

MARATHON COUNTY

WISCONSIN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARATHON COUNTY, WISCONSIN

FOR THE YEAR ENDED

DECEMBER 31, 2018

**DEPARTMENT OF FINANCE
KRISTI PALMER, FINANCE DIRECTOR**

MARATHON COUNTY
Wausau, Wisconsin

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MARATHON COUNTY
Wausau, Wisconsin

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Wausau, Wisconsin

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**INTRODUCTORY
SECTION**



June 29, 2019

*Members of the Marathon County Board of Supervisors
And the Human Resources and Finance and Property Committee
Marathon County, Wisconsin*

Supervisors:

Submitted herewith is the Comprehensive Annual Financial Report (CAFR) of Marathon County, Wisconsin (the County) for the year ended December 31, 2018. This report was prepared by the County's Finance Department with assistance from the County Treasurer's Office. For purposes of this CAFR, the reference to the County typically includes the Central Wisconsin Airport (CWA) (shown as a discretely presented component unit) unless otherwise noted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all financial statements, footnote disclosures, supporting schedules and statistical tables rests with the County. We believe the data, as presented, is accurate in all material respects and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

All financial information and footnotes related to the County's discretely presented component units (excluding the CWA) are a result of financial statements prepared separately from this CAFR. Except for the CWA, the County Finance Department has relied upon the respective discretely presented component units' independently audited financial statements to compile the enclosed notes and statements and does not take responsibility for their accuracy. Copies of the discretely presented component units audited financial statements are available upon request from their respective finance departments.

Distribution of the CAFR is of major importance to its usefulness as a communication tool. Paper copies of this report will be available to elected officials, County management, bond rating agencies, financial institutions and federal, state and local governmental agencies which have expressed an interest in Marathon County's financial wellbeing. A copy of the 1998 through 2018 CAFRs are also available on the Internet at:

<http://www.co.marathon.wi.us/Departments/Finance/AuditInformation.aspx>

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). These guidelines conform substantially with high standards of public financial reporting, including Generally Accepted Accounting Principles in the United States of America (GAAP) promulgated by the Governmental Accounting Standards Board (GASB).

Finance Department

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GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it. Marathon County's Management's Discussion and Analysis can be found immediately following the report of the independent auditors.

The County is required to undergo an annual single audit in accordance with the audit requirements of Title 2 U.X. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and, Audit Requirements for Federal Awards (Uniform Guidance), and the State Single Audit Guidelines issued by the Wisconsin Department of Administration. Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, the independent auditors' reports on internal control over financial reporting and compliance with applicable laws and regulations is available as a separate document through the Finance Department.

REPORTING ENTITY AND ITS SERVICES

The County was incorporated in 1850 and operates under a County Board-Administrator form of government. The Board of Supervisors is comprised of thirty-eight (38) members, elected by districts to serve concurrent two-year terms. The terms of the current Board expire on April 21, 2020.

The County is located in central Wisconsin, approximately 185 miles northwest of Milwaukee, WI and 175 miles east of Minneapolis/St Paul, MN. With a total area of 1,013,760 acres (1,584 square miles), the County is the largest land county of Wisconsin's 72 counties. The City of Wausau is the County seat.

This CAFR includes all funds discretely presented component units of the County. They include the operations of all departments shown in the organizational chart included in this section.

The County provides a full range of services. This includes judiciary services and legal counsel, general and financial administration, including tax collections; property records and register of deeds; county planning and zoning; public safety with sheriff, emergency management and correction facilities; parks; health and social services; assistance to veterans and older Americans; library; forest conservation; medical examiner and surveyor; industrial development board; agricultural extension services; and the administration of federal, state and county elections. The County has proprietary fund operations for the maintenance and construction of the landfill, highways and insurance programs. This CAFR includes the CWA, North Central Community Services (NCCS), and the Handicapped Children's Education Board (HCEB) as discretely presented component units, since the County is financially accountable for their activities. Included in this CAFR are services for commercial airlines services for Marathon and Portage Counties, nursing home and mental health services for citizens of Marathon, Lincoln and Langlade Counties and special education needs for children in school districts within the County. The Wisconsin Municipal Mutual Insurance Corporation (WMMIC) and any of the school districts or special districts listed in Schedule 10 "Direct and Overlapping Governmental Activities Debt" in the Statistical Section of this CAFR are not included in the CAFR because they have not met the established criteria for inclusion in the reporting entity.

Pursuant to accounting and reporting standards, the Aging & Disability Resource Center of Central Wisconsin (ADRC-CW) is included within the County's financial report because of various factors including financial dependencies and powers of appointments or removal of officers.

ECONOMIC CONDITIONS AND OUTLOOK

Marathon County's economy is very diverse, ranging from: manufacturing, tourism and recreation, health services, transportation and shipping, government, agriculture, and dairy products. Marathon County is the business center of central and northern Wisconsin. Indications show that the County has positive signs of economic recovery. The area's economy will continue to remain stable in the areas of population, labor force and employment. The 2018 annual unemployment rate was 2.4% and is the lowest or the same as in the past few years. (The unemployment rate was 2.4% in 2017 and 3.7% in 2016).

Unemployment levels in the Marathon County Standard Metropolitan Statistical Area (SMSA) are slightly below the State of Wisconsin unemployment rate of 3.0%.

According to the U.S. Census Bureau, 308 new building permits were issued in 2018 for new privately-owned residential buildings in Marathon County at a total estimated construction value of \$68.2 million. The construction amount is less than the 2017 total of \$89 million. Overall the number of permits decreased in 2018 for new residential construction and remodeling with the 2017 figure being 611 and the 2016 number of permits being 245. The largest decrease, 280 permits, comes from the new construction of 3 or more unit dwelling with 2017 being higher than 2018.

The County ranks first statewide in ginseng production. Marathon County ranks third in the number of farms, total dairy herds, number of milk cows, total number of cattle and calves, second in forage and corn silage production and fourth in total milk production. Marathon County is the source of more than 90% total U.S. cultivated ginseng production.

Large business employers in the County continue to stabilize the economy. The cornerstone to a list that continues to grow would include (companies with more than 500 employees most but all not employees necessarily in Marathon County):

*Aspirus Wausau Hospital
Greenheck Fan Inc.
Kolbe & Kolbe Millwork Co Inc.
Marathon Cheese
Wausau School District
Footlocker/Eastbay Inc.
Marathon County
North Central Healthcare Facilities
North Central Technical College
Wausau Paper/SCA*

MAJOR INITIATIVES

In the year 2018 the County maintained its commitment to upgrade its buildings and infrastructure. As can be seen in the detail below, we have a major interest in the maintenance of our infrastructure, government joint ventures, and technology projects.

As the County continues to grow, the demands placed by citizens on their government become more intense. As all counties in the State of Wisconsin operate under a state imposed tax rate freeze and levy limit, these demands are continually more difficult to finance. Governmental participation in expected growth can no longer be coincidental. We have had significant changes in the labor relationships with our employees. In order for us to remain strong, our positive community attitude must reveal itself through results of providing County Services.

Maintenance and expansion of the County's infrastructure (such as highways and bridges) remains a major concern of the County Board. To address one of these concerns, the County continues to maintain its commitment to the Infrastructure Committee's five-year capital project plan. This plan provides a framework for the development and maintenance of infrastructure to meet current and future needs. The Infrastructure Committee has undertaken an aggressive program to repair and replace its highways and bridges. On an annual basis, the Infrastructure Committee plans to repair three or four bridges and resurface 25-30 miles of county highways.

- In 2017, the County completed a major bridge project at Sandy Creek on Highway N with a total costs of \$315,000.*
- In late 2016, the County Board approved a \$25 a vehicle registration fee for vehicles licensed in Marathon County. The revenues generated from this fee go to offset the cost of the County Highway Bituminous Program. The County budgeted \$2,898,902 in revenues in 2018.*
- A major repaving project consisting of resurfacing a minimum of 25-30 miles per year is included in this plan. That means by the end of a five-year period, 20% of the County's highways are expected to have been repaved. In 2018, the County budgeted \$6,290,182 to maintain its County resurfacing program.*

The County wishes to maintain its Information Technology systems as well and in 2018 the County started the research and send out RFPs to purchase new software systems.

- A RFP was send out and awarded for a law enforcement software application with an estimated cost of \$1,680,000. The County picked a vendor (Sunguard) from the RFP process and implemented the system fall of 2018.*
- The County researched and prepared RFP documents for a new comprehensive land records system. The estimated cost for the new system is \$565,000 with full implementation targeted September 2018.*

In 2016 the County Board passed Ordinance #O-7-16 to create a uniform addressing system. The County allocated \$1.2 Million from the environmental impact fund to assist participating municipalities in the cost of signage and communications for the change of addressing properties in their municipalities. The County had to wait until May 2018 to start the address changes because of record snowfall (24 inches) of snow that fell in April 2018. The County should have the project completed in fall 2019.

To better handle the ongoing questions and concerns regarding general infrastructure, the Capital Improvement Committee has assembled a five year Capital Improvement Plan (CIP) to review and upgrade all facilities that have a need. Each year the plan is updated and a new list of projects approved and a new funding source established.

FUTURE PLANS

The County is working with a consultant to view ways to best situate itself for the future and determine what its infrastructure needs are to be successful in the 21st Century. With County leadership and citizen input, the County has continued to refine its strategic plan and program prioritization process to help assist in the development of annual budgets that provide cost effective program results for our citizens.

In 2016, the County started working with the Center for Priority Based Budgeting (CPBB). The goal of this project is to reassess our priorities in order to make sound long-term funding decisions and establish the County as a results driven organization. Working with CPBB has allowed the County to determine how to match available resources with community priorities and develop a comprehensive review of the whole organization. We will be utilizing the CPPB diagnostic tool when setting goals and priorities for the 2019 budget with full implementation for the 2020 budget.

FINANCIAL INFORMATION

Working Capital Policy

In 1988 the County Board of Supervisors established a fund balance policy. This policy sets forth the amount of funds that are to be reserved as a designation for working capital. The funds over and above this designation are to be used to pay for non-departmental capital purchases within the succeeding budget process. Working capital is never to go below a set minimum level of four weeks of operating expenditures or 8.5%. The County Board has approved a slightly higher working capital figure of 10% for the Highway Fund based on its potential for uncontrollable, unexpected operating needs. The low points for the County's cash flow are the end of February and the middle of November.

As a policy, the County rolls forward a portion of the unassigned fund equity/balance into the succeeding year's budget. With the change in the highway working capital policy its unassigned funds are moved into the same capital improvement process. Funds not included in this process would include those funds not using tax levy as a basis for operations such as the landfill fund, the insurance funds, the capital improvement fund, and any special revenue fund that use grants for operating capital. Marathon County uses a portion of its unassigned amount to fund future year capital improvement programs. It is not used to offset following years operating needs. This philosophy assures that current operating needs are funded with current collections. Any amounts required for future years' activities or amounts required for sound business operations must be restricted or assigned. Highway is allowed to provide for multi-year funding options for specifically identified high cost projects.

General Fund Balance

A portion of the unassigned fund balance will be used in the 2020 budget process to help fund some much needed capital improvements. The County has been fairly successful over the years keeping its tax rate stable and using fund balance to pay for capital projects. The trend of using fund balance and not raising taxes is expected to continue in the future. If the trend were not to continue, a lower fund balance would be acceptable because all amounts necessary for sound financial position and good business practice are restricted or assigned.

INTERNAL CONTROLS

Accounting and Administrative Controls

Internal controls are procedures which are designed to protect assets from loss, theft or misuse; to check the accuracy and reliability of accounting data; to promote operational efficiency; and to encourage compliance with managerial policies. The management of the County is responsible for establishing a system of internal controls designed to provide reasonable assurance that these objectives are met. To help assure the adequacy of the County's system of internal controls, the Finance and Property Committee is also the Risk Assessment Committee and works with the County Administrator and Finance Department in carrying out the internal audit program, and provides a liaison with the County's independent auditors.

Federal and state financial assistance programs require recipients to comply with many laws and regulations. Administrative controls are procedures designed to ensure compliance with these requirements. The County has established a system of administrative controls to ensure compliance with the requirements of the programs under which it receives financial assistance. As with other internal controls, this system is subject to periodic review and evaluation by management and the Finance Department.

As part of the single audit, tests are made to determine the adequacy of the County's accounting and administrative control systems over major programs. Testing of the County's compliance with applicable laws and regulations over major programs is also performed. The County most recently completed single audit report, for the fiscal year ended December 31, 2017, did not identify and instances of material weaknesses in internal control systems over compliance. There were certain deficiencies in internal control that were considered significant deficiencies.

Budgeting Systems and Controls

The budget serves as the foundation for the County's financial planning and control. The County maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget adopted by the County Board. The level of legal budget control is by fund and appropriation unit.

The County's budget process provides for input from County Administration, top management, elected officials, and the public in developing revenue and expenditure projections and determining the County's programs and services for the coming year.

After final adoption, transfers between budget appropriations for non-exempt areas may be made by the County Board. Throughout the budget year, the Board may also appropriate additional general purpose funds by use of a contingency appropriation reserved to cover emergencies or other necessary expenditures as determined by the County Board.

DEBT ADMINISTRATION

Under Wisconsin Statute 67.03(1) (a), county debt is limited to 5% of total equalized valuation of real and personal property. The ratio of bonded debt to equalized value and the net bonded debt per capita are useful indicators of the County's debt position to County management, citizens and investors Schedule 11 "Legal Debt Margin Information" in the Statistical Section of this CAFR illustrates these indicators, limitations and verifies low indebtedness.

CASH MANAGEMENT

Wisconsin State Statutes allow the County Treasurer to invest cash which is temporarily idle in instruments which include demand deposits, certificates of deposit, U. S. Treasury and/or Agency obligations, local government bonds, repurchase agreements, commercial paper, the State of Wisconsin Local Government Investment Pool (LGIP) and other qualifying investment pools. The County does not invest in any derivatives nor does it leverage any of its funds for investment purposes.

Sponsored by the State Treasurer's Office, the State of Wisconsin has established the LGIP under the direction of the State of Wisconsin Investment Board (SWIB). This fund can be accessed by all units of local government on a day to day basis.

The County continues to use the advice of its investment advisor seeking alternate sources of short term investments beyond the LGIP. Short term treasuries, agencies and high-quality commercial paper are currently providing returns which are slightly better than the investment pools. To diversify its investment portfolio, the County holds a portion of its funds in medium-term (2-4 years) government securities, as recommended by the County's investment advisor. This allows additional interest earnings without undue risk.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were insured by the Federal Depository Insurance Corporation (FDIC) with an additional \$400,000 coverage provided by the State of Wisconsin, or collateralized, or insured through the investment pool. All collateral on deposits was held either by the County, its custodian or the State of Wisconsin.

The amount of interest earned in 2018 for all Primary Government operations was \$2,874,231, an increase from 2017 of 54.9%. The increase was the result of higher interest rates being applied to investments

<i>Year</i>	<i>Earnings</i>	<i>Increase (Decrease)</i>	<i>%(Decrease) Change</i>
<i>2009</i>	<i>3,085,273</i>	<i>(2,107,032)</i>	<i>(40.58)</i>
<i>2010</i>	<i>1,680,760</i>	<i>(1,404,513)</i>	<i>(45.52)</i>
<i>2011</i>	<i>978,412</i>	<i>(702,348)</i>	<i>(41.79)</i>
<i>2012</i>	<i>945,678</i>	<i>(32,734)</i>	<i>(3.35)</i>
<i>2013</i>	<i>657,958</i>	<i>(287,720)</i>	<i>(30.42)</i>
<i>2014</i>	<i>763,005</i>	<i>105,047</i>	<i>15.97</i>
<i>2015</i>	<i>1,077,739</i>	<i>315,059</i>	<i>41.25</i>
<i>2016</i>	<i>1,560,892</i>	<i>483,153</i>	<i>44.83</i>
<i>2017</i>	<i>1,855,789</i>	<i>294,897</i>	<i>18.89</i>
<i>2018</i>	<i>2,874,231</i>	<i>126,280</i>	<i>54.9</i>

RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, and injury to employees. For the fiscal year ended December 31, 2018 the County was self-funded for the following risks: one (1) dental program, automobile collision and workers' compensation.

A fund was established in 1984 for dental coverage. Converted into an internal service fund in 1987, it was expanded to include workers' compensation coverage for the Highway Department. In 1992 the County went self-funded for its workers' compensation insurance. Costs for this fund are billed to each County department using a premium calculation based on a claims experience/exposure basis using an actuarial evaluation.

This fund covers losses in accordance to Wisconsin Workers Compensation law provisions and purchases commercial insurance for claims in excess of its established self-insured retention values. The current self-retention limit is \$550,000 for a covered workers' compensation claim.

In 1995 the County joined the Wisconsin Municipal Mutual Insurance Company (WMMIC). The County was required to fund a capital contribution of its respective portion of the company at the time of entry. WMMIC consisted of ten (10) counties and two (2) cities prior to our joining. The County's contribution was \$1,519,000. WMMIC provides liability insurance with limits of \$10,000,000 per occurrence excess coverage over and above the County's self-insured retention (SIR) level for liability coverage. A \$30,000,000 annual aggregate limit applies to damages arising out of bodily injury, property damage, personal injury, public official's errors and omissions, unfair employment practices and benefit errors. The annual aggregate limit does not apply to ownership, maintenance or use of any automobile.

An internal service fund was established in 1988 to account for the County's property and casualty insurance exposures. Costs for this fund are billed to user departments using a premium calculation based on valuations of property in combination with claims experience/exposure and an actuarial review. Beginning in 1988 the County selected a \$100,000 per occurrence/\$400,000 aggregate self-insured retention level which was increased to \$100,000 per occurrence/\$500,000 aggregate self-insured retention level in 1995. Since 1995, the occurrence limits have decreased and the aggregate limits have increased with the current self-insured retention level limit being \$250,000 per occurrence and \$1,050,000 aggregate applying to liability insurance.

Since 1992 the County has conducted an annual actuarial review of all insurance programs. The result was an actuarially determined liability for claims reported but not yet paid and claims incurred but not yet reported. As will be seen in the financial statements for these funds, the reserves continue to provide financial assurance at the 95th percentile.

Since 1987 the County has purchased property insurance from the Local Government Property Insurance Fund. Due to the dissolving of this state fund, a new property insurer, the Municipal Property Insurance Company (MPIC) was created in 2016 by three insurers, Wisconsin Municipal Mutual Insurance Company, Cities & Villages Mutual Insurance Company, and the League of Wisconsin Municipalities Mutual Insurance. Marathon County joined MPIC in 2016. This insurance coverage provides protection on a replacement cost basis for approximately \$343,619,049 of physical assets, including buildings, contents, property in the open, and contractor's equipment with a \$10,000 deductible applying to building, contents, and property in the open losses and a \$5,000 deductible applying to contractor's equipment losses.

County owned automobiles are self-insured on an actual cash value basis for collision losses. In 2018, insurance for automobile comprehensive losses was purchased through Integrity Insurance which provides replacement cost insurance on approximately \$14,620,754 value of county owned vehicles with a \$1,000 deductible per loss.

INDEPENDENT AUDIT

County policy, in accordance with state and federal requirements, is to provide for an annual audit by an independent certified public accountant. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Single Audit Act and related Uniform Guidance. Further, the audit meets the requirements of the State Single Audit Guidelines issued by the Wisconsin Department of Administration. The independent auditors' report on the basic financial statements is included in the financial section of this report. The independent auditors' reports related specifically to the federal and state single audit are included in a separately issued single audit report which is available from the Finance Department.

CERTIFICATE OF ACHIEVEMENT

The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must also satisfy both GAAP and applicable legal requirements.

Our first submission of the review process was for the fiscal year ended December 31, 1988 and we were successful in receiving the award. The County has decided to make a long-term commitment to the program and has also received the Award for each of the successive years. A Certificate of Achievement is only valid for a one-year period of time. We believe our current report continues to fulfill the requirements of the Certificate of Achievement Program and, accordingly, we will submit this report to the GFOA to determine its eligibility for the certificate.

MUNICIPAL SECURITIES DISCLOSURE REQUIREMENTS

The Securities and Exchange Commission (SEC) has issued its rules regarding secondary market disclosure for issuers of municipal securities which are SEC Rule 15c2-12. The rule, among other requirements, has set up the requirement for the submission of annual audited financial statements to the Electronic Municipal Market Access System (EMMA). Wisconsin has not designated nor established a State Information Repository (SIR). Following are eleven (11) specific requirements of the rule and the necessary information to satisfy each.

- (1) As a municipal security issuer, the County makes the following disclosure regarding material events. These are referred to as the eleven deadly sins.
 - (a) Principal and interest payment delinquencies; - None
 - (b) Non-payment related defaults; - None
 - (c) Unscheduled draws on debt service reserves reflecting financial difficulties; - None
 - (d) Unscheduled draws on credit enhancements reflecting financial difficulties; - None
 - (e) Substitution of credit or liquidity providers, or their failure to perform; - None
 - (f) Adverse tax opinions or events affecting the tax-exempt status of the security; - None
 - (g) Modifications to rights of security holders; - None
 - (h) Bond calls; - the County currently has no debt issues with eligible call dates

- (I) *Defeasances; - the County currently has no debt issues that qualifies as legal defeasance.*
 Total defeasance of \$0
 For a total amount defeased as of 12/31/2018 of \$0
- (j) *Release, substitution, or sale of property securing repayment of the securities; - None*
- (k) *Rating changes; - Moody's Investors Services, Inc. has changed their method of rating governmental agencies. The change breaks out grades by several additional levels. Previously the County rating was Aa2 and now the rating is Aa1. The County sought its first double rating in 1998 by requesting a rating from Fitch IBCA, Inc. This rating was confirmed at Aa.*
- (2) *The County property values are listed (in various forms) in Schedule 5, 7 & 11 in the Statistical Section of this CAFR.*
- (3) *Information on the County's legal debt margin can be found in Schedule 11 "Legal Debt Margin Information" in the Statistical Section of this CAFR.*
- (4) *The detail of outstanding notes and bonds can be found in Schedule 9 "Ratios of General Bonded Debt Outstanding" in the Statistical Section of this CAFR.*

Additional information as it relates to specific bonded debt issues but excluding other long term debt of the County is as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding 12-31-2017
12/15/10	2,450,000	Central Wisconsin Airport	12/01/25	1,260,000 (a)
12/27/12	2,650,000	Central Wisconsin Airport	12/1/28	2,090,000 (a)
6/1/15	2,650,000	Central Wisconsin Airport	12/01/30	2,545,000 (a)
6/4/18	4,500,000	Capital Projects	2/1/21	4,500,000
Subtotal				10,395,000
Less Debt Service Funds on Hand				1,659,048 (b)
Total Net Direct Debt				8,735,952

(a) Debt service payments are fully paid by CWA.

(b) Debt service funds on hand less state forest aid loan funds of \$120,555.

- (5) *The detail for the County’s tax rates, levies and collections can be found in Schedule 8 “Property Tax Levies and Collections” in the statistical section of this CAFR. An example of the tax rate in the City of Wausau is as follows:*

Tax Rates	16/17	17/18
City of Wausau	\$9.92	\$10.27
State of Wisconsin	0.00	0.00
Marathon County	5.06	5.15
Wausau School District	9.38	9.81
Northcentral Technical College	1.29	1.35
Gross Tax Rate	25.65	26.57
Less State Credit	(1.94)	(1.93)
Net Tax Rate	23.71	22.64
Tax rates are per \$1,000 of equalized value		

- (6) *The information on major employers was previously mentioned in this Transmittal Letter on Page 3.*
- (7) *The summary budget information is as follows:*

2018 REVENUE		2018 EXPENDITURES	
Taxes	49,135,092	General Government	43,133,031
Sales and misc. taxes	16,344,352	Public Safety	24,463,791
Intergovernmental grants/aid	34,540,518	Transportation	32,188,442
Licenses, Fines and Forfeitures	955,511	Health	8,871,078
Charges for services:		Social Services	26,624,022
Public	11,449,400	Leisure and Education	15,034,288
Intergovernmental	16,728,874	Conservation & Economic Development	761,143
Miscellaneous Revenue	17,128,989	Debt Service	3,232,100
Transfers	18,783,169	Capital Outlay	2,607,378
		Transfers	8,150,632
Total Revenue	\$165,065,905	Total Expenses	\$165,065,905

- (8) *All of the required financial statements are included in the Financial Section of Marathon County's CAFR.*
- (9) *The debt ratios for direct and overlapping debt as it relates to equalized value, per capita and per acre is as follows:*

	Data	General Obligation Direct Debt (a)	General Obligation Underlying Debt	Total Applicable General Obligation Debt
Debt Values		\$6,134,098	\$394,805,051	\$400,939,149
Equalized Value (less TID)	\$10,300,308,900	0.06%	3.83%	3.89%
Per capita	135,922	\$43.13	\$2,904.64	\$2,949.77
Per acre	1,013,760	\$6.05	\$389.45	\$395.50

(a) General obligation debt expected to be supported by property tax levy.

The County feels that this meets the municipal securities disclosure requirements. The County has also provided a link to the CAFR and the relevant information on its website.

INVITATION AND ACKNOWLEDGMENTS

We would like to invite the reader to continue into the remainder of the CAFR. The County is an ever-changing and growing operation. The complex nature of our affairs can be grasped by reviewing and understanding this report. Our goal in presenting this report as a communication tool is to keep the interested public informed about the growth and changes we are currently experiencing. Questions and comments relating to this report should be presented to the Finance Department.

The preparation of the CAFR could not be accomplished without the efficient and dedicated services of the entire staff of the Finance and Treasury Departments. We would like to express our appreciation to all members of the Departments who assisted and contributed to its preparation. We would also like to thank the Marathon County Board of Supervisors and the Human Services and Finance and Property Committee for their interest and support in planning and conducting the financial operations of the County in a responsible manner. The County's excellent financial condition and reasonable tax rate are acknowledgments of their dedication.

Respectfully submitted,

MARATHON COUNTY

Brad Karger
County Administrator

MARATHON COUNTY

Kristi A. Palmer
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

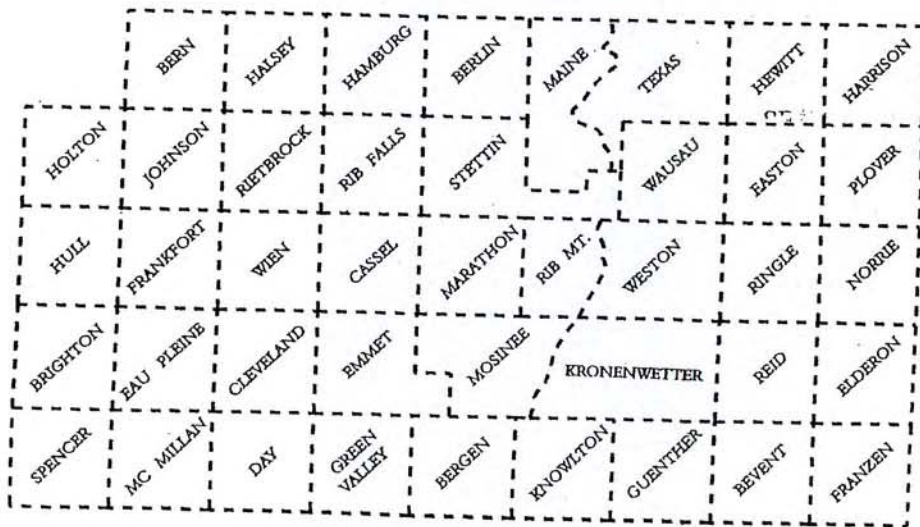
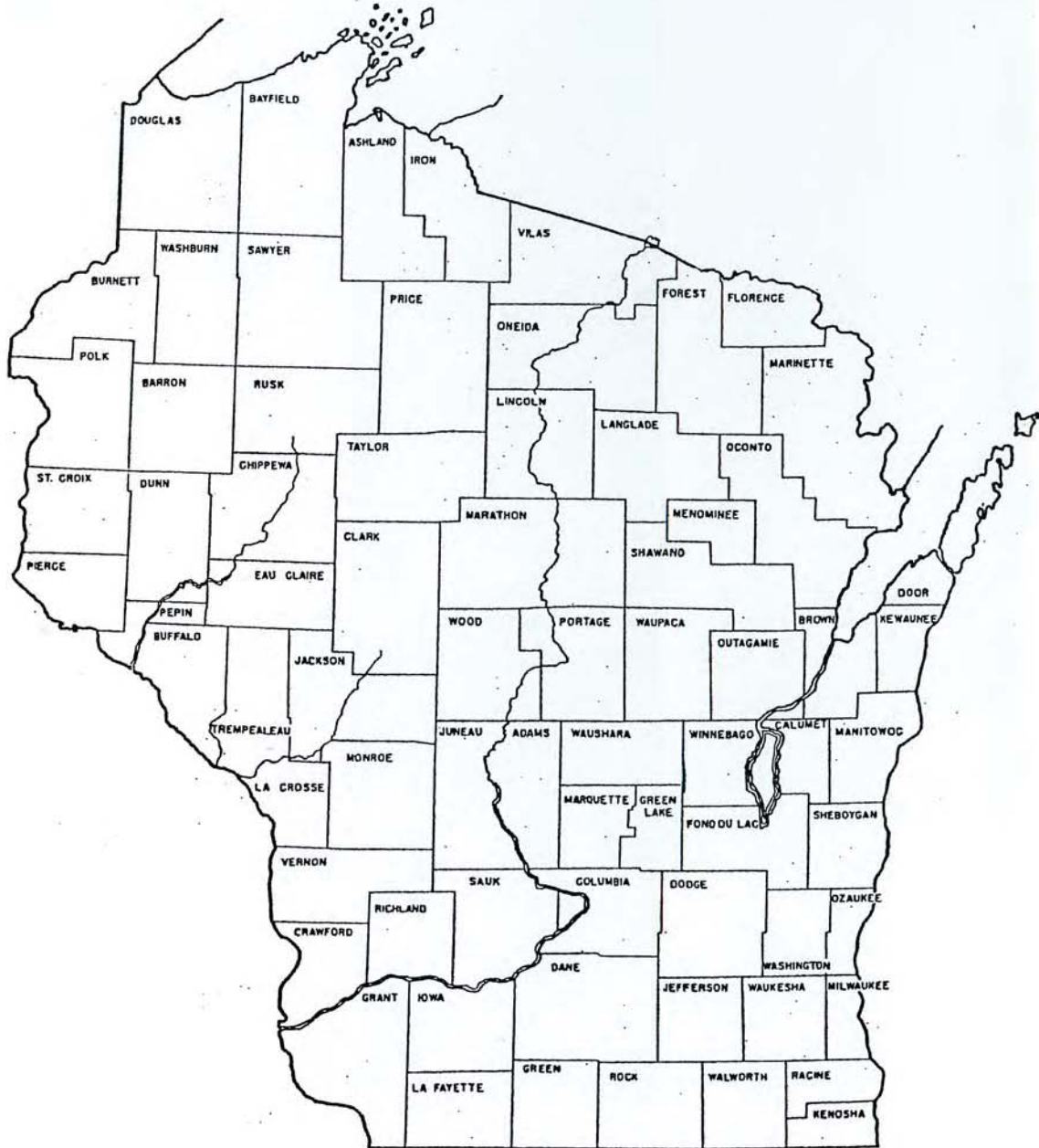
**Marathon County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO



HISTORY OF MARATHON COUNTY

A long time ago, Wausau and the area surrounding it was known as The Pinery. In 1989, Wausau celebrated the 150th anniversary of its founding. An 1836 treaty with the Menominee Indians transferred a strip of land--three miles on either side of the Wisconsin River--to the federal government. George Stevens arrived in 1838 to investigate the area for a suitable site to build a saw mill, to turn the century old white pine into lumber.

Stevens wrote that it was decidedly the best mill site in the Union. Known then as Big Bull Falls, it was named either by the early fur traders or the Indians. A 20 foot drop in the river caused a terrible roar, similar to the roaring of a bull. By 1840, Stevens had built a saw mill and was cutting pine. When he left the area in the mid-1840's, 28 men and two women were living on two of the islands in the river. The camp at Big Bull Falls was considered a temporary settlement.

Walter McIndoe arrived in the Pinery in 1848 and changed the temporary to permanent. Due to his efforts, Big Bull Falls became Wausau, a Chippewa word meaning "a place you can see far away from". Thanks to McIndoe, Marathon County was founded and Wausau became the County seat. The original County went all the way up to Lake Superior.

During the 1840's, 1850, and 1860's, the County existed primarily on the logging industry. Heavy German immigration beginning in the 1850's helped to develop the area. At one time, 75 percent of the County's population was of German descent. Large tracts of land were cleared of the stumps left by the loggers, rocks were picked, and the first farms were developed. Wild ginseng was found growing in the woods by the pioneer settlers. The Indians dug the root for medicinal purposes. By 1900, experimentation in growing domestic ginseng gardens was started by J. H. Koehler in Hamburg. The Fromm brothers became famous for ginseng, as well as silver fox fur farming. Marathon County "Ruby Red" granite has always been recognized internationally as one of the finest granites in the world. Tobacco also became a profitable crop in the area many years ago. The large dairy industry in the County didn't really thrive until the 20th Century.

