fund, and emergency medical special revenue fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these five nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund and for each individual, major special revenue funds to demonstrate compliance with the budget.

**Proprietary Funds** - When the County charges customers for the services it provides - whether to outside customers or to other units of the County - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Activities*. In fact, the County's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The County uses enterprise funds to account for its Solid Waste Landfill and Forestry Department. The County uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the County's other programs and activities. The County uses internal service funds to account for its Health Insurance Trust Fund and the Highway Department.



**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County's fiduciary funds include its employees' benefit cafeteria plan, collection of delinquent special assessments, special charges, and delinquent utilities, and clerk of courts collection fund. All of the County's fiduciary activities are reported in a separate *Statement of Fiduciary Net Position*. We exclude these net assets from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The combining fund statements are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. At the close of 2020, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$73,098,071.

By far the largest portion of the County's net position, \$51,788,707 (70.9%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The County's net investment in capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

<b>Lincoln County's Net Position</b>						
	Governmental Activities 2020	Governmental Activities 2019	Business-Type Activities 2020	Business-Type Activities 2019	Total 2020	Total 2019
Current and other assets	\$ 43,007,576	\$ 34,299,497	\$ 10,618,717	\$ 11,198,080	\$ 53,626,293	\$ 45,497,577
Capital assets	<u>62,538,078</u>	<u>53,009,732</u>	<u>5,786,957</u>	<u>18,947,589</u>	<u>68,325,035</u>	<u>71,957,321</u>
Total assets	<u>105,545,654</u>	<u>87,309,229</u>	<u>16,405,674</u>	<u>30,145,669</u>	<u>121,951,328</u>	<u>117,454,898</u>
Deferred outflows of resources	<u>6,810,368</u>	<u>7,420,196</u>	<u>305,934</u>	<u>4,652,571</u>	<u>7,116,302</u>	<u>12,072,767</u>
Long-term liabilities						
outstanding	15,815,647	11,744,047	8,781,812	19,410,109	24,597,459	31,154,156
Other liabilities	<u>7,431,640</u>	<u>5,392,158</u>	<u>846,001</u>	<u>2,818,200</u>	<u>8,277,641</u>	<u>8,210,358</u>
Total liabilities	<u>23,247,287</u>	<u>17,136,205</u>	<u>9,627,813</u>	<u>22,228,309</u>	<u>32,875,100</u>	<u>39,364,514</u>
Deferred inflows of resources	<u>22,676,505</u>	<u>18,997,194</u>	<u>417,954</u>	<u>2,489,594</u>	<u>23,094,459</u>	<u>21,486,788</u>
Net position:						
Net investment in capital assets	46,001,749	44,221,392	5,786,958	9,419,090	51,788,707	53,640,482
Restricted	3,543,382	888,417	257,524	148,237	3,800,906	1,036,654
Unrestricted	<u>16,887,099</u>	<u>13,486,217</u>	<u>621,359</u>	<u>513,010</u>	<u>17,508,458</u>	<u>13,999,227</u>
Total net position	<u>\$ 66,432,230</u>	<u>\$ 58,596,026</u>	<u>\$ 6,665,841</u>	<u>\$ 10,080,337</u>	<u>\$ 73,098,071</u>	<u>\$ 68,676,363</u>

An additional portion of the County's net position, \$3,800,906 (5.2%), represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, Lincoln County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities except for Solid Waste and Emergency Medical Funds.

**Governmental Activities.** Governmental activities increased the County's net position by \$7,714,118. Key elements of this increase are as follows:

<b>Lincoln County's Change in Net Position</b>						
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities		
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 7,646,914	\$ 9,182,696	\$ 3,573,441	\$ 20,175,845	\$11,220,355	\$ 29,358,541
Operating grants and contributions	5,988,181	4,501,588	363,916	300,956	23,728,292	23,728,292
Capital grants and contributions	-	-	-	86,222	-	86,222
General revenues:						
Property taxes	14,704,902	14,068,429	-	440,815	14,704,902	14,509,244
Other taxes	3,517,635	3,259,161	-	-	3,517,635	3,259,161
Grants and contributions not restricted to specific programs	1,084,127	1,134,106	-	-	1,084,127	1,134,106
Other	116,212	401,119	-	991	116,212	402,110
Total revenues	<u>33,057,971</u>	<u>32,547,099</u>	<u>3,937,357</u>	<u>21,004,829</u>	<u>36,995,328</u>	<u>53,551,928</u>
					-	-
Expenses:						
General government	6,860,415	6,631,956	-	-	6,860,415	6,631,956
Public safety	10,036,193	10,381,595	-	-	10,036,193	10,381,595
Public works	5,631,847	8,477,452	-	-	5,631,847	8,477,452
Health and human services	6,658,749	5,335,188	-	-	6,658,749	5,335,188
Culture and recreation	845,623	878,855	-	-	845,623	878,855
Conservation and development	629,662	681,049	-	-	629,662	681,049
Interest on long-term debt	480,892	250,505	-	-	480,892	250,505
Nursing home	-	-	-	16,312,715	-	16,312,715
Forestry	-	-	975,609	1,057,306	975,609	1,057,306
Lincoln Industries	-	-	-	1,871,570	-	1,871,570
Landfill	-	-	2,939,658	1,962,774	2,939,658	1,962,774
Total expenses	<u>31,143,381</u>	<u>32,636,600</u>	<u>3,915,267</u>	<u>21,204,365</u>	<u>35,058,648</u>	<u>53,840,965</u>
Increase (decrease) in net position before transfers	1,914,590	(89,501)	22,090	(199,536)	1,936,680	(289,037)
Transfers	(469,547)	1,460,199	469,547	(1,460,199)	-	-
Increase (Decrease) in net position	1,445,043	1,370,698	491,637	(1,659,735)	1,936,680	(289,037)
Prior Period Adjustment	3,298,789	-	-	-	3,298,789	-
Special Item	2,970,286	-	(3,906,133)	(449,290)	(935,847)	(449,290)
Net position - January 1	<u>58,718,112</u>	<u>57,347,414</u>	<u>10,080,337</u>	<u>12,189,362</u>	<u>68,798,449</u>	<u>69,536,776</u>
Net position - December 31	<u>\$ 66,432,230</u>	<u>\$ 58,718,112</u>	<u>\$ 6,665,841</u>	<u>\$ 10,080,337</u>	<u>\$73,098,071</u>	<u>\$ 68,798,449</u>

The County recorded a prior period adjustment in the amount of \$3,298,789. This reflects the equity Lincoln County maintained in North Central Health Care (NCHC) on December 31, 2019. NCHC is a statutory mandated entity pursuant to Wisconsin Statutes 51.42/.437 and was established under an agreement between Marathon, Langlade, and Lincoln Counties to provide services under the fore mentioned statute. The County considers the relationship between Lincoln County and NCHC as a joint venture and as such reports the County's interests as an investment in a joint venture in the governmental activities of the County.

Effective January 1, 2020, The County entered into a management agreement with North Central Health Care (NCHC) in which NCHC assumed operational and management responsibilities for Pine Crest Nursing Home and Lincoln Industries sheltered workshop. As a result, the County closed both the Pine Crest and Lincoln Industries proprietary funds and the equity interest in Pine Crest transferred to NCHC. The value of that interest on December 31, 2019 was \$2,970,286. Consequently, a special item was recorded in governmental activities in the amount of \$2,970,286.

In 2020, the County instituted a hiring freeze and a moratorium on non-essential spending. As a result of this many departments underspent. Additionally the County received a Routes to Recovery grant in the amount of \$504,892 that was unbudgeted. In particular, the County's Social Service fund increased \$444,873 due to reduced outside placement of at risk children. The County's Health Insurance fund showed an increase of \$529,595 due to a reduction in claims. The Emergency Medical fund also showed an increase of \$57,737 due to an increase in revenues.

**Business-type Activities** Business-type activities decreased Lincoln County's net position by \$3,414,496. As a result of the fore mentioned closing of Pine Crest and Lincoln Industries funds, the County reported a Special Item of a reduction of \$3,906,133 from business-type activities. Solid Waste had an operating loss of \$825,947 due to unanticipated depletion and future closing cost amortization caused by high volume of waste and an overall loss of \$761,597. Forestry showed an operating gain of \$186,390 due to lower than expected expenses but showed an overall loss of \$561,875 due to a transfer of \$1,112,360 to the General Fund.

### **Financial Analysis of the Government's Funds**

As noted earlier, Lincoln County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Lincoln County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Lincoln County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At the end of the current fiscal year, Lincoln County's governmental funds reported combined ending fund balances of \$13,269,226, an increase of \$342,301 in comparison with the prior year. Approximately 82 percent of this total amount, \$10,917,487, constitutes the amount which is available for spending at the government's discretion. Of the \$13,269,226, \$1,869,522 is committed by County Board action for CIP projects, out of home placements for juveniles, and a 2021 Family Care payment, another \$795,889 is assigned for CIP projects in future years, and \$4,246,754 is recognized by County Board action for cash flow. Additionally, \$89,377 is assigned by the Finance and Insurance Committee for specific programs. The remaining \$2,963,735 in the General Fund is unassigned.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,210,489, while the total fund balance was \$11,398,458. A total of \$9,527,277 or eighty-four percent of the general fund balance remains under the County's discretion.

The fund balance of Lincoln County's general fund decreased by \$359,694 during the current fiscal year. Key factors in this increase are as follows:

- The County transferred an amount of \$1,577,385 into General Fund. \$1,083,742 was transferred per Ordinance 3.26 which limit net position balances in other funds and an additional \$200,000 was transferred from the Solid Waste Fund and \$258,301 from Lincoln Industries closing out the fund. The County transferred a total of \$2,277,645 out of the General Fund. \$1,585,945 was transferred to the Pine Crest Fund to offset prior year losses and close the fund and \$691,700 was transferred to the Roads fund for road work.
- Total revenues were less than budgeted expectations by \$34,847. Interest revenue fell short of budget by \$115,193, outside housing revenue in the jail ended up \$203,083 under budget, and land services grant revenue was short of budget by \$85,287. Both intergovernmental revenue and sale tax came in higher than budgeted at \$225,313 and \$44,847 respectively. Forest land revenue was under budget by \$64,578.
- Expenditures came in under budget by \$2,806,940. An additional \$809,952 was carried over into 2021 than was originally budgeted, The Sheriff's Office underspent by \$497,632, \$447,702 of contingency funds were not spent, capital projects were underspent by \$762,522 most of which was carried over into 2021, and the general government budget was underspent by an additional \$800,755 not previously noted.

The County Roads and Bridges Fund has a fund balance of \$441,424 at December 31, 2020 a decrease of \$155,456 when compared to the previous year. Reserves were carried over from 2019 and spent in 2020 on planned projects.

The Social Services fund has a total fund balance of \$744,462. The fund balance of the Social Services fund increased \$444,873 during the current year. Out of home placements were reduced in 2020.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the business-type activities of the County's government-wide financial statements, but in more detail.

Unrestricted net position of Solid Waste Landfill amounted to a negative \$1,186,467, and those of Forestry amounted to \$1,807,827. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

### **General Fund Budgetary Highlights.**

In the course of the year, the Finance and Insurance Committee and the County Board of Supervisors revised the budget. The budget amendments fell into three main categories. The first category included amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts that we estimated during the budget process in October 2019). The second category included several increases in appropriations to prevent budget overruns. The third included grants or purchases that were not anticipated and budgeted for originally. Other budget amendments were not made for variances in revenue lines unless it was for a grant.

During the year, the budget for expenditures was *increased* by \$1,475,847. Those amendments are briefly summarized below:

- \$912,249 - The actual amount of grant and designated funds spent down in 2019 was less than the amount estimated as designated for non-lapsing appropriations when the budget was prepared.
- \$147,797 - Increase in expenditures due to increased grant revenues.
- \$332,909 - Increase in Capital Improvement Projects (CIP) during the year.

Actual expenditures were \$2,806,940 *less* than the amended budget. Explanations not already provided elsewhere in this report are summarized below:

- \$545,707 - Unused electronic access and retained fee revenue and lower than anticipated payroll costs due to turnover.
- \$48,266 - Lower than expected jury costs in the Clerk of Courts Office.
- \$77,740 - Due to lower than anticipated payroll costs due to turnover.

On the revenue side, the original budget was *increased* by \$553,547 with budget amendments largely due to increases in sales tax revenues, \$116,721, and intergovernmental revenue, \$275,533.

Actual revenues were \$34,847 *lower* than budgeted. Significant variances not already provided elsewhere are as follows:

- Clerk of Courts revenue ended \$12,599 lower than budgeted.
- Personal Property revenues were \$10,205 lower than anticipated.
- Victim Witness grant revenue was \$10,093 lower than budgeted.

**Capital Asset and Debt Administration**

**Capital assets.** Lincoln County’s investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounted to \$68,325,035 (net of accumulated depreciation) compared to \$71,947,121 in 2019. This investment in capital assets includes land, land improvements, infrastructure, buildings and improvements, equipment and vehicles, intangible assets, and work in progress. The net decrease in the County’s investment in capital assets for the current fiscal year was \$3,622,086 or 5 percent.

Major capital asset events during the current fiscal year included the following:

- \$2,738,510 decline in capital assets due to assets being transferred to North Central Health Care per the management agreement.
- Infrastructure increased \$3,431,378 in 2020.
- Work in progress decreased by \$362,536 signaling a slowing of construction projects.
- Depreciation expense totaled \$4,524,807 in 2020.

<b>Lincoln County's Capital Assets</b>						
(net of accumulated depreciation)						
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2020	2019	2020	2019	2020	2019
Land	\$ 43,896	\$ 42,395	\$ 2,603,024	\$ 2,641,462	\$ 2,646,920	\$ 2,683,857
Land improvements	487,989	522,368	2,444,746	3,442,339	2,932,735	3,964,707
Infrastructure	34,702,026	32,664,000	-	-	34,702,026	32,664,000
Buildings and improvements	20,933,986	13,306,080	72,966	9,107,637	21,006,952	22,413,717
Equipment and vehicles	5,769,639	5,818,685	223,648	2,996,504	5,993,287	8,815,189
Work in progress	<u>600,542</u>	<u>646,004</u>	<u>442,573</u>	<u>759,647</u>	<u>1,043,115</u>	<u>1,405,651</u>
Total	<u>\$ 62,538,078</u>	<u>\$ 52,999,532</u>	<u>\$ 5,786,957</u>	<u>\$ 18,947,589</u>	<u>\$ 68,325,035</u>	<u>\$ 71,947,121</u>

Additional information on Lincoln County’s capital assets can be found in Note 6.

