

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARATHON COUNTY, WISCONSIN

FOR THE YEAR ENDED

DECEMBER 31, 2008

**DEPARTMENT OF FINANCE
KRISTI KORDUS, FINANCE DIRECTOR**

MARATHON COUNTY, WISCONSIN

Comprehensive Annual Financial Report For the Year Ended December 31, 2008

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FINANCE DEPARTMENT
(715) 261-1170

June 26, 2009

*Members of the Marathon County Board of Supervisors
and the Finance, Property & Facilities 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, 2008. 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 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 sent 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 well being. A copy of the 1997 through 2008 CAFRs are also available on the Internet at:

www.co.marathon.wi.us/Government/Departments&Services/Finance/Information Page/

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).

GAAP require 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 conformity with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations 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 20, 2010.

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 government and correction facilities; parks; health and social services; assistance to veterans and older Americans; library; forest conservation; medical examiner and surveyor; industrial park board, employment and training services; 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 even in these tough economic times the area's economy will continue to remain stable in the areas of population, labor force and employment. An increase in employment and modest rise in labor force should produce a fairly low unemployment rate, currently 4.8%, and should stay constant in the next few years.

Wausau area and Marathon County employment figures reflect the tough economic times. Several large employers have recently established in the area. Unemployment levels in the Marathon County Standard Metropolitan Statistical Area (SMSA) are below the State of Wisconsin unemployment rate of 5.0%.

Building construction in Marathon County in 2008 totaled \$153,181,403, which is less than the 2007 total of \$301,332,425. Overall permit values decreased in 2008. New residential construction and remodeling totaled over \$88 million. Commercial and industrial facilities added \$35 million to the tax base in 2008 .

Marathon County is a state leader in agriculture receipts with over \$307 million annually from dairy, livestock, crops and ginseng sales. The County ranks first statewide in milk, ginseng and barley production. Marathon County ranks second in number of farms, total dairy herds, number of milk cows, total number of cattle and calves, and forage and corn silage 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:

	<u>COMPANY</u>	<u>NUMBER OF EMPLOYEES</u>
1.	AspirusWausau Hospital	2,479
2.	Greenheck Fan Corp.	1,900
3.	Kolbe & Kolbe Millworks Inc.	1,600
4.	Wausau School District	1,300
5.	Marathon Cheese	1,300
6.	Wausau Insurance/Liberty Mutual	1,250
7.	Footlocker.com/Eastbay	1,065
8.	Wausau Papers	1,034
9.	North Central Health Care	1,000
10.	UMR/Fiserv Health	820

MAJOR INITIATIVES

In the year 2008 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 cooperative recreation 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 must be an active participant in that growth to make the process successful. In order for us to remain strong, our positive community attitude must reveal itself through these projects.

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 Highway Commission'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 Highway Commission has undertaken an aggressive program to repair and replace its highways and bridges. On an annual basis, the Highway Commission plans to repair four or five bridges. 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.

The County is a partner in two highway construction projects. The County has received Federal and State funding to complete the construction of a western arterial to Interstate 39. This multimillion-dollar project was materially completed in fall of 2005 with final sections completed in 2008. The County completed taking bids for a bike/pedestrian bridge over the Wisconsin River. Completion of this bridge was completed 2008. The bridge will link major sections of the County's bike trails together. The County is partnering with municipalities to create pedestrian/bike lanes linking many areas of the County.

To better handle the ongoing questions and concerns regarding general infrastructure, a special 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 has completed a comprehensive study of the 51.42 Board system and Nursing Home. A Nursing Home Operations Committee has been set-up to work on implementing the study recommendations. This committee has shown continued progress in fiscal management while raising the quality of care for residents of Mount View. Lastly, with County leadership and citizen input, the County has unveiled a Westside Master Plan that shows a plan for thoughtful development in and around the UW-Marathon County campus, fairgrounds, Marathon Park and Highway and Parks Operation shops. The County will start acquiring land in 2008 to make way for a new UWMC theater and public policy institute.

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 8.3%. 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 need. 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 any amounts of unreserved undesignated fund equity/balance into the succeeding year's budget. With the change in the Highway working capital policy its unreserved undesignated 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, highway road improvement fund and any special revenue fund that use grants for operating capital. Marathon County uses this undesignated amount to fund future years capital improvement programs. It is not used to off set 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 reserved or designated. Highway is allowed to provide for multi-year funding options for specifically identified high cost projects such as the County Highway R freeway project.