The railroad came into the County in 1874 and this made some dramatic changes in the economy of the city of Wausau. Because goods could be transported by rail, companies sprang up that produced wood products, such as sash and door manufacturers. The railroad also helped the dairy industry, supplying a way to ship fresh dairy products to larger markets. With the death of the logging industry, wealthy local lumbermen formed paper mills, utility companies, and insurance companies. These industries, along with the dairying, have made the County what it is today.

Tom Schleif, Former Director
Marathon County Historical Museum

MARATHON COUNTY BOARD OF SUPERVISORS

2018

District No. 1.....Katherine Rosenberg	District No. 20..... Sara Guild
District No. 2..... Romey Wagner	District No. 21..... Loren White
District No. 3..... David E. Nutting	District No. 22..... Alan F. Christensen
District No. 4..... John Robinson	District No. 23..... Chris Voll
District No. 5..... Ka Lo	District No. 24..... Jean R. Maszk
District No. 6..... Jeff Johnson	District No. 25..... Sandi M. Cihlar
District No. 7..... Mary Ann Crosby	District No. 26..... John Durham
District No. 8..... Karen Kellbach	District No. 27..... Thomas R. Seubert
District No. 9..... Ashley Lange	District No. 28..... Maynard Tremelling
District No. 10..... Donna Krause	District No. 29..... Jim Bove
District No. 11..... Alyson Leahy	District No. 30..... Richard Gumz
District No. 12..... Arnold Schlei	District No. 31..... Allen Drabek
District No. 13..... Matthew Bootz	District No. 32..... Kurt A. Gibbs
District No. 14..... Rick Seefeldt	District No. 33..... Tim Buttke
District No. 15..... Randy Fifrick	District No. 34..... Gary Beastrom
District No. 16..... Jeffrey L. Zriny	District No. 35..... Jacob E. Langenhahn
District No. 17..... E. J. Stark	District No. 36..... Bill Miller
District No. 18..... Craig McEwen	District No. 37..... Allen F. Opall
District No. 19..... Yee Leng Xiong	District No. 38..... Jim K. Schaefer

ChairpersonKurt A. Gibbs
Vice ChairpersonCraig McEwen

STANDING AND STATUTORY COMMITTEES AS OF 12/31/18

ENVIRONMENTAL RESOURCES COMMITTEE

Jacob Langenhahn - Chairperson
Randy Fifrick - Vice-Chair
Rick Seefeldt
Robert Wegner
Allen Drabek
Ashley Lange
Sara Guild
Allen Opall
Jim Bove
Marilyn Bhend – Towns/Villages
Kelly King - Farm Service Agency

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Craig McEwen - Vice-Chair
Sara Guild
Jacob Langenhahn
E. J. Stark
Matt Bootz
John Robinson
Jeff Zriny
Allen Opall

EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE

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Romey Wagner - Vice-Chair
Loren White
Rick Seefeldt
Gary Beastron
Alyson Leahy
Ka Lo

FORESTRY AND RECREATION COMMITTEE

Arnold Schlei - Chairperson
Rick Seefeldt - Vice-Chair
Jim Bove

HUMAN RESOURCES, FINANCE AND PROPERTY COMMITTEE

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Bill Miller Vice-Chair
John Durham
Tim Buttke
Yee Leng Xiong
Jeff Zriny
Kurt Gibbs

INFRASTRUCTURE COMMITTEE

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Richard Gumz - Vice-Chair
Allen Opall
Jeff Johnson
Thomas Seubert
Alan Christensen
Sandi Cihlar

HEALTH AND HUMAN SERVICES COMMITTEE

Matt Bootz - Chairperson
Tim Buttke - Vice-Chair
Donna Krause
Mary Ann Crosby
Maynard Tremelling
Bill Miller
Katie Rosenberg

PUBLIC SAFETY COMMITTEE

Craig McEwen – Chairperson
Jim Schaefer – Vice-Chair
Jean Maszk
David Nutting
Karen Kellbach
Chris Voll
Arnold Schlei

SOCIAL SERVICES BOARD

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Christin Keele – Vice-Chair (citizen member)
Karen Kellbach
Yee Leng Xiong
Ashley Lange

BOARD OF HEALTH

John Robinson – Chairperson
Sandi Cihlar – Vice-Chair
Lori Shepard – Secretary
Julie Fox, DDS
Mary Ann Crosby
Sandi Cihlar
Michael McGrail
Kue Her
Dean Danner
Kevin O’Connell, MD – Ex-Officio and
Medical Advisor
Robert W. Pope, DVM – Ex-Officio

SOLID WASTE MANAGEMENT BOARD

Roger Zimmermann – Chairperson
Thomas Seubert
Jim Bove
Alan Christensen
Jean Maszk
Maynard Tremelling
Myron Podjaski – Citizen Member
Brad Lenz – Citizen Member
Kerry Brimmer – Citizen Member

**AGING AND DISABILITY RESOURCE
CENTER OF CENTRAL WISCONSIN
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James Hampton – Vice-Chair
Julie Webb – Secretary
Tim Buttke
Mike Feirer
Vernon Cahak
Sandi Cihlar
Jean Doty – Citizen Member
Lawrence Lebal – Citizen Member
Sharon Rybacki – Citizen Member
Kirby Crosby
Bob Reichelt
William Hascall – Citizen Member
Donna Schwichtenberg – Citizen Member
Danielle Yuska – Citizen Member

**CHILDREN WITH DISABILITIES
EDUCATION BOARD (2017-2020)**

Scott Johnson – Chairperson
Gary Lewis – Vice-Chair
Lori Haines – Secretary
Carol Schulz
Sharon Seubert
Gary Gunderson

PUBLIC LIBRARY BOARD

Sharon Hunter – President
Kari Sweeney – Vice President
Gary Beastro
MaiGer Moua
Katie Rosenberg
Sarah Thurs
Scott Winch
Ralph Illick

PARK COMMISSION

Gary Gisselman – President
Jacob Langenhahn – Vice-President
John Durham
Rick Seefeldt
Pat Peckham
Joe Gehin
Connie Conrad
Dennis Smith

**INDUSTRIAL DEVELOPMENT AGENCY
BOARD**

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Scott Corbett
Kurt Gibbs
Brad Karger
Kristi Kordus
Dale Smith
Todd Toppen
EJ Stark
Ann Werth

VETERANS SERVICE COMMISSION

Roger Sydow – Chairperson
Bernie Gauerke
Jack Pettit

DISCRETELY PRESENTED COMPONENT UNIT COMMITTEES 12/31/18

**CENTRAL WISCONSIN AIRPORT
BOARD**

James Zdroik – Chairperson
Sara Guild-Chariperson
John Durham
Jeff Zriny
Dave Ladick
Lonnie Krogwold – Citizen Member

**CITY-COUNTY INFORMATION
TECHNOLOGY COMMISSION**

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John Tubbs – Vice-Chair
Brad Karger – Secretary
Robert Mielke
Maryanne Groat
Michael Loy
Brenda Glodowski
Kurt Gibbs

**NORTH CENTRAL COMMUNITY
SERVICES PROGRAM BOARD**

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Steven Benson – Vice-Chair
Robert Weaver – Secretary
Corina Norrbom
William Metter
Theresa Wetzsteon
Rick Seefeldt
Randy Balk
Benjamin Bliven
Romey Wagner
Dr. Gabriel Ticho
Norbert Ashbeck
Meghan Mattek
John Breske

**MARATHON COUNTY AND DISCRETELY PRESENTED
COMPONENT UNITS DEPARTMENT HEADS**

Primary Government

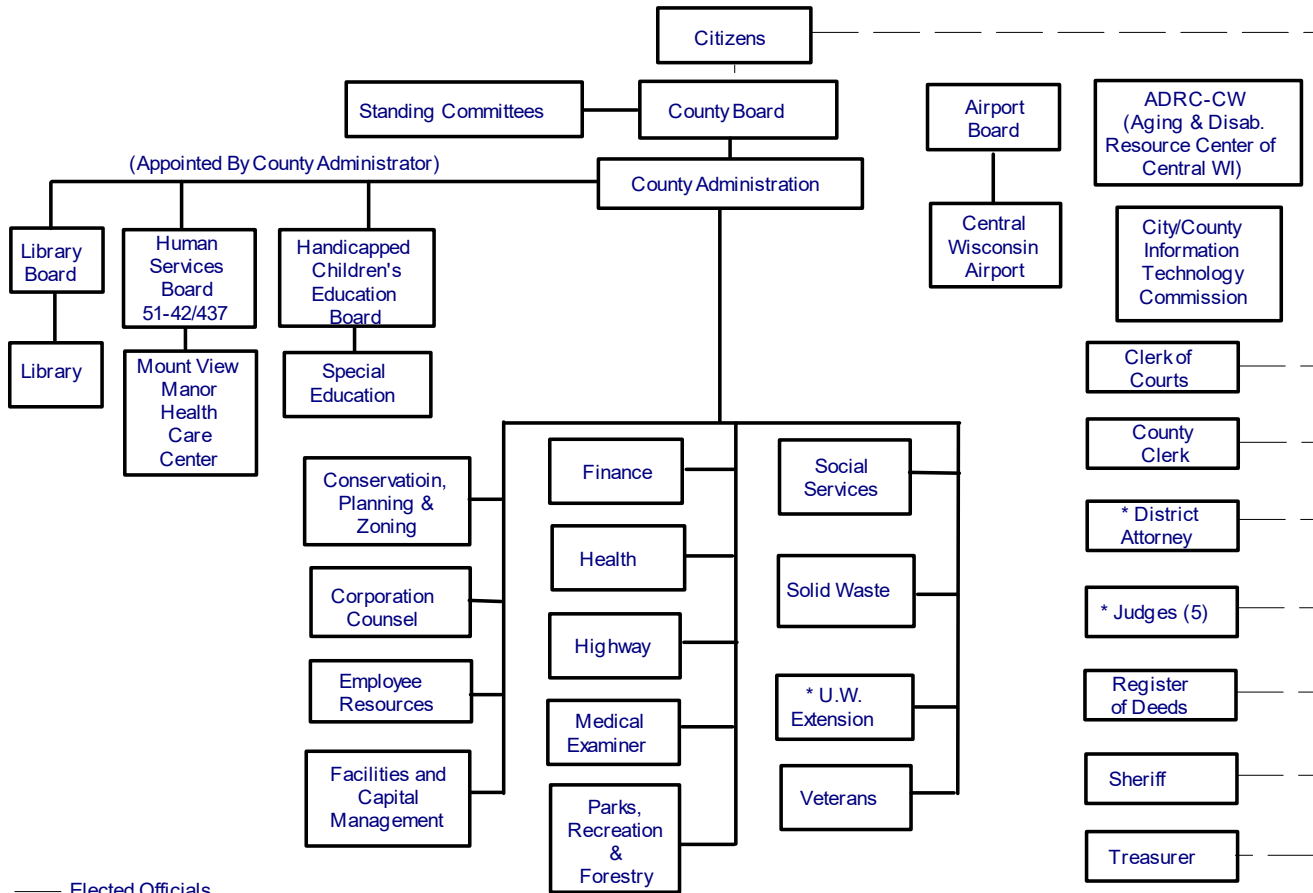
	Brad Karger	County Administrator
	Janette Arms	Aging & Disability Resource Center of Central Wisconsin
	Michael Lotter	Facilities & Capital Management
*	Shirley Lang	Clerk of Courts
	Rebecca Frisch	Conservation, Planning & Zoning
	Scott Corbett	Corporation Counsel
*	Nan Kottke	County Clerk
*•	Theresa Wetzsteon	District Attorney
	Frank Matel	Employee Resources
	Kristi Palmer	Finance
	Joan Theurer	Health
	James Griesbach	Highway
	Ralph Illick	Library
	Jessica Blahnik	Medical Examiner
	Jamie Polly	Parks, Recreation & Forestry
*	Dean Stratz	Register of Deeds
*	Scott Parks	Sheriff
	Vicki Tylka	Social Services
	Meleesa Johnson	Solid Waste
	Kelly Kaptiz	Special Education
*	Audrey Jensen	Treasurer
	Jason Hausler	UW Extension
	Scott Berger	Veterans Service

Discretely Presented Component Units

Brian Grefe	Central Wisconsin Airport
Gerard Klein	City-County Information Technology Commission
Michael Loy	North Central Health Care Facilities

* Elected • State Employee

MARATHON COUNTY ORGANIZATIONAL CHART 2018



—— Elected Officials
* State Officials

MARATHON COUNTY, WISCONSIN

FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

INDEPENDENT AUDITORS' REPORT

To the County Board and the Finance and Property Committee
Marathon County
Wausau, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marathon County, Wisconsin, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Marathon County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the North Central Health Care, which represent 45 percent, 86 percent and 45 percent, respectively, of the assets, revenues, and net position of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Central Health Care, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial 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 from 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 over financial reporting relevant to Marathon County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Marathon County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marathon County, Wisconsin, as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marathon County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marathon County's basic financial statements. The "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 29, 2019

MARATHON COUNTY

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2018

As management of Marathon County, we offer readers of Marathon County's financial statements this narrative overview and analysis of the financial activities of Marathon County for the fiscal year ended December 31, 2018. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained herein will provide information on both the governmental operations and the business-type activities of the County.

FINANCIAL HIGHLIGHTS

- > The County's primary government total net position increased by \$3,909,764, or 1.1%, from the prior year. The County's net investment in capital assets decreased by \$3,258,163, consisting of routine depreciation on existing infrastructure assets. A decrease in unrestricted net position of \$1,227,521 resulted from a decrease in grants and fees not restricted to a specific program. Total assets increased by \$16,815,010, comprised mainly of an increase in cash and investments of \$11,999,560, a newly presented net pension asset of \$7,640,810, offset by a decrease in capital assets of \$3,490,646, inventory and prepaids of \$248,906 and restricted cash and investments of \$871,127. Liabilities and deferred inflows of resources increased \$10,849,545 due a decrease in net pension liability (asset) of \$2,079,395 and deferred inflows related to pensions.
- > The County's primary government operating expenses in 2018 were \$916,251 less than 2017, at \$114,074,817. The decreased expenses include \$233,507 in social services, \$215,246 in health and \$144,409 in conservation and development. It includes a decrease of \$1,209,404 in landfill. Highway expenses decreased \$578,387 with decreased costs for fuel and less road maintenance work completed.
- > Program revenues increased by 16%, or \$5,738,645. The largest increases were \$1,085,569 in public safety, \$924,720 in social services and \$754,773 in leisure and education due in part to an increase in operating grants in social services and charges for services in public safety. There was a decrease in transportation program revenues of \$592,875. Highway revenues increased \$2,325,461 due to an increase in County highway maintenance projects charged out to other governments.
- > The County's primary government total debt increased by \$3,023,403 during the current fiscal year due to scheduled debt service payments as well as issuing 2018 GO debt in the amount of \$4,500,000.

OVERVIEW OF FINANCIAL STATEMENTS

Marathon County's financial statements consist of four parts:

1. Management Discussion and Analysis - This discussion and analysis is intended to serve as an introduction to Marathon County's basic financial statements.
2. Basic Financial Statements - The basic financial statements have three components:
 - > Government-wide financial statements provide both long-term and short-term information about the County's overall financial status.
 - > Fund financial statements focus on individual parts of County government and the County's component units, and report on the County's operations in more detail than the government-wide statements.
 - > Notes to financial statements explain some of the information in the financial statements and provide more detailed data.

MARATHON COUNTY

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2018

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

3. Required Supplementary Information - The required supplementary information further explains and supports the information in the financial statements.
4. Supplementary Information - The supplementary information contains combining statements that provide details about the nonmajor governmental, the internal service funds, and the Central Wisconsin Airport. The nonmajor funds are aggregated and presented in a single column in the basic financial statements, as are the internal service funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information on all of Marathon County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Marathon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities.) The governmental activities of Marathon County include public safety; transportation; health; social services; leisure and education; conservation and development; general government; and interest. The business-type activities of Marathon County include the highway operations and landfill.

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 objectives. Marathon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Marathon County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 the near-term inflows and outflows of spendable resources, as well as ongoing balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

MARATHON COUNTY

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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.

Marathon County maintains 4 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, Social Improvement, and Capital Improvement funds. Data from the only nonmajor governmental fund (Debt Service Fund) is presented in a separate column.

Marathon County adopts an annual budget for all its governmental funds. A budgetary comparison schedule has been provided for each governmental fund to demonstrate compliance with these budgets.

Proprietary Funds: Services for which Marathon County charges customers a fee to provide are reported in proprietary funds. Marathon County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Marathon County uses enterprise funds to account for its Landfill and Highway. Internal service funds are an accounting device used to accumulate and allocate costs internally among Marathon County's various functions. Marathon County uses internal service funds to account for its self-insured property and liability insurance via the County Property Casualty Fund and self-insured workers compensation, health, and dental insurance via the Employee Benefits Fund. The services provided by these funds benefit the business-type and governmental functions. Amounts allocated to business-type operations are not material.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Landfill and Highway Funds, both of which are considered major funds of Marathon County. The County Property Casualty and Employee Benefits Funds are reported as internal service funds in the proprietary fund financial statements.

Agency Funds: Agency funds are used to account for and report assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The County reports the ADRC-CW, Clerk of Courts, and Sheriff Adult Inmate Funds as agency funds.

MARATHON COUNTY

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – THE GOVERNMENT-WIDE PRESENTATION

An analysis of the County's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the County's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

Marathon County Condensed Statements of Net Position (in millions)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 125.4	\$ 139.9	\$ 63.3	\$ 69.1	\$ 188.7	\$ 209.0
Capital assets, net of depreciation	237.0	233.5	20.7	20.7	257.7	254.2
Total Assets	<u>362.4</u>	<u>373.4</u>	<u>84.0</u>	<u>89.8</u>	<u>446.4</u>	<u>463.2</u>
Deferred outflows of resources	14.0	12.2	2.0	1.6	16.0	13.8
Current and other liabilities	15.0	16.3	2.7	2.4	17.7	18.7
Non-current liabilities	7.9	9.0	15.3	15.6	23.2	24.6
Total Liabilities	<u>22.9</u>	<u>25.3</u>	<u>18.0</u>	<u>18.0</u>	<u>40.9</u>	<u>43.3</u>
Deferred inflows of resources	47.2	54.8	9.0	9.8	56.2	64.6
Net Position:						
Net investment in capital assets	235.4	232.1	20.7	20.7	256.1	252.8
Restricted	6.7	14.3	-	.9	6.7	15.2
Unrestricted	64.1	59.2	38.3	42.0	102.4	101.1
TOTAL NET POSITION	<u>\$ 306.2</u>	<u>\$ 305.6</u>	<u>\$ 59.0</u>	<u>\$ 63.6</u>	<u>\$ 365.2</u>	<u>\$ 369.1</u>

Governmental assets increased \$11,005,498. The change in assets contained a \$5,986,281 increase in cash and investments and a \$7,640,810 net pension asset, which was a liability in 2017. There was a \$3,517,044 decrease in capital assets due to planned depreciation. Deferred outflows decreased \$1,725,602 also due to pension related amounts. Total governmental liabilities increased by \$2,357,599 and deferred inflows of resources increased \$7,636,897 due mainly to deferred pension related amounts. Noncurrent liabilities increased \$1,070,664 due to an increase of \$1,575,362 in the long-term portion of general obligation notes payable. Total governmental net position decreased \$714,600, or 0.2%. Net investment in capital assets decreased \$3,284,561 primarily from current year depreciation. Restricted funds increased \$7,556,635 from an increase in pension fund assets. Unrestricted funds decreased \$1,653,134 due to budget variances.

Business-type assets increased by \$5,809,512. The major increases were in cash and investments \$6,013,279 and receivables \$369,029. The Highway fund received a transfer in from the Capital Improvement fund of \$1,324,900 for rolling stock and bituminous resurfacing. Deferred outflows decreased \$330,100 due to pension related amounts. Business-type liabilities increased \$70,752 which was primarily from an increase in landfill closure and long term care payables. Deferred inflows increased \$784,297. The largest component of the increase is due to pension related amounts increasing \$911,356. Finally, total business-type net position increased \$4,624,364, or 7.8%, due to budget variances.

MARATHON COUNTY

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

Marathon County's Changes in Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
REVENUES						
Program Revenues						
Charges for services	\$ 8.6	\$ 10.4	\$ 8.1	\$ 9.4	\$ 16.7	\$ 19.8
Operating grants and contributions	15.0	16.5	3.4	4.8	18.4	21.3
Capital grants and contributions	0.7	.5	-	-	0.7	.5
General Revenues						
Property taxes	42.1	41.4	6.1	7.7	48.2	49.1
Other taxes	13.8	14.5	3.1	3.0	16.9	17.5
Intergovernmental revenues not restricted to specific programs	6.5	6.3	-	-	6.5	6.3
Other	1.4	2.1	0.7	1.4	2.1	3.5
Total Revenues	<u>88.1</u>	<u>91.7</u>	<u>21.4</u>	<u>26.3</u>	<u>109.5</u>	<u>118.0</u>
EXPENSES						
General government	32.1	32.1	-	-	32.1	32.1
Public safety	24.6	25.4	-	-	24.6	25.4
Transportation	8.3	9.0	-	-	8.3	9.0
Health and social services	23.1	22.7	-	-	23.1	22.7
Culture, education and recreation	7.8	7.7	-	-	7.8	7.7
Conservation and development	0.9	.7	-	-	0.9	.7
Interest and fiscal charges	-	.1	-	-	-	.1
Highway	-	-	12.7	12.2	12.7	12.2
Landfill	-	-	5.4	4.2	5.4	4.2
Total Expenses	<u>96.8</u>	<u>97.7</u>	<u>18.1</u>	<u>16.4</u>	<u>114.9</u>	<u>114.1</u>
Change in Net Position Before Transfers	(8.7)	(6.0)	3.3	9.9	(5.4)	3.9
Transfers	2.6	5.3	(2.6)	(5.3)	-	-
Change in Net Position	<u>(6.1)</u>	<u>(.7)</u>	<u>0.7</u>	<u>4.6</u>	<u>(5.4)</u>	<u>3.9</u>
NET POSITION – Beginning	<u>312.4</u>	<u>306.2</u>	<u>58.2</u>	<u>59.0</u>	<u>370.6</u>	<u>365.2</u>
NET POSITION – Ending	<u>\$ 306.2</u>	<u>\$ 305.5</u>	<u>\$ 59.0</u>	<u>\$ 63.6</u>	<u>\$ 365.2</u>	<u>\$ 369.1</u>

MARATHON COUNTY

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2018

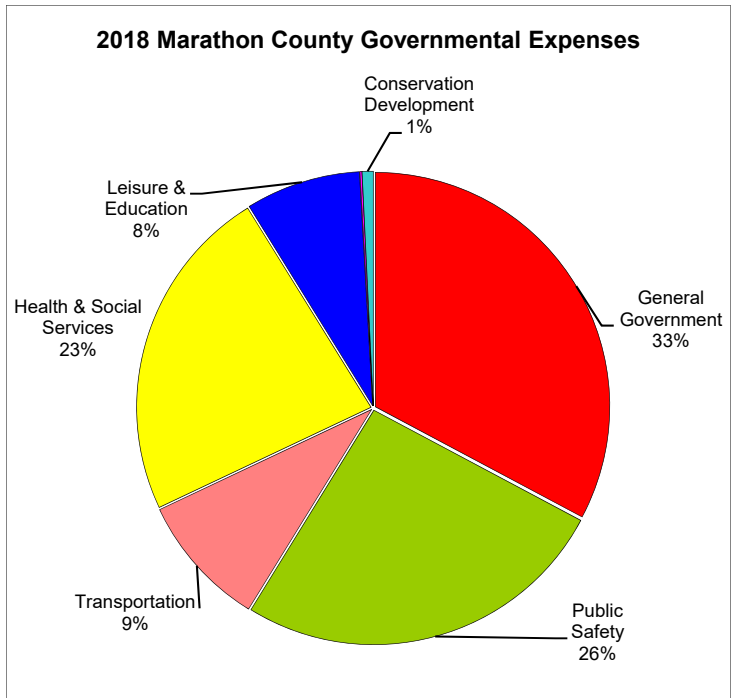
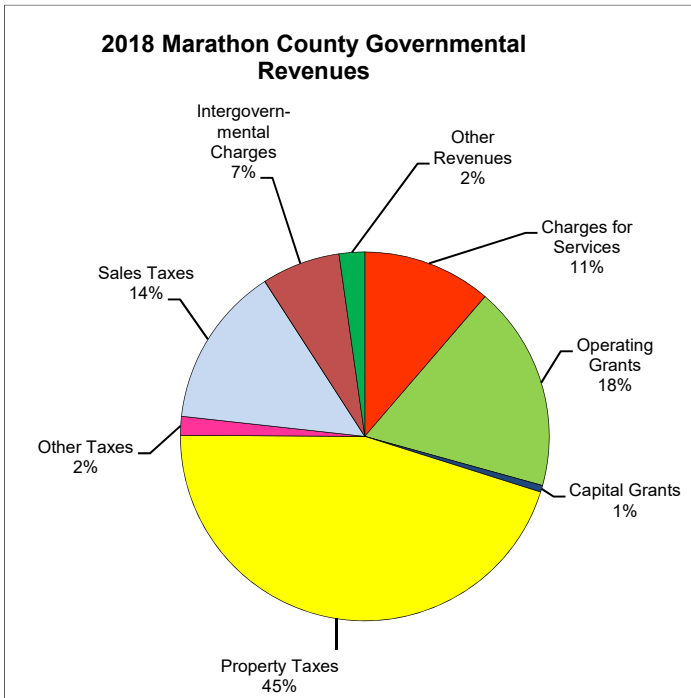
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

Governmental Activities

The County's governmental activities program revenues increased by \$3,039,203 overall, or 12%. The majority of this increase consisted of revenues primarily operating grants in social services and water quality programs in conservation and development. There was an increase \$1,010,648 in general government revenues.

Governmental activities expenses increased \$871,540 or 0.9%. The largest increases were \$812,579 in public safety, and \$654,730 in transportation.

The following graphs show the allocation of Marathon County's governmental activities revenues and expenses.



MARATHON COUNTY

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2018

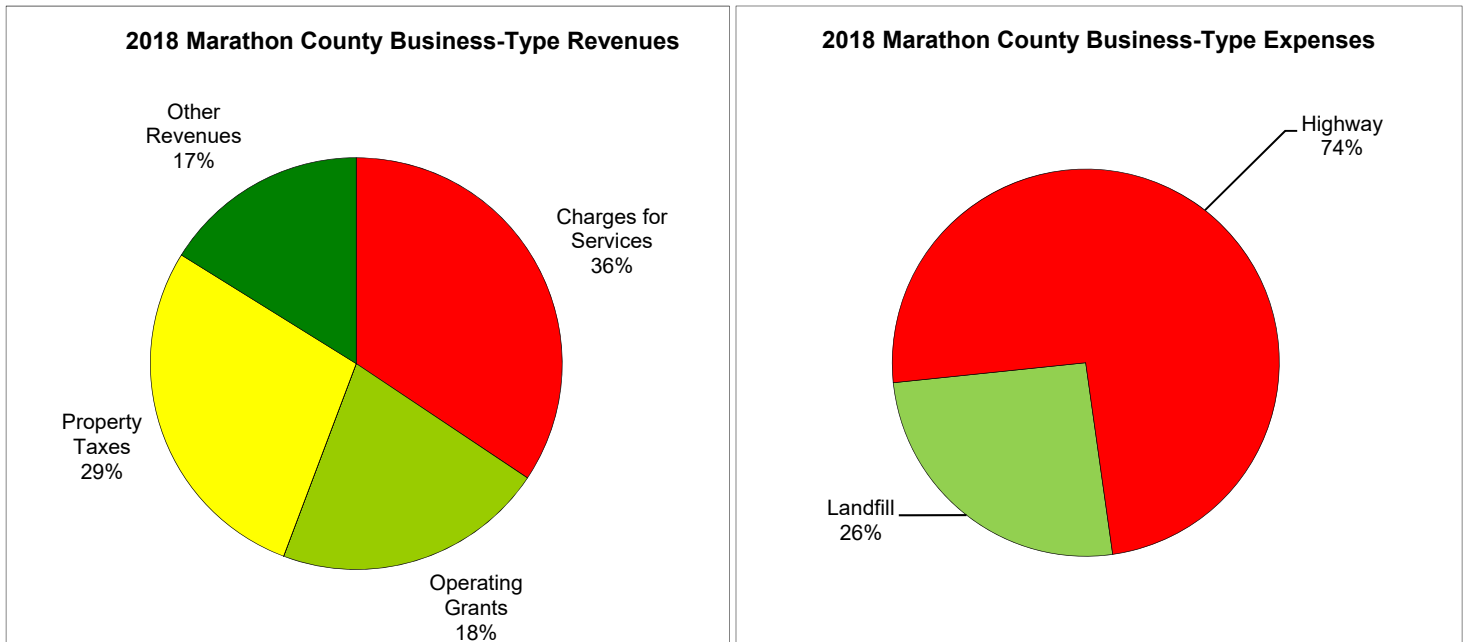
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE GOVERNMENT-WIDE PRESENTATION (cont.)

Business-type Activities

Business-type activities program revenues increased by 14.8% overall, or \$1,699,442. Landfill charges for services increased \$373,981 for routine service provisions due to increased tonnage in 2018. Highway charges for services increased \$925,146 and operating grants increased \$1,440,315. Business-type activities property tax allocations increased \$1,590,495 in most part to fund Highway operations.

Business-type activities expenses in total decreased \$1,787,791, or 9.9%. The Landfill Fund saw a decrease in expenses of \$1,209,404 due mostly to a decrease in contractual services and landfill closure and long-term care expenses. Highway saw a decrease in expenses of \$578,387 related to county road projects.

The following graphs show the allocation of Marathon County's business-type activities revenues and expenses.



MARATHON COUNTY

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE FUND PRESENTATION

Marathon County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Marathon County's governmental funds reported combined ending fund balances of \$60,323,059, an increase of \$4,357,346 in comparison to the prior year.

The fund balance section of the balance sheet of the governmental funds focuses on "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent". The focus is not on whether these resources were available for appropriation. It also distinguishes the unrestricted fund balance from the restricted fund balance. The components of fund balance include the following line items:

- a) Nonspendable fund balance \$3,599,233 includes the portions of net resources that cannot be spent because of their form and they must remain intact.
- b) Restricted \$10,608,229 and assigned \$19,607,961 fund balances have imposed external or internal limitations.
- c) Unassigned fund balance \$26,507,636, is the overall residual positive fund balance that has not been classified within the other above mentioned categories.

Approximately 44% of the fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance has constraints on the specific purposes for which the fund can be spent. Marathon County is committed to not using fund balance to fund operational costs, but to fund nonrecurring projects or acquisitions, safeguard for emergencies, and foster innovation.

More detailed fund information can be found in the notes to the financial statements.

General Fund: The General Fund is the chief operating fund of Marathon County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$26,507,636, while total fund balance reached \$44,804,781. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41.6% of total general fund expenditures, while total fund balance represents 70.3% of that same amount.

The fund balance of Marathon County's General Fund increased by \$161,407 during the current fiscal year. Key factors in this are:

- > Sales tax was above budget by \$1,060,609
- > Total fines and forfeitures were over budget by \$429,038
- > Intergovernmental grants and aids were under budget by \$496,297.

MARATHON COUNTY

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - THE FUND PRESENTATION (cont.)

Social Improvement Fund: A major governmental fund of Marathon County is the Social Improvement Fund. This fund provides services in the area of child protection; juvenile offender assistance; economic support; and child support. At the end of the current fiscal year, the fund balance was \$3,418,873. The fund balance is 99.6% restricted with the remaining balance nonspendable. As a measure of the liquidity, fund balance represents 19% of total Social Improvement Fund expenditures of \$17,994,819.

The fund balance of Marathon County's Social Improvement Fund increased \$473,128 after transfers to the General Fund of excess funds in accordance with the fund balance policy.

Capital Improvement Fund: The other major governmental fund of Marathon County is the Capital Improvement Fund. This fund is used to account for and report financial resources that are in anticipation of increased future debt requirements. The County has accumulated \$10,319,802 of fund balance to level the future impact to the property tax levy. This includes the issuance of \$4,500,000 in general obligation bonds, of which, \$3,333,540 was unspent at year-end.

As of the end of the current fiscal year, Marathon County's enterprise funds reported combined ending net position of \$63,565,860, an increase of \$4,624,364 in comparison to the prior year. Approximately 60.2% of this total amount constitutes unrestricted net position, which is available for spending at the government's discretion. The remainder of net position is reported within net investment in capital assets and restricted for pension purposes.