**Long-term debt.** At the end of the current fiscal year, Lincoln County had a total general obligation debt outstanding of \$13,900,000 which is a decrease of \$1,345,000. In 2019 the total general obligation debt outstanding was \$15,245,000. All Lincoln County general obligation debt is backed by the full faith and credit of the County. Lincoln County maintains a Standard and Poor’s Rating of AA for general obligation debt.

<b>Lincoln County's Outstanding Long-Term Obligations</b>						
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2020	2019	2020	2019	2020	2019
Bonds	\$13,900,000	\$8,655,000	\$ -	\$6,590,000	\$13,900,000	\$15,245,000
Notes	2,600,000	-	-	2,600,000	2,600,000	2,600,000
Compensated absences	<u>1,991,177</u>	<u>1,823,402</u>	<u>154,501</u>	<u>1,063,481</u>	<u>2,145,678</u>	<u>2,886,883</u>
Total general long-term obligations	<u>\$18,491,177</u>	<u>\$10,478,402</u>	<u>\$154,501</u>	<u>\$10,253,481</u>	<u>\$18,645,678</u>	<u>\$20,731,883</u>

Wisconsin statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized valuation. Lincoln County’s debt capacity is \$119,330,700, which is significantly in excess of Lincoln County’s outstanding general obligation debt.

Additional information on Lincoln County's long-term debt can be found in Note 7.

### **Factors and Next Year's Budget Rates**

The unemployment rate for Lincoln County in April 2021 was 4.2 percent as compared to 4.3 percent for the State of Wisconsin. The April 2021 rate for Lincoln County was 10 percent lower than the April 2020 rate (14.3%). The 2020 rates were clearly affected by the coronavirus pandemic. Consequently, use for comparative purposes is limited.

The general economic condition and outlook for the County is for relatively low unemployment with economic growth. Equalized valuation in Lincoln County increased 4.61 percent in 2020.

Inflationary trends in our region compare to national indices.

The above factors will be considered in preparing the County's budget for the 2022 fiscal year.

### **Request for information**

This financial report is designed to provide a general overview of Lincoln County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Lincoln County, 801 North Sales Street Suite 211, Merrill, WI 54452.

## **BASIC FINANCIAL STATEMENTS**

**LINCOLN COUNTY, WISCONSIN**  
**STATEMENT OF NET POSITION**  
December 31, 2020

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 14,279,561	\$ 3,011,994	\$ 17,291,555
Receivables, net:			
Property taxes	14,930,281	-	14,930,281
Tax certificates and deeds	1,185,094	-	1,185,094
Accounts	1,385,010	207,598	1,592,608
Due from other governments	1,276,813	106,558	1,383,371
Inventories, at cost	1,535,560	1,627,905	3,163,465
Prepaid items	316,107	10,189	326,296
Total current assets	<u>34,908,426</u>	<u>4,964,244</u>	<u>39,872,670</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	26,004	5,519,942	5,545,946
Investment in joint venture	5,579,775	-	5,579,775
Net pension asset	2,493,371	134,531	2,627,902
Total noncurrent assets	<u>8,099,150</u>	<u>5,654,473</u>	<u>13,753,623</u>
Capital assets:			
Land and construction in progress	644,438	3,045,597	3,690,035
Other capital assets, net of depreciation	61,893,640	2,741,360	64,635,000
Total capital assets	<u>62,538,078</u>	<u>5,786,957</u>	<u>68,325,035</u>
Total noncurrent assets	<u>70,637,228</u>	<u>11,441,430</u>	<u>82,078,658</u>
Total assets	<u>105,545,654</u>	<u>16,405,674</u>	<u>121,951,328</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	376,154	-	376,154
Related to other post employment benefits	746,935	40,301	787,236
Related to pensions	5,687,279	265,633	5,952,912
Total deferred outflow of resources	<u>6,810,368</u>	<u>305,934</u>	<u>7,116,302</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	860,943	91,412	952,355
Accrued expenses	661,846	10,497	672,343
Compensated absences payable	1,044,174	63,974	1,108,148
Accrued claims	458,082	-	458,082
Deposits and advances	282,743	412,074	694,817
Due to other governments	111,052	184,440	295,492
Current portion of long-term obligations	3,790,000	-	3,790,000
Unearned revenue	222,800	83,604	306,404
Total current liabilities	<u>7,431,640</u>	<u>846,001</u>	<u>8,277,641</u>
Noncurrent liabilities:			
Future closure payable	-	8,402,947	8,402,947
Net other post employment benefits liability	1,746,161	95,073	1,841,234
Compensated absences payable	947,003	90,527	1,037,530
Due other governments	-	193,265	193,265
Noncurrent portion of long-term obligations	13,122,483	-	13,122,483
Total noncurrent liabilities	<u>15,815,647</u>	<u>8,781,812</u>	<u>24,597,459</u>
Total liabilities	<u>23,247,287</u>	<u>9,627,813</u>	<u>32,875,100</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to other post employment benefits	268,555	14,490	283,045
Related to pensions	7,477,669	403,464	7,881,133
Property taxes levied for subsequent year	14,930,281	-	14,930,281
Total deferred inflows of resources	<u>22,676,505</u>	<u>417,954</u>	<u>23,094,459</u>
<b>NET POSITION</b>			
Net investment in capital assets	46,001,749	5,786,958	51,788,707
Restricted	3,543,382	257,524	3,800,906
Unrestricted	16,887,099	621,359	17,508,458
<b>TOTAL NET POSITION</b>	<u>\$ 66,432,230</u>	<u>\$ 6,665,841</u>	<u>\$ 73,098,071</u>

These financial statements should be read only in connection with the accompanying notes to basic financial statements.



**LINCOLN COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020**

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Sales and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$ 6,860,415	\$ 867,952	\$ 609,079	\$ -	\$ (5,383,384)	\$ -	\$ (5,383,384)
Public safety	10,036,193	2,210,847	318,158	-	(7,507,188)	-	(7,507,188)
Public works	5,631,847	2,996,081	1,836,880	-	(798,886)	-	(798,886)
Health and human services	6,658,749	406,033	2,985,714	-	(3,267,002)	-	(3,267,002)
Culture, recreation, and education	845,623	41,750	1,420	-	(802,453)	-	(802,453)
Conservation and development	629,662	491,401	235,236	-	96,975	-	96,975
Interest on long-term debt	480,892	632,850	1,694	-	153,652	-	153,652
Total governmental activities	<u>31,143,381</u>	<u>7,646,914</u>	<u>5,988,181</u>	<u>-</u>	<u>(17,508,286)</u>	<u>-</u>	<u>(17,508,286)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Forestry	988,820	1,180,866	364,095	-	-	556,141	556,141
Solid waste landfill	2,954,172	2,392,575	-	-	-	(561,597)	(561,597)
Total business-type activities	<u>3,942,992</u>	<u>3,573,441</u>	<u>364,095</u>	<u>-</u>	<u>-</u>	<u>(5,456)</u>	<u>(5,456)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 35,086,373</u>	<u>\$ 11,220,355</u>	<u>\$ 6,352,276</u>	<u>\$ -</u>	<u>(17,508,286)</u>	<u>(5,456)</u>	<u>(17,513,742)</u>
<b>GENERAL REVENUES:</b>							
Taxes:							
					14,704,902	-	14,704,902
					136,363	-	136,363
					506,649	-	506,649
					2,336,568	-	2,336,568
					88,755	-	88,755
					92,886	-	92,886
					38,679	-	38,679
					317,735	-	317,735
					1,084,127	-	1,084,127
					116,212	-	116,212
					(469,547)	469,547	-
					<u>18,953,329</u>	<u>469,547</u>	<u>19,422,876</u>
<b>CHANGE IN NET POSITION</b>					1,445,043	464,091	1,909,134
<b>SPECIAL ITEM</b>					2,970,286	(3,878,587)	(908,301)
<b>NET POSITION - JANUARY 1, AS ORIGINALLY REPORTED</b>					58,718,112	10,080,337	68,798,449
<b>PRIOR PERIOD ADJUSTMENT</b>					<u>3,298,789</u>	<u>-</u>	<u>3,298,789</u>
<b>NET POSITION - JANUARY 1, AS RESTATED</b>					<u>62,016,901</u>	<u>10,080,337</u>	<u>72,097,238</u>
<b>NET POSITION - ENDING</b>					<u>\$ 66,432,230</u>	<u>\$ 6,665,841</u>	<u>\$ 73,098,071</u>

These financial statements should be read only in connection with the accompanying notes to basic financial statements.

**LINCOLN COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020**

	<u>General</u>	<u>County Roads and Bridges</u>	<u>Social Services</u>	<u>Emergency Medical</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,261,280	\$ 441,424	\$ 527,365	\$ 30	\$ 842,640	\$ 12,072,739
Receivables, net:						
Property taxes	9,182,225	2,186,753	698,102	1,317,477	1,545,724	14,930,281
Tax certificates and deeds	1,185,094	-	-	-	-	1,185,094
Accounts	753,675	-	-	315,257	930	1,069,862
Due from other governments	467,524	-	304,455	-	181,485	953,464
Due from other funds	414,843	-	-	-	-	414,843
Prepaid items	311,605	-	-	260	137	312,002
Inventories	21,801	-	-	-	-	21,801
Restricted assets:						
Cash and cash equivalents	<u>20,902</u>	<u>-</u>	<u>5,102</u>	<u>-</u>	<u>-</u>	<u>26,004</u>
<b>TOTAL ASSETS</b>	<u>\$ 22,618,949</u>	<u>\$ 2,628,177</u>	<u>\$ 1,535,024</u>	<u>\$ 1,633,024</u>	<u>\$ 2,570,916</u>	<u>\$ 30,986,090</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 229,454	\$ -	\$ 67,877	\$ 162,686	\$ 33,480	\$ 493,497
Accrued liabilities	514,323	-	19,456	623	15,793	550,195
Deposits and advances	277,616	-	5,127	-	-	282,743
Due to other funds	-	-	-	414,738	-	414,738
Due to other governments	110,521	-	-	-	531	111,052
Unearned revenue	<u>194,794</u>	<u>-</u>	<u>-</u>	<u>28,006</u>	<u>-</u>	<u>222,800</u>
Total liabilities	<u>1,326,708</u>	<u>-</u>	<u>92,460</u>	<u>606,053</u>	<u>49,804</u>	<u>2,075,025</u>
<b>Deferred inflows of resources</b>						
Property taxes levied for subsequent year	9,182,225	2,186,753	698,102	1,317,477	1,545,724	14,930,281
Interest on delinquent taxes	345,083	-	-	-	-	345,083
Citation receivables	<u>366,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366,475</u>
Total deferred inflows of resources	<u>9,893,783</u>	<u>2,186,753</u>	<u>698,102</u>	<u>1,317,477</u>	<u>1,545,724</u>	<u>15,641,839</u>
<b>Fund balances</b>						
Reserved for:						
Nonspendable	1,301,468	-	-	260	137	1,301,865
Restricted	569,713	-	101,028	-	379,270	1,050,011
Committed	1,431,522	441,424	643,434	-	521,721	3,038,101
Assigned	885,266	-	-	-	74,260	959,526
Unassigned	<u>7,210,489</u>	<u>-</u>	<u>-</u>	<u>(290,766)</u>	<u>-</u>	<u>6,919,723</u>
Total fund balances	<u>11,398,458</u>	<u>441,424</u>	<u>744,462</u>	<u>(290,506)</u>	<u>975,388</u>	<u>13,269,226</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 22,618,949</u>	<u>\$ 2,628,177</u>	<u>\$ 1,535,024</u>	<u>\$ 1,633,024</u>	<u>\$ 2,570,916</u>	<u>\$ 30,986,090</u>

These financial statements should be read only in connection with  
the accompanying notes to basic financial statements.

**LINCOLN COUNTY WISCONSIN  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2020**

Total fund balances for governmental funds \$ 13,269,226

Total net position used in governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 6,021	
Construction in progress	600,542	
Land improvements, net of \$336,184 accumulated depreciation	308,165	
Buildings, net of \$25,021,158 accumulated depreciation	20,514,719	
Machinery and equipment, net of \$11,656,659 accumulated depreciation	1,266,328	
Intangible assets, net of \$330,128 accumulated depreciation	349,853	
Infrastructure, net of \$26,885,720 accumulated depreciation	<u>34,702,026</u>	
Total capital assets		57,747,654

Internal service funds are used by the County to charge the cost of health insurance and County road work to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. Internal service fund's net position are:

Health insurance fund	\$ 928,278	
Highway fund	<u>6,445,190</u>	
Total internal service funds		7,373,468

Lincoln County entered into an agreement with Langlade and Marathon counties to provide mental health and other related human services in each of the counties. The agreement created North Central Health Care (NCHC). The agreement divides the net position of NCHC between the counties in proportion of each of the county's population. This joint venture is reported on Lincoln County's financial statements as an investment in a joint venture as follows:

5,579,775

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities (current and long-term) are reported in the statement of net position. Balances on 12/31/20 are:

Accrued interest on notes	\$ (60,188)	
Bonds payable	(13,900,000)	
Taxable note anticipation note	(2,600,000)	
Premium on debt issued	(498,718)	
Vacation payable	(768,114)	
Vested sick leave	(421,399)	
Accrued sick	(276,274)	
Comp time	<u>(12,848)</u>	
Total long-term liabilities		(18,537,541)

Accounts receivable are recorded when they become measurable and available in governmental funds. On 12/31/20 receivables were not available and consequently not recorded. Under full accrual accounting, revenues are recorded when earned. Consequently the accounts receivable is recorded and revenue recognized.

151,222

On 12/31/20 deferred inflows of resources were recorded in the governmental funds for citation revenue and interest on delinquent taxes that was not considered a current financial resource, but is an economic resource. Consequently, this revenue is recognized.

Citation revenue	\$ 366,475	
Interest on delinquent taxes	<u>345,083</u>	
Total deferred revenue		711,558

Lincoln County recorded a deferred outflow of resources due to an advanced refunding in 2016. Deferred outflow of resources on early extinguishment of debt on 12/31/20 is:

462,389

Lincoln County reports its cost-sharing employer proportionate share of the collective balance of the pension plan's fiduciary net position as well as deferred outflows and inflows of resources related to pensions per GASB 68. Balances on 12/31/20 are:

Net pension asset	\$ 2,043,373	
Deferred outflow of resources-related to pensions	9,137,257	
Deferred inflow of resources-related to pensions	<u>(10,476,363)</u>	
		<u>704,267</u>

Lincoln County reports its cost-sharing employer proportionate share of the collective balance of the OPEB plan's fiduciary net position as well as deferred outflows and inflows of resources related to OPEBs per GASB 75. Balances on 12/31/20 are:

Net OPEB liability	\$ (1,421,831)	
Deferred outflow of resources-OPEBs	612,130	
Deferred inflow of resources-OPEBs	<u>(220,087)</u>	
		<u>(1,029,788)</u>

Total net position of governmental activities \$ 66,432,230

These financial statements should be read only in connection with the accompanying notes to basic financial statements.