General Fund Balance

The unreserved undesignated fund balance will be used in the 2010 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 non-departmental capital projects. The trend of using fund balance and not raising taxes is expected to continue for years to come. 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 either reserved or designated.

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, Property and Facilities Committee along with the County's Executive Management Team provide direction to the Finance Department in carrying out the internal audit program, and provides 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, 2007 disclosed no instances of material weaknesses in internal control systems) or significant violations of applicable laws and regulations.

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 average yield on the investment pool for 2008 was 2.46%. Because of the County's fiduciary responsibility for investments, the County constantly monitors the County's ownership portion of the LGIP. The County's investments represented an average .90% of the total deposits during 2008.

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 year) government securities, as recommended by the County's investment advisor. This allows additional interest earnings without undue risk.

Further diversification of the County's investment portfolio is accomplished with participation in a fully collateralized Certificate of Deposit program. The County began investing in this fully collateralized Certificate of Deposit pool in 1996. This program allows the County to invest excess idle funds for up to 365 days with banks throughout the State of Wisconsin. Investments in this program had an average 2008 return of 3.39%.

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. All securities held by the County during the year and at December 31, 2008 were classified in the category of lowest credit risk as defined by the GASB.

The amount of interest earned in 2008 for all Primary Government operations (including the CWA as a discretely presented component unit) was \$5,192,305, a decrease from 2007 of 19.45%. The decrease was the result of substantially lower interest rates being applied to investments and slightly lower cash reserves. In addition to the earnings of the primary government unit, (including the CWA as a discretely presented unit) another \$322,534 of interest was earned by the County's (other) discretely presented component units. The following chart illustrates investment earnings for the primary government (including CWA as a discretely presented component unit) for all fund types over the last ten years.

Year	Earnings	Increase (Decrease)	%(Decrease) Change
1999	\$ 4,015,065	\$ (78,898)	\$ (1.93)
2000	5,034,848	1,019,783	25.40
2001	4,660,554	(374,294)	(7.43)
2002	3,270,623	(1,389,931)	(29.82)
2003	1,753,131	(1,517,492)	(46.40)
2004	2,322,326	569,195	32.47
2005	3,866,447	1,544,121	66.49
2006	5,746,291	1,879,844	48.62
2007	**6,446,330	700,039	12.18
2008	5,192,305	(1,254,025)	(19.45)

**Bond sales for Sheriff Communication & Highway Projects

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, 2008 the County was self-funded for the following risks: health, one (1) dental program, automobile collision and workers' compensation.

A fund was established in 1984 for self-funded health and 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 all workers' compensation and in 1993 went self administered. 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 to varying degrees with commercial insurance purchased for claims in excess of the established amounts. The maximum for any individual specific health claim was \$200,000. There is a \$400,000 self insured maximum for any workers' compensation claim.

At the beginning of 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. On an occurrence basis WMMIC provides \$5,000,000 per occurrence excess coverage over and above the County's self insured retention (SIR) level for liability coverage with no annual aggregate. On a claims made basis WMMIC provides \$5,000,000 per occurrence excess coverage for errors and omissions coverage and provides \$5,000,000 per occurrence excess coverage for employee benefit liability with a \$15,000,000 annual aggregate.

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 deductible, in 1995 the County selected a \$100,000 per occurrence/\$500,000 aggregate deductible and in 1998 changed back to a \$100,000 per occurrence/\$400,000 aggregate deductible for automobile liability, general liability and errors and omission coverage. In 1999 the County

selected a \$400,000 per occurrence and aggregate deductible level for its SIR. The annual aggregate was changed to \$1,050,000 in 2008.

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. This insurance coverage provides protection on a replacement cost basis for approximately \$254,757,365 of physical assets and actual cash value coverage on approximately \$10,049,046 for automobiles. Claims on buildings, contents and contractors equipment have a deductible of \$5,000 and automobile comprehensive has a \$500 deductible.

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 Amendments of 1996 and related U. S. Office of Management and Budget Circular A-133. 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 is SEC Rule 15c2-12. The rule, among other requirements, (referred to as the Annual Undertaking) has set up the requirement for the submission of annual audited financial statements to all Nationally Recognized Municipal Securities Information Repositories (NRMSIR). 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. The County failed to file its requirements under the rule for 2003. The County's audited financial statements, which serve as the continuing disclosure filings, were filed in November of 2005 bringing the County into compliance.