Landfill Fund: The Landfill Fund contains the operations of the County's landfill. In 2018, net position decreased \$268,668 to \$12,991,957. The landfill closure and long-term care expense decreased by \$959,606 and public charges for services were higher by \$373,981 in 2018 over 2017.

Highway Fund: The Highway Fund reports the operations of Marathon County to maintain the County's roadways and contract with the state and other local municipalities to maintain their roadways. At the end of the current fiscal year, unrestricted net position of the highway fund was \$40,439,049, while total net position reached \$50,573,903. Total net position increased from the prior year by \$4,893,032. There was a transfer in from the Capital Improvement Fund of \$1,302,290 to fund bituminous resurfacing.

BUDGETARY HIGHLIGHTS

Marathon County adopts a budget for all funds of the County at the department level of expenditure. Throughout the year, as additional information becomes available, such as the receipt of funds not originally budgeted or not receiving funds that were anticipated in the original budget, budget amendments can be made. All unspent appropriations lapse to unassigned fund balances at year-end unless specifically re-appropriated by County Board action.

SUPPLEMENTARY APPROPRIATIONS

General Fund: Supplementary appropriations totaled \$2,305,085, of which \$174,221 was for additional grant funds received. The increase in appropriations also included carryforward of funds previously appropriation appropriated in 2017 for projects that were not completed and related interdepartmental charges.

MARATHON COUNTY

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

BUDGETARY HIGHLIGHTS (cont.)

SUPPLEMENTARY APPROPRIATIONS (cont.)

Special Revenue Funds: Supplementary appropriations totaled \$228,916, most of which was carryforward of funds previously appropriated in 2017 for projects that were not completed or uses of segregated fund balance for specific programs. Much of the remainder was transfer of excess Social Improvement fund balance to the Capital Improvement Fund of \$1,383,870 and appropriation of additional grant funds received.

Enterprise Funds: Supplementary appropriations totaled \$310,254 comprised of carryforward of funds previously appropriated in 2017 and an increase in revenues for outside districts.

BUDGET TO ACTUAL COMPARISONS – GENERAL FUND

Marathon County's General Fund budget was constructed to transfer out \$3,977,291 of fund balance that will be available for use in the 2019 Capital Improvement Fund budget for funding capital projects \$2,746,598, \$438,097 in the Social Improvement fund to fund out of home placements and offsetting cost \$792,596 of benefits in the employee benefits fund. Additionally revenue budgets were exceeded in sales tax of \$1,060,609. State grant revenues were below budget by \$496,297 and expenditures in adult corrections were \$396,603 below final budget figures.

CAPITAL ASSETS AND DEBT

CAPITAL ASSETS

Marathon County's investment in capital assets for governmental activities as of December 31, 2018 amounted to \$233,461,621 (net of depreciation), a net decrease (increase) of \$3,517,044. This investment in capital assets includes land, buildings, improvements, machinery and equipment. Routine reconstructed roadways, infrastructure, and equipment replacement was less than planned depreciation, resulting in a net decrease (including construction in progress).

The County's investment in business-type activities capital assets as of December 31, 2018 was \$20,702,061 (net of depreciation), a net increase of \$26,398. The increase consisted primarily of current year depreciation that was greater than newly constructed buildings, equipment, and infrastructure.

MARATHON COUNTY

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

CAPITAL ASSETS AND DEBT (cont.)

CAPITAL ASSETS (cont.)

	Marathon County's Capital Assets			
	(Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2017	2018	2017	2018
Land	\$ 34,801,691	\$ 34,924,022	\$ 564,269	\$ 564,269
Construction in progress	12,759,907	13,629,762	-	-
Buildings	35,512,893	33,163,325	1,735,481	1,666,257
Building improvements	3,631,591	3,358,211	10,267,774	9,883,973
Machinery, equipment, and Vehicles	2,664,804	2,278,136	8,108,139	8,587,562
Infrastructure	145,280,179	143,687,665	-	-
Library collection	2,327,600	2,420,500	-	-
Totals	<u>\$ 236,978,665</u>	<u>\$ 233,461,621</u>	<u>\$ 20,675,663</u>	<u>\$ 20,702,061</u>

More detailed capital asset information can be found in Note III. D. Capital Assets of the financial statements.

DEBT

Marathon County had \$4,500,000 in general obligation notes and bonds outstanding as of December 31, 2018, all of which is for governmental activities.

Furthermore, the County's general obligation bond rating by Moody's Investor Services, Inc. remains at Aa1.

More detailed debt information can be found in Note III. F. Long-Term Obligations of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Marathon County's equalized valuations have strengthened in 2018 with an increase of 3.7% exclusive of tax incremental financing districts. The County continues to monitor this trend. The economic recovery has seen several municipalities develop businesses along the I39/US29 highway corridor and this development continues to be a strong driver for Marathon County. The County is continuing to draw recreational tourists through bike racing, pond hockey, Badger State Games, and Granite Peak ski area. Marathon County's nine mile recreation area is the home of the RAGNAR Trail Wisconsin run. With this growth comes additional costs for infrastructure maintenance and government services that are provided by the County but we have strong non-profit groups that assist in both capital and operational (volunteering) donations at events throughout the year.

MARATHON COUNTY

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (cont.)

Marathon County's 2019 budget includes a 2% increase in property tax dollars levied to \$49,135,092. Major initiatives include expanding the County resources used to combat the drug addiction crisis. This includes the addition of 3 new positions: one in the District Attorney's office, an additional deputy medical examiner and a Sheriff Deputy specializing in mental health services and the establishment of a drug court. The County Board passed an Ordinance to add a \$25 vehicle registration fee. The Highway budget includes \$2,898,902 in fees to the Highway bituminous budget for County Highway road resurfacing. Total expenditures, for all County funds, are budgeted to be \$165,065,905. The County continues to adjust to changing economic conditions, resulting in the ability to maintain services without the use of fund balance to supplement diminishing revenue streams. In development of the budget, all known factors were included in the projections. As additional information becomes available throughout the year, the budget will be amended by the County Board.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Marathon County's finances and to provide a glimpse at plans for the future and how those plans may affect the financial health of the County. Questions concerning any of the information provided in this report or requests for additional financial information can be directed to the Marathon County Finance Department, 500 Forest Street, Wausau, WI 54403, 715-261-1170, www.co.marathon.wi.us

MARATHON COUNTY

STATEMENT OF NET POSITION
As of December 31, 2018

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
ASSETS				
Cash and investments	\$ 73,716,053	\$ 45,645,978	\$ 119,362,031	\$ 27,853,055
Receivables (net)				
Taxes receivable	46,600,291	8,063,035	54,663,326	-
Accounts receivable	2,304,254	819,046	3,123,300	5,252,700
Accrued interest receivable	374,748	-	374,748	1,747
Due from other governments	5,352,054	265,542	5,617,596	4,450,205
Inventories and prepaid items	26,271	1,145,608	1,171,879	602,485
Restricted Assets				
Cash and investments	2,495,762	12,216,402	14,712,164	1,297,729
Accrued interest receivable	-	30,942	30,942	-
Net pension asset	6,751,997	888,813	7,640,810	6,429,316
Receivable restricted for aquatic pool	-	-	-	3,213,262
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-
Investment in joint venture	797,199	-	797,199	-
Capital Assets				
Capital assets not depreciated	48,553,784	564,269	49,118,053	3,019,109
Capital assets, net of accumulated depreciation/amortization	<u>184,907,837</u>	<u>20,137,792</u>	<u>205,045,629</u>	<u>62,056,996</u>
Total Assets	<u>373,399,250</u>	<u>89,777,427</u>	<u>463,176,677</u>	<u>114,176,604</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related amounts	-	-	-	116,567
Pension related amounts	<u>12,231,885</u>	<u>1,632,643</u>	<u>13,864,528</u>	<u>11,656,701</u>
Total Deferred Outflows of Resources	<u>12,231,885</u>	<u>1,632,643</u>	<u>13,864,528</u>	<u>11,773,268</u>
LIABILITIES				
Accounts payable	4,446,326	557,052	5,003,378	2,385,848
Accrued items	2,174,690	2,624	2,177,314	2,244,691
Accrued liability - claims payable	4,031,538	-	4,031,538	847,000
Due to other governments	2,129,615	1,753,816	3,883,431	751,089
Unearned revenues	-	-	-	76,863
Liabilities payable from restricted assets				
Special deposits	1,428,194	-	1,428,194	46,318
Noncurrent Liabilities				
Due within one year				
Current portion of general obligation notes payable	1,565,000	-	1,565,000	1,204,249
Current portion of compensated absences	492,949	89,964	582,912	1,784,057
Due in more than one year:				
General obligation notes payable	3,111,057	-	3,111,057	5,539,284
Forest crop loan payable	1,458,041	-	1,458,041	-
Capital lease	-	-	-	101,112
Due to Marathon County for aquatic pool project	-	-	-	343,429
Landfill closure and long-term care payable	-	14,822,145	14,822,145	-
OPEB liability	-	-	-	966,787
Compensated absences	<u>4,436,542</u>	<u>809,672</u>	<u>5,246,215</u>	<u>183,295</u>
Total Liabilities	<u>25,273,952</u>	<u>18,035,273</u>	<u>43,309,225</u>	<u>16,474,022</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for next period	41,426,806	8,063,035	49,489,841	-
Other deferred revenues	-	20,586	20,586	-
OPEB related amounts	-	-	-	18,554
Pension related amounts	<u>13,385,029</u>	<u>1,725,316</u>	<u>15,110,345</u>	<u>12,700,162</u>
Total Deferred Inflows of Resources	<u>54,811,835</u>	<u>9,808,937</u>	<u>64,620,772</u>	<u>12,718,716</u>
NET POSITION				
Net investment in capital assets	232,119,104	20,702,061	252,821,165	57,888,031
Restricted for:				
Debt service	1,606,790	-	1,606,790	-
Land records	1,140,421	-	1,140,421	-
Capital improvements	287,245	-	287,245	3,213,262
Jail improvements	661,343	-	661,343	-
Pension	6,751,997	888,813	7,640,810	6,429,316
Social services	3,820,492	-	3,820,492	-
Passenger facility charges	-	-	-	1,263,242
Unrestricted	<u>59,157,956</u>	<u>41,974,986</u>	<u>101,132,942</u>	<u>27,963,283</u>
TOTAL NET POSITION	<u>\$ 305,545,348</u>	<u>\$ 63,565,860</u>	<u>\$ 369,111,208</u>	<u>\$ 96,757,134</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary Government								
Governmental Activities								
General government	\$ 32,043,419	\$ 4,584,265	\$ 1,175,568	\$ -	\$ (26,283,586)	\$ -	\$ (26,283,586)	\$ -
Public safety	25,408,151	2,395,299	542,215	546,354	(21,924,283)	-	(21,924,283)	-
Transportation	8,974,311	-	207,757	-	(8,766,554)	-	(8,766,554)	-
Health	4,420,165	759,260	830,845	-	(2,830,060)	-	(2,830,060)	-
Social services	18,246,547	886,697	11,919,358	-	(5,440,492)	-	(5,440,492)	-
Leisure and education	7,742,919	1,096,569	911,700	-	(5,734,650)	-	(5,734,650)	-
Conservation and development	743,879	650,249	895,590	-	801,960	-	801,960	-
Interest on long-term debt	139,005	-	-	-	(139,005)	-	(139,005)	-
Total Governmental Activities	97,718,396	10,372,339	16,483,033	546,354	(70,316,670)	-	(70,316,670)	-
Business-type Activities								
Landfill	4,181,998	3,559,781	-	-	-	(622,217)	(622,217)	-
Highway	12,174,423	5,847,902	4,779,530	-	-	(1,546,991)	(1,546,991)	-
Total Business-type Activities	16,356,421	9,407,683	4,779,530	-	-	(2,169,208)	(2,169,208)	-
Total Primary Government	\$ 114,074,817	\$ 19,780,022	\$ 21,262,563	\$ 546,354	(70,316,670)	(2,169,208)	(72,485,878)	-
Component Units								
Governmental Activities								
Children with Disabilities Education Board	\$ 6,572,417	\$ 5,046,611	\$ 139,425	\$ -	-	-	-	(1,386,381)
Business-type Activities								
Central Wisconsin Airport	6,048,662	4,069,061	-	1,066,630	-	-	-	(912,971)
North Central Health Care	70,158,447	52,163,966	17,332,078	3,580,311	-	-	-	2,917,908
Total Business-type Component Units	\$ 76,207,109	\$ 56,233,027	\$ 17,332,078	\$ 4,646,941	-	-	-	2,004,937
General Revenues								
Taxes								
Property taxes					41,442,652	7,692,440	49,135,092	-
Sales taxes					12,960,759	-	12,960,759	-
Other taxes					1,515,893	-	1,515,893	-
Vehicle registration fee					-	2,969,770	2,969,770	-
Grants and contributions not restricted to specific programs					6,305,173	-	6,305,173	-
Unrestricted investment earnings					1,939,185	935,046	2,874,231	342,031
Gain on sale of capital assets					1,564	63,104	64,668	5,838
Unrestricted state and federal aid					-	-	-	1,023,285
Miscellaneous					115,723	454,333	570,056	100,135
Transfers					5,321,121	(5,321,121)	-	-
Total General Revenues and Transfers					69,602,070	6,793,572	76,395,642	1,471,289
Change in net position					(714,600)	4,624,364	3,909,764	2,089,845
NET POSITION, Beginning (as restated)					306,259,948	58,941,496	365,201,444	94,667,289
NET POSITION, ENDING					\$ 305,545,348	\$ 63,565,860	\$ 369,111,208	\$ 96,757,134

See accompanying notes to financial statements.

MARATHON COUNTY

BALANCE SHEET- GOVERNMENTAL FUNDS
As of December 31, 2018

	General	Social Improvement	Capital Improvement	Nonmajor Governmental Fund Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 39,252,626	\$ 3,800,416	\$ 11,312,963	\$ 1,779,603	\$ 56,145,608
Receivables					
Taxes receivable	37,178,102	7,635,689	-	1,786,500	46,600,291
Accounts receivable	1,838,303	299,849	-	-	2,138,152
Accrued interest receivable	374,748	-	-	-	374,748
Due from other governments	3,094,648	2,257,406	-	-	5,352,054
Due from other funds	5,271	-	-	-	5,271
Inventories and prepaid items	10,000	12,796	3,475	-	26,271
Restricted Assets					
Cash and investments	<u>2,410,920</u>	<u>84,842</u>	<u>-</u>	<u>-</u>	<u>2,495,762</u>
TOTAL ASSETS	<u>\$ 84,164,618</u>	<u>\$ 14,090,998</u>	<u>\$ 11,316,438</u>	<u>\$ 3,566,103</u>	<u>\$ 113,138,157</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,727,429	\$ 1,617,128	\$ 991,365	\$ -	\$ 4,335,922
Accrued items	1,924,295	-	-	-	1,924,295
Due to other governments	2,128,769	846	-	-	2,129,615
Due to other funds	-	-	5,271	-	5,271
Liabilities payable from restricted assets					
Special deposits	<u>411,351</u>	<u>1,016,843</u>	<u>-</u>	<u>-</u>	<u>1,428,194</u>
Total Liabilities	<u>6,191,844</u>	<u>2,634,817</u>	<u>996,636</u>	<u>-</u>	<u>9,823,297</u>
Deferred Inflows of Resources					
Property taxes levied for next period	32,004,617	7,635,689	-	1,786,500	41,426,806
Unavailable revenues	<u>1,163,376</u>	<u>401,619</u>	<u>-</u>	<u>-</u>	<u>1,564,995</u>
Total Deferred Inflows of Resources	<u>33,167,993</u>	<u>8,037,308</u>	<u>-</u>	<u>1,786,500</u>	<u>42,991,801</u>
Fund Balances					
Nonspendable	3,582,962	12,796	3,475	-	3,599,233
Restricted	2,089,009	3,406,077	3,333,540	1,779,603	10,608,229
Assigned	12,625,174	-	6,982,787	-	19,607,961
Unassigned	<u>26,507,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,507,636</u>
Total Fund Balances	<u>44,804,781</u>	<u>3,418,873</u>	<u>10,319,802</u>	<u>1,779,603</u>	<u>60,323,059</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 84,164,618</u>	<u>\$ 14,090,998</u>	<u>\$ 11,316,438</u>	<u>\$ 3,566,103</u>	<u>\$ 113,138,157</u>

See accompanying notes to financial statements.

MARATHON COUNTY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION For the Year Ended December 31, 2018

Total Fund Balances - Governmental funds	\$ 60,323,059
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	
Land	34,924,022
Construction in progress	13,629,762
Other capital assets net of accumulated depreciation	184,907,837
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.	1,564,995
The net pension asset does not relate to current financial resources and is not reported in the governmental funds (less internal service funds \$36,167).	6,715,830
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (less internal service funds \$66,876).	12,165,009
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (less internal service funds \$69,118).	(13,315,911)
The County's investment in joint venture not a financial resource and, therefore, is not reported in the funds.	797,199
Internal service funds are reported in the statement of net position as governmental funds.	14,983,490
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(4,500,000)
Forest crop loan	(1,458,041)
Compensated absences	(4,929,491)
Less: Internal service fund compensated absences	86,458
Accrued interest	(172,813)
Unamortized premium on debt issue	<u>(176,057)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 305,545,348</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General	Social Improvement	Capital Improvement	Nonmajor Governmental Fund Debt Service Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 46,659,196	\$ 7,610,569	\$ -	\$ 1,674,750	\$ 55,944,515
Intergovernmental grants and aids	9,561,667	11,335,757	-	-	20,897,424
Licenses and permits	335,593	-	-	-	335,593
Fines and forfeitures	1,047,664	-	-	-	1,047,664
Public charges for services	5,444,688	432,594	-	142,979	6,020,261
Intergovernmental charges for services	1,676,517	-	-	-	1,676,517
Miscellaneous revenue	2,915,143	34,000	254,000	20,278	3,223,421
Total Revenues	67,640,468	19,412,920	254,000	1,838,007	89,145,395
EXPENDITURES					
Current					
General government	26,325,085	-	-	-	26,325,085
Public safety	24,362,634	-	-	-	24,362,634
Health	4,436,559	-	-	-	4,436,559
Social services	221,670	17,994,819	-	-	18,216,489
Leisure activities and education	7,493,299	-	-	-	7,493,299
Conservation and economic development	748,769	-	-	-	748,769
Capital Outlay	189,341	-	3,910,779	-	4,100,120
Bond issue costs	-	-	47,520	-	47,520
Debt Service					
Principal	-	-	-	1,667,346	1,667,346
Interest and paying agent fees	-	-	-	7,875	7,875
Total Expenditures	63,777,357	17,994,819	3,958,299	1,675,221	87,405,696
Excess (deficiency) of revenues over expenditures	3,863,111	1,418,101	(3,704,299)	162,786	1,739,699
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	438,097	2,746,598	-	3,184,695
Social Improvement Fund	-	-	1,383,070	-	1,383,070
Capital Improvement Fund	251,712	-	-	-	251,712
Sales of capital assets	9,183	-	-	-	9,183
Debt issued	-	-	4,500,000	-	4,500,000
Premium on debt issued	-	-	211,268	-	211,268
State loan program debt issued	14,692	-	-	-	14,692
Transfers out					
General Fund	-	-	(251,712)	-	(251,712)
Capital Improvement Fund	(2,746,598)	(1,383,070)	-	-	(4,129,668)
Social Improvement Fund	(438,097)	-	-	-	(438,097)
Employee Benefit Fund	(792,596)	-	-	-	(792,596)
County Highway Fund	-	-	(1,324,900)	-	(1,324,900)
Total Other Financing Sources (Uses)	(3,701,704)	(944,973)	7,264,324	-	2,617,647
Net change in fund balance	161,407	473,128	3,560,025	162,786	4,357,346
FUND BALANCE, Beginning	44,643,374	2,945,745	6,759,777	1,616,817	55,965,713
FUND BALANCE, ENDING	\$ 44,804,781	\$ 3,418,873	\$ 10,319,802	\$ 1,779,603	\$ 60,323,059

See accompanying notes to financial statements.

MARATHON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2018

Net change in fund balance - total governmental funds	\$ 4,357,346
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense reported in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements including infrastructure assets.	4,100,120
Some items reported as capital outlay but not capitalized.	(1,269,876)
Depreciation is reported in the government-wide statements.	(12,985,885)
Infrastructure financed by the highway fund.	6,646,021
Net book value of assets retired.	(7,424)
Receivables not currently available are reported as deferred revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide financial statements.	296,766
The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources, and is not reported in the fund financial statements.	367,530
Debt proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position.	
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(4,514,692)
Principal repaid	1,667,346
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences - less internal service funds	165,260
Increase in net pension asset - less internal service funds	8,523,919
Deferred outflows of resources related to pensions - less internal service funds	(1,708,997)
Deferred inflows of resources related to pensions - less internal service funds	(7,618,238)
Accrued interest on debt	(166,341)
Government funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Current year premium	(211,268)
Amortization of discount and premium	35,211
Internal service funds are used by management to charge the costs of insurance to individual funds. The increase in net position of the internal service funds is reported with governmental activities.	<u>1,608,602</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (714,600)</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF NET POSITION - PROPRIETARY FUNDS As of December 31, 2018

	Business-type Activities - Enterprise Funds			Governmental
	Landfill	County Highway	Total	Activities - Internal Service
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and investments	\$ 5,202,831	\$ 40,443,147	\$ 45,645,978	\$ 17,570,445
Taxes receivable	-	8,063,035	8,063,035	-
Accounts receivable (net of allowance)	760,710	58,336	819,046	166,102
Due from other governments	-	265,542	265,542	-
Inventories	112,387	1,033,221	1,145,608	-
Total Current Assets	6,075,928	49,863,281	55,939,209	17,736,547
NONCURRENT ASSETS				
Restricted assets				
Cash and investments	12,216,402	-	12,216,402	-
Net pension asset	102,785	786,028	888,813	36,167
Accrued interest receivable	30,942	-	30,942	-
Deposit in Wisconsin Municipal Mutual Insurance Company	-	-	-	1,519,000
Capital Assets				
Land	482,465	81,804	564,269	-
Buildings	1,571,942	6,616,478	8,188,420	-
Improvements	30,727,476	606,661	31,334,137	-
Equipment	2,402,176	18,315,533	20,717,709	58,466
Total Capital Assets	35,184,059	25,620,476	60,804,535	58,466
Less: Accumulated depreciation	(23,830,824)	(16,271,650)	(40,102,474)	(58,466)
Net Capital Assets	11,353,235	9,348,826	20,702,061	-
Total Noncurrent Assets	23,703,364	10,134,854	33,838,218	1,555,167
Total Assets	29,779,292	59,998,135	89,777,427	19,291,714
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	182,938	1,449,705	1,632,643	66,876
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	156,729	400,323	557,052	110,404
Accrued items	-	2,624	2,624	77,582
Due to other governments	1,753,816	-	1,753,816	-
Current portion of compensated absences	2,763	87,201	89,964	8,646
Total Current Liabilities	1,913,308	490,148	2,403,456	196,632
LONG-TERM LIABILITIES				
Landfill closure and long-term care payable	14,822,145	-	14,822,145	-
Accrued liability - claims payable	-	-	-	4,031,538
Compensated absences	24,866	784,806	809,672	77,812
Total Long-term Liabilities	14,847,011	784,806	15,631,817	4,109,350
Total Liabilities	16,760,319	1,274,954	18,035,273	4,305,982
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for next period	-	8,063,035	8,063,035	-
Other deferred revenues	-	20,586	20,586	-
Pension related amounts	209,954	1,515,362	1,725,316	69,118
Total Deferred Inflows of Resources	209,954	9,598,983	9,808,937	69,118
NET POSITION				
Investment in capital assets	11,353,235	9,348,826	20,702,061	-
Restricted for pension	102,785	786,028	888,813	36,167
Unrestricted	1,535,937	40,439,049	41,974,986	14,947,323
TOTAL NET POSITION	\$ 12,991,957	\$ 50,573,903	\$ 63,565,860	\$ 14,983,490

See accompanying notes to financial statements.

MARATHON COUNTY

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

For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 13,145	\$ 13,145	\$ -
Public charges for services	3,559,781	-	3,559,781	-
Intergovernmental charges for services	-	5,834,757	5,834,757	-
Interdepartmental charges for services	-	-	-	13,781,774
Total Operating Revenues	<u>3,559,781</u>	<u>5,847,902</u>	<u>9,407,683</u>	<u>13,781,774</u>
OPERATING EXPENSES				
Salaries and benefits	785,756	3,146,247	3,932,003	1,034,800
Contractual services	765,407	273,743	1,039,150	463,415
Materials and supplies	500,688	730,526	1,231,214	5,552
Construction and maintenance	4,121	3,424,856	3,428,977	-
Landfill closure and long term care	832,212	-	832,212	-
Building and equipment rent	-	3,224,500	3,224,500	-
Insurance and claims	-	164,104	164,104	12,195,111
Loss and loss adjustment expense	-	-	-	(422,567)
Insurance and administration costs	24,607	-	24,607	704,545
Depreciation	1,104,954	1,210,447	2,315,401	-
Other operating expenses	164,253	-	164,253	-
Total Operating Expenses	<u>4,181,998</u>	<u>12,174,423</u>	<u>16,356,421</u>	<u>13,980,856</u>
Operating Loss	<u>(622,217)</u>	<u>(6,326,521)</u>	<u>(6,948,738)</u>	<u>(199,082)</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	-	7,692,440	7,692,440	-
Vehicle registration fee	-	2,969,770	2,969,770	-
Intergovernmental grants and aids	-	4,779,530	4,779,530	-
Investment income	288,604	646,442	935,046	363,296
Insurance recoveries	-	-	-	492,185
Infrastructure construction expense for governmental activities	-	(6,646,021)	(6,646,021)	-
Gain on sale of capital assets	58,104	5,000	63,104	-
Other income	6,841	447,492	454,333	159,607
Total Nonoperating Revenues (Expenses), Net	<u>353,549</u>	<u>9,894,653</u>	<u>10,248,202</u>	<u>1,015,088</u>
Income (loss) before transfers	<u>(268,668)</u>	<u>3,568,132</u>	<u>3,299,464</u>	<u>816,006</u>
Transfers in	<u>-</u>	<u>1,324,900</u>	<u>1,324,900</u>	<u>792,596</u>
Change in Net Position	<u>(268,668)</u>	<u>4,893,032</u>	<u>4,624,364</u>	<u>1,608,602</u>
NET POSITION - Beginning of Year	<u>13,260,625</u>	<u>45,680,871</u>	<u>58,941,496</u>	<u>13,374,888</u>
NET POSITION - END OF YEAR	<u>\$ 12,991,957</u>	<u>\$ 50,573,903</u>	<u>\$ 63,565,860</u>	<u>\$ 14,983,490</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2018

	Business-type Activities-Enterprise Funds			Governmental
	County			Activities-
	Landfill	Highway	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from the sale of goods and services	\$ -	\$ 6,398,160	\$ 6,398,160	\$ -
Collections from landfill disposal services	3,543,795	-	3,543,795	-
Collections from departments and other insurance purchasers	-	-	-	14,414,863
Cash paid to employees for services	(785,756)	(3,067,201)	(3,852,957)	(1,034,800)
Cash paid to suppliers for goods and services	(1,716,766)	(7,883,124)	(9,599,890)	(13,347,569)
Net Cash Provided (Used) by Operating Activities	<u>1,041,273</u>	<u>(4,552,165)</u>	<u>(3,510,892)</u>	<u>32,494</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General property taxes	-	7,692,440	7,692,440	-
Vehicle registration fee	-	2,969,770	2,969,770	-
Intergovernmental grants and contributions	-	4,578,919	4,578,919	-
Transfers	-	1,324,900	1,324,900	792,596
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>16,566,029</u>	<u>16,566,029</u>	<u>792,596</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Payments for capital acquisitions	(759,629)	(1,463,062)	(2,222,691)	-
Infrastructure construction expense for governmental activities	-	(6,646,021)	(6,646,021)	-
Net Cash Provided (Used) by Capital Financing Activities	<u>(759,629)</u>	<u>(8,109,083)</u>	<u>(8,868,712)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold	889,364	-	889,364	-
Interest received on investments	291,048	646,442	937,490	363,296
Net Cash Provided (Used) by Investing Activities	<u>1,180,412</u>	<u>646,442</u>	<u>1,826,854</u>	<u>363,296</u>
Net Increase in Cash and Cash Equivalents	<u>1,462,056</u>	<u>4,551,223</u>	<u>6,013,279</u>	<u>1,188,386</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,740,775</u>	<u>35,891,924</u>	<u>39,632,699</u>	<u>16,382,059</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,202,831</u>	<u>\$ 40,443,147</u>	<u>\$ 45,645,978</u>	<u>\$ 17,570,445</u>

	Business-type Activities-Enterprise Funds			Governmental
	County		Total	Activities-
	Landfill	Highway		Internal
				Service
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating loss	\$ (622,217)	\$ (6,326,521)	\$ (6,948,738)	\$ (199,082)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities				
Depreciation expense	1,104,954	1,210,447	2,315,401	-
Insurance recoveries	-	-	-	492,185
Other income (expense)	6,841	653,101	659,942	159,607
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows				
Accounts receivable	(22,827)	24,393	1,566	(18,703)
Due from other governments	-	370,416	370,416	-
Inventories	12	225,771	225,783	-
Accounts payable	(148,863)	(156,531)	(305,394)	6,357
Accrued expenses	-	-	-	4,429
Due to other governments	(120,181)	-	(120,181)	-
Landfill closure and long-term care payable	832,212	-	832,212	-
Unearned revenues	-	(495,043)	(495,043)	-
Accrued liabilities - claims payable	-	-	-	(422,567)
Compensated absences	(2,100)	(136,606)	(138,706)	10,268
Pension related deferrals and liabilities	13,442	78,408	91,850	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,041,273	\$ (4,552,165)	\$ (3,510,892)	\$ 32,494
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES				
Fair value adjustment - investments	\$ 55,810	\$ -	\$ 55,810	\$ -

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of December 31, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,839,165
Accounts receivable	54,905
Due from other governments	<u>821,284</u>
TOTAL ASSETS	<u>\$ 2,715,354</u>
LIABILITIES	
Accounts payable	\$ 141,018
Due to other governments	799,584
Due to participants	334,156
Other accrued liabilities and deposits	<u>1,440,596</u>
TOTAL LIABILITIES	<u>\$ 2,715,354</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF NET POSITION
MAJOR DISCRETELY PRESENTED COMPONENT UNITS
As of December 31, 2018

	North Central Health Care	Central Wisconsin Airport	Children with Disabilities Education Board	Major Discretely Presented Component Units Total
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 7,433,591	\$ 2,995,110	\$ 2,482,096	\$ 12,910,797
Patient accounts receivable (net)	4,792,133	-	-	4,792,133
Accounts receivable	188,387	272,180	-	460,567
Accrued interest	-	-	1,747	1,747
Due from other governments	3,494,656	-	955,549	4,450,205
Prepaid items	149,826	-	24,972	174,798
Inventories	427,687	-	-	427,687
Total Current Assets	<u>16,486,280</u>	<u>3,267,290</u>	<u>3,464,364</u>	<u>23,217,934</u>
NONCURRENT ASSETS				
Restricted assets				
Cash and investments	34,487	1,263,242	-	1,297,729
Net pension asset	5,559,798	189,801	679,717	6,429,316
Receivable restricted for aquatic pool	3,213,262	-	-	3,213,262
Investments	13,691,324	-	-	13,691,324
Assets limited as to use	1,250,934	-	-	1,250,934
Capital assets				
Land	51,300	614,983	-	666,283
Construction in progress	592,367	1,760,459	-	2,352,826
Buildings	26,811,757	39,064,917	-	65,876,674
Improvements	1,336,742	54,460,551	-	55,797,293
Equipment	20,175,393	9,765,201	13,669	29,954,263
Software	1,626,429	-	-	1,626,429
Total Capital Assets	50,593,988	105,666,111	13,669	156,273,768
Total Accumulated Depreciation and Amortization	(38,988,286)	(52,206,643)	(2,734)	(91,197,663)
Net Capital Assets	<u>11,605,702</u>	<u>53,459,468</u>	<u>10,935</u>	<u>65,076,105</u>
Total Noncurrent Assets	<u>35,355,507</u>	<u>54,912,511</u>	<u>690,652</u>	<u>90,958,670</u>
Total Assets	<u>51,841,787</u>	<u>58,179,801</u>	<u>4,155,016</u>	<u>114,176,604</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related amounts	108,692	-	7,875	116,567
Pension related amounts	10,161,988	344,322	1,150,391	11,656,701
Total Deferred Outflows of Resources	<u>10,270,680</u>	<u>344,322</u>	<u>1,158,266</u>	<u>11,773,268</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	1,183,973	115,604	1,086,271	2,385,848
Accrued items	2,227,131	-	-	2,227,131
Deposits	34,487	11,831	-	46,318
Interest payable	-	17,560	-	17,560
Accrued liability - claims payable	847,000	-	-	847,000
Due to other governments	414,166	336,923	-	751,089
Unearned revenues	76,863	-	-	76,863
Current portion of compensated absences	1,702,438	20,366	61,253	1,784,057
Current portion of long-term obligations	29,249	1,175,000	-	1,204,249
Total Current Liabilities	<u>6,515,307</u>	<u>1,677,284</u>	<u>1,147,524</u>	<u>9,340,115</u>
LONG-TERM LIABILITIES				
General obligation notes payable (net of unamortized premiums)	-	5,539,284	-	5,539,284
Long-term portion of capital lease liability	101,112	-	-	101,112
Due to Marathon County for aquatic pool project	343,429	-	-	343,429
OPEB liability	944,541	-	22,246	966,787
Compensated absences	-	183,295	-	183,295
Total Long-Term Liabilities	<u>1,389,082</u>	<u>5,722,579</u>	<u>22,246</u>	<u>7,133,907</u>
Total Liabilities	<u>7,904,389</u>	<u>7,399,863</u>	<u>1,169,770</u>	<u>16,474,022</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB related amounts	13,308	-	5,246	18,554
Pension related amounts	10,979,795	378,763	1,341,604	12,700,162
Total Deferred Intflows of Resources	<u>10,993,103</u>	<u>378,763</u>	<u>1,346,850</u>	<u>12,718,716</u>
NET POSITION				
Net investment in capital assets	11,131,912	46,745,184	10,935	57,888,031
Restricted				
Pension	5,559,798	189,801	679,717	6,429,316
Capital Assets	3,213,262	-	-	3,213,262
Passenger facility charges	-	1,263,242	-	1,263,242
Unrestricted	<u>23,310,003</u>	<u>2,547,270</u>	<u>2,106,010</u>	<u>27,963,283</u>
TOTAL NET POSITION	<u>\$ 43,214,975</u>	<u>\$ 50,745,497</u>	<u>\$ 2,796,662</u>	<u>\$ 96,757,134</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION MAJOR DISCRETELY PRESENTED COMPONENT UNITS For the Year Ended December 31, 2018

	North Central Health Care	Central Wisconsin Airport	Children with Disabilities Education Board	Major Discretely Presented Component Units Total
EXPENSES				
Transportation				
Airport	\$ -	\$ 6,048,662	\$ -	\$ 6,048,662
Social Services				
North Central Community Services	70,158,447	-	-	70,158,447
Children with Disabilities Education Board	-	-	2,283,541	2,283,541
Instruction				
Children with Disabilities Education Board	-	-	4,288,876	4,288,876
Total Expenses	<u>70,158,447</u>	<u>6,048,662</u>	<u>6,572,417</u>	<u>82,779,526</u>
PROGRAM REVENUES				
Charges for service	52,163,966	4,069,061	5,046,611	61,279,638
Operating grants and contributions	17,332,078	-	139,425	17,471,503
Capital grants and contributions	3,580,311	1,066,630	-	4,646,941
Total Program Revenues	<u>73,076,355</u>	<u>5,135,691</u>	<u>5,186,036</u>	<u>83,398,082</u>
Net Income (Expense)	<u>2,917,908</u>	<u>(912,971)</u>	<u>(1,386,381)</u>	<u>618,556</u>
GENERAL REVENUES				
Unrestricted investment earnings	261,660	80,371	-	342,031
Gain on sale of capital assets	5,838	-	-	5,838
State and Federal Aids Not Restricted to Specific Functions				
Categorical aid	-	-	1,023,285	1,023,285
Miscellaneous	-	75,226	24,909	100,135
Total General Revenues	<u>267,498</u>	<u>155,597</u>	<u>1,048,194</u>	<u>1,471,289</u>
Change in net position	3,185,406	(757,374)	(338,187)	2,089,845
NET POSITION, Beginning - (as restated)	<u>40,029,569</u>	<u>51,502,871</u>	<u>3,134,849</u>	<u>94,667,289</u>
NET POSITION, ENDING	<u>\$ 43,214,975</u>	<u>\$ 50,745,497</u>	<u>\$ 2,796,662</u>	<u>\$ 96,757,134</u>

See accompanying notes to financial statements.