**LINCOLN COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2020**

	<u>General</u>	<u>County Roads and Bridges</u>	<u>Social Services</u>	<u>Emergency Medical</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes	\$ 12,027,968	\$ 2,693,402	\$ 866,230	\$ 1,023,779	\$ 1,687,568	\$ 18,298,947
Intergovernmental revenues	2,603,330	1,822,579	2,048,042	54,393	538,968	7,067,312
Licenses and permits	179,883	-	-	-	31,779	211,662
Fines, forfeits, and penalties	131,124	-	-	-	24,761	155,885
Public charges for service	1,706,919	-	25	1,004,577	796,961	3,508,482
Intergovernmental charges for service	229,495	-	1,331	-	199,206	430,032
Miscellaneous revenues	<u>448,863</u>	<u>-</u>	<u>717</u>	<u>1,969</u>	<u>3,033</u>	<u>454,582</u>
Total revenues	<u>17,327,582</u>	<u>4,515,981</u>	<u>2,916,345</u>	<u>2,084,718</u>	<u>3,282,276</u>	<u>30,126,902</u>
<b>EXPENDITURES</b>						
Current:						
General government	5,785,838	-	-	-	-	5,785,838
Public safety	7,432,170	-	-	2,026,981	-	9,459,151
Public works	9,305	5,363,137	-	-	-	5,372,442
Health and human services	1,866,232	-	2,471,472	-	1,137,612	5,475,316
Culture, recreation, and education	845,434	-	-	-	-	845,434
Conservation and development	642,650	-	-	-	-	642,650
Capital outlay	405,387	-	-	-	-	405,387
Debt service:						
Principal	-	-	-	-	1,345,000	1,345,000
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>438,100</u>	<u>438,100</u>
Total expenditures	<u>16,987,016</u>	<u>5,363,137</u>	<u>2,471,472</u>	<u>2,026,981</u>	<u>2,920,712</u>	<u>29,769,318</u>
Excess (deficiency) of revenues under expenditures	<u>340,566</u>	<u>(847,156)</u>	<u>444,873</u>	<u>57,737</u>	<u>361,564</u>	<u>357,584</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,577,385	691,700	-	-	-	2,269,085
Transfers out	<u>(2,277,645)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,723)</u>	<u>(2,284,368)</u>
Total other financing sources and uses	<u>(700,260)</u>	<u>691,700</u>	<u>-</u>	<u>-</u>	<u>(6,723)</u>	<u>(15,283)</u>
Net change in fund balances	(359,694)	(155,456)	444,873	57,737	354,841	342,301
<b>FUND BALANCES - BEGINNING</b>	<u>11,758,152</u>	<u>596,880</u>	<u>299,589</u>	<u>(348,243)</u>	<u>620,547</u>	<u>12,926,925</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 11,398,458</u>	<u>\$ 441,424</u>	<u>\$ 744,462</u>	<u>\$ (290,506)</u>	<u>\$ 975,388</u>	<u>\$ 13,269,226</u>

These financial statements should be read only in connection with  
the accompanying notes to basic financial statements.

**LINCOLN COUNTY, WISCONSIN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020**

Net change in fund balances - total governmental funds		\$ 342,301
The change in net position reported for governmental activities in the statement of activities is different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. Additionally, the sale of a capital asset is recorded as a revenue in the governmental funds. However on the accrual basis, a gain or loss must be recognized. The net changes are as follows:		
Capital outlay	\$ 4,359,754	
Sale and disposal of capital assets	(29,184)	
Depreciation expense	<u>(3,726,475)</u>	
Deficiency of capital outlay over depreciation expense		604,095
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, this amount consisted of:		
		1,345,000
Lincoln County entered into an agreement with Langlade and Marathon counties to provide mental health and other related human services in each of the counties. The agreement created North Central Health Care (NCHC). The agreement divides the net position of NCHC between the counties in proportion of each of the county's population. The change in NCHC's net position is reported as an expense on Lincoln County's entity-wide statements. The change is:		
		(689,300)
Long term debt was previously reported in the Pine Crest enterprise fund. In 2020 the Pine Crest fund was closed and the debt was recorded in governmental activities. This consisted of:		
Principal	\$ (9,190,000)	
Unamortized bond premium	<u>(338,499)</u>	
		(9,528,499)
Buildings and other capital assets reported in the Pine Crest and Lincoln Industries enterprise funds were transferred to governmental activities upon closure of the funds. This consisted of		
Cost	\$ 17,043,807	
Accumulated Depreciation	<u>(7,967,978)</u>	
		9,075,829
Internal service funds are used by the County to charge the cost of health insurance and County road work to individual funds. The net revenue of the internal service funds is reported with governmental activities as follows:		
Health insurance fund	\$ 529,595	
Highway fund	<u>170,254</u>	
Total internal service funds		699,849
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when the financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following balances:		
Pension expense	\$ (14,687)	
Life Insurance Expense	(127,060)	
Debt premium	59,356	
Early retirement of debt loss amortized	(86,235)	
Accrued interest on notes	(15,913)	
Vacation	(104,357)	
Vested sick leave	(42,113)	
Accrued sick	5,207	
Comp time	<u>2,542</u>	
Combined adjustment		(323,260)
Revenue had accrued on 12/31/20 but was not available. Consequently this revenue was either deferred or not accrued in governmental funds, but is recorded as a receivable on the statement of net position and recognized as revenue on the statement of activities. The net revenue consists of:		
Charges for service	\$ 4,956	
Interest on delinquent taxes	(76,410)	
Corrections	2,805	
Citations	<u>(12,323)</u>	
Combined adjustment		<u>(80,972)</u>
Change in net position of governmental activities		<u>\$ 1,445,043</u>

These financial statements should be read only in connection with the accompanying notes to basic financial statements.

**LINCOLN COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2020**

	Enterprise Funds					Governmental Activities - Internal Service Funds
	PineCrest Nursing Home	Solid Waste Landfill	Forestry	Lincoln Industries	Total	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ -	\$ 399,372	\$ 2,612,622	\$ -	\$ 3,011,994	\$ 2,206,822
Receivables, net:						
Accounts	-	143,104	64,494	-	207,598	181,584
Due from other governments	-	-	106,558	-	106,558	305,586
Inventories, at cost	-	1,627,905	-	-	1,627,905	1,513,759
Prepaid items	-	10,000	189	-	10,189	4,105
Total current assets	-	2,180,381	2,783,863	-	4,964,244	4,211,856
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	-	5,519,942	-	-	5,519,942	-
Net Pension Asset	-	45,776	88,755	-	134,531	449,998
Capital assets:						
Land	-	84,605	2,518,419	-	2,603,024	37,875
Construction work in progress	-	442,573	-	-	442,573	-
Improvements other than buildings	-	13,202,971	9,603	-	13,212,574	332,477
Buildings	-	300,049	312,677	-	612,726	2,242,080
Machinery and equipment	-	1,126,787	656,531	-	1,783,318	11,481,479
Less accumulated depreciation and depletion	-	(12,053,002)	(814,256)	-	(12,867,258)	(9,303,487)
Total capital assets	-	3,103,983	2,682,974	-	5,786,957	4,790,424
Total noncurrent assets	-	8,669,701	2,771,729	-	11,441,430	5,240,422
Total assets	-	10,850,082	5,555,592	-	16,405,674	9,452,278
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to other post employment benefits	-	13,713	26,588	-	40,301	134,805
Related to pensions	-	93,413	172,220	-	265,633	898,269
Total deferred outflows of resources	-	107,126	198,808	-	305,934	1,033,074
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	-	89,174	2,238	-	91,412	74,337
Accrued expenses	-	4,559	5,938	-	10,497	51,030
Compensated absences payable	-	31,321	32,653	-	63,974	263,212
Accrued claims	-	-	-	-	-	751,624
Due to other governments	-	21,729	162,711	-	184,440	-
Unearned revenue	-	-	83,604	-	83,604	-
Deposits and advances	-	-	412,074	-	412,074	-
Total current liabilities	-	146,783	699,218	-	846,001	1,140,203
Noncurrent liabilities:						
Noncurrent due to other governments	-	193,265	-	-	193,265	-
Compensated absences payable	-	75,966	14,561	-	90,527	249,330
Net other post employment benefit liabilities	-	32,740	62,333	-	95,073	324,330
Future closure payable	-	8,402,947	-	-	8,402,947	-
Total noncurrent liabilities	-	8,704,918	76,894	-	8,781,812	573,660
Total liabilities	-	8,851,701	776,112	-	9,627,813	1,713,863
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	-	137,285	266,179	-	403,464	1,349,553
Related to other post employment benefits	-	4,930	9,560	-	14,490	48,468
Total deferred inflows of resources	-	142,215	275,739	-	417,954	1,398,021
<b>NET POSITION</b>						
Net investment in capital assets	-	3,103,983	2,682,974	-	5,786,957	4,790,424
Restricted	-	45,776	211,748	-	257,524	449,998
Unrestricted	-	(1,186,467)	1,807,827	-	621,360	2,133,046
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ 1,963,292</b>	<b>\$ 4,702,549</b>	<b>\$ -</b>	<b>\$ 6,665,841</b>	<b>\$ 7,373,468</b>

These financial statements should be read only in connection with the accompanying notes to basic financial statements.

LINCOLN COUNTY, WISCONSIN  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
Year Ended December 31, 2020

	Enterprise Funds					Governmental Activities - Internal Service Funds
	PineCrest Nursing Home	Solid Waste Landfill	Forestry	Lincoln Industries	Total	
<b>OPERATING REVENUES</b>						
Public charges for service	\$ -	\$ 1,995,356	\$ 1,180,687	\$ -	\$ 3,176,043	\$ -
Interdepartmental charges for service	-	-	-	-	-	8,832,767
Intergovernmental charges for service	-	128,327	-	-	128,327	2,770,746
Other	-	4,542	-	-	4,542	114,892
Total operating revenues	<u>-</u>	<u>2,128,225</u>	<u>1,180,687</u>	<u>-</u>	<u>3,308,912</u>	<u>11,718,405</u>
<b>OPERATING EXPENSES</b>						
Claims paid	-	-	-	-	-	2,327,484
General services	-	1,198,342	938,891	-	2,137,233	7,032,370
Administrative and fiscal services	-	-	-	-	-	1,231,469
Future closing costs	-	859,833	-	-	859,833	-
Depreciation and amortization	-	895,997	55,406	-	951,403	571,399
Total operating expenses	<u>-</u>	<u>2,954,172</u>	<u>994,297</u>	<u>-</u>	<u>3,948,469</u>	<u>11,162,722</u>
Operating income (loss)	<u>-</u>	<u>(825,947)</u>	<u>186,390</u>	<u>-</u>	<u>(639,557)</u>	<u>555,683</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest income	-	264,350	-	-	264,350	28,727
Rental income	-	-	-	-	-	50
Grant revenue	-	-	363,916	-	363,916	4,996
Salvage revenue	-	-	-	-	-	4,504
Donations	-	-	179	-	179	-
Gain on sale of supplies	-	-	-	-	-	3,838
Gain on disposal of capital assets	-	-	-	-	-	102,051
Total nonoperating revenues (expenses)	<u>-</u>	<u>264,350</u>	<u>364,095</u>	<u>-</u>	<u>628,445</u>	<u>144,166</u>
<b>Income before transfers</b>	<u>-</u>	<u>(561,597)</u>	<u>550,485</u>	<u>-</u>	<u>(11,112)</u>	<u>699,849</u>
Transfer in	2,119,854	-	-	-	2,119,854	-
Transfer out	<u>-</u>	<u>(200,000)</u>	<u>(1,112,360)</u>	<u>(332,291)</u>	<u>(1,644,651)</u>	<u>-</u>
Total transfers	<u>2,119,854</u>	<u>(200,000)</u>	<u>(1,112,360)</u>	<u>(332,291)</u>	<u>475,203</u>	<u>-</u>
<b>Change in net position</b>	<u>2,119,854</u>	<u>(761,597)</u>	<u>(561,875)</u>	<u>(332,291)</u>	<u>464,091</u>	<u>699,849</u>
<b>Special Item</b>	(3,577,205)	-	-	(301,382)	(3,878,587)	-
<b>TOTAL NET POSITION - BEGINNING</b>	<u>1,457,351</u>	<u>2,724,889</u>	<u>5,264,424</u>	<u>633,673</u>	<u>10,080,337</u>	<u>6,673,619</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ -</u>	<u>\$ 1,963,292</u>	<u>\$ 4,702,549</u>	<u>\$ -</u>	<u>\$ 6,665,841</u>	<u>\$ 7,373,468</u>

These financial statements should be read only in connection with  
the accompanying notes to basic financial statements.

**LINCOLN COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2020**

	<b>Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>PineCrest Nursing Home</b>	<b>Solid Waste Landfill</b>	<b>Forestry</b>	<b>Lincoln Industries</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
From patients and third party payers	\$ 1,303,841	\$ 2,059,046	\$ 1,221,273	\$ 183,735	\$ 4,767,895	\$ -
From other County departments	-	-	-	-	-	8,832,767
From government and other parties for sales	-	128,339	-	120	128,459	3,022,757
To employees for compensation and fringe benefits	-	(417,453)	(599,358)	(11,960)	(1,028,771)	(3,328,113)
To vendors for goods and services	(2,446,683)	(1,985,236)	(370,178)	(425,766)	(5,227,863)	(8,222,045)
Other cash received	-	4,542	-	-	4,542	-
Net cash provided by (used in) operating activities	<u>1,900,454</u>	<u>(210,762)</u>	<u>251,737</u>	<u>121,500</u>	<u>(1,355,738)</u>	<u>305,366</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Grant revenue	-	-	318,229	-	318,229	4,996
Rent	-	-	-	-	-	50
Donations	-	-	179	-	179	-
Transfer out	-	(200,000)	(1,112,360)	(194,816)	(1,507,176)	-
Transfer in	946,655	-	-	-	946,655	-
Net cash provided by (used in) noncapital financing activities	<u>946,655</u>	<u>(200,000)</u>	<u>(793,952)</u>	<u>(194,816)</u>	<u>(242,113)</u>	<u>5,046</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets	-	-	-	-	-	(429,559)
Proceeds from sale of assets	-	-	-	-	-	61,585
Proceeds from sale of supplies	-	-	-	-	-	43,206
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,768)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	-	265,455	-	-	265,455	28,892
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>2,847,109</u>	<u>(145,307)</u>	<u>(542,215)</u>	<u>(73,316)</u>	<u>(1,332,396)</u>	<u>14,536</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>196,187</u>	<u>6,064,621</u>	<u>3,154,837</u>	<u>448,687</u>	<u>9,864,332</u>	<u>2,192,286</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 3,043,296</u>	<u>\$ 5,919,314</u>	<u>\$ 2,612,622</u>	<u>\$ 375,371</u>	<u>\$ 8,531,936</u>	<u>\$ 2,206,822</u>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>						
Unrestricted	\$ -	\$ 399,372	\$ 2,612,622	\$ -	\$ 3,011,994	\$ 2,206,822
Restricted	-	5,519,942	-	-	5,519,942	-
	<u>\$ -</u>	<u>\$ 5,919,314</u>	<u>\$ 2,612,622</u>	<u>\$ -</u>	<u>\$ 8,531,936</u>	<u>\$ 2,206,822</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ -	\$ (825,947)	\$ 186,390	-	\$ (639,557)	\$ 555,683
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	-	895,997	55,406	-	951,403	571,399
Future closing costs	-	859,833	-	-	859,833	-
Change in other post employee benefits liability (asset) and deferred outflows/inflows	(569,841)	2,519	4,882	(52,213)	(614,653)	29,727
Change in net pension liability (asset) and related deferred outflows/inflows	449,881	14,284	35,950	40,253	540,368	158,427
Change in assets and liabilities:						
Accounts receivable	1,303,841	63,690	40,586	183,735	1,591,852	(172,158)
Due from other governments	-	12	-	120	132	209,355
Inventories	-	(1,220,081)	-	-	(1,220,081)	(391,237)
Prepaid items	-	10,039	(189)	-	9,850	(1,639)
Accounts payable	-	14,251	(40)	(50,395)	(36,184)	(248,204)
Due to other governments	-	(21,666)	(91,998)	-	(113,664)	-
Accrued expenses	-	(8,531)	(16,927)	-	(25,458)	(98,245)
Due to other funds	716,573	-	-	-	716,573	-
Compensated absences payable	-	4,838	(48,235)	-	(43,397)	29,054
Deposits and advances	-	-	85,912	-	85,912	-
Claims paid	-	-	-	-	-	(336,796)
Total adjustments	<u>1,900,454</u>	<u>615,185</u>	<u>65,347</u>	<u>121,500</u>	<u>2,702,486</u>	<u>(250,317)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 1,900,454</u>	<u>\$ (210,762)</u>	<u>\$ 251,737</u>	<u>\$ 121,500</u>	<u>\$ 2,062,929</u>	<u>\$ 305,366</u>

These financial statements should be read only in connection with the accompanying notes to the basic financial statements.



**LINCOLN COUNTY, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2020**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 24,214
Accounts receivable	<u>722,992</u>
Total assets	<u>747,206</u>
 <b>LIABILITIES</b>	
Deposits and advances	181
Due to other governments	599,537
Due to other funds	<u>105</u>
Total liabilities	<u>599,823</u>
 <b>Net Position</b>	
Restricted for others	<u>\$ 147,383</u>

These financial statements should be read only in connection with  
the accompanying notes to basic financial statements.

**LINCOLN COUNTY, WISCONSIN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2020**

**Additions**

Court fines collected	\$ 573,692
Tax certificates collected	102,457
Employee withholdings	43,798
Interest earnings	105
Employee forfeitures	<u>1,166</u>
Total additions	<u>721,218</u>

**Deductions**

Court fines paid to State	573,692
Payments to municipalities	65,078
Tax deeds taken	48,308
Employee payments	<u>43,903</u>
Total deductions	<u>730,981</u>

Net increase (decrease) in fiduciary net position	(9,763)
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Total net position - beginning, as originally reported	-
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Cumulative effect of change of accounting principle	<u>157,147</u>
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Total net position - beginning, as restated	<u>157,147</u>
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Total net position - ending	<u>\$ 147,384</u>
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These financial statements should be read only in connection with  
the accompanying notes to the basic financial statements.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Lincoln County, Wisconsin, have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

**REPORTING ENTITY**

Lincoln County was incorporated under the laws of the State of Wisconsin and is governed by an elected 22-member board. The County provides a full range of services, including public safety, public works, health and human services, conservation, culture, recreation, education, and general administrative services. As required by generally accepted accounting principles, these financial statements present the County government and all associated departments. The County has evaluated the following criteria in defining the reporting entity:

- Selection of government authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters
- Scope of public service
- Financial relationships

Based on these criteria, no additional component units were determined to be reportable.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. 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 or services provided by a specific function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements

Financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

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

The County implemented GASB 84, *Fiduciary Activities*, for the year ended December 31, 2020. Activity previously reported in the general fund for money held for other entities is now reported in custodial funds.

The County reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

**County Roads and Bridges Fund** - Accounts for State transportation aid received by the County and all maintenance and construction for highways and bridges provided by the Highway Department to the County.

**Social Services Fund** - Evaluates eligibility for and administers a variety of social service and financial support programs (Federal, State, and local) to persons within the County and makes appropriate referrals to other service providers. These services are provided to meet the basic economic needs of dependent persons, alleviate dependency, enhance family functioning, assess/provide services to children and adults in need of protection, and to coordinate supportive care of elderly and disabled persons.

**Emergency Medical Fund** - Accounts for the revenues and expenditures associated with providing paramedic level ambulance service to all residents and visitors of Lincoln County.

The County reports the following major enterprise funds:

**Pine Crest Nursing Home Fund** – Effective January 1, 2020, the Pine Crest Nursing Home was transferred to North Central Health Care. The financial data presented represents the residual activity with closing the funds.

**Solid Waste Landfill Fund** - Provides Lincoln County residents, businesses, and institutions with a solid waste disposal facility, a recycling drop-off facility, construction and demolition site, clean wood/brush disposal area, and fuel contaminated soil treatment capabilities.

**Forestry Fund** - Manages the natural resources of the County Forest on a sustainable basis, accounts for timber sales, administers trail maintenance aid programs, and provides and maintains recreational opportunities, including parks, within the County.

**Lincoln Industries** - Effective January 1, 2020, the Lincoln Industries was transferred to North Central Health Care. The financial data presented represents the residual activity with closing the funds.

In addition, the County reports the following fund types:

**Internal Service Funds** - Internal Service Funds account for financing of goods and services provided by one department to other departments of the County or to other governmental units on a cost-reimbursement basis.

**Fiduciary Funds** - Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 is 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 revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been satisfied.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are presented using the flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. With this measurement focus, revenues are recognized when they become susceptible to accrual or when measurable and available. Those revenues susceptible to modified accrual are as follows:

- Property tax collections made during the year and delinquent tax collections received during the first sixty days after year-end.
- Social Services grants, cost reimbursement grants, and EMS charges for services if collected during the first 180 days after year-end.
- Other revenues at year-end if actually collected during the first sixty days after year-end.

State general and categorical aids and other entitlements are recognized as revenue at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred. Aids received prior to meeting revenue recognition criteria are recorded as unearned revenue.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Employee services and payroll-related costs (employee health, life, disability insurance, FICA, Wisconsin Retirement System contributions, annuities) other than compensated absences, termination, and other post-employment benefits are recognized in the fiscal period when incurred. The cost of capital items is recorded as an expenditure when acquired. Interest cost on temporary borrowing is recognized as an expenditure of the fiscal period incurred.

Proprietary and fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when a liability is incurred regardless of the timing of related cash flows.

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 for the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**PROPERTY TAXES**

Property taxes are levied prior to December 31 and are due and collectible in the following year. The 2020 tax levy is recorded as receivable with offsetting deferred inflows of resources at December 31, 2020; it will be recognized as revenue in 2021 when used to finance the County's services.

The County is responsible to collect the second installment of current property taxes and all delinquent property taxes levied by local taxing districts within its boundaries, except delinquent personal property taxes which may either be turned over to the County for collection or retained by the local municipal district. Delinquent taxes returned to the County for collection are accounted for in the general fund. As provided in Wisconsin Statutes, the County has purchased the equity in delinquent property taxes from all taxing districts, including the state. These purchased taxes are recorded as tax certificates and deeds and reserved fund balance of the County's general fund.

The property tax calendar for the 2020 tax roll follows:

Lien date and date levy	December 2020
Tax bills mailed	December 2020
Real estate taxes first installment due	January 31, 2021
Personal property taxes due in full	January 31, 2021
Real estate taxes second installment due	July 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2024

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Cash equivalents are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments with a maturity of three months or less (including restricted assets) are considered to be cash equivalents.

**INTERFUND RECEIVABLES AND PAYABLES**

The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds". The non-current portion of outstanding balances between funds is reported as "advances to/from other funds". Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources.

**INVENTORIES**

Inventories are recorded at cost, which approximates market, using the moving average cost basis. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure or as an expense at the time individual inventory items are consumed rather than when purchased.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PREPAID ITEMS**

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items. Prepaid items of governmental fund types are offset by fund balance reserve accounts to indicate that they do not represent available spendable financial resources.

**CAPITAL ASSETS**

Capital assets are recorded at cost, when available, or estimated historical cost, when historical records could not be obtained. Donated capital assets are valued at their estimated acquisition value on the date donated. The County capitalizes all land and work in progress as well as assets with an initial cost of more than the following:

<u>Type of Asset</u>	<u>Amount</u>
Land improvements	\$ 25,000
Infrastructure (per subsystem)	250,000
Buildings	50,000
Equipment and vehicles	2,000-5,000
Intangible assets	5,000

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities. Accumulated depreciation is reported on the statement of net assets. Depreciation has been charged over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Type of Asset</u>	<u>Life in Years</u>
Land improvements	25
Infrastructure (per subsystem)	10-50
Buildings	10-25
Equipment and vehicles	3-15
Intangible assets	3

Capital assets used in the governmental funds type 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 as in the government-wide statements.

**COMPENSATED ABSENCES**

The County records compensated absences pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*. All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements.

In governmental funds, compensated absences (unpaid vacation and sick leave) for governmental fund employees are recorded as expenditures in the year paid, as it is the County's policy to liquidate any unpaid vacation or sick leave at year end from future resources rather than currently available expendable resources. Accordingly, the entire unpaid liability for compensated absences for the governmental funds is not recorded in the fund.

Unpaid compensated absences for the proprietary funds are recorded as an expense and a liability in those funds as the vacation and sick leave benefits accrue to the employees.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category in the government-wide statement of net position. The first item is related to the County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. The second item is related to a deferred loss of early retirement of debt. This will be amortized over the remaining life of the refunding issue.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in the government wide statement of net position. The first is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second item is related to the County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. The County has an additional type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from two sources, interest on delinquent taxes and citation receivables. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**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.

**OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

**LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period in which they are incurred.



**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**INTERFUND TRANSACTIONS**

Transactions that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are similarly treated when involving other funds of the County. Reimbursements from one fund to another are treated as expenditures or expenses of the reimbursing fund and a reduction of expenditures or expenses of the reimbursed fund. All interfund transfers are reported as operating transfers.

**GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

Fund balance for governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the Lincoln County Board of Supervisors. These constraints can only be removed or changed by the Lincoln County Board of Supervisors using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by the action of the Lincoln County Finance and Insurance Committee. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Unassigned amounts are only reported in the General Fund.

The County has adopted a fund balance spend down policy in Lincoln County Ordinance 3.29 stating that restricted funds will be spent prior to fund balance that is not restricted.

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation and capital related deferred outflows of resources, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position - Amount of net position that are subject to restrictions that are imposed 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.
- Unrestricted net position - Net position that are neither classified as restricted nor net investment in capital assets.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**DEFICIT FUND BALANCE**

As of December 31, 2020, the Emergency Medical fund had a deficit of \$290,506. The deficit is anticipated to be funded with future revenues of the fund.

**BUDGETARY ACCOUNTING**

The County follows these procedures in establishing the annual budget:

- County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by the County Board action.
- Budgets are adopted on a basis consistent with generally accepted accounting principles for the governmental funds, except for the application of the prior year fund balance. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the governmental funds. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each functional area of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
- Encumbrance accounting is not used to record commitments related to unperformed contracts for goods or services.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the basic financial statements as "cash and cash equivalents".

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

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association.
- Bonds or securities of any county, city, drainage district, VTAE district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the Federal government.
- The Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)**

The carrying amount of the County's cash and cash equivalents totaled \$22,861,715 on December 31, 2020, as summarized below:

Petty cash fund	\$ 2,130
Deposits with financial institutions	12,984,553
Investments	
Wisconsin local government investment pool	3,007,978
Landfill long-term care trust	5,519,942
Health insurance trust fund	1,326,210
Insurance deposits	20,902
	<b>\$ 22,861,715</b>

Presented in the basic financial statements as follows:

Government-wide Statement of Net Position	
Unrestricted cash and cash equivalents	\$ 17,291,555
Restricted cash and investments	5,545,946
Fiduciary Fund Statement of Net Position	
Cash and cash equivalents	24,214
	<b>\$ 22,861,715</b>

**Fair Value Measurements**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2020:

<u>Type of Investment</u>	<u>12/31/2020</u>	<u>Quoted prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant other Observable Inputs (Level 2)</u>
Negotiable certificates of deposit	\$ 2,401,839	\$ -	\$ 2,401,839
U.S. Treasury Notes	538,458	-	538,458
U.S. Government securities	3,238,214	-	3,238,214
Money market mutual funds	301,347	301,347	-
Fixed income mutual funds	366,294	366,294	-
Total	<b>\$ 6,846,152</b>	<b>\$ 667,641</b>	<b>\$ 6,178,511</b>

Deposits and investments of the County are subject to various risks. Presented below is a discussion of the County's deposits and investments and the related risks.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County has a formal policy addressing this type of deposit risk. The County's policy requires depositories to pledge collateral to secure amounts over and above guaranteed amounts. All securities serving as collateral shall be specifically pledged to the County (not as part of a pooled fund) and placed

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)**

in the custodial account at the Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2020, none of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

**Investments**

*Custodial Credit Risk for Investments*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County has a formal policy addressing this type of investment risk.

The Local Government Investment Pool is part of the Wisconsin State Investment Fund. The Investment Fund is administered by the State of Wisconsin Investment Board and includes investments made from the excess cash of the State's operating funds, the State's public retirement funds and the voluntary deposits made by participants of the Local Government Investment Pool.

*Credit Risk*

Credit risk is the risk that, an issuer of other counterparty to an investment will not fulfill its obligations to the County. The County has a formal policy addressing this type of investment risk. The County's policy requires the preserve capital in the overall portfolio and to protect investment principal by investing in specific securities in accordance with the Wisconsin Statutes, with the County Treasurer responsible to report changes in any individual security's credit risk to the County's Finance & Insurance Committee.