MARATHON COUNTY

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MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Marathon County (the County) was incorporated in 1850 and operates under the provisions of the Wisconsin State Statutes, Chapter 59. The County operates under a County Board form of government, with an appointed County Administrator. The powers and duties of the County Administrator are to coordinate and direct all administrative and management functions of the County government not otherwise vested by law in boards or commissions or in other elected officials. The County provides the following services as authorized by its charter: public safety, highways, solid waste, health and social services, culture-recreation, education, judiciary services, planning and zoning, and general administrative services.

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

A. REPORTING ENTITY

This report includes all of the funds of the County of Marathon. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if: (1) it appoints a voting majority of the organization's governing body and is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; and (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government, or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or had the ability to otherwise access, are significant to the primary government.

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

North Central Health Care

The government-wide financial statements include the North Central Health Care (NCHC) as a component unit. NCHC is a legally separate organization operated jointly by Marathon, Lincoln, and Langlade counties. The board of NCHC is appointed by the respective counties' boards. The NCHC has been presented as a discrete component unit because of the nature and significance of its relationship with the County. The County appoints a majority of the board and, based upon the bylaws of the NCHC, the County has the ability to impose its will upon NCHC, and also to create a possible financial benefit or burden. See Note III.L. The information presented is for the fiscal year ended December 31, 2018. Separately issued financial statements of North Central Health Care may be obtained from NCHC's office.

Central Wisconsin Airport

The government-wide financial statements include the Central Wisconsin Airport (CWA) as a component unit. The CWA is a legally separate organization operated jointly by Marathon and Portage counties. The board of the CWA is appointed by the respective counties. The CWA has been presented as a discrete component unit because of the nature and significance of its relationship with the County. CWA is fiscally dependent upon the County and a financial benefit or burden exists. While both Portage and Marathon County operate CWA, Marathon County retains the majority interest based upon each county's equalized values. See Note III.L. The information presented is for the fiscal year ended December 31, 2018. The CWA does not issue separate financial statements.

Children With Disabilities Education Board

The government-wide financial statements include the Children with Disabilities Education Board (CDEB) as a component unit. The CDEB is a legally separate organization. The board is made up of six members, one from each participating school district. The CDEB has been presented as a discrete component unit because of the nature and significance of its relationship with the County. The County Administrator appoints CDEB's board members for three-year terms. Based upon CDEB's board policies, the County has significant influence over its activities and can create a financial benefit or burden. See Note III.L. The information presented is for the fiscal year ended June 30, 2018. Separately issued financial statements of the Children with Disabilities Education Board may be obtained from the Board's office.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

Separate financial statements are provided for governmental funds and proprietary funds, and agency funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

The County reports the following major governmental funds:

- General Fund - accounts for the County's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Social Improvement Fund - accounts for and reports grants, local revenues, and other resources legally restricted to supporting expenditures for various community service programs.
- Capital Improvement Fund - accounts for and reports resources to be used for the acquisition or construction of major capital facilities.

The County reports the following major enterprise funds:

- Landfill Fund - accounts for operations of the County operated landfill
- County Highway Fund - accounts for operations of the highway systems

The County reports the following nonmajor governmental fund:

- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

In addition, the County reports the following fund types:

Internal service funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

- Property Casualty Insurance
- Employee Benefits Insurance

Agency funds are used to account for and report assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Aging and Disability Resource Center of Central Wisconsin (ADRC-CW)
- Clerk of Courts
- Sheriff Adult Inmate

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Landfill and County Highway funds are charges to customers for sales and services. During 2017, the County began collecting a vehicle registration fee in the County Highway fund. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

1. Deposits and Investments (cont.)

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

The County has adopted an investment policy. That policy contains the following guidelines for allowable investments.

Custodial credit risk: The County investment policy states that where allowed by state law, full collateralization will be required on all demand deposit accounts, including checking accounts and nonnegotiable certificates of deposit.

Credit risk: The County limits its investments to the "Aa" or higher rating issued by a nationally recognized rating service such as Moody's or Standard and Poors (S&P) for the issuing organization at the time of issuance.

Interest rate risk: The County manages its exposure to interest rate risk by attempting to match investment maturities with anticipated expenses. No more than 70% of the portfolio may be invested beyond 12 months, and the weighted average maturity of the short-term portfolio shall never exceed one year. The weighted average maturity of the intermediate portfolio shall not exceed three years.

The policy does not address concentration of credit risk.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. They are not legally available for appropriation until the ensuing year. In addition to property taxes for the County, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other governments on the Statement of Assets and Liabilities - Agency Funds.

Property tax calendar - 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale - 2018 delinquent real estate taxes	October 2021

The City of Wausau has adopted an ordinance for three installments per Wisconsin Statute 74.12. The City Treasurer collects January 31, April 30, and July 31 installments and settles with the County and other jurisdictions by the 15th of the month following due dates.

Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No allowance for uncollectible delinquent taxes has been provided because of the County's demonstrated ability to recover any losses through the sale of the applicable property.

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

The County has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the County monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2018, the County has accrued two months of the subsequent year's collections as receivable.

Accounts receivable in the governmental funds are reported at gross with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided in the governmental funds since it is believed that the amount of such an allowance would not be material. An allowance in the amount of \$472,576 has been recorded in the Employee Benefits Insurance internal service fund to account for workers compensation amounts not likely to be collected.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund, internal service fund, and discretely presented component unit inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO, and charged to construction and/or operation and maintenance expense when used.

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$50,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets, works of art, and similar items, in addition to capital assets received in a service concession arrangement, are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to capital accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from capital accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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

Buildings	20 - 50	Years
Land improvements	2 - 20	Years
Machinery and equipment	3 - 10	Years
Infrastructure	5 - 75	Years
Library collection	5 - 25	Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2018 are determined on the basis of current salary rates and include salary related payments.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

7. Compensated Absences (cont.)

In addition to pension benefits provided through the Wisconsin Retirement System described in Note IV.A., the County provides certain health care and life insurance benefits as provided for by union contracts or management ordinance. Retired employees who qualify are allowed to convert a maximum of 50% of their accumulated sick leave balance at the time of retirement into monetary value using the employee's year-end hourly rate and deposited into the employee's Post Employment Health Plan (PEHP) account. The 2018 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$332,413 with an actual cost of \$479,838. There were twenty-nine (29) employees eligible for benefits as of year-end.

8. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences. Other postemployment benefits are no longer considered material to the County.

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

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

The County participates in a program authorized by State Statutes, whereby counties which have established and maintained a county forest, are eligible to receive from the state an annual payment, such as a noninterest bearing, no scheduled payment loan to be used for the purchase, development, preservation and maintenance of the County forest lands.

On timber cut from County forest lands, the County pays a severance share of not less than 20% of the actual stumpage sales value of timber. Such severance share payments are credited against the cumulative loan made by the state to the County, the repayment of which is driven by timber cutting activity, at predetermined calendar time periods. Severance share payments will not exceed the balance due.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

8. Long-Term Obligations (cont.)

For forest lands withdrawn from the program, the County reimburses the State for the amount previously paid to the County, except that the State may waive all or part of such reimbursement if it finds the lands are withdrawn for a higher public use, or that the amount of such reimbursement is unreasonable when compared to the value of the land.

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the County. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned by the Finance Committee through a formally approved motion. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

The County has a formal minimum fund balance policy for the general fund. That policy is to maintain a working capital fund of 8.3% of the current year's general fund, social improvement fund, and debt service fund's budgeted expenditures. The balance at year-end was \$25,609,129 and is included in unassigned general fund balance. The County also has a minimum fund balance for the highway fund. That policy is to maintain a working capital fund of 10% of the current year budgeted expenditures. The balance at year-end was \$6,463,743, and is included in unrestricted net position.

See Note III.J. for further information.

11. 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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LIMITATIONS ON THE COUNTY'S TAX LEVY

Wisconsin law limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the County's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The County is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. The County's deposits and investments at year-end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 12,520,364	\$ 12,656,352	Custodial credit
U.S. Treasuries	26,827,638	26,827,638	Custodial credit, interest rate
U.S. Agencies - implicitly guaranteed	22,520,059	22,520,059	Custodial credit, interest rate, credit, concentration of credit risk
National agency bonds and notes	8,055,957	8,055,957	Custodial credit, interest rate, credit, concentration of credit risk
State and local bonds	720,000	720,000	Custodial credit, interest rate, credit, concentration of credit
Corporate bonds	9,468,859	9,468,859	Custodial credit, interest rate, credit, concentration of credit risk
Certificates of deposits – negotiable	23,788,634	23,788,634	Custodial credit, interest rate, credit, concentration of credit risk
Commercial paper	9,950,429	9,950,429	Custodial credit, interest rate, credit, concentration of credit risk
Collateralized mortgage obligations	20,152,599	20,152,599	Custodial credit, interest rate, credit, concentration of credit risk
LGIP	6,167,173	6,167,173	Credit
Total Deposits and Investments	<u>\$ 140,171,712</u>	<u>\$ 140,307,700</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 119,362,031		
Restricted cash and investments	14,712,164		
Per statement of assets and liabilities			
Agency funds	1,839,165		
Per statement of net position - major discretely presented component unit (CWA)			
Unrestricted cash and investments	2,995,110		
Restricted cash and investments	1,263,242		
Total Deposits and Investments	<u>\$ 140,171,712</u>		

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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 other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment Type	December 31, 2018			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries	\$ 26,380,005	\$ 447,633	\$ -	\$ 26,827,638
U.S. Agencies – implicitly guaranteed	-	22,520,059	-	22,520,059
Certificates of deposit – negotiable	-	23,788,634	-	23,788,634
State and local bonds	720,000	-	-	720,000
Corporate bonds	-	9,468,859	-	9,468,859
Commercial paper	-	9,950,429	-	9,950,429
National agency bonds and notes	-	8,055,957	-	8,055,957
Collateralized mortgage obligations	-	20,152,599	-	20,152,599
Totals	\$ 27,100,005	\$ 94,384,170	\$ -	\$ 121,484,175

The valuation methods for recurring fair value measurements are as follows:

Investment Type	Valuation Method
Corporate bonds and state and local bonds, national agency bonds and notes, collateralized mortgage obligations	Institutional bond quotes – evaluations based on various market and industry inputs
Commercial paper	\$1 per share
U.S. agencies – implicitly guaranteed	Institutional bond quotes – evaluations based on various market and industry inputs
U.S. treasuries	Institutional bond quotes – evaluations based on various market and industry inputs
Negotiable certificates of deposit	Institutional bond quotes – evaluations based on various market and industry inputs

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The County maintains an irrevocable stand-by letter of credit with U.S. Bank to securitize its deposits throughout the year.

Custodial Credit Risk

Deposits

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

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

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

U.S. Treasuries

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 26,827,638

U.S. Agencies – implicitly guaranteed

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 22,520,059

Corporate Bonds

Neither insured nor registered and held by counterparty's trust department of agent not in the County's name \$ 9,468,859

Commercial Paper

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 9,950,429

State and Local Bonds

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 720,000

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Investments (cont.)

National Agency Bonds/Notes

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 8,055,957

Certificates of Deposit – negotiable

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 23,788,634

Collateralized Mortgage Obligations

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 20,152,599

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of December 31, 2018, the County's investments were rated as follows:

Investment Type	Standard & Poors
Corporate bonds	A, AA, AA+, AA-, AAA, A+, A-, BBB+
U.S. Agencies – implicitly guaranteed	AA+
Commercial paper	A-1, A-1+
State and local bonds	Not rated
National agency bonds and notes	AAA
Certificates of deposit – negotiable	A-1, A-1+, AA-, A+, AA-
Collateralized mortgage obligations	AAA

The County also held investments in the following external pool which is not rated:

Local Government Investment Pool

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At December 31, 2018, the County does not have any investment types that make up greater than 5% of the County's total portfolio.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of December 31, 2018, the County's investments were as follows:

Investment Types	Fair Value	Maturity (In Years)		
		Less than 1 year	1–4 years	Greater than 4 years
U.S. Treasuries	\$ 26,827,638	\$ 4,314,519	\$ 22,513,119	\$ -
U.S. Agencies – implicitly guaranteed	22,520,059	3,496,870	16,737,004	2,286,185
State and local bonds	720,000	720,000	-	-
Corporate bonds	9,468,859	1,144,311	8,324,548	-
Commercial paper	9,950,429	9,950,429	-	-
National agency bonds and notes	8,055,957	598,299	7,457,658	-
Certificates of deposit – negotiable	23,788,634	12,782,127	11,006,507	-
Collateralized mortgage obligations	20,152,599	-	20,152,599	-
Totals	\$ 121,484,175	\$ 33,006,555	\$ 86,191,435	\$ 2,286,185

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables are expected to be collected within one year, except for delinquent taxes not collected within 60 days of year-end.

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

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 41,426,806	\$ 41,426,806
Delinquent property taxes receivable	1,064,942	-	1,064,942
Other receivables	51,750	-	51,750
Grant amounts not yet received	448,303	-	448,303
Total Unavailable/Unearned Revenue for Governmental Funds	\$ 1,564,995	\$ 41,426,806	\$ 42,991,801

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available to replenish cash flow and are, therefore, excluded from the nonspendable portion of fund balances. Delinquent property taxes levied by the County are reflected as unavailable revenue and are excluded from the fund balance to the extent they are not collected within sixty days subsequent to year-end and, thus, are not available for payment of current expenditures.

Enterprise funds report deferred revenue in connection with resources that have been received, but not yet earned. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred revenue* reported in the enterprise funds were as follows:

	Deferred
Property taxes receivable for subsequent year	\$ 8,063,035
Revenue collected in advance	20,586
Total Deferred Revenue for Enterprise Funds	\$ 8,083,621

Taxes receivable represent current taxes and unpaid taxes for 2018 and prior years as follows:

Year of Settlement	County Tax Levied	County Purchased	Balance December 31, 2018
2017	\$ 373,632	\$ 1,432,526	\$ 1,806,158
2016	228,059	861,353	1,089,412
2015	138,593	524,078	662,671
2014	158,998	695,021	854,019
2013	61,408	237,741	299,149
2012	35,940	135,988	171,928
2011	25,561	91,156	116,717
2010	13,727	47,637	61,364
2009	4,386	14,514	18,900
2008	1,400	4,471	5,871
2007	994	3,006	4,000
Total Tax Certificates	\$ 1,042,698	\$ 4,047,491	5,090,189
Tax deeds			161,841
Current taxes			49,411,296
Total Taxes Receivable			\$ 54,663,326

Delinquent taxes collected within the sixty-day period subsequent to year-end aggregated \$123,428 and \$474,529 for delinquent taxes levied and purchased by the County, respectively.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Land Records

Statutorily assessed fees for social security redaction and other land records projects.

Jail Assessments

Statutorily assessed jail surcharges to be applied to construction, remodeling, repair, or other areas allowed by state statutes for county jails.

Special Deposits and Impressed Cash Accounts

Accounts for deposits and accounts not legally available to the County to finance current operations.

Community Options Programming

The County has received cash and must maintain a special trust for Community Options Programming.

Landfill Long-term Care and Closure Costs

Accounts for amounts legally required by the State of Wisconsin to be held for landfill closure and post-closure costs.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balances since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2018:

Restricted Assets	
Land records	\$ 1,140,421
Jail improvements	661,343
Special deposits and impressed cash accounts	640,336
Community Options Programming	53,662
Landfill long-term care and closure costs	12,216,402
Net pension asset	7,640,810
Accrued interest receivable	<u>30,942</u>
Total Restricted Assets	<u>\$ 22,383,916</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 34,801,691	\$ 122,331	\$ -	\$ 34,924,022
Construction in progress	12,759,907	1,120,217	250,362	13,629,762
Total Capital Assets Not Being Depreciated	47,561,598	1,242,548	250,362	48,553,784
Capital assets being depreciated				
Buildings	94,238,143	643,890	-	94,882,033
Improvements	10,849,163	143,518	-	10,992,681
Equipment	23,447,222	722,171	328,404	23,840,989
Infrastructure	218,672,313	6,450,000	2,434,487	222,687,826
Library collection	4,859,200	524,500	351,100	5,032,600
Total Capital Assets Being Depreciated	352,066,041	8,484,079	3,113,991	357,436,129
Total Capital Assets	399,627,639	9,726,627	3,364,353	405,989,913
Less: Accumulated depreciation for				
Buildings	(58,725,250)	(2,993,458)	-	(61,718,708)
Improvements	(7,217,572)	(416,898)	-	(7,634,470)
Equipment	(20,782,418)	(1,103,515)	323,080	(21,562,853)
Infrastructure	(73,392,134)	(8,042,514)	2,434,487	(79,000,161)
Library collection	(2,531,600)	(429,500)	349,000	(2,612,100)
Total Accumulated Depreciation	(162,648,974)	(12,985,885)	3,106,567	(172,528,292)
Net Capital Assets Being Depreciated	189,417,067	(4,501,806)	7,424	184,907,837
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 236,978,665	\$ (3,259,258)	\$ 257,786	\$ 233,461,621

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 2,502,669
Public safety	780,850
Transportation	8,042,514
Health	2,779
Social services	1,802
Leisure and education	<u>1,655,271</u>

Total Governmental Activities Depreciation Expense \$ 12,985,885

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 564,269	\$.	\$.	\$ 564,269
Capital assets being depreciated				
Buildings	8,147,394	41,026	-	8,188,420
Improvements	30,844,519	489,618	-	31,334,137
Equipment	<u>19,746,697</u>	<u>1,854,020</u>	<u>883,008</u>	<u>20,717,709</u>
Total Capital Assets Being Depreciated	<u>58,738,610</u>	<u>2,384,664</u>	<u>883,008</u>	<u>60,240,266</u>
Total Capital Assets	<u>59,302,879</u>	<u>2,384,664</u>	<u>883,008</u>	<u>60,804,535</u>
Less: Accumulated depreciation for				
Buildings	(6,411,913)	(110,250)	-	(6,522,163)
Improvements	(20,576,745)	(873,419)	-	(21,450,164)
Equipment	<u>(11,638,558)</u>	<u>(1,173,265)</u>	<u>681,676</u>	<u>(12,130,147)</u>
Total Accumulated Depreciation	<u>(38,627,216)</u>	<u>(2,156,934)</u>	<u>681,676</u>	<u>(40,102,474)</u>
Net Capital Assets Being Depreciated	<u>20,111,394</u>	<u>227,730</u>	<u>201,332</u>	<u>20,137,792</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,675,663</u>	<u>\$ 227,730</u>	<u>\$ 201,332</u>	<u>\$ 20,702,061</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Landfill	\$ 1,104,954
Highway	<u>1,210,447</u>
Total Business-type Activities Depreciation Expense	<u>\$ 2,315,401</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital projects fund	\$ 5,271
Less: Fund eliminations		<u>(5,271)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ -</u>

The principal purpose of these interfunds is the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Capital improvement fund	General fund	\$ 2,746,598	Fund capital projects
Social improvement fund	General fund	438,097	Fund out of home placement
Capital improvement fund	Social improvement fund	1,383,070	Fund capital projects
Highway fund	Capital improvement fund	1,324,900	Fund capital projects
General fund	Capital improvement fund	251,712	Fund CIP program in facilities department
Employee benefits	General fund	792,596	Affordable Care Act counseling funding
Total - Fund Financial Statements		6,936,973	
Less: Fund eliminations		(5,612,073)	
Less: Government-wide eliminations		(2,649,800)	
Subtotal		(1,324,900)	
Infrastructure costs assigned by the highway fund to governmental activities		6,646,021	
Total Transfers - Government-Wide Statement of Activities		\$ 5,321,121	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ 6,646,021	
Business-type Activities	Governmental Activities	(1,324,900)	
Total Government-wide Financial Statements		\$ 5,321,121	

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 1,575,000	\$ 4,500,000	\$ 1,575,000	\$ 4,500,000	\$ 1,565,000
Premium on debt	-	211,268	35,211	176,057	-
Forest crop loan payable	1,535,695	14,692	92,346	1,458,041	-
Sub-totals	3,110,695	4,725,960	1,702,557	6,134,098	1,565,000
Other Liabilities					
Vested compensated absences - governmental funds	5,008,292	335,570	500,829	4,843,033	484,303
Vested compensated absences - internal service fund	81,350	13,243	8,135	86,458	8,646
Total Other Liabilities	5,089,642	348,813	508,964	4,929,491	492,949
Total Governmental Activities Long-Term Liabilities	\$ 8,200,337	\$ 5,074,773	\$ 2,211,521	\$ 11,063,589	\$ 2,057,949
Business-type Activities					
Other Liabilities					
Vested compensated absences	\$ 1,038,342	\$ -	\$ 138,706	\$ 899,636	\$ 89,964
Cell A long-term care and postclosure costs	1,194,233	-	85,879	1,108,354	-
Cell B closure costs	4,398,040	49,728	-	4,447,768	-
Cell B long-term care and postclosure costs	5,380,234	-	58,154	5,322,080	-
Blue Bird Ridge closure costs	1,155,370	373,259	-	1,528,629	-
Blue Bird Ridge long-term care and postclosure costs	1,862,056	553,258	-	2,415,314	-
Total Business-type Activities Long-Term Liabilities	\$ 15,028,275	\$ 976,245	\$ 282,739	\$ 15,721,781	\$ 89,964

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed 5% of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2018 was \$552,705,220. Total general obligation debt outstanding at year-end was \$10,395,000 (including \$6,645,000 issued by Marathon County for the Central Wisconsin Airport – see Note III.L.).

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the County. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2018</u>
General Obligation Promissory Notes Series 2018	6/04/18	2/01/21	5.00%	\$ 4,500,000	<u>\$ 4,500,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,565,000	\$ 221,500
2020	1,475,000	109,875
2021	<u>1,460,000</u>	<u>36,500</u>
Totals	<u>\$ 4,500,000</u>	<u>\$ 367,875</u>

Forest Crop Loan

The state of Wisconsin has provided for a noninterest bearing loan fund to be used for the acquisition and construction of forest land and other forest related facilities. The noninterest bearing loan has no specific payment schedule and is repaid from the proceeds of the sale of forest crops. The balance of the Forest Crop Loan at December 31, 2018 is \$1,458,041. The current outstanding loan balance is noncapital related.

Other Debt Information

Estimated payments of other long-term liabilities (compensated absences) are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities has been, and will continue to be, liquidated primarily by the general fund. The net pension liability / (asset) will be financed through future contributions and changes to the plan's assets and will be liquidated primarily by the general fund.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessor – Operating Leases

The Forestry Department leases (as lessor) land for farmland. The book value and carrying amount of the leased farmland is \$98,805. The future minimum lease receipts as of December 31, 2018 are as follows:

Years	Governmental Activities Principal
2019	\$ 2,847
2020	2,847
2021	2,847
2022	897
2023	897
2024 – 2064	36,783
Totals	\$ 47,118

H. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for forty years after closure. The County completed final closure of cell A in 1993. The County expects to close cell B in the year 2019. Cells B and Blue Bird Ridge remain open at the end of 2018. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The amounts noted below for the landfill postclosure care liability at December 31, 2018 represent the total amount needed by the County for post closure care costs for each landfill site according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

	Cell A	Cell B	Blue Bird	Total
Postclosure care liability	\$ 1,108,354	\$ 9,769,848	\$ 3,943,943	\$ 14,822,145
Capacity used at year-end	100.00%	98.84%	45.51%	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. CLOSURE AND POSTCLOSURE CARE COST (cont.)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care for all three of its landfills. The County is in compliance with these requirements, and, at December 31, 2018, \$12,216,402 of investments are held at U.S. Bank for these purposes and reviewed annually by the DNR. These are reported as restricted assets on the statement of net position. In addition, the landfill maintains an irrevocable letter of credit issued by U.S. Bank to fulfill its financial responsibility pursuant to state statutes. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable law or regulations, for example), these costs may need to be covered by changes to future landfill users or from future tax revenue.

I. SELF-FUNDED POLLUTION LIABILITY

During 1996, the County Board of Supervisors created an agreement with the Solid Waste Management Board to create a self-funded pollution liability account. In the past, the Landfill Fund carried \$2 million of pollution insurance coverage. The general financing plan, which is funded by a portion of the tipping fee, did not require any additional funding in 2018 because it has surpassed the approximate \$2 million required. All interest earned on these funds are accumulated for this purpose and recorded in the fund. The County Board has pledged its full faith and credit to the financing plan during the years the account is not fully funded. The financing plan was fully funded as of December 31, 2006 and has a balance of \$2,556,730 as of December 31, 2018. No amounts were paid from this account in 2018.

J. NET POSITION/FUND BALANCES

Net position reported on the government-wide statement of net position at December 31, 2018 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 34,924,022
Construction in progress	13,629,762
Other capital assets, net of accumulated depreciation	184,907,837
Less: Long-term capital debt outstanding, net of unamortized premium	(4,676,057)
Add: Unspent capital related debt proceeds	3,333,540
Total Net Investment in Capital Assets	<u>232,119,104</u>
Restricted	
Debt service	1,606,790
Land records	1,140,421
Capital improvements	287,245
Jail improvements	661,343
Social services	3,820,492
Pension	6,751,997
Total Restricted	<u>14,268,288</u>
Unrestricted	<u>59,157,956</u>
Total Governmental Activities Net Position	<u>\$ 305,545,348</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

J. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2018 include the following:

	General Fund	Social Improvement	Capital Improvement	Debt Service	Totals
Fund Balance					
Nonspendable:					
Inventories and prepaid items	\$ 10,000	\$ 12,796	\$ 3,475	\$ -	\$ 26,271
Noncounty levy portion of delinquent property taxes receivable	3,572,962	-	-	-	3,572,962
Total Nonspendable	3,582,962	12,796	3,475	-	3,599,233
Restricted for:					
UW dorm capital maintenance	287,245	-	-	-	287,245
Land records	1,140,421	-	-	-	1,140,421
Jail assessments	661,343	-	-	-	661,343
Debt service	-	-	-	1,779,603	1,779,603
Capital projects	-	-	3,333,540	-	3,333,540
Social improvement	-	3,406,077	-	-	3,406,077
Total Restricted	2,089,009	3,406,077	3,333,540	1,779,603	10,608,229
Assigned to:					
Conservation (ATC powerline easement)	1,751,923	-	-	-	1,751,923
Subsequent year's budget	7,200,011	-	-	-	7,200,011
Compensated absences	3,673,240	-	-	-	3,673,240
Capital projects	-	-	6,982,787	-	6,982,787
Total Assigned	12,625,174	-	6,982,787	-	19,607,961
Unassigned:	26,507,636	-	-	-	26,507,636
Total Fund Balances	\$ 44,804,781	\$ 3,418,873	\$ 10,319,802	\$ 1,779,603	\$ 60,323,059

Business-type Activities

Investment in capital assets	
Land	\$ 564,269
Other capital assets, net of accumulated depreciation	20,137,792
Total Investment in Capital Assets	20,702,061
Restricted	
Pension	888,813
Unrestricted	
	41,974,986
Total Business-type Activities Net Position	\$ 63,565,860

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

K. UNIVERSITY OF WISCONSIN - MARATHON COUNTY

State Statute 59.56(4) places the responsibility for the construction and maintenance of capital facilities for the two-year campuses on the local tax base, in this case, Marathon County. In some areas, the local tax base could be shared among several local units of government. The four-year campuses are the responsibility of the State. The operating costs for all campuses remain the responsibility of the State.

L. COMPONENT UNITS

NORTH CENTRAL HEALTH CARE

This report contains the North Central Health Care (NCHC), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The NCHC follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 7,468,078	\$ 8,887,330	Custodial credit
Certificates of deposits	13,691,324	13,691,324	Custodial credit
Total Deposits and Investments	\$ 21,159,402	\$ 22,578,654	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

b. Deposits and Investments (cont.)

Custodial Credit Risk

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the NCHC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The NCHC does not have any investments exposed to custodial credit risk.

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 51,300	\$	\$ -	\$ 51,300	N/A
Construction in progress	559,605	514,430	(481,668)	592,367	N/A
Depreciable land improvements	1,336,742	-	-	1,336,742	10-40
Buildings and building improvements	25,913,053	898,704	-	26,811,757	10-40
Equipment	19,355,193	754,580	(64,741)	20,045,032	3-40
Capital lease	-	130,361	-	130,361	5
Software	1,538,609	87,820	-	1,626,429	3-15
Less: Accumulated depreciation/ amortization	<u>(37,072,482)</u>	<u>(1,977,862)</u>	<u>62,058</u>	<u>(38,988,286)</u>	
	<u>\$ 11,682,020</u>	<u>\$ 408,033</u>	<u>\$ (484,351)</u>	<u>\$ 11,605,702</u>	

In 2018, NCHC began planning for a significant master facility project at the Wausau campus. The project, which includes an aquatic pool and a redesign of the Wausau campus is expected to cost approximately \$73.4 million and is expected to be completed in 2022. The project will be financed with proceeds from an aquatic pool capital campaign and general obligation bonds. NCHC had commitments to master facility plan architectural services totaling \$1,923,176 at December 31, 2018.

Construction in progress at December 31, 2018 consisted primarily of master facility plan related costs.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

d. Leases

Obligations Under Capital Leases

Obligations under capital leases consisted of an obligation for copiers, payable in 60 monthly installments of \$2,437 including interest, due August 2023.

Future minimum lease payments on the capital leases at December 31, 2018 are as follows:

2019	\$	29,249
2020		29,249
2021		29,249
2022		29,249
2023		<u>19,499</u>
Total Minimum Lease Payments		136,495
Amount representing interest		<u>6,134</u>
Present value of net minimum lease payments		130,361
Less: Current portion		<u>29,249</u>
Long-term Obligations Under Capital Leases	\$	<u><u>101,112</u></u>

Equipment under capital leases had a cost and net book value of \$130,361 at December 31, 2018.

Leases

NCHC has operating leases for apartments and group homes and various equipment. NCHC leases three group homes from Marathon County. Rental expense on the related-party group homes amounted to \$22,000 in 2018. Total rental expense on all operating leases amounted to \$492,182 in 2018.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

e. Compensated Absences

Compensated absences activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 1,340,709	\$ 1,702,438	\$ 1,340,709	\$ 1,702,438	\$ 1,702,438

f. Employee Retirement Plan - Wisconsin Retirement System (WRS)

For general employee retirement plan information, see Note IV.A. Below is information specific to NCHC.

At December 31, 2018, NCHC reported an asset of \$5,559,798. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016, rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net pension asset was based on NCHC's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, NCHC's proportion was .18725416%, which was a decrease of .00469122% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, NCHC recognized pension expense of \$2,630,652.

During the reporting period, the WRS recognized \$1,876,018 in contributions from the employer.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

f. Employee Retirement System (cont.)

At December 31, 2018, NCHC 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	\$ 7,063,862	\$ 3,304,240
Changes in assumptions	1,098,507	-
Net differences between projected and actual earnings on pension plan investments	-	7,641,425
Changes in proportion and differences between employer contributions and proportionate share of contributions	94,021	34,130
Employer contributions subsequent to the measurement date	1,905,598	-
Totals	\$ 10,161,988	\$ 10,979,795

Deferred outflows of \$1,905,598 related to pension resulting from NCHC's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Total
2019	\$ 619,290
2020	(19,216)
2021	(1,893,013)
2022	(1,443,792)
2023	13,326

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

f. Employee Retirement System (cont.)

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability / (Asset) to Changes in the Discount Rate: The following presents NCHC's proportionate share of the net pension liability / (asset) calculated using the discount rate of 7.20%, as well as what NCHC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
NCHC's proportionate share of the net pension (asset) / liability	\$ 14,385,096	\$ (5,559,798)	\$ (20,718,534)

At December 31, 2018, NCHC reported a payable of \$302,639 for the outstanding amount of contributions to the pension plan.

g. Other Postemployment Benefits

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

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

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

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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

g. Other Postemployment Benefits (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

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

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

Contribution rates for the plan year reported as of December 31, 2018 are:

Coverage Type	Employer Contributions
25% Post Retirement Coverage	20% of Employee Contribution

Employee contributions are based upon nine age bands 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 plan year ended December 31, 2017 are as listed below:

**Life Insurance Employee Contribution Rates For
The Plan Year**

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

g. Other Postemployment Benefits (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

During the reporting period, the LRLIF recognized 5,962 in contributions from the employer.

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

At December 31, 2018, NCHC reported a liability of \$944,541 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net OPEB liability was based on NCHC's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, NCHC's proportion was 0.313949%, which was an increase of 0.019736% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, NCHC recognized OPEB expense of \$44,871.

At December 31, 2018, NCHC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,308
Net differences between projected and actual earnings on OPEB plan investments	10,876	-
Changes in assumptions	91,273	-
Employer contributions subsequent to the measurement date	6,543	-
	\$ 108,692	\$ 13,308

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

g. Other Postemployment Benefits (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

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

Deferred outflows of \$6,543 related to OPEB resulting from NCHC's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other 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 December 31	Net Deferred Outflows (Inflows) of Resources
2018	\$ 14,659
2019	14,659
2020	14,659
2021	14,650
2022	11,940
Thereafter	18,265

Actuarial Assumptions

The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2017
Measurement date of net OPEB liability (asset)	December 31, 2017
Actuarial cost method	Entry age normal
20-year tax-exempt municipal bond yield	344%
Long-term expected rate of return	5.00%
Discount rate	3.63%
Salary increases:	
Inflation	2.3%
Seniority/merit	3.2%
Mortality	Wisconsin 2012 Mortality Table

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

g. Other Postemployment Benefits (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

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

Actuarial Assumptions (cont.)

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.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. government bonds	Barclays Government	1.0%	1.13%
U.S. credit bonds	Barclays Credit	65.0%	2.61%
U.S. long credit bonds	Barclays Long Credit	3.0%	3.08%
U.S. mortgages	Barclays MBS	31.00%	2.19%
Inflation			2.3%
Long-term expected rate of return			5.0%

Single Discount Rate: A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

g. Other Postemployment Benefits (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

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

Actuarial Assumptions (cont.)

Sensitivity of NCHC's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents NCHC's proportionate share of the net OPEB liability / (asset) calculated using the discount rate of 3.63%, as well as what NCHC'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 (2.63%) or 1 percentage point higher (4.63%) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
NCHC's proportionate share of the net OPEB liability	\$ 1,334,995	\$ 944,541	\$ 644,908

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

h. Charity Care

NCHC provides health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community including the health of low-income patients. Consistent with the mission of NCHC, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

h. Charity Care (cont.)

Patients who meet certain criteria for community care, generally based on federal poverty guidelines, are provided care based on qualifying criteria as defined in NCHC's charity care policy and from applications completed by patients and their families.

The estimated cost of providing care to patients under NCHC's community care policy was approximately \$4,019,000 in 2018, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charges associated with providing community care.

i. Family Care County Contribution

The developmentally disabled clients of Marathon, Lincoln, and Langlade Counties qualify under the Family Care program, which is operated by an unrelated managed care organization (MCO). NCHC has contracted with the MCO to be a provider of residential and day services for these clients. Marathon, Lincoln, and Langlade Counties are required by the State to assist in funding the costs of care for individuals in the program. The County contribution is a preset State-determined amount to be paid annually on October 31.

NCHC is responsible for Marathon County's payment of the State-required contributions. Reimbursement of these amounts will be received through the base county allocation NCHC continues to receive from the State. The amount for 2018 of \$1,125,287 is reflected as a contractual adjustment to the net patient service revenue in the combined statement of revenues, expenses, and changes in net position. Future amounts payable under the agreement will be \$1,125,287, due annually. Starting in 2019, these amounts will be paid by Marathon County, reducing the tax levy paid to NCHC.

j. Related Party Transaction

NCHC operations are financed, in part, by Marathon, Langlade, and Lincoln Counties. Contributions for operations are based on NCHC budget amounts. A Joint County Human Services Agreement delineates the methodology for calculating each County's actual contribution and the resulting overpayment or underpayment for that particular year. NCHC also receives contributions from Marathon County for the nursing home operations.

NCHC received \$9,680,790 in 2018 from the counties to assist in meeting operating costs and for additions and improvements to capital assets.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

j. Related Party Transaction (cont.)

Land and buildings at a cost of \$32,755,871 in 2018 utilized by the 51.42/.437 program and the nursing home are held in title by Marathon County. These capital assets, net of accumulated depreciation, are included in the combined statements of net position under capital assets - net and in net investment in capital assets. Depreciation on this property is included in the combined financial statements of NCHC.

k. Reimbursement Arrangement with Third-Party Payors

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

Medicare

In 2018, approximately 25% of NCHC's revenues for services provided to patients whose bills are paid in whole or in part by the Medicare program.

Inpatient services rendered to Medicare program beneficiaries are paid based on prospectively determined rates based on a patient classification system. Outpatient services are paid primarily on prospectively determined rates also based on a patient classification system or fixed fee schedules. Nursing home resident care is paid based on a predetermined rate per inpatient day, which varies depending upon the patient's level of care and types of services provided.

Medicaid

In 2018, approximately 63% of NCHC's revenue was for services provided to patients whose bills are paid in whole or in part by the Medicaid program. Hospital and nursing home services rendered to Medicaid program beneficiaries are reimbursed primarily based upon prospectively determined rates which varies depending on the patient's level of care and types of services provided.

Accounting for Contractual Adjustments

The hospital is reimbursed for cost-reimbursable items at an interim rate with final settlements determined after audit of NCHC's related annual cost reports by the Medicare fiscal intermediary. Estimated provisions to approximate the final expected settlements after review by the intermediary are included in the accompanying financial statements. The cost reports have been audited by the Medicare fiscal intermediary through December 31, 2016.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

k. Reimbursement Arrangement with Third-Party Payors (cont.)

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violations of these laws and regulations could result in the imposition of fines and penalties, as well as repayments of previously billed and collected revenue from patient services. Management believes NCHC is in substantial compliance with current laws and regulations.

The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) to search for potentially inaccurate Medicaid payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the providers' Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. NCHC has not been notified by the RAC of any potential significant reimbursement adjustments.

I. Patient Accounts Receivable – Net

Patient accounts receivable consisted of the following at December 31, 2018:

	51.42/.437 Program	Nursing Home	Totals
Patient accounts receivable	\$ 5,059,735	\$ 2,131,841	\$ 7,191,576
Less: Allowance for doubtful accounts	(623,924)	(79,271)	(703,195)
Contractual adjustments	(1,621,193)	(75,055)	(1,696,248)
Patient Accounts Receivable - Net	\$ 2,814,618	\$ 1,977,515	\$ 4,792,133

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

m. Net Patient Service Revenue

Net patient service revenue consisted of the following at December 31, 2018:

	51.42/.437 Program	Nursing Home	Totals
Gross patient service revenue:			
Medical assistance	\$ 28,339,910	\$ 14,833,819	\$ 43,173,729
Medicare	12,082,921	5,037,432	17,120,353
Private pay	885,629	2,730,260	3,615,889
Insurance and other	3,228,810	1,750,110	4,978,920
Totals	44,537,270	24,351,621	68,888,891
Less: Contractual adjustments	(14,624,916)	(3,650,680)	(18,275,596)
Provision for bad debts	(356,192)	(67,154)	(423,346)
Net Patient Service Revenue	\$ 29,556,162	\$ 20,633,787	\$ 50,189,949

n. Self-Funded Insurance

NCHC has a self-funded health insurance plan, which provides benefits to employees and their dependents. Health costs are expensed as incurred. Health expense is based upon claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The health plan has reinsurance to cover catastrophic individual claims over \$225,000.

NCHC also has a self-funded dental insurance plan, which provides benefits to employees and their dependents. Dental costs are expensed as incurred. Dental expense is based upon claims paid, administration fees, and unpaid claims at year-end. The plan covers annual individual claims up to \$1,000 and has no reinsurance.

Unpaid health and dental claims liability activity for the years ended December 31, was as follows:

	2018	2017
Unpaid claims liability at beginning	\$ 622,000	\$ 798,000
Claims expense	7,967,356	6,354,701
Claim payments	(7,742,356)	(6,530,701)
Unpaid Claims Liability at Year-End	\$ 847,000	\$ 622,000

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

o. Comprehensive General and Professional Liability Insurance

NCHC's comprehensive general liability insurance covers losses of up to \$1,000,000 per claim with \$3,000,000 annual aggregate for claims incurred during a policy year regardless of when the claim was filed (occurrence-based coverage). NCHC's professional liability insurance covers losses up to \$1,000,000 per claim with \$3,000,000 annual aggregate for claims reported during a policy year (claims-made coverage). NCHC also carries an umbrella liability policy of \$3,000,000 for claims reported during a policy year (claims-made coverage).

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with NCHC. Although there exists the possibility of claims arising from services provided to patients through December 31, 2018 which have not yet been asserted, NCHC is unable to determine the ultimate costs, if any, of such possible claims and, accordingly, no provision has been made for them. These insurance policies are renewable annually and have been renewed by the insurance carrier for the annual period extending through December 31, 2018.

p. Concentration of Credit Risk

Financial instruments that potentially subject NCHC to credit risk consist principally of cash deposits in excess of insurance limits, investments of surplus operating funds, as discussed in Note III.L., and accounts receivable.

Patient accounts receivable consists of amounts due from patients, their insurers, or governmental agencies. NCHC grants credit to its patients, primarily residents of Langelade, Lincoln, and Marathon Counties for these services. NCHC is also required to meet the Wisconsin Statutes and Administrative Code under the Uniform Fee and Ability to Pay Provisions. The mix of receivables from patients and third-party payors was as follows at December 31, 2018:

Medicare	18%
Medicaid	47
Private pay	16
Insurance and other	19
Total	<u>100%</u>

q. Functional Expenses

NCHC provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended December 31, 2018 are as follows:

Health care services	\$ 51,951,786
General and administrative	<u>17,708,365</u>
Total	<u>\$ 69,660,151</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

r. Prior Year Restatement

As a result of the implementation of GASB Statements No. 75, beginning net position was restated as follows:

Balance at December 31, 2017, as previously reported	\$ 40,833,855
Add: Deferred outflows of resources – contributions after the measurement date for OPEB plan – LRLIF	5,857
Less: Beginning total OPEB liability for NCHC OPEB plan – LRIF	<u>(810,143)</u>
Balance at December 31, 2017, as restated	<u>\$ 40,029,569</u>

s. Receivable Restricted for Aquatic Pool

In 2018, a fundraising campaign was conducted to raise funds for a new aquatic pool to be constructed on the NCHC campus. Donations to the aquatic pool capital campaign consist of cash and pledges receivable held by the North Central Health Foundation and cash and pledges receivable held by the Community Foundation of North Central Wisconsin. As of December 31, 2018, the receivable from the two foundations is composed of the following:

Cash held by Foundation of North Central Wisconsin	\$ 453,733
Cash held by North Central Health Foundation	1,052,668
Net pledge receivable to be received:	
Less than one year	947,749
Two to three years	<u>759,112</u>
Total Receivable Restricted for Aquatic Pool	<u>\$ 3,213,262</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT

This report contains the Central Wisconsin Airport (CWA), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CWA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year-end, the carrying amount of the CWA's cash and cash equivalents was \$4,258,352 and is part of the County's commingled cash. See Note III.A.

c. Restricted Assets

The following represent the balances of the restricted assets:

Unspent Passenger Facility Charges

Used to finance various FAA approved construction projects.

The CWA had restricted assets from unspent passenger facility charges at December 31, 2018 of \$1,263,242.

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 614,983	\$ -	\$ -	\$ 614,983	N/A
Construction in progress	699,378	1,061,081	-	1,760,459	N/A
Buildings	38,908,053	156,864	-	39,064,917	20-50
Improvements	54,459,842	709	-	54,460,551	2-20
Equipment	9,470,275	968,913	673,987	9,765,201	3-10
Less: Accumulated depreciation	<u>(49,709,662)</u>	<u>(3,170,968)</u>	<u>(673,987)</u>	<u>(52,206,643)</u>	
Totals	<u><u>\$ 54,442,869</u></u>	<u><u>\$ (983,401)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 53,459,468</u></u>	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

e. Long-Term Obligations

CWA long-term obligations are payable by revenues from public charges for services. Long-term obligations activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General obligation debt	\$ 7,815,000	\$ -	\$ 1,170,000	\$ 6,645,000	\$ 1,175,000
Add Deferred Amounts for					
Premiums	<u>76,976</u>	<u>-</u>	<u>7,692</u>	<u>69,284</u>	<u>-</u>
Sub-totals	<u>7,891,976</u>	<u>-</u>	<u>1,177,692</u>	<u>6,714,284</u>	<u>1,175,000</u>
Other Liabilities					
Vested compensated					
absences	<u>197,925</u>	<u>25,529</u>	<u>19,793</u>	<u>203,661</u>	<u>20,366</u>
Sub-totals	<u>197,925</u>	<u>25,529</u>	<u>19,793</u>	<u>203,661</u>	<u>20,366</u>
 Totals	 <u>\$ 8,089,901</u>	 <u>\$ 25,529</u>	 <u>\$ 1,197,485</u>	 <u>\$ 6,917,945</u>	 <u>\$ 1,195,366</u>

Component Unit General Obligation Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
2010A General Obligation Promissory Note	12/15/2010	12/1/2025	2.0 – 4.0%	\$ 2,450,000	\$ 1,260,000
2012 General Obligation Promissory Note	12/27/2012	12/1/2028	2.0 – 3.38%	2,650,000	2,090,000
2014 General Obligation Promissory Note issued by Portage County	3/5/2014	12/1/2019	2.0 – 2.88%	1,500,000	750,000
2015 General Obligation bond	6/1/2015	12/1/2030	3.0 – 3.5%	2,545,000	<u>2,545,000</u>
 Totals Component Unit – General Obligation Debt					 <u>\$ 6,645,000</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

e. Long-Term Obligations (cont.)

The 2015 general obligation promissory notes were issued by Portage County. Marathon and Portage County are partners in cooperating and sharing costs of the airport as defined in an agreement signed July 18, 1967. While the 2015 debt issued is general obligation debt of Portage County, the two counties have determined that lease revenue of the airport will be sufficient to fully pay the principal and interest when due. An agreement was entered into and approved by resolution during 2015 authorizing the terminal expansion and financing of these costs by the two counties.

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2019	\$ 1,175,000	\$ 210,726	\$ 1,385,726
2020	430,000	177,362	607,362
2021	665,000	165,462	830,462
2022	610,000	143,762	753,762
2023	620,000	123,662	743,662
2024 – 2028	2,575,000	324,848	2,899,848
2029 – 2030	570,000	29,750	599,750
Totals	\$ 6,645,000	\$ 1,175,572	\$ 7,820,572

f. Employee Retirement System

The CWA employees are included in the Wisconsin Retirement System information disclosed in Note IV.A.

There was no unfunded liability as of December 31, 2018.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

g. Lease Disclosures

Lessor-Operating Leases

The CWA leases farmland, terminal space, hanger space, and parking space. The cost of the leased space is \$13,387,208. The carrying amount of the leased space at CWA is \$5,252,923. The difference between the two figures is the accumulated depreciation of \$8,134,285. The future minimum lease receipts as of December 31, 2018 are as follows:

<u>Years</u>	<u>Principal</u>
2019	\$ 97,892
2020	80,465
2021	78,278
2022	76,716
2023	55,235
Total	<u>\$ 388,586</u>

CHILDREN WITH DISABILITIES EDUCATION BOARD

This report contains the Children with Disabilities Education Board (CDEB), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDEB follows the full accrual basis of accounting and the flow of economic resources measurement focus.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 1,475,416	\$ 1,484,397	Custodial credit
LGIP	1,006,580	1,006,580	Credit
Petty cash	100	-	N/A
Total Deposits and Investments	\$ 2,482,096	\$ 2,490,977	

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

The CDEB held investments in the following external pool which was not rated:

Local Government Investment Pool

c. Restricted Assets

Restricted assets have been reported in connection with the net pension asset since these balances must be used to fund employee benefits.

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Equipment	\$ 40,499	\$ 13,669	\$ (40,499)	\$ 13,669	10
Less: Accumulated depreciation	(40,499)	(2,734)	40,499	(2,734)	
Totals	\$ -	\$ 10,935	\$ -	\$ 10,935	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

e. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Vested compensated absences	\$ 55,777	\$ 61,253	\$ 55,777	\$ 61,253	\$ 61,253
Net OPEB liability (asset)	(15,649)	37,895	-	22,246	-
Totals	\$ 40,128	\$ 99,148	\$ 55,777	\$ 83,499	\$ 61,253

f. Employee Retirement System

For general employee retirement plan information, see Note IV.A. Below is information specific to CDEB.

At June 30, 2018, CDEB reported an asset of \$679,717 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The department's proportion of the net pension asset was based on the department's share of Marathon County's contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, CDEB's proportion was .02289290%, which was an increase of .00096000% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, CDEB recognized pension expense of \$298,955. During the reporting period, the WRS recognized \$235,084 in contributions from the employer.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

f. Employee Retirement System (cont.)

At June 30, 2018, CDEB reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 863,598	\$ 403,963
Changes in actuarial assumptions	135,021	-
Net differences between projected and actual earnings on pension plan investments	-	934,209
Changes in proportion and differences between employer contributions and proportionate share of contributions	628	3,432
Employer contributions subsequent to the measurement date	151,144	-
Totals	\$ 1,150,391	\$ 1,341,604

\$151,144 is reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date and will be recognized as a reduction to the net pension liability / (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Total
2019	\$ (5,567)
2020	(192,444)
2021	(145,653)
2022	1,307
2023	-
Thereafter	-

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

f. Employee Retirement System (cont.)

Sensitivity of the department's proportionate share of the net pension liability / (asset) to changes in the discount rate. The following presents the department's proportionate share of the net pension liability / (asset) calculated using the discount rate of 7.20 percent, as well as what the department's proportionate share of the net pension liability / (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
CDEB's proportionate share of the net pension liability / (asset)	\$ 1,758,661	\$ (679,717)	(2,532,961)

g. Lease Disclosures

CDEB leases office space from North Central Health Care on an annual basis. Rent expensed by CDEB for the current fiscal year totaled \$68,002.

h. Postemployment Benefits Other Than Pensions

CDEB administers a single-employer defined benefit postemployment healthcare plan ("the Retiree Health Plan"). The plan provides health insurance contributions for eligible retirees through the department's group health insurance plan, which covers both active and retired members. Benefit provisions are established through employment agreements and state that eligible retirees qualify for benefits up to \$24,000 that may be used to pay for eligible medical expenses and insurance premium payments.

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan membership. At June 30, 2018, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefit payments	3
Active plan members	<u>93</u>
Total	<u>96</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

Contributions. The Board grants the authority to establish and amend the contribution requirements of the department and employees to the department OPEB plan. The Board establishes contributions based on status of the department OPEB plan. For the year ended June 30, 2018, CDEB did not make any contributions to the plan in the current year. Employees are not required to contribute to the plan.

INVESTMENTS

Investment policy. The CDEB's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk of investment principal. The Board has determined that CDEB's OPEB plan shall hold its funds in a fixed annuity account that earns a reasonable rate of return with a guarantee minimum rate of return of not less than three percent. The account shall be held with a major insurance company and rated at least A+ by A.M. Best, AA+ by Standard & Poor's, and Aa2 by Moody's.

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 4.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NET OPEB LIABILITY/ASSET

The CDEB's net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability / (asset) used to calculate the net OPEB liability / (asset) was determined by an actuarial valuation as of June 30, 2016.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

NET OPEB LIABILITY/ASSET (cont.)

Actuarial assumptions. The total OPEB liability/asset in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.0 percent, plus merit increases based on years of service ranging from 0.2 percent to 5.6 percent
Investment rate of return	3.5 percent
Healthcare cost trend rates	7.5 percent, decreasing 0.5 percent per year to 6.5 percent, then by 0.1 percent per year to 5.0 percent, and level thereafter

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-2014.

Since plan assets are invested in a fixed interest account, the long-term expected rate of return on OPEB plan investments was based upon the 20-year AA municipal bond rate and applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount rate. The discount rate used to measure the total OPEB liability was 3.75 percent. This rate is equivalent to the Bond Buyer Go 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

CHANGES IN THE NET OPEB LIABILITY/ASSET

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at 6/30/2017	\$ 507,305	\$ 522,953	\$ (15,648)
Changes for the year:			
Service cost	33,631	-	33,631
Interest	17,084	-	17,084
Net investment income	-	7,200	(7,200)
Changes or assumptions or other input	(5,621)	-	(5,621)
Benefit payments	(72,000)	(72,000)	-
Net changes	<u>(26,906)</u>	<u>(64,800)</u>	<u>37,894</u>
Balances at 6/30/2018	<u>\$ 480,399</u>	<u>\$ 458,153</u>	<u>\$ 22,246</u>

Sensitivity of the net OPEB liability / (asset) to changes in the discount rate. The following presents the net OPEB liability / (asset) of the CDEB, as well as what the CDEB's net OPEB liability / (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current discount rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB liability (asset)	\$ 44,910	\$ 22,246	\$ 151

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

CHANGES IN THE NET OPEB LIABILITY/ASSET (cont.)

Sensitivity of the net OPEB liability/(asset) to changes in the healthcare cost trend rates. The following presents the net OPEB liability/(asset) of the department, as well as what the department's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 4.0%)		Healthcare Cost Trend Rates (7.5% Decreasing to 5.0%)		1% Increase (8.5% Decreasing to 6.0%)
Net OPEB liability/(asset)	\$ (4,355)	\$	22,246	\$	53,077

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2018, the department recognized OPEB expense of \$35,266. At June 30, 2018, the City reported deferred outflows of resources of \$7,875 and deferred inflows of resources of \$5,246 related to OPEB.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before December 31, 2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
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	4.0

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$2,642,616 in contributions from the County, and \$65,644 from the CWA.

Contribution rates as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2018, the County reported an asset of \$7,640,810 for its proportionate share of the net pension asset and CWA reported a net pension asset of \$189,801 for its share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was .2573427084%, which was an increase of .0037081968% from its proportion measured as of December 31, 2016. The CWA's proportion was .0063925089%, which was an increase of .0000921133% from its proportioned measure.

For the year ended December 31, 2018, the County recognized pension expense of \$3,560,579 and CWA recognized pension expense of \$85,466.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2018, the County and CWA reported deferred outflows and inflows of resources related to pensions from the following sources:

	County Deferred Outflows of Resources	County Deferred Inflows of Resources	CWA Deferred Outflows of Resources	CWA Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,705,790	\$ 4,482,648	\$ 241,388	\$ 111,764
Changes in actuarial assumptions	1,490,704	-	37,156	-
Net differences between projected and actual earnings on pension plan investments	-	10,589,152	-	266,034
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,051	38,545	173	965
Employer contributions subsequent to the measurement date	2,660,983	-	65,605	-
Totals	\$ 13,864,528	\$ 15,110,345	\$ 344,322	\$ 378,763

\$2,660,983 for the County and \$65,605 for CWA reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net County	Net CWA
2019	\$ 831,566	\$ 21,295
2020	(77,059)	(1,973)
2021	(2,663,745)	(68,214)
2022	(2,016,073)	(51,628)
2023	18,511	474
Thereafter	-	-

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6
Mortality:	Wisconsin 2012 Mortality Table
Postretirement Adjustments*:	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.24	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Single discount rate. A single discount rate of 7.20% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability / (asset).

Sensitivity of the County's proportionate share of the net pension liability / (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability / (asset) calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension liability / (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
County's proportionate share of the net pension liability / (asset)	\$ 19,769,385	\$ (7,640,810)	\$ (28,473,406)
CWA's proportionate share of the net pension liability / (asset)	491,080	(189,801)	(707,292)

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

At December 31, 2018, the County reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County participates in a public entity risk pool called to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and dental care of its employees. However, other risks, such as health care of its employees are accounted for and financed by the County in the employee benefit insurance fund.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin Municipal Mutual Insurance Company (WMMIC)

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a nonassessable municipal mutual insurance company. WMMIC writes general, auto and other liability insurance, and workers compensation insurance for participating members in the State of Wisconsin on terms calling recognition of premium upon the effective date of the policy. Responsibility for the operations and management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2018, WMMIC consisted of nineteen members.

WMMIC limits the maximum net loss that can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels of risks with other insurers or reinsurers. Ceded reinsurance is treated as the risk and liability of the assuming companies. Such reinsurance includes all lines of insurance.

WMMIC had a general automobile and other liability reinsurance contract in force for the year ended. This is a quota share reinsurance agreement with General Reinsurance Corporation (66.7%) and Governmental Entities Mutual (GEM) Insurance Company (33.3%) for excess of loss reinsurance. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to the maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$10,000,000 per occurrence or greater than \$15,000,000 of aggregate losses for public officials' liability only. GEM has established and funded a trust account for its anticipated loss obligations to satisfy state regulatory requirements due to its current status as an unauthorized reinsurer in Wisconsin.

WMMIC has contracted with Safety National to provide 100% reinsurance coverage for workers compensation insurance in excess of the members' self-insured retention limits, which are \$500,000 for all but one member that has a retention of \$650,000.

The County's investment in WMMIC is reported on the statement of net position as a deposit. The amount reported is the initial investment of \$1,519,000.

Property Insurance Fund

During 2016, the County joined the Municipal Property Insurance Company (MPIC). MPIC was formed by three municipal insurance companies: Wisconsin Municipal Mutual Insurance Company, Cities & Villages Mutual Insurance Company, and the League of Wisconsin Municipal Mutual Insurance. This coverage provides protection on a replacement cost basis with a \$25,000 deductible applying to buildings, contents, and property in the open losses and a \$5,000 deductible applying to contractor's equipment losses. Also, the County is self-funded for its fleet collision coverage. The annual actuarial evaluation conducted includes the same assurances for these coverages and is reflected in the liabilities of the Property Casualty Insurance Fund.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Property Insurance Fund (cont.)

The 2018 claims liability of \$2,017,770 reported in the Property Casualty Insurance fund at December 31, 2018 is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Included in this liability is an amount of \$100,000, which is the estimated catastrophic load. The County does not allocate overhead costs or other nonincremental costs to the claims liabilities. The amount has been fully funded. Changes in the fund's claim liability amount for 2017 and 2018 are as follows:

	<u>Liability January 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability December 31</u>
2017	\$ 1,233,824	\$ 1,665,891	\$ (1,263,848)	\$ 1,635,867
2018	1,635,867	1,481,082	(1,099,179)	2,017,770

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are recorded as expenditures or expenses in various other funds of the County. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. All funds of the County participate in the risk management program. Amounts payable to the fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$3,439,171 was assigned for that reserve at year-end, and is included in unrestricted net position of the Property Casualty Insurance internal service fund.

On January 1, 1992, the County combined its workers' compensation fund with the previously self-funded highway workers' compensation fund to create a single self-funded plan. All County employees (except volunteers) are covered to the statutory limits of coverage as set by the State of Wisconsin. The program is supplemented by excess liability protection, which limits the County's exposure to \$550,000 per claim/occurrence. The claims liability of \$2,013,768 reported in the Employee Benefits Insurance fund at December 31, 2018 is also based on the requirements of GASB.

Changes in the fund's claim liability amount for 2017 and 2018 are as follows:

	<u>Worker's Comp Liability January 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability December 31</u>
2017	\$ 3,477,118	\$ (365,140)	\$ (293,740)	\$ 2,818,238
2018	2,818,238	(724,448)	(80,022)	2,013,768

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Property Insurance Fund (cont.)

Starting in 1992, the County conducts an annual actuarial evaluation of the individual employee benefit programs. The Loss Triangulation method was used for the calculations of the liability recorded by the Internal Service/Employee Benefits Insurance Fund including estimated settlements for claims reported but not settled as of December 31, 2018 as well as an estimate of claims incurred but not reported. A determination of the appropriate reserves was calculated and funding is assured at the 95th percentile and includes an estimate of catastrophic loss.

C. COMMITMENTS AND CONTINGENCIES

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

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

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

D. RELATED ORGANIZATIONS/JOINTLY GOVERNED ORGANIZATIONS

City-County Information Technology Commission

The City-County Information Technology Commission (CCITC) is a joint function with Marathon County, the City of Wausau and NCHC to provide for the implementation and operation of a data and management information service. The CCITC is governed by an eight member board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County chairman of the Board of Supervisors, County Administrator, NCHC CEO and Finance Director. To ensure a balance of influence on the Board of Commissioners, two members are appointed at large from within the County. These members must have a professional background in data processing services. The Board of Commissioners has the authority to fix cost sharing charges for members in an amount sufficient to provide the funds required by the budget. Funding for services is recovered through three sources. The City, County, and NCHC split the operating costs not recovered through outside user fees 21%, 41%, and 38%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. Marathon County's share of the CCITC operations costs for 2018 was \$1,293,808. Additional capital project reimbursements totaled \$1,859,115. The County has an equity interest of \$797,199 in the commission that is accounted for in the governmental activities.

Financial information of the CCITC as of December 31, 2018 is available directly from the commission's office.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

D. RELATED ORGANIZATIONS/JOINTLY GOVERNED ORGANIZATIONS (cont.)

Regional Planning Commission

The County, in conjunction with Vilas, Forest, Oneida, Lincoln, Langlade, Portage, Wood, Juneau, and Adams counties, and major cities within these counties, has created the North Central Wisconsin Regional Planning Commission (NCWRPC). NCWRPC's governing body is comprised of two members from each of the ten counties and a representative from each major city. The County's representatives are appointed by the County Board Chair and approved by the County Board. Marathon County's 2018 appropriation for NCWRPC was \$43,000.

Aging and Disability Resources Center of Central Wisconsin

The Marathon County and Wood County, Lincoln County, and Wood County jointly operate the regional agency, which is called the Aging and Disability Resources Center of Central Wisconsin (ADRC-CW) and provides quality programs to enhance the quality of life for the aged and disabled residents of the four counties.