<u>Type of Investment</u>	<u>Fair Value at Year End</u>	<u>Investment Rating</u>
Local Government Investment Pool	\$ 3,007,978	Not Rated
U.S. Treasury Notes	538,458	Exempt
U.S. Government securities	3,238,214	AAA
Negotiable certificates of deposit	2,401,839	Not Rated
Money market mutual funds	301,347	AAA
Fixed income mutual funds	366,294	Not Rated
Insurance deposits	20,902	Not Rated

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)**

*Interest Rate Risk*

Interest rate risk is the risk that, changes in interest rates will adversely affect the fair value of an investment. As of December 31, 2020 the County had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value at Year End</u>	<u>Average Maturities</u>
Local Government Investment Pool	\$ 3,007,978	Less than 1 year
U.S. Treasury Notes	538,458	1 to 6 years
U.S. Government securities	3,238,214	1 to 6 years
Negotiable certificates of deposit	2,401,839	1 to 6 years
Fixed income mutual funds	366,294	Less than 1 year

Governmental entities including counties, municipalities and school districts may deposit money in the Local Government Investment Pool (LGIP), which holds investments in U.S. Government securities, certificates of deposit, commercial papers, and repurchase agreements. Participants in the fund may withdraw or add to their account balances at part at any time. The fair value of this fund may be different from the accounting basis that is reflected in the monthly statements sent to participants. To translate participant's holdings to a fair value amount, a conversion factor must be applied to the County's account balance. The State Investment Fund publishes this conversion factor monthly and as of December 31, 2020, the factor was 100%. As of December 31, 2020 the carrying amount of these investments was \$3,007,978. The annualized interest rate on the LGIP was 0.1% for the month of December 2020.

*Concentration of Credit Risk*

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) did not represent 5% or more of total County investments.

**NOTE 3 - RESTRICTED ASSETS**

Restricted assets on December 31, 2020, totaled \$5,545,946 consisting of cash and investments as follows:

General fund	
Insurance deposits	\$ 20,902
Social Services fund	
Protective payee deposits held	5,102
Enterprise Fund	
Solid waste landfill	
Long-term care and closure deposits	5,519,942
Total Restricted Assets	<u>\$ 5,545,946</u>

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 4 - RECEIVABLES AND DEFERRED REVENUE**

Receivables at year-end for the County's individual major, nonmajor, and internal service funds in aggregate, including the applicable allowances for uncollectible accounts as follows:

	General	County Roads and Bridges	Social Services	Emergency Medical	Solid Waste Landfill	Forestry	Nonmajor and Internal Service Funds	Total
Receivables								
Property taxes	\$ 9,182,225	\$2,186,753	\$ 698,102	\$1,317,477	\$ -	\$ -	\$1,545,724	\$ 14,930,281
Tax certificates and deeds	1,185,094	-	-	-	-	-	-	1,185,094
Accounts	753,675	-	-	351,084	143,104	64,494	182,514	1,494,871
Due from other governments	467,524	-	304,455	-	-	106,558	487,071	1,365,608
Gross receivables	11,588,518	2,186,753	1,002,557	1,668,561	143,104	171,052	2,215,309	18,975,854
Less allowance for for uncollectibles	-	-	-	(35,827)	-	-	-	(35,827)
Net total fund receivables	<u>\$11,588,518</u>	<u>\$2,186,753</u>	<u>\$1,002,557</u>	<u>\$1,632,734</u>	<u>\$ 143,104</u>	<u>\$171,052</u>	<u>\$2,215,309</u>	<u>\$ 18,940,027</u>

Delinquent property taxes of the general fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax-deeded properties.

On December 31, 2020, the County's general fund showed an investment of \$1,185,094 in delinquent taxes as follows:

Tax certificates	\$ 1,133,955
Tax deeds	<u>51,139</u>
Total	<u>\$ 1,185,094</u>

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 4 - RECEIVABLES AND DEFERRED REVENUE (Continued)**

An aging of the delinquent tax certificate taxes of \$1,133,955 on December 31, 2020, follows:

<u>Year Acquired</u>	
Prior to 2015	\$ 92,656
2016	36,862
2017	51,236
2018	116,512
2019	289,711
2020	<u>546,978</u>
	<u>\$ 1,133,955</u>

Of the total of \$1,133,955 for delinquent tax certificate taxes, \$217,032 was collected by the County within 90 days after December 31, 2020. The remaining unpaid balance of \$916,923 and tax deeds of \$51,139 are recorded as nonspendable fund balance of \$968,062 for the general fund.

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At December 31, 2020, interfund receivables and payables were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 414,843	\$ -
Employee Benefit Cafeteria Plan	-	105
Emergency Medical Fund	-	414,738
Totals	<u>\$ 414,843</u>	<u>\$ 414,843</u>

**All interfund payables due to the General Fund are for cash flow purposes.**

Transfers were made in the primary government as follows:

	<u>General Fund</u>	<u>Transfer to: County Roads and Bridges Fund</u>	<u>Pine Crest Nursing Home</u>	<u>Governmental Activities</u>	<u>Totals</u>
Transfers from:					
General fund	\$ -	\$ 691,700	\$ 1,585,945		\$ 2,277,645
Solid Waste Landfill	200,000	-	-	-	200,000
County Health	6,723	-	-	-	6,723
Lincoln Industries Fund	258,302	-	-	73,989	332,291
Forestry	1,112,360	-	-	-	1,112,360
Governmental Activities	<u>-</u>	<u>-</u>	<u>533,909</u>	<u>-</u>	<u>533,909</u>
Totals	<u>\$ 1,577,385</u>	<u>\$ 691,700</u>	<u>\$ 2,119,854</u>	<u>\$ 73,989</u>	<u>\$ 4,462,928</u>
Less: Elimination of fund transfers					(4,026,583)
Less: Health insurance transfer					33,202
Total transfers - Statement of Activities					<u>\$ 469,547</u>

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)**

Interfund transfers from various funds to the General Fund are primarily performed to comply with Chapters 3.07 and 3.26 Lincoln County Code limiting fund balances. The Lincoln Industries transfer was to close the Lincoln Industries Fund. The transfer to the Roads and Bridges Fund was a CIP and Contingency fund transfer for road work. The General Fund transfer to Pine Crest Nursing Home was to close that fund.

**NOTE 6 - CAPITAL ASSETS**

Changes in capital assets were as follows:

	Balance 1/1/2020	Transfer	Increases	Decreases	Balance 12/31/2020
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 42,395	\$ 13,833	\$ 10,772	\$ 23,104	\$ 43,896
Construction in progress	646,004	-	486,473	531,935	600,542
Total capital assets not depreciated	688,399	13,833	497,245	555,039	644,438
Capital assets, being depreciated:					
Land improvements	813,421	10,752	-	-	824,173
Infrastructure	59,108,430	-	3,431,378	952,062	61,587,746
Buildings and improvements	29,284,943	16,987,861	295,880	613,540	45,955,144
Equipment and vehicles	16,501,778	31,361	1,228,856	685,551	17,076,444
Intangible assets	679,981	-	-	-	679,981
Subtotals	106,388,553	17,029,974	4,956,114	2,251,153	126,123,488
Less accumulated depreciation for:					
Land improvements	291,053	5,252	39,879	-	336,184
Infrastructure	26,444,430	-	1,368,667	927,377	26,885,720
Buildings and improvements	15,978,863	7,962,258	1,689,078	609,041	25,021,158
Equipment and vehicles	11,108,958	468	1,124,238	577,006	11,656,658
Intangible assets	254,116	-	76,012	-	330,128
Subtotals	54,077,420	7,967,978	4,297,874	2,113,424	64,229,848
Total capital assets, being depreciated, net	52,311,133	9,061,996	658,240	137,729	61,893,640
Governmental activities capital assets, net	<u>\$ 52,999,532</u>	<u>\$ 9,075,829</u>	<u>\$ 1,155,485</u>	<u>\$ 692,768</u>	62,538,078
Less: Capital related debt					(16,500,000)
Less: Debt premium					(412,483)
Add: Deferred charge on refunding					<u>376,154</u>
Net investment in capital assets					<u>\$ 46,001,749</u>



**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 6 - CAPITAL ASSETS (Continued)**

Changes in capital assets were as follows:

	Balance 1/1/2020	Transfer	Increases	Decreases	Balance 12/31/2020
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,641,462	\$ (13,833)	\$ -	\$ 24,605	\$ 2,616,857
Construction in progress	<u>759,647</u>	<u>-</u>	<u>-</u>	<u>317,074</u>	<u>442,573</u>
Total capital projects not depreciated	3,401,109	(13,833)	-	341,679	3,059,430
Capital assets, being depreciated:					
Land improvements	13,677,857	(10,752)	-	454,531	13,223,326
Buildings	17,600,587	(16,987,861)	-	-	17,600,587
Machinery and equipment	<u>6,473,038</u>	<u>(31,361)</u>	<u>-</u>	<u>4,658,359</u>	<u>1,814,679</u>
Subtotals	37,751,482	(17,029,974)	-	5,112,890	32,638,592
Less accumulated depreciation for:					
Land improvements	10,235,518	(5,252)	865,368	327,806	10,773,080
Buildings	8,492,950	(7,962,258)	9,068	-	8,502,018
Machinery and equipment	<u>3,476,535</u>	<u>(468)</u>	<u>76,967</u>	<u>1,993,364</u>	<u>1,560,138</u>
Subtotals	22,205,003	(7,967,978)	951,403	2,321,170	20,835,236
Total capital assets, being depreciated, net	<u>15,546,479</u>	<u>(9,061,996)</u>	<u>(951,403)</u>	<u>2,791,720</u>	<u>11,803,356</u>
Business-type activities capital assets, net	<u>\$ 18,947,588</u>	<u>\$ (9,075,829)</u>	<u>\$ (951,403)</u>	<u>\$ 3,133,399</u>	<u>\$ 14,862,786</u>

Depreciation expense was charged to the functions as follows:

<b>Governmental activities</b>	
General government	\$ 1,372,185
Public safety	484,046
Public works	1,368,667
Health and Human Services	501,577
Highway Internal Service Fund	571,399
Total depreciation expense - governmental activities	<u>\$ 4,297,874</u>
<b>Business-type activities</b>	
Forestry	\$ 55,406
Solid waste landfill	895,997
Total depreciation expense - business-type activities	<u>\$ 951,403</u>

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 6 - CAPITAL ASSETS (Continued)**

The County has active highway and maintenance and construction projects as of December 31, 2020 as follows:

	Spent-to-Date	Remaining Commitment	
Maintenance Projects	\$ 53,888	\$ 396,112	
Bridge Projects	\$ 545,714	\$ 519,453	

**NOTE 7 - LONG-TERM OBLIGATIONS**

All general obligations bonds are backed by the full faith and credit of the County. The County's, general long-term obligations are as follows:

	Outstanding 1/1/20	Increases	Decreases	Outstanding 12/31/20	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 8,655,000	\$ 6,590,000	\$ 1,345,000	\$ 13,900,000	\$ 1,190,000
Taxable note anticipation note	-	2,600,000	-	2,600,000	2,600,000
Debt premium	133,340	338,499	59,356	412,483	-
Compensated absences	1,823,402	1,137,141	969,366	1,991,177	1,044,174
Governmental activities Long-term obligations	\$ 10,611,742	\$ 10,665,640	\$ 2,373,722	\$ 18,903,660	\$ 4,834,174
<b>Business-type activities:</b>					
General Obligation Debt					
Bonds	\$ 6,590,000	\$ -	\$ 6,590,000	\$ -	\$ -
Taxable note anticipation note	2,600,000	-	2,600,000	-	-
Debt premium	338,499	-	338,499	-	-
Compensated absences	1,063,481	40,859	949,839	154,501	63,974
Business-type activities Long-term obligations	\$ 10,591,980	\$ 40,859	\$ 10,478,338	\$ 154,501	\$ 63,974

Interest paid for the year ended December 31, 2020 totaled \$438,100.

Prior Year Advance Refunding

In prior years, the County advance refunded maturities due from 2021 through 2028 on the 2008 Series General Obligation Refunding Bond issue. At December 31, 2020, \$7,490,000 of outstanding general obligation refunding bonds are considered defeased.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 7 - LONG-TERM OBLIGATIONS (Continued)**

Detail of the above outstanding general obligations debt follows:

Bonds:

8,820,000	issued December 1, 2016; \$110,000 to \$1,110,000 due annually from 2017 through 2028; interest 2%	\$ 7,670,000
6,950,000	issued February 14, 2017; \$10,000 to \$480,000 due annually, from 2018 through 2036; interest 2% to 3.5%	<u>6,230,000</u>
<b>Total Bonds</b>		<b><u>\$ 13,900,000</u></b>

Annual principal and interest maturities of the outstanding general obligation debt on December 31, 2020, are allocated to governmental activities as detailed below:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2021	\$ 1,190,000	\$ 342,250
2022	1,175,000	314,350
2023	1,220,000	287,350
2024	1,270,000	259,300
2025	1,320,000	230,150
2026-2030	5,060,000	719,700
2031-2035	2,185,000	311,737
2036	480,000	16,800
	<u>\$13,900,000</u>	<u>\$ 2,481,637</u>

Equalized valuation of the County	\$ 2,664,614,000
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	133,230,700
Outstanding general obligation debt applicable to debt limitation	<u>13,900,000</u>
Legal Margin for New Debt	<b><u>\$ 119,330,700</u></b>

Pursuant to Section 67.03 Wisconsin Statutes, the total indebtedness of the County for general purposes may not exceed 5% of the value of the taxable property located therein for state purposes.

Taxable Note Anticipation Note

Pursuant to a resolution adopted on January 17, 2018, Lincoln County, Wisconsin (the "County") authorized the issuance of \$2,600,000 Taxable Note Anticipation Notes ("Series 2017 NANs"), to provide interim financing for the purposes of paying a portion of the cost of the construction of an addition to the nursing home facility, renovation of a portion of the existing nursing home, and acquisition of related equipment. The notes carry an interest rate of 2.5% and require semiannual interest only payments with the balance due on December 1, 2021.

Other long-term obligations consists of compensated absences. Compensated absence expenses follow employee payroll expenses, which are expensed to the appropriate funds as incurred.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 8 - EMPLOYEE RETIREMENT PLAN - WISCONSIN RETIREMENT SYSTEM (WRS)**

**Plan Description** - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) 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 WRS Financial Report, which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

Final average earnings are the average of the participant's three highest earnings periods. 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.

Vested participants may retire at age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 8 - EMPLOYEE RETIREMENT PLAN - WISCONSIN RETIREMENT SYSTEM (WRS) (Continued)**

**Post-Retirement 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	-1.3%	22%
2011	-1.2%	11%
2012	-7.0%	-7%
2013	-9.6%	9%
2014	4.7%	25%
2015	2.9%	2%
2016	0.5%	-5%
2017	2.0%	4%
2018	2.4%	17%
2019	0.0%	-10%

**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 the general category employees, including teachers, executives, and elected officials. Starting on 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 ending December 31, 2020, the WRS recognized \$759,770 in contributions from the employer.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 8 - EMPLOYEE RETIREMENT PLAN - WISCONSIN RETIREMENT SYSTEM (WRS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At December 31, 2020 Lincoln County reported an asset of \$2,627,902 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 30, 2018, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. Lincoln 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, 2019, Lincoln County's proportion was 0.0814991135%, which is a decrease of .04228928% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, Lincoln County recognized pension expense of \$985,496.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,988,360	\$ 2,496,340
Net differences between projected and actual earnings on pension plan investments	-	5,372,369
Changes in assumptions	204,782	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	12,424
Employer contributions subsequent to the measurement date	759,770	-
 Total	 \$ 5,952,912	 \$ 7,881,133

\$759,770 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021.

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

Year Ended December 31	Expense
2021	\$ (800,717)
2022	(597,241)
2023	92,174
2024	(1,382,207)
	\$ (2,687,991)

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 8 - EMPLOYEE RETIREMENT PLAN - WISCONSIN RETIREMENT SYSTEM (WRS) (Continued)**

**Actuarial Assumptions** - The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the investment:

Actuarial Valuation Date	December 31, 2018
Measurement Date of Net Pension Liability	December 31, 2019
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	7.00%
Discount Rate	7.00%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1%-5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.90%

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. The assumed annual adjustment is 1.9% based on the investment return assumption and the postretirement discount rate.

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

Long-term expected rate of 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:

	Current Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
<u>Core fund asset class</u>			
Global Equities	49.0%	8.0%	5.1%
Fixed Income	24.5%	4.9%	2.1%
Inflation Sensitive Assets	15.5%	4.0%	1.2%
Real Estate	9.0%	6.3%	3.5%
Private Equity/Debt	8.0%	10.6%	7.6%
Multi-Asset	4.0%	6.9%	4.0%
Cash	-10.0%	0.9%	N/A
Total Core Fund	100.0%	7.5%	4.6%
<u>Variable fund asset class</u>			
U.S. Equities	70.0%	7.5%	4.6%
International Equities	30.0%	8.2%	5.3%
Total Variable Fund	100.0%	7.8%	4.9%

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

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

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 8 - EMPLOYEE RETIREMENT PLAN - WISCONSIN RETIREMENT SYSTEM (WRS) (Continued)**

Single Discount Rate: A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be 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.

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Lincoln County's proportionate share of the net pension liability (asset)	\$ 6,767,321	\$ (2,627,902)	\$ (9,651,914)

**Pension Plan Fiduciary 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>.

**Payables to the Pension Plan** - At December 31, 2020 Lincoln County reported a payable of \$200,421 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND**

**Plan Description**

The Local Retiree Life Insurance Fund (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 postemployment life insurance benefits for all eligible employees.

**OPEB Plan Fiduciary Net Position**

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/GASB75Local.do>.

**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.



**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (continued)**

**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 the future benefits and the present value of future contributions. A portion of employer contributions made during a members working lifetime funds a postretirement benefit.

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

Contributions rates as of December 31, 2020 are as follows:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% postretirement coverage	40% of employee contribution
25% postretirement coverage	20% of employee contribution

Employee contributions are based upon nine age banks through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019, are as listed below:

Life Insurance Employee Contribution Rates  
For the Year Ended December 31, 2019

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
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

During the reporting period, the LRLIF recognized \$11,857 in contributions from the employer.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (continued)**

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

At December 31, 2020 Lincoln County reported a liability of \$1,841,234 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. Lincoln County's proportion of the net OPEB liability was based on Lincoln County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, Lincoln County's proportion was .42942109%, which was a decrease of 0.21509691% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, Lincoln County recognized OPEB expense of \$209,277.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 81,917
Net differences between projected and actual earnings on OPEB plan investments	34,493	-
Changes in assumptions	674,563	201,128
Changes in proportion and differences between employer contributions and proportionate share of contributions	78,180	-
<b>Total</b>	<b>\$ 787,236</b>	<b>\$ 283,045</b>

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

Year ended		Expense
December 31		
2021	\$	88,479
2022		88,479
2023		84,760
2024		80,928
2025		65,428
Thereafter		96,117
<b>Total</b>	<b>\$</b>	<b>504,191</b>

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (continued)**

**Actuarial Assumptions**

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

Actuarial valuation date	January 1, 2019
Measurement date of net OPEB liability (asset)	December 31, 2019
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield	2.74
Long-term expected rate of return	4.25
Discount rate	2.87
Salary increases	
Inflation	3.00%
Seniority/merit	0.1%-5.6%
Mortality	Wisconsin 2018 Mortality Table

**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 carrier’s general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investment). 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. credit bonds	Barclays Credit	45%	2.12%
U.S long credit bonds	Barclays Long Credit	5%	2.90%
U.S mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-term expected rate of return			4.25%

The long-term expected rate of return decrease slightly from 5.00% in the prior year to 4.25% in the current year. The change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decrease slightly for 2.3% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**Single Discount Rate:** A single discount rate of 2.87% was used to measure the OPEB liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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 flows 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.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (continued)**

**Sensitivity of Lincoln County’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate:** The following presents Lincoln County’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.87% as well as what Lincoln 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 (1.87%) or 1 percentage point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1 % Increase to Discount Rate (3.87%)
Lincoln County's proportionate share of the net OPEB liability (asset)	\$ 2,524,933	\$ 1,841,234	\$ 1,298,753

**NOTE 10 - RISK MANAGEMENT**

Health Insurance

The County is exposed to various risks of losses related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; natural disasters, and employee health claims.

The County also operates a self-insurance program administered by a third party administrator for employee health care benefits. The program is supplemented by stop loss protection, which limits the County’s liability to \$125,000 per individual claim or an aggregate limit of \$3,183,206 during the period of January 1, 2020 to December 31, 2020.

The provision for current year claims includes paid and unpaid claims and expenses associated with settling claims, including legal fees. The claims liability at year-end is based on claims, adjusters’ evaluations of individual claims, and management’s evaluation with respect to the probable number and nature of claims arising from losses that have been incurred, but have not yet been reported. The liability represents the estimated ultimate cost of settling the claims, including the effects of inflation and other societal economic factors. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined.

An analysis of claim activities is presented below:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Paid	Liability December 31
2020	\$ 1,318,558	\$ 1,760,550	\$ 2,327,484	\$ 751,624
2019	1,537,323	4,684,129	4,902,894	1,318,558

Liability Insurance

Lincoln County participates with other counties in the Wisconsin County Mutual Insurance Corporation. This joint venture began operation January 1, 1988, and provides liability insurance coverage to the counties. The creation of the mutual insurance corporation required the establishment of capital reserves. Each participating county deposited a portion of the required reserves. Lincoln County’s share of the capital reserves is \$20,902. These deposits have been reported in the financial statements as restricted deposits.

The governing body of the mutual insurance corporation is made up of twelve directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation. Financial information as of and for the year ended December 31, 2020, is not available for presentation.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 11 - TRI-COUNTY HUMAN SERVICES BOARD JOINT VENTURE**

Lincoln County is a participating member of a Tri-County Human Services Board along with Marathon and Langlade Counties. The Board is funded through State grant-in-aid, federal grants, fees for services rendered, and County appropriations. The net appropriation for 2020 was \$8,091,867 with Lincoln County's share totaling \$959,977 (11.86%).

The following audited summary financial information for North Central Health Care Tri-County facilities is as of December 31, 2020, and for the year then ended.

Assets	\$ 89,849,352
Liabilities	46,691,348
Net Position	39,194,506
Revenues	85,054,233
Expenses	88,984,329
Non-operating gain (loss)	(22,711)
Change in net position	(1,529,721)

Lincoln County's share of net position for the year ended December 31, 2020 is \$5,579,775 and is included in Lincoln County's Statement of Net Position as an investment in a joint venture.

Audited financial statements of the North Central Health Care Tri-County facilities are available at its administrative office at 1100 Lake Shore Drive, Wausau, Wisconsin 54401.

**NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require that Lincoln County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill sites only for forty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. In 2014 the County opened the north expansion of the landfill.

At December 31, 2020, the County has utilized approximately 100% of its original landfill's capacity and 19.9% of the expansion landfill capacity. The entire landfill is estimated to be fully utilized in 2036.

The estimated liability for landfill closure and postclosure care costs and total future estimated costs as of December 31, 2020, is as follows:

Total estimated costs	\$ 8,968,959
Less closure costs accrued	<u>8,402,947</u>
Estimated costs of construction, closure, and postclosure care to be recognized in future years	<u>\$ 566,012</u>

The estimated total current cost of the landfill construction, closure, and postclosure care of \$8,968,959 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2020. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. With respect to the sanitary landfill, Lincoln County is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The County is in compliance with these requirements, and at December 31, 2020, investments of \$5,519,942 are held for these purposes. These investments are held and managed by the County and are presented on the County's statement of net position as "Restricted Assets". It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 13 - CONTINGENCIES**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and the Corporation Counsel that the resolution of these matters will not have a material adverse effect on the financial condition of the County.

**NOTE 14 - FUND EQUITY**

Fund Balances Fund Balances for governmental funds were presented in aggregate. The specific purpose details are as follows:

	General	County Roads and Bridges	Social Services	Emergency Medical	Other Funds	Total
<b>Nonspendable:</b>						
Property Taxes	\$ 968,062	\$ -	\$ -	\$ -	\$ -	\$ 968,062
Prepaid	311,605	-	-	260	137	312,002
Inventory	21,801	-	-	-	-	21,801
Subtotal	<u>1,301,468</u>	<u>-</u>	<u>-</u>	<u>260</u>	<u>137</u>	<u>1,301,865</u>
<b>Restricted:</b>						
Insurance Deposits	20,902	-	-	-	-	20,902
Veterans	9,452	-	-	-	-	9,452
Elderly transportation	-	-	101,028	-	-	101,028
Land Services	367,214	-	-	-	-	367,214
Clerk of Court	7,478	-	-	-	-	7,478
UW Extension	2,050	-	-	-	-	2,050
Sheriff	162,617	-	-	-	-	162,617
County Health	-	-	-	-	379,270	379,270
Subtotal	<u>569,713</u>	<u>-</u>	<u>101,028</u>	<u>-</u>	<u>379,270</u>	<u>1,050,011</u>
<b>Committed:</b>						
Roads Fund	250,000	441,424	-	-	-	691,424
Family Care	289,849	-	-	-	-	289,849
Sheriff's Office	290,000	-	-	-	-	290,000
IT CIP	65,000	-	-	-	-	65,000
Maintenance	461,673	-	-	-	-	461,673
Land services	75,000	-	-	-	-	75,000
Social Services - placements	-	-	438,000	-	-	438,000
Social Services - general	-	-	205,434	-	-	205,434
Other Funds	-	-	-	-	521,721	521,721
Subtotal	<u>1,431,522</u>	<u>441,424</u>	<u>643,434</u>	<u>-</u>	<u>521,721</u>	<u>3,038,101</u>
<b>Assigned:</b>						
Veterans	1,850	-	-	-	-	1,850
UW Extension	31,457	-	-	-	-	31,457
Sheriff	1,176	-	-	-	-	1,176
Maintenance	42,065	-	-	-	-	42,065
Land Services	2,618	-	-	-	-	2,618
Family Court Commissioner	10,211	-	-	-	-	10,211
CIP not Committed	795,889	-	-	-	-	795,889
Other Funds	-	-	-	-	74,260	74,260
Subtotal	<u>885,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,260</u>	<u>959,526</u>
<b>Unassigned</b>						
General fund	7,210,489	-	-	-	-	7,210,489
Deficit	-	-	-	(290,766)	-	(290,766)
Subtotal	<u>7,210,489</u>	<u>-</u>	<u>-</u>	<u>(290,766)</u>	<u>-</u>	<u>6,919,723</u>
<b>Total Fund Balances</b>	<u><u>\$ 11,398,458</u></u>	<u><u>\$ 441,424</u></u>	<u><u>\$ 744,462</u></u>	<u><u>\$ (290,506)</u></u>	<u><u>\$ 975,388</u></u>	<u><u>\$ 13,269,226</u></u>

**LINCOLN COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2020

**NOTE 14 - FUND EQUITY (continued)**

The County's general fund unassigned balance is \$7,210,489. Included in this unassigned balance is \$4,246,754 for the County's cash flow needs.

Restricted net position

Restricted net position is reported in the Statement of Net Position as follows:

	Governmental Activities	Business-type Activities
Insurance deposit	\$ 20,902	\$ -
Grant and program fees	928,081	-
Elderly transportation	101,028	-
Net pension asset	2,493,371	134,531
Forestry grants	-	122,993
	\$ 3,543,382	\$ 257,524

**NOTE 15 - PROPERTY TAX LEVY LIMIT**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2020 budget year, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the County's January 1 equalized value as a result of net new construction or zero. The actual limit for the County's 2020 budget was 0.84%. The limit for the County's 2021 budget was 0.75%. Debt service for debt authorized after July 2005 is exempt for the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**NOTE 16 - DISPOSAL OF OPERATIONS**

On January 1, 2020, the City transferred the operating assets and liabilities comprising Pine Crest Nursing Home and Lincoln Industries to North Central Health Care for the purpose of enhancing services provided. The County retained ownership of the Pine Crest Nursing Home Building and the related capital debt. As a result of the transfer, the County recognized a loss of \$3,577,205 on the disposal of Pine Crest Nursing Home and a loss of \$301,382 on the disposal of Lincoln Industries as a special item. The County's 2019 expense related to Pine Crest Nursing operations totaled approximately \$15.9 million. 2019 revenues associated with Pine Crest Nursing Home, consisting of both program and general revenues, totaled approximately \$15.0 million. The County's 2019 expense related to Lincoln Industries operations totaled approximately \$1.9 million. 2019 revenues associated with Pine Crest Nursing Home, consisting of both program and general revenues, totaled approximately \$1.8 million.

**NOTE 17 - PRIOR PERIOD ADJUSTMENT**

The County recorded a prior period adjustment of \$3,298,789 in the government-wide statements. This adjustment increases net position and reflects Lincoln County's proportionate equity share as of December 31, 2019, of North Central Health Care, a joint venture between Lincoln County, Marathon County, and Langlade County.