The governing body is made up of citizens from each community. Local representatives are appointed by the member counties. The governing body has authority to adopt its own budget and control the financial affairs of the district.

Financial information of the ADRC-CW as of December 31, 2018 is available directly from the ADRC-CW's office.

Under the terms of the agreement, the portion of the County funding to maintain and operate the ADRC-CW is the County's respective share of equalized value. Marathon County's share of funding based on equalized value is 46%. Marathon County paid \$395,367. The agreement can be terminated if sixteen months advance notice is given to the member counties.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

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

REQUIRED SUPPLEMENTARY INFORMATION

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes				
General property taxes	\$ 32,157,333	\$ 32,157,333	\$ 32,182,544	\$ 25,211
Forest crop taxes	65,300	65,300	189,048	123,748
Transfer tax	280,000	280,000	369,465	89,465
Sales tax	11,900,150	11,900,150	12,960,759	1,060,609
Interest on delinquent taxes	800,000	800,000	640,408	(159,592)
Penalties on delinquent taxes	400,000	400,000	316,972	(83,028)
Total Taxes	<u>45,602,783</u>	<u>45,602,783</u>	<u>46,659,196</u>	<u>1,056,413</u>
Intergovernmental Grants and Aids				
Wisconsin shared revenue	5,500,000	5,500,000	5,676,759	176,759
Exempt computer aid	335,792	335,792	335,793	1
Environmental impact fee	-	-	64,339	64,339
Federal grants	147,223	228,875	181,822	(47,053)
State grants	3,813,168	3,876,326	3,236,599	(639,727)
Local government grants	87,560	116,971	66,355	(50,616)
Total Intergovernmental Grants and Aids	<u>9,883,743</u>	<u>10,057,964</u>	<u>9,561,667</u>	<u>(496,297)</u>
Licenses and Permits				
Licenses	47,760	47,760	42,975	(4,785)
Permits	282,125	282,125	292,618	10,493
Total Licenses and Permits	<u>329,885</u>	<u>329,885</u>	<u>335,593</u>	<u>5,708</u>
Fines and Forfeitures				
County ordinance fines and forfeitures	190,000	190,000	158,430	(31,570)
County share of state fines and forfeitures	428,626	428,626	889,234	460,608
Total Fines and Forfeitures	<u>618,626</u>	<u>618,626</u>	<u>1,047,664</u>	<u>429,038</u>
Public Charges for Services				
General Government				
Recording fees	336,000	336,000	327,130	(8,870)
Certified copies	70,000	70,000	79,817	9,817
Land record fees	90,000	90,000	154,136	64,136
Court fees and costs	729,500	729,500	1,075,029	345,529
Other charges	476,240	476,240	449,233	(27,007)
Total General Government	<u>1,701,740</u>	<u>1,701,740</u>	<u>2,085,345</u>	<u>383,605</u>
Public Safety				
Board of prisoners	359,000	359,000	424,160	65,160
Processing fees	180,000	181,275	122,336	(58,939)
Other charges	398,575	398,575	375,642	(22,933)
Total Public Safety	<u>937,575</u>	<u>938,850</u>	<u>922,138</u>	<u>(16,712)</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES (cont.)				
Health				
General health	\$ 37,880	\$ 37,880	\$ 60,922	\$ 23,042
Lab contract work	109,724	109,724	93,133	(16,591)
Environmental permits	479,000	479,000	501,379	22,379
Other charges	100,516	96,516	103,826	7,310
Total Health	<u>727,120</u>	<u>723,120</u>	<u>759,260</u>	<u>36,140</u>
Social services	<u>5,000</u>	<u>5,000</u>	<u>1,954</u>	<u>(3,046)</u>
Library	<u>75,000</u>	<u>75,000</u>	<u>65,446</u>	<u>(9,554)</u>
Recreation and Public Areas				
Camping fees	165,875	165,875	188,583	22,708
Park concessions	66,250	66,250	38,209	(28,041)
Shelter rental and forfeitures	27,300	27,300	26,536	(764)
Fairgrounds building rents	105,800	105,800	115,316	9,516
Organized hockey rents	211,000	211,000	223,806	12,806
Cross country fees	73,000	73,000	53,834	(19,166)
Other charges	329,060	329,060	359,817	30,757
Total Recreation and Public Areas	<u>978,285</u>	<u>978,285</u>	<u>1,006,101</u>	<u>27,816</u>
Education	<u>36,708</u>	<u>36,708</u>	<u>20,279</u>	<u>(16,429)</u>
Conservation				
Forest resources	328,700	328,700	546,971	218,271
Agricultural resources	44,750	44,750	37,194	(7,556)
Total Conservation	<u>373,450</u>	<u>373,450</u>	<u>584,165</u>	<u>210,715</u>
Total Public Charges for Services	<u>4,834,878</u>	<u>4,832,153</u>	<u>5,444,688</u>	<u>612,535</u>
Intergovernmental Charges for Services				
State and federal	541,237	541,237	611,627	70,390
Local Districts				
General government	82,000	82,000	54,528	(27,472)
Register of deeds services	75,000	75,000	115,854	40,854
Postage	65,000	65,000	45,227	(19,773)
Telephone	5,000	5,000	7,464	2,464
Sheriff's services	221,840	221,840	302,780	80,940
Other charges	287,131	327,131	249,121	(78,010)
Local departments	<u>463,283</u>	<u>463,283</u>	<u>289,916</u>	<u>(173,367)</u>
Total Intergovernmental Charges for Services	<u>1,740,491</u>	<u>1,780,491</u>	<u>1,676,517</u>	<u>(103,974)</u>
Miscellaneous Revenue				
Interest income	396,492	396,492	349,057	(47,435)
Change in the fair market value of investments	-	-	654,152	654,152
Rental income	937,541	937,541	930,597	(6,944)
Donations	218,387	664,300	503,326	(160,974)
Other revenues	5,406,212	12,298,418	478,011	(11,820,407)
Total Miscellaneous Revenue	<u>6,958,632</u>	<u>14,296,751</u>	<u>2,915,143</u>	<u>(11,381,608)</u>
TOTAL REVENUES	<u>69,969,038</u>	<u>77,518,653</u>	<u>67,640,468</u>	<u>(9,878,185)</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 305,861	\$ 305,861	\$ 313,926	\$ (8,065)
Contractual services	44,850	44,850	29,103	15,747
Materials and supplies	<u>93,400</u>	<u>93,400</u>	<u>73,366</u>	<u>20,034</u>
Total Legislative	<u>444,111</u>	<u>444,111</u>	<u>416,395</u>	<u>27,716</u>
Judicial				
Personal services	2,722,803	2,722,803	2,658,484	64,319
Contractual services	1,069,620	1,069,620	1,152,091	(82,471)
Materials and supplies	99,850	99,850	101,242	(1,392)
Fixed charges	<u>4,648</u>	<u>4,648</u>	<u>1,658</u>	<u>2,990</u>
Total Judicial	<u>3,896,921</u>	<u>3,896,921</u>	<u>3,913,475</u>	<u>(16,554)</u>
Executive				
Personal services	386,809	386,809	391,121	(4,312)
Contractual services	191,650	191,650	156,443	35,207
Materials and supplies	38,061	38,061	10,712	27,349
Grants and contributions	<u>38,573</u>	<u>1,235,418</u>	<u>664,512</u>	<u>570,906</u>
Total Executive	<u>655,093</u>	<u>1,851,938</u>	<u>1,222,788</u>	<u>629,150</u>
General Administration				
Personal services	686,655	686,655	715,581	(28,926)
Contractual services	262,800	262,800	192,740	70,060
Materials and supplies	<u>358,200</u>	<u>358,200</u>	<u>292,343</u>	<u>65,857</u>
Total General Administration	<u>1,307,655</u>	<u>1,307,655</u>	<u>1,200,664</u>	<u>106,991</u>
Financial Administration				
Personal services	1,089,955	1,089,955	1,023,255	66,700
Contractual services	181,000	181,000	131,064	49,936
Materials and supplies	53,275	53,275	42,170	11,105
Fixed charges	-	-	312,208	(312,208)
Grants and contributions	<u>8,818,387</u>	<u>8,838,913</u>	<u>8,621,765</u>	<u>217,148</u>
Total Financial Administration	<u>10,142,617</u>	<u>10,163,143</u>	<u>10,130,462</u>	<u>32,681</u>
Legal				
Personal services	1,808,054	1,808,054	1,732,515	75,539
Contractual services	288,319	288,319	213,047	75,272
Materials and supplies	<u>103,374</u>	<u>103,374</u>	<u>84,946</u>	<u>18,428</u>
Total Legal	<u>2,199,747</u>	<u>2,199,747</u>	<u>2,030,508</u>	<u>169,239</u>
Property Records and Control				
Personal services	524,723	524,723	440,916	83,807
Contractual services	141,900	141,900	2,123	139,777
Materials and supplies	33,606	33,606	24,549	9,057
Fixed charges	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total Property Records and Control	<u>701,429</u>	<u>701,429</u>	<u>467,588</u>	<u>233,841</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
County Planning and Zoning				
Personal services	\$ 1,820,798	\$ 1,820,798	\$ 1,787,853	\$ 32,945
Contractual services	479,833	575,656	458,189	117,467
Materials and supplies	92,822	94,670	75,535	19,135
Fixed charges	4,910	4,910	4,961	(51)
Grants and contributions	236,109	236,109	186,775	49,334
Total County Planning and Zoning	<u>2,634,472</u>	<u>2,732,143</u>	<u>2,513,313</u>	<u>218,830</u>
Building Maintenance				
Personal services	2,518,349	2,518,349	2,362,947	155,402
Contractual services	1,786,380	1,812,688	1,735,794	76,894
Materials and supplies	212,610	212,610	122,762	89,848
Fixed charges	46,354	46,354	14,932	31,422
Capital outlay	243,600	243,600	193,457	50,143
Total Building Maintenance	<u>4,807,293</u>	<u>4,833,601</u>	<u>4,429,892</u>	<u>403,709</u>
Total General Government	<u>26,789,338</u>	<u>28,130,688</u>	<u>26,325,085</u>	<u>1,805,603</u>
Public Safety				
Sheriff				
Personal services	11,525,440	11,651,164	11,661,615	(10,451)
Contractual services	605,008	615,700	638,687	(22,987)
Materials and supplies	815,876	885,087	877,802	7,285
Fixed charges	73,079	73,079	77,313	(4,234)
Grants and contributions	1,100	26,919	75,184	(48,265)
Capital outlay	-	58,739	9,636	49,103
Total Sheriff	<u>13,020,503</u>	<u>13,310,688</u>	<u>13,340,237</u>	<u>(29,549)</u>
Emergency Services				
Personal services	197,058	198,183	204,284	(6,101)
Contractual services	453,450	453,450	441,698	11,752
Materials and supplies	58,350	58,500	23,816	34,684
Fixed charges	32,200	32,200	32,170	30
Grants and contributions	20,000	31,000	12,325	18,675
Total Emergency Services	<u>761,058</u>	<u>773,333</u>	<u>714,293</u>	<u>59,040</u>
Adult Corrections				
Personal services	5,514,689	5,514,689	5,111,463	403,226
Contractual services	4,301,642	4,301,642	4,499,003	(197,361)
Materials and supplies	244,256	286,757	126,351	160,406
Fixed charges	32,800	32,800	30,968	1,832
Capital outlay	1,500	1,500	-	1,500
Total Adult Corrections	<u>10,094,887</u>	<u>10,137,388</u>	<u>9,767,785</u>	<u>369,603</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
Juvenile Corrections				
Contractual services	\$ 62,300	\$ 84,300	\$ 43,522	\$ 40,778
Materials and supplies	12,734	12,734	8,080	4,654
Total Juvenile Corrections	<u>75,034</u>	<u>97,034</u>	<u>51,602</u>	<u>45,432</u>
Shelter Home				
Personal services	511,309	511,309	488,622	22,687
Materials and supplies	1,000	1,000	95	905
Total Shelter Home	<u>512,309</u>	<u>512,309</u>	<u>488,717</u>	<u>23,592</u>
Total Public Safety	<u>24,463,791</u>	<u>24,830,752</u>	<u>24,362,634</u>	<u>468,118</u>
Health				
Personal services	3,408,779	3,656,266	3,288,239	368,027
Contractual services	983,352	1,085,639	947,623	138,016
Materials and supplies	605,571	755,048	200,697	554,351
Total Health	<u>4,997,702</u>	<u>5,496,953</u>	<u>4,436,559</u>	<u>1,060,394</u>
Social Services				
Veterans				
Personal services	207,945	207,945	208,153	(208)
Contractual services	5,100	5,100	4,700	400
Materials and supplies	12,650	12,650	7,626	5,024
Grants and contributions	250	26,735	1,191	25,544
Total Veterans	<u>225,945</u>	<u>252,430</u>	<u>221,670</u>	<u>30,760</u>
Total Social Services	<u>225,945</u>	<u>252,430</u>	<u>221,670</u>	<u>30,760</u>
Leisure Activities and Education				
Library				
Personal services	2,788,922	2,788,922	2,611,967	176,955
Contractual services	238,600	238,600	242,542	(3,942)
Materials and supplies	590,666	590,666	613,641	(22,975)
Fixed charges	75,250	75,250	67,545	7,705
Total Library	<u>3,693,438</u>	<u>3,693,438</u>	<u>3,535,695</u>	<u>157,743</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (cont.)				
Public Areas				
Personal services	\$ 2,278,240	\$ 2,278,240	\$ 2,261,946	\$ 16,294
Contractual services	1,540,583	1,454,863	818,368	636,495
Materials and supplies	587,859	588,717	494,099	94,618
Fixed charges	150,541	150,541	48,693	101,848
Capital outlay	231,778	305,378	109,353	196,025
Total Public Areas	4,789,001	4,777,739	3,732,459	1,045,280
University Extension Program				
Personal services	90,207	90,207	87,420	2,787
Contractual services	211,360	188,920	110,739	78,181
Materials and supplies	35,974	97,781	26,986	70,795
Total University Extension Program	337,541	376,908	225,145	151,763
Total Leisure Activities and Education	8,819,980	8,848,085	7,493,299	1,354,786
Conservation and Economic Development				
Forest Resources				
Personal services	83,195	83,195	80,878	2,317
Contractual services	63,568	64,446	9,987	54,459
Materials and supplies	7,300	7,300	-	7,300
Fixed charges	3,898	3,898	1,151	2,747
Capital outlay	365,925	362,198	60,421	301,777
Total Forest Resources	523,886	521,037	152,437	368,600
Agricultural Resources				
Personal services	196,904	248,620	197,769	50,851
Contractual services	62,000	62,000	105,147	(43,147)
Materials and supplies	71,339	102,898	20,045	82,853
Grants and contributions	401,900	401,900	273,371	128,529
Total Agricultural Resources	732,143	815,418	596,332	219,086
Total Conservation and Economic Development	1,256,029	1,336,455	748,769	587,686
Capital Outlay				
Capital Projects				
Contractual services	155,000	155,000	92,498	62,502
Capital outlay	85,000	85,000	96,843	(11,843)
Total Capital Outlay	240,000	240,000	189,341	50,659
TOTAL EXPENDITURES	66,792,785	69,135,363	63,777,357	5,358,006
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,176,253	8,383,290	3,863,111	(4,520,179)

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
OTHER FINANCING SOURCES AND USES				
Transfers in				
Capital Improvement Fund	\$ 251,712	\$ 251,712	\$ 251,712	\$ -
Sales of capital assets	5,000	5,000	9,183	4,183
State loan program debt issued	14,693	14,693	14,692	(1)
Transfers out				
Capital Improvement Fund	(2,509,561)	(8,241,598)	(2,746,598)	5,495,000
Social Improvement Fund	(438,097)	(438,097)	(438,097)	-
Employee Benefits Fund	(792,596)	(792,596)	(792,596)	-
Total Other Financing Sources and Uses	<u>(3,468,849)</u>	<u>(9,200,886)</u>	<u>(3,701,704)</u>	<u>5,499,182</u>
Net change in fund balance	(292,596)	(817,596)	161,407	979,003
FUND BALANCE - Beginning of Year	<u>44,643,374</u>	<u>44,643,374</u>	<u>44,643,374</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 44,350,778</u>	<u>\$ 43,825,778</u>	<u>\$ 44,804,781</u>	<u>\$ 979,003</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SOCIAL IMPROVEMENT FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 7,610,569	\$ 7,610,569	\$ 7,610,569	\$ -
Intergovernmental Grants and Aids				
Federal grants	712,319	712,319	1,249,004	536,685
State grants:				
Provided services and administration	5,251,381	5,450,864	4,458,243	(992,621)
Special services	4,594,313	4,663,756	5,381,932	718,176
Other revenues	406,377	406,377	246,578	(159,799)
Total Intergovernmental Grants and Aids	<u>10,964,390</u>	<u>11,233,316</u>	<u>11,335,757</u>	<u>102,441</u>
Public Charges for Services				
General government	6,000	6,000	6,950	950
Social services	422,441	422,441	425,644	3,203
Total Public Charges for Services	<u>428,441</u>	<u>428,441</u>	<u>432,594</u>	<u>4,153</u>
Miscellaneous Revenue				
Interest income	34,000	34,000	34,000	-
Other revenues	213,032	213,032	-	(213,032)
Total Miscellaneous Revenue	<u>247,032</u>	<u>247,032</u>	<u>34,000</u>	<u>(213,032)</u>
Total Revenues	<u>19,250,432</u>	<u>19,519,358</u>	<u>19,412,920</u>	<u>(106,438)</u>
EXPENDITURES				
Social Services				
Personal services	8,805,064	9,000,522	8,609,084	391,438
Contractual services	560,976	540,708	469,609	71,099
Materials and supplies	329,796	333,821	305,887	27,934
Fixed charges	302,721	302,721	302,725	(4)
Grants and contributions	9,689,972	9,779,683	8,307,514	1,472,169
Total Expenditures	<u>19,688,529</u>	<u>19,957,455</u>	<u>17,994,819</u>	<u>1,962,636</u>
Excess of revenues over expenditures	<u>(438,097)</u>	<u>(438,097)</u>	<u>1,418,101</u>	<u>1,856,198</u>
OTHER FINANCING USES				
Transfers in				
General Fund	438,097	438,097	438,097	-
Transfers out				
Capital Improvement Fund	(1,383,070)	(1,383,070)	(1,383,070)	-
Total Other Financing Uses	<u>(944,973)</u>	<u>(944,973)</u>	<u>(944,973)</u>	<u>-</u>
Net change in fund balance	<u>(1,383,070)</u>	<u>(1,383,070)</u>	<u>473,128</u>	<u>1,856,198</u>
FUND BALANCE - Beginning of Year	<u>2,945,745</u>	<u>2,945,745</u>	<u>2,945,745</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,562,675</u>	<u>\$ 1,562,675</u>	<u>\$ 3,418,873</u>	<u>\$ 1,856,198</u>

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

MARATHON COUNTY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

	Fiscal Year Ending	Proportion of the Net Pension (Asset)/Liability	Proportionate Share of the Net Pension (Asset)/Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
County	12/31/18	0.257342718%	\$ (7,640,810)	\$ 36,019,977	21.21%	102.93%
County	12/31/17	0.252273859%	2,079,395	35,060,575	5.93%	99.12%
County	12/31/16	0.25002125%	4,062,797	33,800,281	12.02%	98.20%
County	12/31/15	0.25100035%	(6,165,255)	33,120,068	18.61%	102.74%
Component						
Unit - CWA	12/31/18	0.006392504%	(189,801)	946,767	20.05%	102.93%
Component						
Unit - CWA	12/31/17	0.00663089%	54,633	884,567	6.18%	99.12%
Component						
Unit - CWA	12/31/16	0.00630795%	102,503	852,768	12.02%	98.20%
Component						
Unit - CWA	12/31/15	0.00629791%	(154,694)	831,021	18.61%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

	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
County	12/31/18	\$ 2,660,983	\$ 2,660,983	\$ -	\$ 34,026,814	7.82%
County	12/31/17	2,608,893	2,608,893	-	33,129,952	7.87%
County	12/31/16	2,419,452	2,419,452	-	32,323,523	7.49%
County	12/31/15	2,416,617	2,416,617	-	33,800,281	7.15%
Component						
Unit - CWA	12/31/18	65,605	65,605	-	845,241	7.76%
Component						
Unit - CWA	12/31/17	64,806	64,806	-	870,804	7.87%
Component						
Unit - CWA	12/31/16	63,568	63,568	-	815,512	7.49%
Component						
Unit - CWA	12/31/15	60,970	60,970	-	852,768	7.15%

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

MARATHON COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2018

BUDGETARY INFORMATION

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

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

The budgeted amounts presented include any amendments made. The County may authorize transfers of budgeted amounts within the departments. Transfers between departments and changes to the overall budget must be approved by 10% of the apportionment unit.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers for 2019. Budgets are adopted at the agency level of expenditure.

The County uses the following procedures when establishing budgetary data reflected in the financial statements:

1. In July, the department heads submit budget requests to the County Administrator.
2. In August and September, the Finance, Property & Facilities Committee reviews the County Administrator's proposed budget.
3. In October, the County Administrator submits to the County Board of Supervisors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
4. A public hearing is conducted on the second Tuesday in November to obtain taxpayer comments. The budget is then legally enacted through passage of an ordinance on the following Thursday.
5. The Finance, Property & Facilities Committee is authorized to transfer budget amounts between and within departments; however, any revisions that alter total expenditures at the agency level or authorize funds to be spent out of the Contingent Fund must be approved by the County Board of Supervisors.
6. The budgets for the general, special revenue, debt service, and capital project funds are legally adopted on a basis consistent with GAAP.
7. The County Board of Supervisors adopts a budget for all funds classified as governmental fund types including those with zero budgets.

In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements and schedules represent the final authorized amounts or the modified budget.

MARATHON COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2018

BUDGETARY INFORMATION (cont.)

County policy requires that budgeted revenues and appropriations for the ensuing year be established on a modified accrual basis of accounting controlled by appropriation unit within an agency within a fund and approved by the County Board. Budget is defined as the originally approved budget, plus or minus approved revisions and modifications. Expenditures cannot legally exceed appropriations at the agency level. An agency is an organizational unit and is defined as follows:

- > Departments within the general government function of the General Fund;
- > Public safety;
- > Health;
- > Social Services;
- > Leisure activities and education;
- > Conservation and economic development;
- > Each special revenue fund;
- > Each capital project fund; and
- > Debt Service fund.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue funds, and capital project funds. Only those encumbrances that will be honored are appropriated in the following year's budget and are recorded as expenditures when purchased in the following year. All remaining encumbrances lapse at year-end.

All unexpended appropriations also lapse at year-end. Exceptions to this exist for capital projects near completion, special revenue funds, grants operating on other than a calendar year basis, encumbrances, and selected accounts within the General Fund which are reappropriated in the following year's budget. The County Board, by resolution, gave the Finance, Property and Facilities Committee the authorization for the carry forward of prior year's unexpended appropriations to the ensuing year.

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL - CAPITAL IMPROVEMENTS FUND - MAJOR FUND

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues				
Investment income	\$ -	\$ -	\$ 200,000	\$ 200,000
Reimbursement	-	54,000	54,000	-
Total Revenues	-	54,000	254,000	200,000
EXPENDITURES				
Current				
Debt issuance costs	-	-	47,520	(47,520)
Capital outlay	2,367,378	17,576,876	3,910,779	13,666,097
Total Expenditures	2,367,378	17,576,876	3,958,299	13,618,577
Deficiency of revenues over expenditures	<u>(2,367,378)</u>	<u>(17,522,876)</u>	<u>(3,704,299)</u>	<u>13,818,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
General Fund	2,509,561	8,241,598	2,746,598	(5,495,000)
Social Improvement Fund	1,383,070	1,383,070	1,383,070	-
Employee Benefits Fund	-	100,000	-	(100,000)
General obligation debt issued	-	4,419,266	4,500,000	80,734
Premium on debt issued	-	-	211,268	211,268
Transfers out				
General Fund	(251,712)	(251,712)	(251,712)	-
County Highway Fund	(1,058,730)	(1,373,730)	(1,324,900)	48,830
Total Other Financing Sources (Uses)	<u>2,582,189</u>	<u>12,518,492</u>	<u>7,264,324</u>	<u>(5,254,168)</u>
Net change in fund balance	214,811	(5,004,384)	3,560,025	8,564,409
FUND BALANCE - Beginning of Year	<u>6,759,777</u>	<u>6,759,777</u>	<u>6,759,777</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,974,588</u>	<u>\$ 1,755,393</u>	<u>\$ 10,319,802</u>	<u>\$ 8,564,409</u>

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final <u>Budget</u>
REVENUES				
Taxes	\$ 1,674,750	\$ 1,674,750	\$ 1,674,750	\$ -
Public charges for services	150,000	150,000	142,979	(7,021)
Miscellaneous revenues	-	-	20,278	20,278
Total Revenues	<u>1,824,750</u>	<u>1,824,750</u>	<u>1,838,007</u>	<u>13,257</u>
EXPENDITURES				
Debt Service				
Principal	1,745,000	1,745,000	1,667,346	77,654
Interest	79,750	79,750	7,875	71,875
Total Expenditures	<u>1,824,750</u>	<u>1,824,750</u>	<u>1,675,221</u>	<u>149,529</u>
Net change in fund balance	-	-	162,786	162,786
FUND BALANCE - Beginning of Year	<u>1,616,817</u>	<u>1,616,817</u>	<u>1,616,817</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 1,616,817</u>	<u>\$ 1,616,817</u>	<u>\$ 1,779,603</u>	<u>\$ 162,786</u>

MARATHON COUNTY

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2018

	Property Casualty Insurance	Employee Benefits Insurance	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and investments	\$ 7,530,153	\$ 10,040,292	\$ 17,570,445
Accounts receivable (net of allowance)	47,463	118,639	166,102
Total Current Assets	<u>7,577,616</u>	<u>10,158,931</u>	<u>17,736,547</u>
NONCURRENT ASSETS			
Restricted Assets			
Net pension asset	8,754	27,413	36,167
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000
CAPITAL ASSETS			
Equipment	53,868	4,598	58,466
Less: Accumulated depreciation	(53,868)	(4,598)	(58,466)
Net Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current assets	<u>1,527,754</u>	<u>27,413</u>	<u>1,555,167</u>
Total Assets	<u>9,105,370</u>	<u>10,186,344</u>	<u>19,291,714</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>19,113</u>	<u>47,763</u>	<u>66,876</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	104,324	6,080	110,404
Accrued items	-	77,582	77,582
Compensated absences	2,454	6,192	8,646
Total Current Liabilities	<u>106,778</u>	<u>89,854</u>	<u>196,632</u>
LONG-TERM LIABILITIES			
Accrued liability - claims payable	2,017,770	2,013,768	4,031,538
Compensated absences	22,082	55,731	77,812
Total Long-term Liabilities	<u>2,039,852</u>	<u>2,069,499</u>	<u>4,109,350</u>
Total Liabilities	<u>2,146,629</u>	<u>2,159,353</u>	<u>4,305,982</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	<u>11,837</u>	<u>57,281</u>	<u>69,118</u>
NET POSITION			
Restricted for pension	8,754	27,413	36,167
Unrestricted	<u>6,957,263</u>	<u>7,990,060</u>	<u>14,947,323</u>
TOTAL NET POSITION	<u>\$ 6,966,017</u>	<u>\$ 8,017,473</u>	<u>\$ 14,983,490</u>

MARATHON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS For the Year Ended December 31, 2018

	Property Casualty Insurance	Employee Benefits Insurance	Totals
OPERATING REVENUES			
Interdepartmental charges for services	\$ 876,967	\$ 12,904,807	\$ 13,781,774
Total Operating Revenues	876,967	12,904,807	13,781,774
OPERATING EXPENSES			
Salaries and benefits	64,374	970,426	1,034,800
Contractual services	743	462,672	463,415
Materials and supplies	991	4,561	5,552
Insurance and claims	1,099,179	11,095,932	12,195,111
Loss and loss adjustment expense	381,903	(804,470)	(422,567)
Insurance and administration costs	-	704,545	704,545
Total Operating Expenses	1,547,190	12,433,666	13,980,856
Operating Income (loss)	(670,223)	471,141	(199,082)
NONOPERATING REVENUES			
Investment income	95,240	268,056	363,296
Insurance recoveries	150,757	341,428	492,185
Other income	-	159,607	159,607
Total Nonoperating Revenues	245,997	769,091	1,015,088
Income (loss) before transfers	(424,226)	1,240,232	816,006
Transfer in	-	792,596	792,596
Change in net position	(424,226)	2,032,828	1,608,602
NET POSITION - Beginning of Year	7,390,243	5,984,645	13,374,888
NET POSITION - END OF YEAR	\$ 6,966,017	\$ 8,017,473	\$ 14,983,490

MARATHON COUNTY

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2018

	Property Casualty Insurance	Employee Benefits Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from departments and other insurance purchasers	\$ 1,053,066	\$ 13,361,797	\$ 14,414,863
Cash paid to employees for services	(64,374)	(970,426)	(1,034,800)
Cash paid to suppliers for goods and services	(1,063,102)	(12,284,467)	(13,347,569)
Net Cash Provided (Used) by Operating Activities	<u>(74,410)</u>	<u>106,904</u>	<u>32,494</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	<u>-</u>	<u>792,596</u>	<u>792,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	<u>95,240</u>	<u>268,056</u>	<u>363,296</u>
Net Increase in Cash and Cash Equivalents	20,830	1,167,556	1,188,386
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,509,323</u>	<u>8,872,736</u>	<u>16,382,059</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,530,153</u>	<u>\$ 10,040,292</u>	<u>\$ 17,570,445</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (670,223)	\$ 471,141	\$ (199,082)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Insurance recoveries	150,757	341,428	492,185
Other income	-	159,607	159,607
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:			
Accounts receivable	25,342	(44,045)	(18,703)
Accounts payable	36,376	(30,019)	6,357
Pension related deferrals and liabilities	683	3,746	4,429
Compensated absences	752	9,516	10,268
Accrued liabilities - claims payable	<u>381,903</u>	<u>(804,470)</u>	<u>(422,567)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (74,410)</u>	<u>\$ 106,904</u>	<u>\$ 32,494</u>
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES:			
None			

MARATHON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
ADRC-CW				
Assets				
Account receivable	\$ 70,005	\$ 54,905	\$ 70,005	\$ 54,905
Due from other governments	992,166	821,284	992,166	821,284
	<u>\$ 1,062,171</u>	<u>\$ 1,275,981</u>	<u>\$ 1,062,171</u>	<u>\$ 1,275,981</u>
Liabilities				
Accounts payable	\$ 115,445	\$ 141,018	\$ 115,445	\$ 141,018
Due to other governments	647,691	799,584	647,691	799,584
Due to participants	298,189	334,156	298,189	334,156
Other accrued liabilities and deposits	846	1,223	846	1,223
	<u>\$ 1,062,171</u>	<u>\$ 1,275,981</u>	<u>\$ 1,062,171</u>	<u>\$ 1,275,981</u>
Clerk of Courts				
Assets				
Cash and cash equivalents	\$ 2,688,612	\$ 1,392,413	\$ 2,688,612	\$ 1,392,413
Liabilities				
Other accrued liabilities and deposits	<u>\$ 2,688,612</u>	<u>\$ 1,392,413</u>	<u>\$ 2,688,612</u>	<u>\$ 1,392,413</u>
Sheriff Adult Inmate				
Assets				
Cash and cash equivalents	\$ 58,937	\$ 46,960	\$ 58,937	\$ 46,960
Liabilities				
Other accrued liabilities and deposits	<u>\$ 58,937</u>	<u>\$ 46,960</u>	<u>\$ 58,937</u>	<u>\$ 46,960</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,747,549	\$ 1,839,165	\$ 2,747,549	\$ 1,839,165
Account receivable	70,005	54,905	70,005	54,905
Due from other governments	992,166	821,284	992,166	821,284
	<u>\$ 3,809,720</u>	<u>\$ 2,715,354</u>	<u>\$ 3,809,720</u>	<u>\$ 2,715,354</u>
Liabilities				
Accounts payable	\$ 115,445	\$ 141,018	\$ 115,445	\$ 141,018
Due to other governments	647,691	799,584	647,691	799,584
Due to participants	298,189	334,156	298,189	334,156
Other accrued liabilities and deposits	2,748,395	1,440,596	2,748,395	1,440,596
	<u>\$ 3,809,720</u>	<u>\$ 2,715,354</u>	<u>\$ 3,809,720</u>	<u>\$ 2,715,354</u>

MARATHON COUNTY

STATEMENT OF NET POSITION CENTRAL WISCONSIN AIRPORT As of December 31, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and investments	\$ 2,995,110
Accounts receivable	272,180
Total Current Assets	<u>3,267,290</u>

NONCURRENT ASSETS

Restricted assets	
Cash and investments	1,263,242
Net pension asset	189,801
Property, Plant and Equipment	
Land	614,983
Buildings	39,064,917
Improvements	54,460,551
Equipment	9,765,201
Construction in process	<u>1,760,459</u>
Total Property, Plant and Equipment	105,666,111
Less: Accumulated depreciation and depletion	<u>(52,206,643)</u>
Net Property, Plant and Equipment	<u>53,459,468</u>
Total Noncurrent Assets	<u>54,912,511</u>
Total Assets	<u>58,179,801</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related amounts	<u>344,322</u>
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts payable	115,604
Deposits	11,831
Interest payable	17,560
Due to other governments	336,923
Current portion of compensated absences	20,366
Current portion of general obligation notes payable	<u>1,175,000</u>
Total Current Liabilities	<u>1,677,284</u>

Long-term Liabilities

General obligation notes payable (net of unamortized premiums)	5,539,284
Compensated absences	<u>183,295</u>
Total Long-term Liabilities	<u>5,722,579</u>

Total Liabilities	<u>7,399,863</u>
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DEFERRED INFLOWS OF RESOURCES

Pension related amounts	<u>378,763</u>
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NET POSITION

Net investment in capital assets	46,745,184
Restricted for:	
Passenger facility charges	1,263,242
Pension	189,801
Unrestricted	<u>2,547,270</u>

TOTAL NET POSITION	\$ <u>50,745,497</u>
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MARATHON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
CENTRAL WISCONSIN AIRPORT
For the Year Ended December 31, 2018

OPERATING REVENUES	
Public charges for services	\$ 3,297,056
OPERATING EXPENSES	
Salaries and benefits	1,506,731
Contractual services	569,907
Materials and supplies	516,702
Insurance	66,933
Depreciation	3,170,968
Total Operating Expenses	<u>5,831,241</u>
Operating Loss	<u>(2,534,185)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	80,371
Passenger facility charges	497,089
Customer facility charges	274,916
Insurance recoveries	20,000
Other income	55,226
Interest expense	<u>(217,421)</u>
Total Nonoperating Revenues (Expenses)	<u>710,181</u>
Loss before contributions	(1,824,004)
Capital Contributions	<u>1,066,630</u>
Decrease in net position	(757,374)
NET POSITION - Beginning of Year	<u>51,502,871</u>
NET POSITION - END OF YEAR	<u>\$ 50,745,497</u>

MARATHON COUNTY

STATEMENT OF CASH FLOWS
CENTRAL WISCONSIN AIRPORT
For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from the sale of goods and services	\$ 3,315,254
Cash paid to employees for services	(1,506,731)
Cash paid to suppliers for goods and services	<u>(1,164,405)</u>
Net Cash Provided by Operating Activities	<u>644,118</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for capital acquisitions	(1,145,013)
Passenger facility charges received	497,089
Customer facility charges received	274,916
Debt paid	(1,170,000)
Interest paid	<u>(230,158)</u>
Net Cash Used for Capital Financing and Related Activities	<u>(1,773,166)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>80,371</u>
Net Decrease in Cash and Cash Equivalents	(1,048,677)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>5,307,029</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,258,352</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	\$ (2,541,877)
Nonoperating income	75,226
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation expense	3,170,968
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:	
Accounts receivable	(57,028)
Pension related deferrals and liabilities	19,863
Due to other governments	(28,770)
Compensated absences	<u>5,736</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 644,118</u>
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES	
Capital contributions	<u>\$ 1,066,630</u>
Amortization of premium	<u>\$ 7,692</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS	
Cash and cash equivalents	\$ 2,995,110
Cash and cash equivalents - restricted assets	<u>1,263,242</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,258,352</u>

Statistical Section

This part of the Marathon County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	120-124
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property and sales taxes.	125-129
Debt Capacity These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	130-133
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments.	134-136
Operating Information These schedules contain information about the County’s operations and resources to help the reader understand how the County’s financial information relates to the services the County provides and the activities it performs.	137-142

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule 1
Marathon County
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$219,341,680	\$222,273,031	\$228,549,428	\$224,519,266	\$223,789,243	\$236,350,892	\$239,721,187	\$237,953,247	\$235,403,665	\$232,119,104
Restricted	\$1,416,570	\$1,738,845	\$8,153,298	\$9,449,568	\$8,078,812	\$8,340,597	\$13,793,634	\$7,685,348	\$6,711,673	\$14,268,288
Unrestricted	\$65,707,174	\$66,993,402	\$60,021,104	\$60,860,372	\$61,869,922	\$56,330,607	\$63,274,436	\$66,717,641	\$64,144,630	\$59,157,956
Total governmental activities net position	\$286,465,424	\$291,005,278	\$296,723,830	\$294,829,206	\$293,737,977	\$301,022,096	\$316,789,257	\$312,356,236	\$306,259,968	\$305,545,348
Business-type activities										
Net investment in capital assets	\$13,093,209	\$13,849,677	\$13,977,429	\$13,961,636	\$18,155,596	\$18,955,217	\$19,489,014	\$21,523,821	\$20,675,663	\$20,702,061
Restricted	\$1,707,710	\$5,084,671	\$5,656,429	\$5,215,387	\$2,890,271	\$2,186,471	\$1,810,233	\$1,118,931	\$0	\$888,813
Unrestricted	\$39,215,088	\$41,219,245	\$40,978,357	\$42,117,105	\$42,000,995	\$44,824,434	\$40,270,460	\$35,601,693	\$38,265,833	\$41,974,986
Total business-type activities net position	\$54,016,007	\$60,153,593	\$60,612,215	\$61,294,128	\$63,046,862	\$65,966,122	\$61,569,707	\$58,244,445	\$58,941,496	\$63,565,860
Primary government										
Net Investment in capital assets	\$232,434,889	\$236,122,708	\$242,526,857	\$238,480,902	\$241,944,839	\$255,306,109	\$259,210,201	\$259,477,068	\$256,079,328	\$252,821,165
Restricted	\$3,124,280	\$6,823,516	\$13,809,727	\$14,664,955	\$10,969,083	\$10,527,068	\$15,603,867	\$8,804,279	\$6,711,653	\$15,157,101
Unrestricted	\$104,922,262	\$108,212,647	\$100,999,461	\$102,977,477	\$103,870,917	\$101,155,041	\$103,544,896	\$102,319,334	\$102,410,463	\$101,132,942
Total primary government net position	\$340,481,431	\$351,158,871	\$357,336,045	\$356,123,334	\$356,784,839	\$366,988,218	\$378,358,964	\$370,600,681	\$365,201,444	\$369,111,208

Schedule 2
Marathon County
Changes in Net Position, Last Ten Fiscal Years
(accrual basis accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General Government	\$ 30,953,544	\$ 27,693,729	\$ 33,496,508	\$ 34,250,005	\$ 31,317,190	\$ 31,255,067	\$ 32,438,088	\$ 32,659,948	\$ 32,142,445	\$ 32,043,419
Public Safety	21,087,056	17,226,412	18,917,496	18,373,227	21,297,720	22,591,095	21,713,958	24,648,809	24,595,572	25,408,151
Transportation	4,973,010	6,751,433	5,357,028	8,661,324	7,197,187	8,255,821	8,107,515	8,561,771	8,319,581	8,974,311
Health	4,945,381	4,844,464	4,650,289	4,474,165	4,770,100	4,512,283	4,255,516	4,650,331	4,635,411	4,420,165
Social Services	18,525,375	18,563,013	17,052,964	17,862,488	18,772,375	19,228,599	19,963,279	20,526,512	18,480,054	18,246,547
Leisure and Education	8,364,884	12,571,466	8,225,769	7,426,607	6,782,729	7,658,636	7,448,272	7,905,789	7,765,814	7,742,919
Conservation and Development	1,351,199	758,621	852,382	1,163,428	918,916	889,005	1,098,046	903,617	888,288	743,879
Interest on Long Term Debt	271,706	326,604	295,360	264,525	278,516	183,983	140,763	83,821	19,691	139,005
Total governmental activities	<u>90,472,155</u>	<u>88,735,742</u>	<u>88,847,796</u>	<u>92,475,769</u>	<u>91,334,733</u>	<u>94,574,489</u>	<u>95,165,437</u>	<u>99,940,598</u>	<u>96,846,856</u>	<u>97,718,396</u>
Business-type activities										
Landfill	3,468,201	(638,528)	2,773,929	3,619,483	3,170,871	4,753,815	3,875,294	3,916,205	5,391,402	4,181,998
Highway	8,493,094	10,560,666	11,879,840	12,612,249	9,871,515	12,081,767	10,947,238	12,678,133	12,752,810	12,174,423
Total business-type activities expenses	<u>11,961,295</u>	<u>9,922,138</u>	<u>14,653,769</u>	<u>16,231,732</u>	<u>13,042,386</u>	<u>16,835,582</u>	<u>14,822,532</u>	<u>16,594,338</u>	<u>18,144,212</u>	<u>16,356,421</u>
Total primary government	<u>\$ 102,433,450</u>	<u>\$ 98,657,880</u>	<u>\$ 103,501,565</u>	<u>\$ 108,707,501</u>	<u>\$ 104,377,119</u>	<u>\$ 111,410,071</u>	<u>\$ 109,987,969</u>	<u>\$ 116,534,936</u>	<u>\$ 114,991,068</u>	<u>\$ 114,074,817</u>
Program Revenues										
Government activities:										
Charges for services:										
General Government	4,086,920	3,850,977	4,389,790	4,333,484	4,184,659	4,027,914	2,759,355	2,968,058	4,226,356	4,584,265
Public Safety	1,422,591	1,945,728	1,965,724	2,018,272	2,161,484	2,251,253	1,804,835	1,726,767	1,803,541	2,395,299
Transportation	-	-	-	-	-	-	-	-	-	-
Health	590,671	633,544	577,753	613,162	656,765	678,106	733,961	731,024	756,389	759,260
Social Services	998,231	937,401	803,706	967,306	1,140,531	989,401	997,695	998,659	972,625	886,697
Leisure and Education	1,082,422	860,296	774,943	897,055	808,233	723,446	834,173	814,399	420,988	1,096,569
Conservation and Development	118,975	559,323	485,322	517,898	540,358	393,865	243,187	566,047	452,078	650,249
Operating grants and contributions:										
General Government	1,377,784	1,070,085	788,333	712,259	923,802	868,839	1,067,728	874,551	1,125,177	1,175,568
Public Safety	732,405	1,212,538	892,819	648,160	1,055,870	478,327	482,271	566,883	552,866	542,215
Transportation	-	235,124	131,286	62,957	94,718	177,345	201,153	166,639	168,157	207,757
Health	1,715,439	1,599,394	1,176,189	1,136,082	1,439,002	1,062,315	844,347	762,932	887,955	830,845
Social Services	9,279,701	10,364,636	10,445,330	11,595,961	11,906,370	13,690,013	14,306,435	13,829,353	10,908,710	11,919,358
Leisure and Education	545,284	588,060	821,884	350,535	626,314	769,762	966,388	99,942	832,508	911,700
Conservation and Development	2,319,819	721,409	1,020,592	1,276,513	895,523	905,486	356,688	1,311,507	580,806	895,590
Capital grants and contributions:										
General Government	-	-	165,624	165,624	469,375	203,874	165,624	178,869	-	-
Public Safety	604,975	-	-	-	-	-	-	-	41,892	546,354
Transportation	-	-	3,668,011	4,123,018	905,142	14,249,208	1,084,607	-	632,475	-
Leisure and Education	16,373	4,840,498	349,946	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>24,891,590</u>	<u>29,419,013</u>	<u>28,457,252</u>	<u>29,418,286</u>	<u>27,808,146</u>	<u>41,469,154</u>	<u>26,848,447</u>	<u>25,595,630</u>	<u>24,362,523</u>	<u>27,401,726</u>

Schedule 2
Marathon County
Changes in Net Position, Last Ten Fiscal Years
(accrual basis accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
Landfill	2,367,684	2,598,951	3,494,705	2,721,948	2,804,665	3,164,040	4,606,198	3,407,162	3,185,800	3,559,781
Highway	4,594,056	4,424,928	4,415,601	4,023,034	4,724,083	5,220,337	5,045,248	5,916,374	4,922,756	5,847,902
Operating grants and contributions:										
Landfill	24,895	20,355	21,000	34,172	3,093	-	-	-	-	-
Highway	1,008,820	704,051	4,626,975	3,366,656	3,870,966	4,358,611	2,898,973	3,260,676	3,379,215	4,779,530
Capital grants and contributions:										
Highway	3,189,059	3,384,634	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>11,184,514</u>	<u>11,132,919</u>	<u>12,558,281</u>	<u>10,145,810</u>	<u>11,402,807</u>	<u>12,742,988</u>	<u>12,550,419</u>	<u>12,584,212</u>	<u>11,487,771</u>	<u>14,187,213</u>
Total primary government program revenues	<u>\$ 36,076,104</u>	<u>\$ 40,551,932</u>	<u>\$ 41,015,533</u>	<u>\$ 39,564,096</u>	<u>\$ 39,210,953</u>	<u>\$ 54,212,142</u>	<u>\$ 39,398,866</u>	<u>\$ 38,179,842</u>	<u>\$ 35,850,294</u>	<u>\$ 41,588,939</u>
Net (Expense) Revenue										
Governmental activities	(65,580,565)	(59,316,729)	(60,390,544)	(63,057,483)	(63,526,587)	(53,105,335)	(68,316,990)	(74,344,968)	(72,484,333)	(70,316,670)
Business-type activities	<u>(776,781)</u>	<u>1,210,781</u>	<u>(2,095,488)</u>	<u>(6,085,922)</u>	<u>(1,639,579)</u>	<u>(4,092,694)</u>	<u>(2,272,113)</u>	<u>(4,010,126)</u>	<u>(6,656,441)</u>	<u>(2,169,208)</u>
Total primary governmental net expense	<u>\$ (66,357,346)</u>	<u>\$ (58,105,948)</u>	<u>\$ (62,486,032)</u>	<u>\$ (69,143,405)</u>	<u>\$ (65,166,166)</u>	<u>\$ (57,197,929)</u>	<u>\$ (70,589,103)</u>	<u>\$ (78,355,094)</u>	<u>\$ (79,140,774)</u>	<u>\$ (72,485,878)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	40,243,312	40,027,787	39,777,973	39,069,259	38,832,967	40,323,181	42,516,486	42,634,992	42,078,167	41,442,652
Sales Taxes	9,205,424	9,549,872	9,998,528	10,312,235	10,555,249	10,977,370	11,735,957	12,224,099	12,302,282	12,960,759
Other Taxes	1,439,402	1,734,874	2,014,921	2,247,432	1,977,893	1,644,574	1,594,671	1,525,583	1,486,150	1,515,893
Grants and contributions not restricted to specific programs	7,214,389	7,055,434	7,097,282	5,968,326	6,012,569	6,304,527	6,454,784	6,243,407	6,534,364	6,305,173
Public Grants and Gifts	-	-	-	-	84,995	-	-	-	-	-
Unrestricted investment earnings	1,322,366	848,020	696,013	514,642	277,282	343,836	453,382	930,730	1,120,901	1,939,185
Miscellaneous	1,365,367	75,896	66,035	773,267	271,109	84,413	203,734	56,232	146,987	115,723
Gain on sale of capital assets	45,988	50,482	45,918	33,996	78,709	53,357	17,670	22,436	141,529	1,564
Transfers	<u>6,653,570</u>	<u>4,514,218</u>	<u>6,412,426</u>	<u>2,243,702</u>	<u>4,344,585</u>	<u>658,196</u>	<u>10,280,804</u>	<u>6,274,468</u>	<u>2,577,665</u>	<u>5,321,121</u>
Total general revenues and transfers	<u>67,489,818</u>	<u>63,856,583</u>	<u>66,109,096</u>	<u>61,162,859</u>	<u>62,435,358</u>	<u>60,389,454</u>	<u>73,257,488</u>	<u>69,911,947</u>	<u>66,388,045</u>	<u>69,602,070</u>
Change in net position	<u>\$ 1,909,253</u>	<u>\$ 4,539,854</u>	<u>\$ 5,718,552</u>	<u>\$ (1,894,624)</u>	<u>\$ (1,091,229)</u>	<u>\$ 7,284,119</u>	<u>\$ 4,940,498</u>	<u>\$ (4,433,021)</u>	<u>\$ (6,096,288)</u>	<u>\$ (714,600)</u>
Business-type activities:										
Taxes:										
Property Taxes	8,577,612	8,668,697	8,441,401	8,543,693	7,306,275	6,064,496	5,888,809	6,089,879	6,101,945	7,692,440
Sales Taxes	-	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	3,114,532	-
Vehicle registration fee	-	-	-	-	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	2,969,770
Insurance recoveries	-	-	-	-	-	765,311	-	-	-	-
Unrestricted investment earnings	979,824	610,636	336,719	350,390	144,487	520,296	436,478	630,162	433,120	935,046
Miscellaneous	167,119	161,690	-	-	224,677	319,947	280,687	211,723	276,159	454,333
Gain on sale of capital assets	-	-	188,416	117,454	61,459	-	-	27,568	5,401	63,104
Transfers	<u>(6,653,570)</u>	<u>(4,514,218)</u>	<u>(6,412,426)</u>	<u>(2,243,702)</u>	<u>(4,344,585)</u>	<u>(658,196)</u>	<u>(10,280,804)</u>	<u>(6,274,468)</u>	<u>(2,577,665)</u>	<u>(5,321,121)</u>
Total general revenues and transfers	<u>3,070,985</u>	<u>4,926,805</u>	<u>2,554,110</u>	<u>6,767,835</u>	<u>3,392,313</u>	<u>7,011,854</u>	<u>(3,674,830)</u>	<u>684,864</u>	<u>7,353,492</u>	<u>6,793,572</u>
Change in net position	<u>\$ 2,294,204</u>	<u>\$ 6,137,586</u>	<u>\$ 458,622</u>	<u>\$ 681,913</u>	<u>\$ 1,752,734</u>	<u>\$ 2,919,260</u>	<u>\$ (5,946,943)</u>	<u>\$ (3,325,262)</u>	<u>\$ 697,051</u>	<u>\$ 4,624,364</u>
Net Position										
Governmental activities (as restated)	286,465,424	291,005,278	296,723,830	294,829,206	293,737,977	301,022,096	316,789,257	312,356,236	306,259,948	305,545,348
Business-type activities (as restated)	<u>54,016,007</u>	<u>60,153,593</u>	<u>60,612,215</u>	<u>61,294,128</u>	<u>63,046,862</u>	<u>65,966,122</u>	<u>61,569,707</u>	<u>58,244,445</u>	<u>58,941,496</u>	<u>63,565,860</u>
Total primary government (as restated)	<u>\$ 340,481,431</u>	<u>\$ 351,158,871</u>	<u>\$ 357,336,045</u>	<u>\$ 356,123,334</u>	<u>\$ 356,784,839</u>	<u>\$ 366,988,218</u>	<u>\$ 378,358,964</u>	<u>\$ 370,600,681</u>	<u>\$ 365,201,444</u>	<u>\$ 369,111,208</u>

Schedule 3
Marathon County
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 3,555,286	\$ 4,642,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	40,486,654	40,124,313	-	-	-	-	-	-	-	-
Nonspendable	-	-	4,248,670	3,957,965	3,411,419	3,219,064	3,714,563	3,536,354	3,735,653	3,582,962
Restricted	-	-	2,496,160	2,881,111	2,581,027	2,371,654	2,266,011	1,897,420	2,004,903	2,089,009
Assigned	-	-	15,298,160	14,390,670	17,725,315	14,700,334	12,237,628	12,449,347	13,362,982	12,625,174
Unassigned	-	-	22,680,756	25,462,846	23,652,792	24,170,087	26,212,229	26,885,557	25,539,836	26,507,636
Total General Fund	<u>\$ 44,041,940</u>	<u>\$ 44,766,570</u>	<u>\$ 44,723,746</u>	<u>\$ 46,692,592</u>	<u>\$ 47,370,553</u>	<u>\$ 44,461,139</u>	<u>\$ 44,430,431</u>	<u>\$ 44,768,678</u>	<u>\$ 44,643,374</u>	<u>\$ 44,804,781</u>
All Other Governmental Funds										
Reserved	14,333,639	5,062,168	-	-	-	-	-	-	-	-
Unreserved	8,454,257	13,471,377	-	-	-	-	-	-	-	-
Nonspendable	-	-	27	-	999	1,947	1,478	203,846	18,304	16,271
Restricted	-	-	10,435,507	7,884,696	6,675,203	6,797,210	6,224,899	5,389,685	4,547,733	8,519,220
Assigned	-	-	8,123,153	9,133,893	10,056,329	7,640,835	6,239,900	7,016,983	6,756,302	6,982,787
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 22,787,896</u>	<u>\$ 18,533,545</u>	<u>\$ 18,558,687</u>	<u>\$ 17,018,589</u>	<u>\$ 16,732,531</u>	<u>\$ 14,439,992</u>	<u>\$ 12,466,277</u>	<u>\$ 12,610,514</u>	<u>\$ 11,322,339</u>	<u>\$ 15,518,278</u>

Note: The County implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the County is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable to the fund balance categories used prior to 2011.

Schedule 4
Marathon County
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Revenues (modified accrual basis of accounting)	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Taxes	\$ 50,649,523	\$ 51,063,867	\$ 51,697,866	\$ 51,952,701	\$ 51,532,035	\$ 52,827,893	\$ 54,731,133	\$ 55,294,521	\$ 55,866,598	\$ 55,944,515
Intergovernmental grants and aids	24,758,380	27,265,336	21,623,450	21,491,484	22,262,306	23,495,023	23,177,159	23,848,189	20,226,241	20,897,424
Licenses and permits	259,138	265,715	262,971	261,799	273,756	276,045	321,343	342,600	347,756	335,593
Fines and forfeitures	758,343	728,840	666,902	770,975	780,186	952,726	657,261	564,262	610,828	1,047,664
Public charges for services	4,803,853	5,200,989	5,118,947	5,238,530	5,436,506	5,060,266	4,784,786	5,329,008	5,320,424	6,020,261
Intergovernmental charges for services	1,215,014	1,226,970	1,293,582	1,366,398	1,349,329	1,549,285	1,496,673	1,329,547	1,583,860	1,676,517
Miscellaneous revenues	1,532,929	1,492,499	1,598,090	2,089,337	2,036,040	1,565,431	1,579,264	1,972,201	2,678,268	3,223,421
Total Revenues	\$ 83,977,180	\$ 87,244,216	\$ 82,261,808	\$ 83,171,224	\$ 83,670,158	\$ 85,726,669	\$ 86,747,619	\$ 88,680,328	\$ 86,633,975	\$ 89,145,395
Expenditures:										
Current:										
General government	\$ 25,126,067	\$ 25,040,971	\$ 25,465,086	\$ 23,693,652	\$ 23,865,557	\$ 24,416,778	\$ 25,844,705	\$ 26,051,528	\$ 25,674,740	\$ 26,325,085
Public safety	19,267,926	19,902,303	19,960,253	19,422,491	20,955,298	22,243,049	22,388,682	23,286,994	23,597,803	24,362,634
Health	4,938,759	4,809,531	4,663,852	4,447,762	4,630,064	4,509,998	4,449,179	4,410,899	4,508,557	4,436,559
Social services	18,543,021	18,707,630	16,487,629	17,647,710	18,369,888	19,156,057	20,198,084	20,023,788	18,124,818	18,216,489
Leisure activities and education	7,331,865	7,316,332	7,724,615	6,774,083	7,029,361	7,527,993	7,450,503	7,481,368	7,302,962	7,493,299
Conservation and economic development	1,438,353	639,070	852,347	1,157,404	908,106	889,159	1,111,969	886,290	875,611	748,769
Capital outlay	13,015,585	12,011,136	5,417,783	6,672,176	4,172,949	4,495,561	4,780,712	2,942,880	2,686,339	4,100,120
Debt service:										
Principal	4,468,304	1,282,860	1,337,846	1,315,235	1,388,903	1,447,427	1,424,606	4,602,079	1,675,736	1,667,346
Interest and paying agent fees	480,221	465,775	435,900	405,149	373,400	340,650	300,000	254,482	15,488	7,875
Total expenditures	\$ 94,610,101	\$ 90,175,608	\$ 82,345,311	\$ 81,535,662	\$ 81,693,526	\$ 85,026,672	\$ 87,948,440	\$ 89,940,308	\$ 84,462,054	\$ 87,405,696
Excess (deficiency) of revenues over expenditures	\$ (10,632,921)	\$ (2,931,392)	\$ (83,503)	\$ 1,635,562	\$ 1,976,632	\$ 699,997	\$ (1,200,821)	\$ (1,259,980)	\$ 2,171,921	\$ 1,739,699
Other financing sources (uses):										
Transfers in:										
General Fund	\$ 2,233,295	\$ 4,754,489	2,704,911	3,734,221	2,879,254	5,199,723	2,211,662	1,610,080	2,928,916	3,184,695
Social Improvement Fund	1,000,274	855,023	1,541,153	1,291,258	2,715,848	1,932,322	1,930,417	2,381,108	1,958,021	1,383,070
Capital Improvement Fund	794,851	2,247,336	546,529	168,657	159,867	144,554	266,552	247,248	248,203	251,712
Highway	-	-	160,000	-	-	-	-	-	-	-
Property Casualty Fund	-	-	-	-	-	-	-	-	-	-
Employee Benefit Fund	-	-	-	-	-	-	250,000	-	-	-
Sale of Capital Assets	59,070	51,389	46,694	37,134	83,394	56,000	20,394	24,796	146,781	9,183
Component unit transfer in	-	-	-	-	-	-	-	-	-	-
General obligation debt issued	16,770,000	-	-	-	-	-	-	3,150,000	-	4,500,000
State loan program debt issued	14,608	95,858	14,608	14,650	14,562	14,691	14,692	14,692	14,692	14,692
Premium on bond/note payable	1,212,567	-	-	-	-	-	-	-	-	211,268
Transfers out:										
General Fund	(842,735)	(2,351,937)	(546,529)	(168,657)	(159,867)	(144,554)	(266,552)	(247,248)	(248,203)	(251,712)
Social Improvement Fund	(120,000)	(320,000)	(165,054)	-	(5,013)	-	-	-	-	(438,097)
Capital Improvement Fund	(3,065,685)	(5,184,911)	(4,081,010)	(5,025,479)	(5,590,089)	(7,132,045)	(4,142,079)	(3,991,188)	(4,886,937)	(4,129,668)
Highway Road Improvement Fund	-	-	-	-	-	-	-	-	-	-
County Highway Fund	(60,000)	(745,576)	(90,000)	(1,258,598)	(1,682,685)	(5,972,641)	(1,088,688)	(957,600)	(3,302,291)	(1,324,900)
Internal service fund	-	-	(65,481)	-	-	-	-	(489,424)	(444,582)	(792,596)
Total other financing sources (uses)	\$ 17,996,245	\$ (598,329)	\$ 65,821	\$ (1,206,814)	\$ (1,584,729)	\$ (5,901,950)	\$ (803,602)	\$ 1,742,464	\$ (3,585,400)	\$ 2,617,647
Net change in fund balance	7,363,324	(3,529,721)	(17,682)	428,748	391,903	(5,201,953)	(2,004,423)	482,484	(1,413,479)	4,357,346
Fund balances January 1	\$ 59,466,512	\$ 66,829,836	\$ 63,300,115	\$ 63,282,433	\$ 63,711,181	\$ 64,103,084	\$ 58,901,131	\$ 56,896,708	\$ 57,379,192	\$ 55,965,713
Fund balances, December 31	\$ 66,829,836	\$ 63,300,115	\$ 63,282,433	\$ 63,711,181	\$ 64,103,084	\$ 58,901,131	\$ 56,896,708	\$ 57,379,192	\$ 55,965,713	\$ 60,323,059
Debt service as a percentage of noncapital expenditures	6.4%	2.3%	2.2%	2.2%	2.2%	2.2%	2.1%	5.6%	2.1%	2.0%

Schedule 5
Marathon County
Equalized Value and Actual Value of Taxable Property (A)
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	Total	Total Less TID	Total Direct Tax Rate
	Residential Property	Commercial Property	Manufacturing Property	Other				
2009	6,340,619,500	2,002,006,200	406,500,800	1,005,495,200	292,533,100	10,047,154,800	9,417,090,700	5.1665
2010	6,221,435,400	1,950,493,000	398,810,600	979,916,600	293,422,600	9,844,078,200	9,321,354,200	5.1700
2011	6,219,847,800	1,953,488,700	398,126,500	872,134,900	280,627,800	9,724,225,700	9,201,742,900	5.1700
2012	6,028,436,000	1,862,217,800	388,850,800	835,157,100	278,881,600	9,393,543,300	8,915,050,700	5.1700
2013	6,078,829,100	1,915,456,400	359,773,400	833,388,900	280,748,800	9,468,196,600	8,963,288,900	5.1700
2014	6,233,935,600	1,965,462,800	363,654,600	818,441,000	288,575,100	9,670,069,100	9,135,689,600	5.1613
2015	6,336,788,900	1,949,046,000	395,199,800	867,012,400	304,935,400	9,852,982,500	9,289,260,900	5.1256
2016	6,485,347,700	2,054,869,800	413,250,300	893,382,100	309,395,100	10,156,245,000	9,559,832,400	5.0398
2017	6,786,877,200	2,142,743,100	442,680,800	897,295,700	320,564,800	10,590,161,600	9,916,480,400	4.9549
2018	7,073,839,800	2,294,737,600	497,976,000	926,509,600	261,041,400	11,054,104,400	10,300,308,900	4.8047

Source: Wisconsin Department of Revenue Statement of Changes in Equalized Value by Class and Item.

Note: (A) Property values are reduced by the value of the tax increment districts (TID)

This equalized value of County property is used to calculate the property tax rate for Marathon County.