**NOTE 18 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2021. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

**REQUIRED SUPPLEMENTARY INFORMATION**



**LINCOLN COUNTY, WISCONSIN  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes				
General property	\$ 8,940,572	\$ 8,940,572	\$ 8,940,572	\$ -
Personal property	48,883	48,883	38,678	(10,205)
Forest crop	3,000	3,000	3,137	137
Managed forest land	120,000	120,000	133,227	13,227
County sales tax	2,175,000	2,291,721	2,336,568	44,847
Real estate transfer fees	65,000	65,000	88,755	23,755
Interest on taxes	400,000	400,000	394,145	(5,855)
Payment in lieu of taxes	87,000	87,000	92,886	5,886
	<u>11,839,455</u>	<u>11,956,176</u>	<u>12,027,968</u>	<u>71,792</u>
Intergovernmental				
State shared revenues	1,023,000	1,023,000	1,057,911	34,911
Exempt computer aid	25,000	25,000	26,216	1,216
Relief fund	-	-	124,414	124,414
County Clerk	-	3,369	5,305	1,936
Treasurer	-	-	8	8
Information technology	-	170,978	170,978	-
Maintenance	-	17,872	17,872	-
Clerk of courts	84,987	84,987	94,152	9,165
Circuit court	73,387	74,375	78,976	4,601
Land services	338,233	350,930	265,643	(85,287)
Sheriff Office	58,280	115,224	217,709	102,485
Coroner	-	-	35	35
Emergency management	41,597	53,462	46,056	(7,406)
Victim witness	37,788	37,788	27,695	(10,093)
Veterans service	10,000	10,000	10,000	-
Family court commissioner	900	900	932	32
Child support	339,227	339,227	390,398	51,171
UW extension	3,085	3,905	1,420	(2,485)
State acreage payment	67,000	67,000	67,610	610
	<u>2,102,484</u>	<u>2,378,017</u>	<u>2,603,330</u>	<u>225,313</u>
Licenses and permits				
County clerk	7,350	7,350	6,013	(1,337)
Family court commissioner	3,250	3,250	2,380	(870)
Land Services	118,750	118,750	171,490	52,740
	<u>129,350</u>	<u>129,350</u>	<u>179,883</u>	<u>50,533</u>
Fines, forfeits, and penalties				
Clerk of courts	126,000	126,000	127,512	1,512
Circuit court	900	900	3,612	2,712
	<u>126,900</u>	<u>126,900</u>	<u>131,124</u>	<u>4,224</u>

**LINCOLN COUNTY, WISCONSIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public charges for service				
Clerk of courts	\$ 55,000	\$ 55,000	\$ 42,226	\$ (12,774)
Circuit court	11,167	11,167	9,297	(1,870)
Family court commissioner	2,800	2,800	3,080	280
Register of deeds	158,020	158,020	191,439	33,419
Land services	46,700	46,700	64,490	17,790
County clerk	250	250	1,080	830
Treasurer	30	30	77	47
District attorney	5,000	5,000	6,022	1,022
Sheriff office	1,080,457	1,080,457	801,563	(278,894)
Information Technology	66,225	66,225	66,225	-
Coroner	17,000	17,000	32,750	15,750
Maintenance	-	124,551	124,552	1
Finance	250	250	30	(220)
Child support	5,000	5,000	5,684	684
UW extension	15,000	15,000	3,924	(11,076)
Forest land revenue	390,000	390,000	325,422	(64,578)
Other charges for service	60,000	60,000	29,058	(30,942)
Total public charges for services	<u>1,912,899</u>	<u>2,037,450</u>	<u>1,706,919</u>	<u>(330,531)</u>
Intergovernmental charges for service				
Sheriff department	142,119	142,119	153,539	11,420
Information technology	-	28,927	29,139	212
Maintenance	-	1,943	1,943	-
Land services	1,200	1,200	2,198	998
Clerk of courts	2,150	2,150	5,523	3,373
County clerk	29,000	29,000	36,153	7,153
UW extension	2,525	2,525	1,000	(1,525)
Total intergovernmental charges for services	<u>176,994</u>	<u>207,864</u>	<u>229,495</u>	<u>21,631</u>
Miscellaneous				
Interest	232,300	232,300	117,107	(115,193)
Rent	165,000	166,200	160,315	(5,885)
Tax Deed Profit	50,000	50,000	13,734	(36,266)
Sale of county property	18,000	18,000	86,496	68,496
Insurance recovery	45,000	45,000	32,490	(12,510)
Private organization donations	10,500	15,172	38,721	23,549
Total miscellaneous	<u>520,800</u>	<u>526,672</u>	<u>448,863</u>	<u>(77,809)</u>
Total revenues	<u>16,808,882</u>	<u>17,362,429</u>	<u>17,327,582</u>	<u>(34,847)</u>

**LINCOLN COUNTY, WISCONSIN  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES</b>				
General government				
County board chairman	\$ 33,500	\$ 33,500	\$ 29,529	\$ 3,971
County board committees	85,001	85,001	62,252	22,749
Clerk of courts	515,356	533,426	485,160	48,266
Circuit court	342,030	343,018	324,045	18,973
Family court commissioner	29,550	39,546	22,429	17,117
Coroner	65,934	65,934	57,796	8,138
District attorney	203,483	203,483	183,232	20,251
Corporation counsel	198,401	198,401	191,262	7,139
Victim witness	76,576	76,576	73,931	2,645
County clerk	151,263	152,299	149,341	2,958
Administration/personnel	285,608	285,608	207,868	77,740
Information technology	818,857	1,036,007	998,502	37,505
General administration	18,400	69,546	66,707	2,839
Treasurer	163,723	163,723	158,867	4,856
Finance department	466,799	471,031	471,147	(116)
Maintenance	1,259,886	1,422,577	1,415,495	7,082
Land services	617,818	955,027	409,320	545,707
Register of deeds	235,775	237,024	235,473	1,551
Insurance	115,500	181,075	180,483	592
Elections	70,688	73,021	62,999	10,022
Contingency fund	451,934	447,702	-	447,702
Total general government	<u>6,206,082</u>	<u>7,073,525</u>	<u>5,785,838</u>	<u>1,287,687</u>
Public safety				
Sheriff department:				
Law enforcement	3,785,909	3,891,866	3,752,198	139,668
Emergency communication (911)	987,740	987,740	944,356	43,384
Correction and detention	2,884,559	2,981,346	2,666,766	314,580
Emergency management	63,227	75,092	68,472	6,620
Civil service commission	1,000	1,000	378	622
Total public safety	<u>7,722,435</u>	<u>7,937,044</u>	<u>7,432,170</u>	<u>504,874</u>
Public works				
Land services-sanitation	15,000	15,000	9,305	5,695
Health and human services				
Community organizations	191,000	303,378	302,844	534
Family care	289,849	289,849	289,849	-
Health care center	1,022,450	910,072	829,196	80,876
Child support agency	303,745	303,745	282,601	21,144
Veterans services	176,395	185,446	160,429	25,017
Cemetery	1,314	1,314	1,313	1
Total health and human services	<u>1,984,753</u>	<u>1,993,804</u>	<u>1,866,232</u>	<u>127,572</u>

**LINCOLN COUNTY, WISCONSIN  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Culture, recreation, and education				
Public libraries	\$ 647,528	\$ 647,528	\$ 647,528	\$ -
UW extension	<u>205,286</u>	<u>229,726</u>	<u>197,906</u>	<u>31,820</u>
Total culture, recreation, and education	<u>852,814</u>	<u>877,254</u>	<u>845,434</u>	<u>31,820</u>
Conservation and development				
Economic development	53,000	53,000	53,000	-
Land services	<u>649,025</u>	<u>676,420</u>	<u>589,650</u>	<u>86,770</u>
Total conservation and development	<u>702,025</u>	<u>729,420</u>	<u>642,650</u>	<u>86,770</u>
Capital outlay				
Maintenance	490,000	641,564	185,022	456,542
Land services	30,000	30,000	-	30,000
Information Technology	138,000	255,009	114,047	140,962
Sheriff	<u>177,000</u>	<u>241,336</u>	<u>106,318</u>	<u>135,018</u>
Total capital outlay	<u>835,000</u>	<u>1,167,909</u>	<u>405,387</u>	<u>762,522</u>
Total expenditures	<u>18,318,109</u>	<u>19,793,956</u>	<u>16,987,016</u>	<u>2,806,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,509,227)</u>	<u>(2,431,527)</u>	<u>340,566</u>	<u>2,772,093</u>
Other financing sources (uses)				
Funds applied	1,483,182	4,174,826	4,174,829	3
Transfer in	276,045	534,346	1,577,385	1,043,039
Transfer out	<u>(250,000)</u>	<u>(2,277,645)</u>	<u>(2,277,645)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,509,227</u>	<u>2,431,527</u>	<u>3,474,569</u>	<u>1,043,042</u>
Net change in fund balance	-	-	3,815,135	3,815,135
<b>FUND BALANCE - BEGINNING</b>	<u>11,758,152</u>	<u>11,758,152</u>	<u>11,758,152</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 11,758,152</u>	<u>\$ 11,758,152</u>	<u>\$ 15,573,287</u>	<u>\$ 3,815,135</u>

**RECONCILIATION FROM BUDGET TO GAAP:**

Net change in fund balance - budget	\$ 3,815,135
Fund balance applied is reported as an other financing source for budget purposes, but fund balance applied is not reported as an other financing source for GAAP purposes.	<u>(4,174,829)</u>
Net change in fund balance - GAAP	<u>\$ (359,694)</u>

See notes to required supplementary information.

**LINCOLN COUNTY, WISCONSIN  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - COUNTY ROADS AND BRIDGES  
Year Ended December 31, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
General property	\$ 2,186,753	\$ 2,186,753	\$ 2,186,753	\$ -
Vehicle Registration Fee	555,000	555,000	506,649	(48,351)
Intergovernmental	1,302,600	1,942,578	1,822,579	(119,999)
Total revenues	4,044,353	4,684,331	4,515,981	(168,350)
 <b>EXPENDITURES</b>				
Public works	4,694,353	5,931,201	5,363,137	568,064
Deficiency of revenues over (under) expenditures	(650,000)	(1,246,870)	(847,156)	399,714
 <b>OTHER FINANCING SOURCES</b>				
Transfers in	250,000	846,870	691,700	155,170
Fund balance applied	400,000	400,000	400,000	-
Total other financing sources	650,000	1,246,870	1,091,700	155,170
Net change in fund balance	-	-	244,544	244,544
<b>FUND BALANCES - BEGINNING</b>	596,880	596,880	596,880	-
<b>FUND BALANCES - ENDING</b>	\$ 596,880	\$ 596,880	\$ 841,424	\$ 244,544
 <b>RECONCILIATION FROM BUDGET TO GAAP:</b>				
Net change in fund balance - budget	\$ 244,544			
Fund balance applied is reported as an other financing source for budget purposes, but fund balance applied is not reported as an other financing source for GAAP purposes.	(400,000)			
Net change in fund balance - GAAP	\$ (155,456)			

See notes to required supplementary information.

**LINCOLN COUNTY, WISCONSIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - SOCIAL SERVICES FUND**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
General property	\$ 866,230	\$ 866,230	\$ 866,230	\$ -
Intergovernmental	1,726,166	1,727,859	2,048,042	320,183
Public charges for service	-	25	25	-
Intergovernmental charges for service	3,500	1,333	1,331	(2)
Miscellaneous revenues	-	449	717	268
Total revenues	<u>2,595,896</u>	<u>2,595,896</u>	<u>2,916,345</u>	<u>320,449</u>
<b>EXPENDITURES</b>				
Health and human services	2,595,896	2,595,896	2,471,472	124,424
Total expenditures	<u>2,595,896</u>	<u>2,595,896</u>	<u>2,471,472</u>	<u>124,424</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	444,873	444,873
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	444,873	444,873
<b>FUND BALANCE - JANUARY 1</b>	<u>299,589</u>	<u>299,589</u>	<u>299,589</u>	<u>-</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 299,589</u>	<u>\$ 299,589</u>	<u>\$ 744,462</u>	<u>\$ 444,873</u>

See notes to required supplementary information.

**LINCOLN COUNTY, WISCONSIN  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - EMERGENCY MEDICAL FUND  
Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
General property	\$ 1,023,779	\$ 1,023,779	\$ 1,023,779	\$ -
Intergovernmental	65,000	65,000	54,393	(10,607)
Public charges for service	961,000	961,000	1,004,577	43,577
Miscellaneous revenues	-	-	1,969	1,969
Total revenues	<u>2,049,779</u>	<u>2,049,779</u>	<u>2,084,718</u>	<u>34,939</u>
<b>EXPENDITURES</b>				
Public Safety	<u>2,049,779</u>	<u>2,049,779</u>	<u>2,026,981</u>	<u>22,798</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	57,737	57,737
<b>FUND BALANCE - JANUARY 1</b>	<u>(348,243)</u>	<u>(348,243)</u>	<u>(348,243)</u>	<u>-</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u><u>\$ (348,243)</u></u>	<u><u>\$ (348,243)</u></u>	<u><u>\$ (290,506)</u></u>	<u><u>\$ 57,737</u></u>

See notes to required supplementary information.

**LINCOLN COUNTY, WISCONSIN**  
**SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**AND EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM**  
**December 31, 2020**

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 (Asset)
12/31/14	0.11840415%	\$ (2,908,330)	\$ 15,567,327	18.68%	102.74%
12/31/15	0.11886455%	1,931,526	16,340,961	11.82%	98.20%
12/31/16	0.11979679%	978,412	16,734,793	5.90%	99.12%
12/31/17	0.12209006%	(3,624,999)	17,269,087	-20.99%	102.93%
12/31/18	0.12378839%	4,404,002	18,071,877	24.37%	96.45%
12/31/19	0.08149911%	(2,627,902)	12,105,733	-21.71%	102.96%

Schedule of Contributions  
Wisconsin Retirement System  
Last 10 Fiscal Years

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	\$ 1,147,803	\$ 1,147,803	\$ -	\$ 15,567,327	7.37%
12/31/16	1,166,661	1,166,661	-	16,340,961	7.14%
12/31/17	1,159,525	1,159,525	-	16,734,793	6.93%
12/31/18	1,251,041	1,251,041	-	17,269,087	7.24%
12/31/19	1,295,606	1,295,606	-	18,071,877	7.17%
12/31/20	759,770	759,770	-	12,616,586	6.02%

See notes to required supplementary information.



**LINCOLN COUNTY, WISCONSIN**  
**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**

December 31, 2020

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 (Asset)
12/31/17	0.62798100%	\$ 1,889,331	\$ 26,408,397	10.94%	44.81%
12/31/18	0.64451800%	1,663,074	14,025,000	11.86%	48.69%
12/31/19	0.42942109%	1,828,559	9,014,168	20.29%	37.58%

**SCHEDULE OF CONTRIBUTIONS**  
**LOCAL RETIREE LIFE INSURANCE FUND**  
**LAST 10 FISCAL YEARS**

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
12/31/2018	\$ 12,297	\$ 12,297	\$ -	\$ 18,071,877	0.07%
12/31/2019	12,417	12,417	-	18,071,877	0.07%
12/31/2020	11,857	11,857	-	13,769,000	0.08%

See notes to required supplementary information.