Schedule 6
Marathon County
Direct and Overlapping Property Tax Rates,
Last Ten Years
(rate per \$1,000 of assessed value)

DISTRICT	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
COUNTY DIRECT RATE	5.17	5.17	5.15	5.17	5.17	5.17	5.16	5.13	5.04	4.95
TOWN										
BERGEN	16.28	16.98	18.49	17.44	17.34	16.53	16.40	16.46	16.29	16.27
BERLIN	17.30	17.84	16.83	18.84	18.94	17.52	18.21	17.31	17.69	18.03
BERN	17.58	18.14	17.48	18.43	18.01	16.99	17.72	17.75	16.74	15.91
BEVENT	18.29	16.66	15.45	17.94	17.15	16.43	16.39	16.96	15.65	16.32
BRIGHTON	25.28	17.77	18.53	19.83	18.50	18.32	17.65	19.26	18.91	18.32
CASSEL	19.39	19.69	18.91	17.86	18.08	18.34	18.31	18.17	18.85	18.68
CLEVELAND	19.91	20.49	18.06	18.31	18.48	18.59	17.84	17.25	18.72	18.61
DAY	17.76	19.33	17.51	20.05	18.21	18.47	18.67	18.41	18.64	18.77
EASTON	18.88	18.69	18.76	20.09	19.87	19.45	19.74	19.90	19.73	19.39
EAU PLEINE	16.42	17.47	17.63	16.43	17.40	17.25	17.13	18.09	16.47	18.01
ELDERON	16.28	16.04	15.42	16.48	15.22	14.51	14.86	14.50	14.21	14.08
EMMET	19.70	19.73	19.67	17.44	17.04	17.27	17.40	17.33	17.45	18.78
FRANKFORT	22.08	18.43	18.44	18.64	18.28	17.73	17.55	17.89	16.60	17.11
FRANZEN	24.14	19.99	17.58	17.66	24.64	18.18	17.92	18.63	18.56	18.13
GREEN VALLEY	17.79	17.47	17.51	19.69	19.59	18.95	19.79	17.78	17.96	18.56
GUENTHER	18.38	20.58	20.62	18.94	19.88	17.69	17.86	18.39	17.36	17.63
HALSEY	17.90	18.20	17.61	18.22	18.93	17.85	17.98	18.11	16.93	16.14
HAMBURG	23.21	23.61	18.99	19.94	19.36	18.17	18.89	18.89	17.94	18.57
HARRISON	15.40	15.11	15.22	14.93	14.43	13.35	13.03	13.93	13.75	13.03
HEWITT	21.29	21.12	20.76	20.67	20.76	19.10	19.50	19.99	20.03	19.61
HOLTON	16.78	17.19	17.07	17.85	18.28	17.54	17.80	17.42	17.69	17.40
HULL	20.35	16.83	17.16	18.74	17.93	17.99	17.50	17.25	17.18	17.82
JOHNSON	17.33	18.67	16.66	18.94	19.03	18.37	18.99	18.44	17.23	17.45
KNOWLTON	16.95	17.56	17.20	17.42	16.64	16.53	16.16	15.52	15.96	16.64
MAINE *incorporated in 2016	21.83	20.92	20.72	20.16	20.45	19.99	20.45	0.00	0.00	0.00
MARATHON	18.09	17.37	16.29	17.80	15.94	16.74	16.12	17.71	16.90	17.80
MCMILLIAN	17.62	18.08	19.13	19.34	18.47	18.38	18.25	19.02	19.87	17.89
MOSINEE	17.81	16.28	16.87	18.48	17.74	17.60	18.00	17.71	17.17	18.78
NORRIE	16.96	16.74	16.49	17.98	17.50	15.82	16.31	17.49	17.23	16.73
PLOVER	18.46	18.14	18.05	19.08	18.00	18.11	17.87	17.44	17.47	17.47
REID	19.18	17.44	16.85	18.42	16.90	15.21	16.19	16.57	16.43	16.29
RIB FALLS	17.27	17.36	16.46	18.44	17.42	16.37	17.96	17.28	18.13	18.20
RIB MOUNTAIN	20.40	20.80	20.74	20.22	20.04	19.48	19.82	20.52	20.36	21.11
RIETBROCK	21.26	21.99	17.97	18.81	17.78	16.75	16.89	17.09	17.43	17.03
RINGLE	15.43	16.25	15.67	17.67	15.82	16.63	17.31	17.29	17.46	17.31
SPENCER	20.12	17.38	17.67	18.58	18.05	18.25	17.01	18.89	19.24	18.57
STETTIN	18.79	18.94	18.10	19.89	18.81	18.70	19.56	18.36	19.34	19.66
TEXAS	22.16	19.03	18.38	19.49	18.71	17.61	18.14	17.17	19.03	18.89
WAUSAU	20.46	18.75	19.67	19.34	18.89	18.62	19.65	19.33	19.93	19.87
WESTON	15.85	15.95	16.09	17.19	16.16	17.21	16.35	16.52	17.98	17.38
WIEN	23.69	24.87	17.65	18.57	18.37	18.53	18.74	17.94	18.57	18.37

Schedule 6
Marathon County
Direct and Overlapping Property Tax Rates,
Last Ten Years
(rate per \$1,000 of assessed value)

DISTRICT	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
VILLAGE										
ATHENS	23.27	23.82	22.24	24.43	22.26	21.93	22.19	22.17	19.86	19.59
BIRNAMWOOD	18.63	18.54	19.65	18.49	22.28	17.82	17.66	16.95	16.69	16.95
BROKAW	24.84	27.24	27.35	37.59	37.79	44.74	44.29	36.91	35.21	26.30
DORCHESTER	24.32	23.50	20.59	21.04	22.49	22.37	23.88	20.87	19.67	18.82
EDGAR	19.27	19.72	20.66	21.21	20.42	19.00	19.91	20.66	21.15	21.35
ELDERON	15.83	14.74	16.03	17.21	14.35	14.12	14.58	15.56	15.56	15.71
FENWOOD	15.52	15.93	16.76	17.37	17.10	17.13	17.22	16.41	17.31	17.22
HATLEY	17.52	17.52	17.91	19.62	17.86	17.28	18.44	18.17	18.03	17.62
KRONENWETTER	19.25	19.34	20.27	21.23	21.64	20.84	21.33	20.37	21.05	20.87
MAINE *incorporated in 2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.53	20.99	20.69
MARATHON	21.72	21.84	22.48	23.38	20.45	21.14	21.94	22.56	22.03	22.61
ROTHSCHILD	25.37	21.73	23.10	23.30	22.70	22.01	22.38	22.96	23.23	23.29
SPENCER	25.78	26.54	23.42	23.79	23.42	22.60	23.09	24.38	24.80	24.39
STRATFORD	19.61	20.03	20.72	21.11	20.78	20.39	20.14	20.63	20.52	19.37
UNITY	19.51	18.92	17.84	20.07	18.43	19.58	19.49	20.71	19.22	19.80
WESTON	20.42	20.26	20.90	22.61	21.09	20.34	20.57	21.06	21.29	21.97
CITY										
ABBOTSFORD	21.03	21.34	22.44	23.11	23.54	23.53	23.37	22.83	25.04	25.47
COLBY	23.69	22.27	22.37	25.19	25.48	25.39	23.42	23.52	22.65	22.14
MARSHFIELD	24.89	22.99	23.58	24.17	23.07	23.24	22.51	22.31	22.54	22.35
MOSINEE	23.46	23.95	23.16	22.03	22.44	21.67	21.95	22.59	22.98	23.31
SCHOFIELD	25.45	24.81	26.12	23.75	25.70	24.26	21.46	22.12	22.84	24.67
WAUSAU	24.67	25.06	24.93	25.74	24.19	24.34	25.57	24.95	25.65	26.57

SOURCES: (1) Marathon County Treasurer's Office Division of Property Description

NOTES: (A) Tax rate per \$1,000 of assessed value
(B) Reduced by state credit
(C) When a municipality has more than one taxing district, the highest tax rate is the one listed on this table

Schedule 7
Marathon County
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value
Aspirus Wausau Hospital Inc (Wausau Hospital)	\$52,030,000	1	0.4707%	\$28,848,100	5	0.0287%
Marshfield Clinic	\$50,637,700	2	0.4581%	\$46,681,700	1	0.4646%
Greenheck Fan Corp	\$33,834,400	3	0.3061%	\$24,092,600	8	0.2398%
Apogee Wausau Group LLC	\$33,299,500	4	0.3012%	\$32,039,900	4	0.3189%
Abbyland Foods	\$29,889,200	5	0.2704%	-	-	-
Saint Claire's Hospital of Weston	\$28,468,800	6	0.2575%	\$22,046,100	9	0.2194%
Kocourek Holdings LLC	\$25,883,600	7	0.2342%	-	-	-
First Wausau Tower	\$2,527,110	8	0.0229%	-	-	-
Menards Inc	\$21,893,400	9	0.1981%	24,459,400.00	7	0.2434%
SC Swiderski	\$19,140,100	10	0.1731%	-	-	-
Employers Insurance of Wausau	-	-	-	\$43,327,000	2	0.4312%
(Wausau) Mosinee Paper Company	-	-	-	\$35,788,200	3	0.3562%
Walmart	-	-	-	\$26,075,500	6	0.2595%
Wausau Joint Venture	-	-	-	\$21,892,500	10	0.2179%
TOTAL	\$297,603,810		2.6922%	\$305,251,000		2.7798%

Source: Real Property Division of the County Treasurer's Office

NOTE (A) Total equalized value for 2018 of \$11,054,104,400 includes the increment value of tax increment districts (TID)
(B) Total equalized value for 2009 of \$10,047,154,800 includes the increment value of tax increment districts (TID)

Schedule 8
Marathon County
Property Tax Levies and Collections
Last Ten Fiscal Years (A)

Levy Year	Settlement Year	Taxes Levied for the Fiscal	Amount Collected within the Fiscal Year of the Levy		Net Amount Collected in Subsequent Years	Total Collected to Date	
			Amount Collected	Percent of Levy		Amount Collected	Percent of Levy
2008	2009	48,793,927	47,983,834	98.34%	807,720	48,791,554	100.00%
2009	2010	48,653,812	47,740,402	98.12%	910,259	48,650,661	99.99%
2010	2011	48,191,420	47,236,799	98.02%	948,215	48,185,014	99.99%
2011	2012	47,573,011	46,826,841	98.43%	722,133	47,548,974	99.95%
2012	2013	46,090,851	45,545,103	98.82%	494,046	46,039,149	99.89%
2013	2014	46,340,765	45,858,381	98.96%	310,816	46,169,197	99.63%
2014	2015	47,152,340	46,626,888	98.89%	136,190	46,763,078	99.17%
2015	2016	47,608,889	47,122,755	98.98%	285,093	47,407,848	99.58%
2016	2017	48,180,111	47,788,836	99.19%	151,845	47,940,681	99.50%
2017 (B)	2018	49,135,092	48,743,817	99.20%	87,399	48,831,216	99.38%

Source: Annual audited financial statements and adopted budgets for Marathon County

Notes: (A) Wisconsin Statute 75.20 allows tax certificates to be carried for eleven years

(B) The tax for levy year 2019 is \$49,489,841

(C) Totals do not include uncollected amounts due on tax deed parcels of \$161,841

(D) This represents the County's portion only and does not include taxes purchased from other governmental entities

Schedule 9
Marathon County
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds-Governmental Activities (d)	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (b)	Percentage of Actual Value (a) of Taxable Property	Per Capita (b)
2009	\$12,360,000	(\$1,388,199)	\$10,971,801	0.27%	0.12%	80.45
2010	\$11,165,000	(\$1,429,917)	\$9,735,083	0.24%	0.11%	71.12
2011	\$9,935,000	(\$1,445,578)	\$8,489,422	0.21%	0.10%	63.16
2012	\$8,665,000	(\$1,465,598)	\$7,199,402	0.17%	0.09%	53.43
2013	\$7,355,000	(\$1,476,646)	\$5,878,354	0.13%	0.08%	43.65
2014	\$6,000,000	(\$1,489,908)	\$4,510,092	0.11%	0.06%	33.46
2015	\$4,590,000	(\$1,507,402)	\$3,082,598	0.12%	0.05%	22.78
2016	\$3,150,000	(\$1,534,002)	\$1,615,998	0.06%	0.03%	11.93
2017	\$1,575,000	(\$1,546,894)	\$28,106	0.03%	0.01%	0.21
2018 (c)	\$4,500,000	(\$1,659,048)	\$2,840,952	0.07%	0.04%	20.90

Notes:

(a) See Schedule 5 for property value data

(b) Population and personal income data can be found in Schedule 12

(c) Remaining \$120,555 is restricted for Forest Aid Loan

(d) There is no business type activity debt. Remaining debt expected to be paid from CWA or PFC revenues

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable To Marathon County</u>
TOWN:			
DAY (B)	\$ 634,133	100.00%	\$ 634,133
EASTON (B)	215,087	100.00%	215,087
EAU PLEINE (B)	164,281	100.00%	164,281
HULL	55,470	100.00%	55,470
JOHNSON (B)	239,528	100.00%	239,528
KNOWLTON (B)	390,959	100.00%	390,959
MCMILLAN	83,041	100.00%	83,041
PLOVER (B)	278,378	100.00%	278,378
REID	50,000	100.00%	50,000
RIB MOUNTAIN	8,120,000	100.00%	8,120,000
RIETBROCK	90,948	100.00%	90,948
RINGLE (B)	170,484	100.00%	170,484
WAUSAU (B)	314,481	100.00%	314,481
TOWN TOTAL	<u>10,806,790</u>		<u>10,806,790</u>
VILLAGE:			
ATHENS	\$ 1,320,000	100.00%	\$ 1,320,000
BROKAW (C)	742,730	100.00%	742,730
DORCHESTER (B)	1,065,025	100.00%	1,065,025
EDGAR (B)	938,723	100.00%	938,723
KRONENWETTER (B)	16,455,107	100.00%	16,455,107
MARATHON	4,782,458	100.00%	4,782,458
ROTHSCHILD	7,520,000	100.00%	7,520,000
SPENCER	2,089,237	100.00%	2,089,237
STRATFORD (B)	2,821,418	100.00%	2,821,418
WESTON	7,232,548	100.00%	7,232,548
VILLAGE TOTAL	<u>44,967,246</u>		<u>44,967,246</u>
CITY:			
ABBOTSFORD (B)	\$ 4,049,086	48.96%	\$ 1,982,433
COLBY	1,067,592	37.12%	396,290
MARSHFIELD	43,095,000	45.19%	19,474,631
MOSINEE	8,551,260	100.00%	8,551,260
SCHOFIELD	8,091,090	100.00%	8,091,090
WAUSAU	66,527,933	100.00%	66,527,933
CITY TOTAL	<u>131,381,961</u>		<u>105,023,636</u>

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable To Marathon County</u>
SCHOOL:			
ABBOTSFORD	\$ 5,080,000	40.07%	\$ 2,035,556
COLBY (B)	7,335,000	57.20%	4,195,620
D.C. EVEREST	101,815,000	100.00%	101,815,000
EDGAR	6,203,335	100.00%	6,203,335
MARATHON	1,975,000	100.00%	1,975,000
MARSHFIELD	15,877,580	15.51%	2,462,613
MEDFORD	4,310,000	0.51%	21,981
MERRILL	2,630,330	4.10%	107,844
MOSINEE (B)	6,360,000	100.00%	6,360,000
SPENCER	630,000	87.80%	553,140
STRATFORD (B)	16,086,339	100.00%	16,086,339
WAUSAU	66,605,000	100.00%	66,605,000
MID-STATE TECH COLLEGE	34,655,000	2.61%	904,496
NORTHCENTRAL TECH	41,040,000	60.14%	24,681,456
SCHOOL TOTAL	<u>310,602,584</u>		<u>234,007,379</u>
SPECIAL DISTRICTS:	-		-
SPECIAL DISTRICTS TOTAL	<u>-</u>		<u>-</u>
TOTAL APPLICABLE UNDERLYING DEBT	<u>\$ 497,758,581</u>		<u>\$ 394,805,051</u>
DIRECT DEBT			
<u>MARATHON COUNTY (A)</u>	<u>\$ 6,134,098</u>	100.00%	<u>\$ 6,134,098</u>
TOTAL DEBT APPLICABLE TO MARATHON COUNTY	<u>\$ 503,892,679</u>		<u>\$ 400,939,149</u>

(A) Direct Debt of Marathon County includes: GO debt issued in 2018 to fund
2018 GO Debt for Capital Projects \$ 4,500,000
Forest Crop Loan 1,458,041
Unamortized premium on debt 176,057
\$ 6,134,098

(B) Direct debt is from January 1, 2018

(C) Town of Maine Incorporated in 2016 and will took on the Village of Brokaw debt
SOURCE: Survey of governmental units conducted by the Finance Department.

Schedule 11
Marathon County
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Equalized Value of Property (A)	\$10,047,155	\$ 9,844,078	\$ 9,724,226	\$ 9,393,543	\$ 9,468,197	\$ 9,670,069	\$ 9,852,982	\$ 10,156,245	\$ 10,590,162	\$ 11,054,104
Debt Limit, 5% of Equalized Value	\$502,358	\$ 492,204	\$ 486,211	\$ 469,677	\$ 473,410	\$ 483,503	\$ 492,649	\$ 507,812	\$ 529,508	\$ 552,705
(Wisconsin statutory limitation)										
Amount of debt applicable to debt limitation:										
General obligation promissory notes (B)	\$15,670	\$16,570	\$14,810	\$15,645	\$13,760	\$11,870	\$13,490	\$9,920	\$7,890	\$10,395
Less: Amount available for debt service (c)	<u>\$1,388</u>	<u>\$1,430</u>	<u>\$1,446</u>	<u>\$1,466</u>	<u>\$1,477</u>	<u>\$1,490</u>	<u>\$1,507</u>	<u>\$1,534</u>	<u>\$1,547</u>	<u>\$1,659</u>
Total amount of debt applicable to debt margin	\$14,282	\$15,140	\$13,364	\$14,179	\$12,283	\$10,380	\$11,983	\$8,386	\$6,343	\$8,736
Legal Debt Margin-(debt capacity)	<u>\$488,076</u>	<u>\$477,064</u>	<u>\$492,191</u>	<u>\$455,498</u>	<u>\$461,127</u>	<u>\$471,623</u>	<u>\$480,666</u>	<u>\$499,426</u>	<u>\$523,165.10</u>	<u>\$543,969.20</u>
Percent of Debt capacity used	2.84%	3.08%	2.75%	3.02%	2.59%	2.15%	2.43%	1.65%	1.20%	1.58%

NOTES: (A) Equalized values include the increment value of tax increment districts (TID)

(B) Amount includes Marathon County's portion of the debt for CWA as general obligation debt,
even though payments are expected to be paid from the respective revenue sources

(C) Debt service less amount available for Forest Aid Loan of \$120,555

Schedule 12
 Marathon County
 Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment (3)</u>	<u>Private School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2009	136,376	\$4,560,958,944	\$33,444	19,978	2,344	8.7
2010	136,874	\$4,745,684,000	\$36,058	19,839	2,004	8.8
2011	134,414	\$4,660,000,000	\$35,409	19,842	2,012	6.5
2012	134,735	\$5,200,900,000	\$38,475	19,862	1,731	6.6
2013	134,679	\$5,484,400,000	\$40,592	19,862	1,731	6.8
2014	134,803	\$5,453,350,000	\$40,454	20,155	1,778	5.1
2015	135,341	\$3,694,749,510	\$42,250	19,942	1,799	4.2
2016	135,483	\$5,700,000,000	\$42,941	19,783	1,661	3.7
2017	134,943	\$6,112,408,000	\$45,076	19,709	1,535	2.4
2018	135,922	\$6,324,753,054	\$46,642	19,594	2,707	2.4

Sources: (1) Wisconsin Department of Administration

(2) Wisconsin Department of Revenue, Division of Research and Analysis (information has a two year lag. example - information listed as 2005 is actual 2003 data and is the most current available)

(3) Wisconsin Department of Public Instruction

(4) U.S. Department of Labor, Bureau of Labor Statistics/Wisconsin Department of Workforce Development. (Wausau, MSA)(average for the year, not seasonally adjusted)

Schedule 13
 Marathon County
 Principal Employers
 Current Year and Five Years Ago

<u>Employer</u>	<u>2018</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Aspirus Wausau Hospital	3,120	1	4.22%	3,000	1	4.44%
Greenheck Fan Inc	1,899	2	2.57%	1,500	2	2.22%
Kolbe & Kolbe	1,538	3	2.08%	1,122	5	1.66%
Marathon Cheese	1,385	4	1.87%	800	7	1.18%
Wausau School District	1,300	5	1.76%	1,476	3	2.18%
Footlocker.com/Eastbay	1,100	6	1.49%	1,300	4	1.92%
Marathon County	768	7	1.04%	728	9	1.08%
North Central Healthcare Facilities	700	8	0.95%	685	10	1.01%
North Central Technical College	650	9	0.88%	-	-	-
Wausau Paper/experia	500	10	0.68%	984	6	1.46%
UMR/Wausau Benefits	-	-	-	800	7	1.18%
Total Employment			73,980			67,600

The County presented 5 years of data as we used a different survey method previously and want to be consistent.

Sources: Wausau/Marathon County Chamber of Commerce

Wisconsin Department of Workforce Development

Schedule 14
Marathon County
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

<u>Function / Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government	156.45	154.95	148.70	140.70	135.85	136.50	138.30	139.80	153.05	155.58
Public Safety	179.00	178.50	179.00	177.00	177.00	180.00	186.85	187.85	187.85	193.35
Transportation	101.10	101.10	101.10	100.10	98.45	99.00	100.50	101.50	101.50	101.50
Health	51.20	49.20	48.20	48.20	49.46	49.50	50.20	48.82	52.82	52.82
Social Services	164.27	165.89	173.29	172.79	167.38	172.21	172.19	167.96	171.86	174.49
Leisure Activities & Education	187.00	182.80	101.75	101.08	89.60	89.90	89.90	91.10	91.10	90.10
Conservation & Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>839.02</u>	<u>832.44</u>	<u>752.04</u>	<u>739.87</u>	<u>717.74</u>	<u>727.11</u>	<u>737.94</u>	<u>737.03</u>	<u>758.18</u>	<u>767.84</u>

Source: County Budget Information

Note: A full-time employee is scheduled to work 261 days per year (365 minus two days off per week). At eight hours per day, 2,088 hours are scheduled per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,088.

Schedule 15
Marathon County
Operating Indicators by Function,
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Court cases filed	25,716	24,701	22,170	22,293	21,944	10,858	17,201	17,416	18,790	17,887
Traffic citations processed	13,204	12,383	10,918	12,113	11,988	5,762	6,046	6,623	6,473	6,581
Marriage licenses processed	705	709	696	729	700	757	827	789	787	738
Divorces granted	458	417	375	302	500	332	465	359	344	344
Traffic and criminal fines collected	\$3,756,218	\$3,649,907	\$3,593,677	\$3,525,930	\$3,596,741	\$1,658,283	\$1,416,461	\$1,801,423	\$1,887,387	\$1,981,514
Total medical examiner cases	590	659	724	663	795	803	924	986	1022	1001
Public Safety										
Hazardous materials incidents	15	5	14	14	18	32	16	12	23	20
Transportation										
Cost of road maintenance per lane mile	\$4,743	\$5,045	\$6,180	\$6,405	\$6,533	\$5,861	\$6,477	\$6,755	\$6,723	\$6,559
Health										
Public health nurse home visits	2,675	2,735	2,221	1,645	962	1,317	1,324	1,336	1,678	2,579
Laboratory tests	13,316	12,625	13,080	13,777	12,730	12,115	12,025	10,450	8,565	7,989
Licenses issued for public facilities	960	959	894	926	913	895	891	901	1,025	907
Number of immunizations given	3,852	3,723	2,822	2,326	1,633	1,498	1,223	1,198	1,104	907
Social Services										
Number served at nutrition centers	181	179	164	159	97	126	128	112	101	103
Number of volunteers	26	31	59	39	46	67	49	49	55	54
Volunteer hours	3,328	2,426	3,294	3,033	2,934	3,434	2762	2473	2735	2782
Number served home delivered meals	427	392	340	425	350	426	477	504	514	499
Number served through SNAC program	516	479	463	413	423	422	465	413	396	383
Child support money collected and disbursed	\$20,864,289	\$21,028,197	\$20,958,525	\$20,462,184	\$20,395,249	\$20,502,998	\$20,740,220	\$20,740,220	\$10,782,570	\$10,873,113
Economic support cases	10,350	10,234	10,741	13,985	13,823	14,999	15,225	14,235	14,060	14,405
Leisure and Education										
Library items checked out	1,041,169	1,125,370	1,137,709	1,120,282	1,001,527	964,259	939,268	901,442	853,217	804,013
Library number of visitors*	614,073	648,084	629,354	607,740	-	-	-	-	-	-
Conservation and Development										
Wood removed (cord equivalent)	9,759	11,900	12,849	7,722	6,148	10,302	2,740	7,150	6,405	16,964

The data has been compiled from a survey of County Departments

* In 2013, the Library stated that the number of visitors is no longer tracked

Schedule 16
Marathon County
Capital Asset Statistics by Function,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	<u>Fiscal Year</u>									
General Government										
Number of courtrooms	7	7	7	7	7	7	7	7	7	7
Public Safety										
County buildings maintained	11	11	11	11	11	11	11	11	11	11
Jail capacity/number of beds	279	279	279	279	279	279	279	279	279	279
Sheriff Department vehicles	91	94	93	93	93	89	89	89	89	89
Transportation										
Miles of County highways/roads	613	613	613	613	613	613	613	613	614	614
County sponsored airports	1	1	1	1	1	1	1	1	1	1
Health										
Landfill total capacity (cubic yards) *	3,376,000	3,376,000	3,376,000	3,376,000	3,376,000	6,276,000	6,276,000	6,276,000	6,276,000	6,276,000
Landfill remaining capacity (cubic yards)*	620,000	643,600	508,188	385,335	248,704	2,890,659	2,612,450	2,182,975	1,885,100	1,619,379
Opened Blue Bird Ridge in 2014										
Social Services										
Nutrition centers	2	2	2	2	1	1	1	1	1	1
Leisure and Education										
Libraries - Headquarters	1	1	1	1	1	1	1	1	1	1
Libraries - Branches	8	9	9	9	9	8	8	8	8	8
Volumes books & audio-visual materials	335,028	433,609	422,319	412,099	414,128	450,585	580,945	517,435	560,419	559,196
Number of County parks	18	18	18	18	19	20	20	20	20	20
Number of acres	3,407	3,407	3,407	3,407	3,534	3,534	3,534	3,534	3,534	3,534
Public access beaches	4	4	4	4	4	4	4	4	4	4
Miles of bicycle trails	28	28	28	28	28	28	61	61	61	61
Number of public campgrounds	4	4	4	4	4	4	4	4	4	4
Number of shooting ranges	1	1	1	1	1	1	1	1	1	1
Number of softball complexes	1	1	1	1	1	1	1	1	1	1
Number of lakes and rivers with public boat launches	6	6	6	6	6	6	6	6	6	6
Indoor ice arenas	2	2	2	2	2	2	2	2	2	2
Miles of snowmobile trails	782	782	854	854	863	863	863	863	863	863
Miles of ATV trails - winter	690	690	730	730	753	753	756	756	756	756
Miles of ATV trails - summer	20	20	21	21	21	21	21	21	21	21
Miles of cross country ski trails	31	31	31	31	31	31	31	31	31	31
Conservation and Development										
Number of County forest units	9	9	9	9	9	9	9	9	9	9
Number of acres	29,768	29,768	29,768	29,768	29,937	29,937	29,937	29,937	30,195	30,195

The data has been compiled from a survey of County Departments

**Schedule 17
Marathon County
Schedule of Insurance
Fiscal Year Ended December 31, 2018**

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention
Wisconsin Municipal Mutual WI2017LP13A 01/01/18 to 01/01/19	General Liability (including Public Officials Errors & Omissions, Unfair Employment Practices, Employee Benefits Liability) \$10,000,000 per occurrence/\$30,000,000 annual aggregate Automobile Liability (including Non-Owned Autos) \$10,000,000 Limit of liability per occurrence/\$30,000,000 annual aggregate Uninsured Motorist \$25,000 per person per occurrence/\$50,000 for all damages per occurrence Pollution Liability (limited coverage for specific covered perils of loss) \$150,000 per occurrence/\$300,000 annual aggregate Self-Insured Retention: \$250,000 per occurrence/ \$1,050,000 Annual aggregate Excludes liability coverage for pollution, health care services (including nursing home, Health Care Centers, medical facilities), transit authorities, gas and electric utilities, aircraft/airfield operations, asbestos, mold, fungi, and lead, eminent domain and land use, non-monetary damages, electronic data, back and front pay benefits or compensation, war, fiduciary investments, and contractual agreements
Chubb Insurance Co 82218206 03/15/18 to 03/15/19	Aging and Disability Resource Center of Central WI Directors & Officers and Entity Liability \$1,000,000 Limit of liability maximum aggregate limit \$10,000 Deductible
Chubb American Insurance Company EON G4682359A 002 10/06/18 TO 10/06/19	Retained County Board Authority (RCA) \$1,000,000 Limit of Liability each claim and in aggregate \$10,000 Retention each claim
Global Aerospace 13000091 01/01/16 to 01/01/19	Central WI Joint Airport Board Aviation Ground Operations Liability Limit of Liability: \$50,000,000 per occurrence Damage to Premised rented to insured: \$40,000,000 Medical Expense Limit: \$10,000 (any one person) Products completed operations aggregate limit: \$50,000,000 Personal & advertising injury aggregate limit: \$25,000,000 Hangar-keepers liability each accident limit: \$50,000,000 Hangar-keepers liability each aircraft limit: \$50,000,000
Self-Funded & Administered 01/01/18 to 01/01/19	Automobile Collision Actual Cash Value Coverage \$14,902,027as of 12/31/18

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention
Integrity Insurance 01/01/18 to 01/01/19 IMP 2665701-02	Automobile Comprehensive Replacement Cost Coverage \$14,620,754 as of 7/1/2018 \$1,000 Deductible
Wisconsin Municipal Mutual Insurance Company/Safety National WI2017WC13X 01/01/17 to 01/01/18	Excess Workers Compensation and Employers Liability \$550,000 Specific retention Limits of Liability Statutory Workers Comp Employers Liability Bodily Injury by Accident: \$1,000,000 each accident Bodily Injury by Disease: \$1,000,000 each employee
Municipal Property Insurance Co 5000030-3 01/01/18 to 01/01/19	Buildings, Personal Property, and Property in the Open Replacement Cost Deductible \$15,000 each occurrence Buildings: \$283,464,578 Contents: \$29,433,246 Property in the Open: \$11,980,805 Building Specific Limit – (P3849 Park Road, Aniwa, WI) Limit: \$70,000 Deductible \$10,000 Contractors Equipment Replacement Cost Limit \$18,646,596 Deductible \$5,000 Includes \$25,000 coverage for unscheduled contractor’s equipment owned or legally responsible to insure Business Income \$1,000,000 – Central Wisconsin Airport \$1,000,000 – Solid Waste/Landfill \$1,773,329 – North Central Health Care Center Deductible \$10,000 Monies & Securities \$850,000 (Applies to Courthouse = 750,000 & Social Service = 100,000) \$3,000,000 Limited term coverage from 7/27 to 08/01 (Courthouse only) Deductible \$1,000 Pier & Wharf \$93,824 Deductible \$1,000
The Cincinnati Insurance Co 01/01/18 to 01/01/19 0578949 0578957 0578959 0578961 6750268 0579000	Public Official Schedule Position Bond Treasurer: \$500,000 Finance Director: \$300,000 Clerk of Courts: \$50,000 County Clerk: \$10,000 Register of Deeds: \$10,000 Sheriff: \$10,000

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention
The Cincinnati Insurance Co 1213498 01/01/18 to 01/01/19	Employee Dishonesty (Crime) Bond Employee Theft - \$500,000/occurrence \$10,000 Deductible Forgery or Alteration - \$5,000/occurrence \$250 Deductible
Chubb Group of Insurance Companies 7643-6017 WCE 01/01/18 to 01/01/19	Equipment Breakdown \$100,000,000 – Property Damage Blanket Limit – applicable to scheduled properties \$10,000 Deductible, Additional specific limits applicable to Business Income, Loss of Utilities, Ammonia Contamination, Expediting Expense, water damage, electronic data, fungus cleanup, spoilage
Self-Funded	Marathon County Landfill Pollution Legal Liability \$2,000,000 Limit of liability per claim and in aggregate Claims-made
Beazley Lloyds Syndicate PH1806615 01/01/18 to 01/01/19	Information Security & Privacy Insurance w/Breach Response Services WMMIC Member Aggregate Limit \$2,000,000 Cyber Extortion Loss; \$2,000,000 Data Recovery Loss; \$1,000,000 Business Interruption; \$1,000,000 Privacy Breach Response Service <ul style="list-style-type: none"> • Notified Individuals: \$500,000 • Legal, Forensic, Public Relations/Crisis Mgt: \$250,000
Health Insurance Insurer: Group Health Trust Group # 76-440003 01/01/18 to 01/01/19	Health Benefit Plan PPO 90% of most covered medical expenses in network/70% out of network 80% of medical supplies & equipment in network/70% out of network Plan 1 – Broad In or Out-of-Network \$1,500 Single / \$2,250 Employee + One / \$3,000 Family Annual Deductible Plan 2 – Narrow In-Network \$1,500 Single / \$2,250 Employee + One / \$3,000 Family Annual Deductible, Narrow Out-of-Network \$1,800 Single / \$2,700 Employee + One / \$3,600 Family Annual Deductible. Prescription Drugs: 0% co-insurance generics; 15% co-insurance preferred brand; 15% co-insurance non-preferred brand plus \$15 co-pay \$1,000 single/\$2000 Family annual out of pocket maximum
Health Reimbursement Arrangement (HRA) Diversified Benefit Services 01/01/18 to 01/01/2019	Health Reimbursement Arrangement Reimbursement for out of pocket expenses covered but not paid under Marathon County’s Health and Prescription Plan coverage such as co-pays, deductible and co-insurance. Annual and maximum carry-over amounts are: Single: \$ 750 / \$3,750 Employee + 1: \$1,125 / \$5,625 Family: \$1,500 / \$7,500

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention
Dental Insurance Insurer: Delta Dental of WI Group # 00912 01/01/18 to 01/01/19	Delta Dental of WI PPO Plan \$1,500 Maximum annual benefit per person per calendar year \$25 Single / \$50 Family Deductible for PPO providers and \$50 Single / \$150 Family Deductible for Premier and Non-Contracted providers 100% Diagnostic and preventative for PPO providers, 80% for Premier providers and 60% for Non-contracted providers 80% Basic and Major Services for PPO providers and 50% for Premier and Non-contracted providers Orthodontic Services coverage copayment is 50% with individual lifetime maximum benefit of \$2,000 for PPO providers and \$1,000 for Premier and non-contracted providers
Self-Funded Dental Administered by Delta Dental of Wisconsin Group # 92896 01/01/18 to 01/01/19	Delta Dental of WI \$500 Maximum annual benefit per person, per calendar year \$25 Single / \$75 Family annual deductible 100% Diagnostic and preventative 80% Ancillary, direct filling restorations, oral surgery, endodontics, and periodontics 50% In-direct filling restorations
Department of Employee Trust Fund – The Hartford Insurance Employer ID #69-036-0943 01/01/18 to 01/01/19	Income Continuation Insurance Offers 75% of your average monthly retirement earnings Standard coverage covers up to \$64,000 of annual earnings with maximum benefit \$4,000 per month Supplemental coverage available to employees whose annual salary exceeds \$64,000 with a maximum benefit of \$7,500 per month 180, 120, 90, 60, & 30 day elimination period available 90 day elimination paid by Marathon County
Self-Funded 01/01/17 to 01/01/18	Workers Compensation Wisconsin Statutory Limits

This information represents details contained in our insurance policy and is not to be used to determine coverage.

All coverage questions should be directed to the Risk Manager.