**LINCOLN COUNTY, WISCONSIN**  
Notes to Required Supplementary Information  
December 31, 2020

**NOTE 1 - EXCESS OF ACTUAL EXPENDITURES OVER FINAL BUDGET**

For the year ending December 31, 2020, the legally adopted budget line items with actual expenditures over the final budget were as follows:

General Fund	Final Budget	Actual
General Government		
Finance	\$ 471,031	\$ 471,147

**NOTE 2 - WISCONSIN RETIREMENT SYSTEM**

Changes of Benefit Terms

There were no changes for benefit terms for any participating employer in the WRS.

Changes of Assumptions

No significant change in assumptions were noted from the year.

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

**NOTE 3 - OTHER POSTEMPLOYMENT BENEFITS**

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

Actuarial assumptions were based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015 – 2017 and the discount rate was updated to reflect the municipal bond rate at the completion of the actuarial valuation.

The District 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.

## **COMBINING FUND STATEMENTS**

**LINCOLN COUNTY, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2020**

	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>County Health</u>	<u>Dog License</u>	<u>Community Development</u>	<u>Jail Assessment</u>	<u>Total</u>		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 630,146	\$ 32,494	\$ 2	\$ 105,738	\$ 768,380	\$ 74,260	\$ 842,640
Receivables (net of allowances):							
Property taxes	580,524	-	-	-	580,524	965,200	1,545,724
Accounts	930	-	-	-	930	-	930
Due from other governments	180,944	-	-	541	181,485	-	181,485
Prepaid items	137	-	-	-	137	-	137
<b>TOTAL ASSETS</b>	<b>\$ 1,392,681</b>	<b>\$ 32,494</b>	<b>\$ 2</b>	<b>\$ 106,279</b>	<b>\$ 1,531,456</b>	<b>\$ 1,039,460</b>	<b>\$ 2,570,916</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 2,517	\$ 30,963	\$ -	\$ -	\$ 33,480	\$ -	\$ 33,480
Accrued liabilities	15,793	-	-	-	15,793	-	15,793
Due to other governments	-	531	-	-	531	-	531
<b>Total liabilities</b>	<b>18,310</b>	<b>31,494</b>	<b>-</b>	<b>-</b>	<b>49,804</b>	<b>-</b>	<b>49,804</b>
<b>Deferred inflows of resources</b>							
Property taxes levied for subsequent year	580,524	-	-	-	580,524	965,200	1,545,724
<b>Fund balance</b>							
Fund balances:							
Nonspendable	137	-	-	-	137	-	137
Restricted	379,270	-	-	-	379,270	-	379,270
Committed	414,440	1,000	2	106,279	521,721	-	521,721
Assigned	-	-	-	-	-	74,260	74,260
<b>Total fund balance</b>	<b>793,847</b>	<b>1,000</b>	<b>2</b>	<b>106,279</b>	<b>901,128</b>	<b>74,260</b>	<b>975,388</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,392,681</b>	<b>\$ 32,494</b>	<b>\$ 2</b>	<b>\$ 106,279</b>	<b>\$ 1,531,456</b>	<b>\$ 1,039,460</b>	<b>\$ 2,570,916</b>

**LINCOLN COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2020**

	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>County Health</u>	<u>Dog License</u>	<u>Community Development</u>	<u>Jail Assessment</u>	<u>Total</u>		
<b>REVENUES</b>							
Taxes	\$ 539,318	\$ -	\$ -	\$ -	\$ 539,318	\$ 1,148,250	\$ 1,687,568
Intergovernmental revenues	537,274	-	-	-	537,274	1,694	538,968
Licenses and permits	-	31,779	-	-	31,779	-	31,779
Fines, forfeits, and penalties	-	-	-	24,761	24,761	-	24,761
Public charges for service	164,111	-	-	-	164,111	632,850	796,961
Intergovernmental charges for service	199,206	-	-	-	199,206	-	199,206
Miscellaneous revenues	3,033	-	-	-	3,033	-	3,033
<b>Total revenues</b>	<u>1,442,942</u>	<u>31,779</u>	<u>-</u>	<u>24,761</u>	<u>1,499,482</u>	<u>1,782,794</u>	<u>3,282,276</u>
<b>EXPENDITURES</b>							
Current:							
Health and human services	1,105,833	31,779	-	-	1,137,612	-	1,137,612
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	1,345,000	1,345,000
Interest	-	-	-	-	-	438,100	438,100
<b>Total expenditures</b>	<u>1,105,833</u>	<u>31,779</u>	<u>-</u>	<u>-</u>	<u>1,137,612</u>	<u>1,783,100</u>	<u>2,920,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>337,109</u>	<u>-</u>	<u>-</u>	<u>24,761</u>	<u>361,870</u>	<u>(306)</u>	<u>361,564</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	<u>(6,723)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,723)</u>	<u>-</u>	<u>(6,723)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	330,386	-	-	24,761	355,147	(306)	354,841
<b>FUND BALANCES - BEGINNING</b>	<u>463,461</u>	<u>1,000</u>	<u>2</u>	<u>81,518</u>	<u>545,981</u>	<u>74,566</u>	<u>620,547</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 793,847</u>	<u>\$ 1,000</u>	<u>\$ 2</u>	<u>\$ 106,279</u>	<u>\$ 901,128</u>	<u>\$ 74,260</u>	<u>\$ 975,388</u>

**LINCOLN COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**December 31, 2020**

	<b>Internal Service Funds</b>		
	<b>Highway</b>	<b>Health Insurance</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 629,528	\$ 1,577,294	\$ 2,206,822
Accounts receivable	78,976	102,608	181,584
Due from other governments	305,586	-	305,586
Inventories, at cost	1,513,759	-	1,513,759
Prepaid expenses	4,105	-	4,105
	<u>2,531,954</u>	<u>1,679,902</u>	<u>4,211,856</u>
Total current assets			
Noncurrent assets:			
Net Pension Asset	449,998	-	449,998
Capital assets:			
Land	37,875	-	37,875
Improvements other than buildings	332,477	-	332,477
Buildings	2,242,080	-	2,242,080
Machinery and equipment	11,481,479	-	11,481,479
Less accumulated depreciation	(9,303,487)	-	(9,303,487)
	<u>4,790,424</u>	<u>-</u>	<u>4,790,424</u>
Total capital assets			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to other post employment benefits	134,805	-	134,805
Related to pensions	898,269	-	898,269
	<u>1,033,074</u>	<u>-</u>	<u>1,033,074</u>
Total assets and deferred outflows of resources			
	<u>8,805,450</u>	<u>1,679,902</u>	<u>10,485,352</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	74,337	-	74,337
Accrued expenses	51,030	-	51,030
Compensated absences payable	263,212	-	263,212
Accrued claims	-	751,624	751,624
	<u>388,579</u>	<u>751,624</u>	<u>1,140,203</u>
Total current liabilities			
Noncurrent liabilities:			
Compensated absences payable	249,330	-	249,330
Net other post employment benefit liabilities	324,330	-	324,330
	<u>573,660</u>	<u>-</u>	<u>573,660</u>
Total noncurrent liabilities			
	<u>962,239</u>	<u>751,624</u>	<u>1,713,863</u>
Total liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to other post employment benefits	48,468	-	48,468
Related to pensions	1,349,553	-	1,349,553
	<u>1,398,021</u>	<u>-</u>	<u>1,398,021</u>
Total deferred inflows of resources			
<b>NET POSITION</b>			
Net investment in capital assets	4,790,424	-	4,790,424
Restricted for pension benefits	449,998	-	449,998
Unrestricted	1,204,768	928,278	2,133,046
	<u>6,445,190</u>	<u>928,278</u>	<u>7,373,468</u>
<b>TOTAL NET POSITION</b>			
	<u>\$ 6,445,190</u>	<u>\$ 928,278</u>	<u>\$ 7,373,468</u>

**LINCOLN COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**Year Ended December 31, 2020**

	<u>Internal Service Funds</u>		
	<u>Highway</u>	<u>Health Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Interdepartmental charges for service	\$ 5,382,930	\$ 3,449,837	\$ 8,832,767
Intergovernmental charges for service	2,770,746	-	2,770,746
Other operating revenue	<u>114,892</u>	<u>-</u>	<u>114,892</u>
Total operating revenues	<u>8,268,568</u>	<u>3,449,837</u>	<u>11,718,405</u>
<b>OPERATING EXPENSES</b>			
Claims paid	-	2,327,484	2,327,484
General services	7,032,370	-	7,032,370
Administrative and fiscal services	609,984	621,485	1,231,469
Depreciation and amortization	<u>571,399</u>	<u>-</u>	<u>571,399</u>
Total operating expenses	<u>8,213,753</u>	<u>2,948,969</u>	<u>11,162,722</u>
Operating income	<u>54,815</u>	<u>500,868</u>	<u>555,683</u>
<b>NONOPERATING REVENUES</b>			
Rent revenue	50	-	50
Gain on disposal of capital assets	102,051	-	102,051
Salvage revenue	4,504	-	4,504
Grant revenue	4,996	-	4,996
Gain on sale of supplies	3,838	-	3,838
Interest income	<u>-</u>	<u>28,727</u>	<u>28,727</u>
Total nonoperating revenues	<u>115,439</u>	<u>28,727</u>	<u>144,166</u>
<b>Change in net position</b>	170,254	529,595	699,849
<b>TOTAL NET POSITION - BEGINNING</b>	<u>6,274,936</u>	<u>398,683</u>	<u>6,673,619</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 6,445,190</u>	<u>\$ 928,278</u>	<u>\$ 7,373,468</u>

**LINCOLN COUNTY, WISCONSIN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2020**

	<b>Internal Service Funds</b>		
	<b>Highway</b>	<b>Health Insurance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
From other County departments	\$ 5,382,930	\$ 3,449,837	\$ 8,832,767
From government and other parties for sales	3,022,757	-	3,022,757
To employees for compensation and fringe benefits	(3,292,684)	(35,429)	(3,328,113)
To vendors for goods and services	<u>(4,641,649)</u>	<u>(3,580,396)</u>	<u>(8,222,045)</u>
Net cash provided (used) by operating activities	<u>471,354</u>	<u>(165,988)</u>	<u>305,366</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Rent	50	-	50
Grant revenue	<u>4,996</u>	<u>-</u>	<u>4,996</u>
Net cash provided by noncapital financing activities	<u>5,046</u>	<u>-</u>	<u>5,046</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(429,559)	-	(429,559)
Proceeds from sales of supplies	43,206	-	43,206
Sale of Capital Assets	<u>61,585</u>	<u>-</u>	<u>61,585</u>
Net cash used for capital and related financing activities	<u>(324,768)</u>	<u>-</u>	<u>(324,768)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>-</u>	<u>28,892</u>	<u>28,892</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	151,632	(137,096)	14,536
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>477,896</u>	<u>1,714,390</u>	<u>2,192,286</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 629,528</u>	<u>\$ 1,577,294</u>	<u>\$ 2,206,822</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	<u>\$ 54,815</u>	<u>\$ 500,868</u>	<u>\$ 555,683</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	571,399	-	571,399
Change in net other post employment benefits liability (asset) and related deferred outflows/inflows	29,727	-	29,727
Change in net pension liability (asset) and related deferred outflows/inflows	158,427	-	158,427
Changes in operating assets and liabilities:			
Accounts receivable	(72,236)	(99,922)	(172,158)
Due from other governments	209,355	-	209,355
Prepaid expenses	(1,639)	-	(1,639)
Inventories	(391,237)	-	(391,237)
Accounts payable	(17,744)	(230,460)	(248,204)
Accrued expenses	(98,567)	322	(98,245)
Compensated absences	29,054	-	29,054
Accrued claims	<u>-</u>	<u>(336,796)</u>	<u>(336,796)</u>
Total adjustments	<u>416,539</u>	<u>(666,856)</u>	<u>(250,317)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 471,354</u>	<u>\$ (165,988)</u>	<u>\$ 305,366</u>



**LINCOLN COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2020**

	<b>Employee Benefit Cafeteria Plan</b>	<b>Clerk of Court Collection Fund</b>	<b>Delinquent Special Assessment</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,306	\$ -	\$ 7,908	\$ 24,214
Accounts receivable	<u>-</u>	<u>591,629</u>	<u>131,363</u>	<u>722,992</u>
Total assets	<u>16,306</u>	<u>591,629</u>	<u>139,271</u>	<u>747,206</u>
<b>LIABILITIES</b>				
Deposits and advances	181	-	-	181
Due other governments	-	591,629	7,908	599,537
Due to other funds	<u>105</u>	<u>-</u>	<u>-</u>	<u>105</u>
Total liabilities	<u>286</u>	<u>591,629</u>	<u>7,908</u>	<u>599,823</u>
<b>Net Position</b>				
Restricted for others	<u>\$ 16,020</u>	<u>\$ -</u>	<u>\$ 131,363</u>	<u>\$ 147,383</u>

**LINCOLN COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2020**

	<b>Employee Benefit Cafeteria Plan</b>	<b>Clerk of Court Collection Fund</b>	<b>Delinquent Special Assessment</b>	<b>Total</b>
<b>Additions</b>				
Court fines collected	\$ -	\$ 573,692	\$ -	\$ 573,692
Tax certificated collected	-	-	102,457	102,457
Employee withholdings	43,798	-	-	43,798
Interest earnings	105	-	-	105
Employee forfeitures	1,166	-	-	1,166
Total additions	<u>45,069</u>	<u>573,692</u>	<u>102,457</u>	<u>721,218</u>
<b>Deductions</b>				
Court fines paid to State	-	573,692	-	573,692
Payments to municipalities	-	-	65,078	65,078
Tax deeds taken	-	-	48,308	48,308
Employee payments	43,903	-	-	43,903
Total deductions	<u>43,903</u>	<u>573,692</u>	<u>113,386</u>	<u>730,981</u>
Net increase (decrease) in fiduciary net position	1,166	-	(10,929)	(9,763)
Total net position - beginning, as originally reported	-	-	-	-
Cumulative effect of change of accounting principle	<u>14,854</u>	<u>-</u>	<u>142,293</u>	<u>157,147</u>
Total net position - beginning, as restated	<u>14,854</u>	<u>-</u>	<u>142,293</u>	<u>157,147</u>
Total net position - ending	<u>\$ 16,020</u>	<u>\$ -</u>	<u>\$ 131,364</u>	<u>\$ 147,384</u>