- (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 a debt issue with eligible call dates as follows:
2003B G.O. Airport issue – 5/01/09*
 - (i) *Defeasances; - the County currently has one (1) debt issue that qualifies as legal defeasance as follows:
1992A G.O. Library bonds
total defeasance of 1,640,000
For a total amount defeased as of 12/31/08 of \$1,640,000*
 - (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 Aa and now the rating is Aa2. 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 12-31-06
04/01/03	555,000	Central Wisconsin Airport	05/01/13	295,000 (a)
12/01/05	4,105,000	CWA Refunding	10/01/17	3,355,000 (b)
				Subtotal 3,650,000
Less Debt Service Funds on Hand (c)				2,597,128
Total Net Direct Debt				\$1,052,872

- (a) Debt service payments are fully paid by CWA.
- (b) Debt service payments are expected to be supported by passenger facility charges at CWA.
- (c) Debt service funds on hand less state forest aid loan funds of \$28,580.

(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*	07/08	08/09
City of Wausau	\$ 7.90	\$8.09
State of Wisconsin	.15	.16
Marathon County	5.03	5.15
Wausau School District	9.04	9.24
Northcentral Technical College	1.74	1.78
Gross Tax Rate	23.86	24.42
Less State Credit	(1.45)	(1.48)
Net Tax Rate	22.41	22.94
Ratio of assessed value to equalized value	103.59%	98.80%

*Tax rates 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:*

2008 REVENUE		2008 EXPENDITURES	
Taxes	\$ 46,793,927	General Government	\$ 40,656,256
Sales and misc. taxes	9,948,844	Public Safety	18,340,056
Intergovernmental grants/aid	34,818,105	Transportation	32,516,737
Licenses, Fines and Forfeitures	1,091,660	Health	8,120,381
Charges for services:		Social Services	28,030,384
Public	9,987,034	Leisure and Education	11,761,156
Intergovernmental	22,155,881	Conservation & Economic Development	3,584,576
Miscellaneous Revenue	16,318,503	Debt Service	3,634,914
Transfers	15,147,151	Capital Outlay	5,360,300
		Transfers	6,256,345
TOTALS	\$158,261,105		\$158,261,105

(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:*

		General Obligation Direct Debt (a)	General Obligation Underlying Debt	Total Applicable General Obligation Debt
Debt Values		-	\$277,735,886	\$277,735,886
Equalized Value (less TID)	\$9,444,208,500	-	2.94%	2.94%
Per capita	\$135,190	-	\$2,054.41	\$2,054
Per acre	\$1,013,760	-	\$273.97	\$274

(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 this information on its Internet site mentioned above.

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 like to extend a special thanks to Tom Schlieff, who was the Director of the Marathon County Historical Society, for his contribution on the brief history on the development of Marathon County. We would offer this special thank you to Roger Luce, the Executive Director of the Chamber of Commerce, for his contributions to the Economic Conditions and Outlook section of this transmittal letter. We would also like to thank the Marathon County Board of Supervisors and the Finance, Property & Facilities 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. Kordus
Finance Director*

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Marathon County
Wisconsin

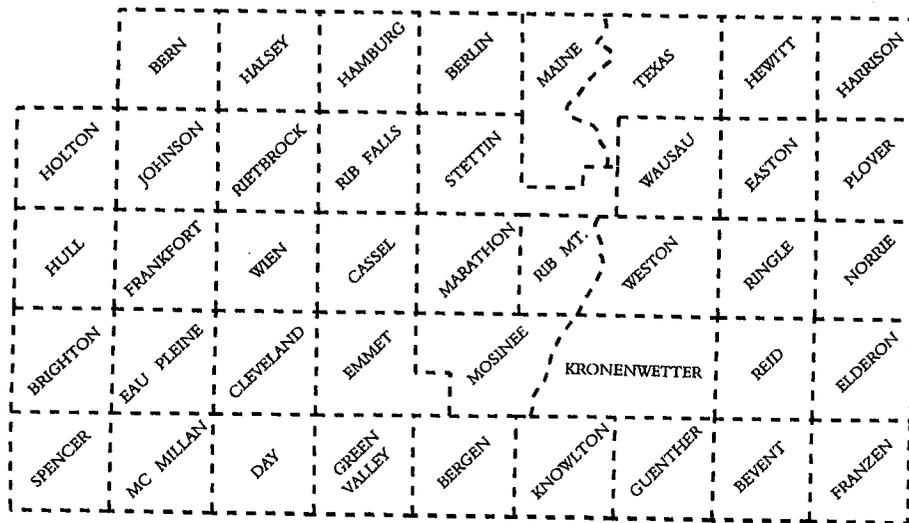
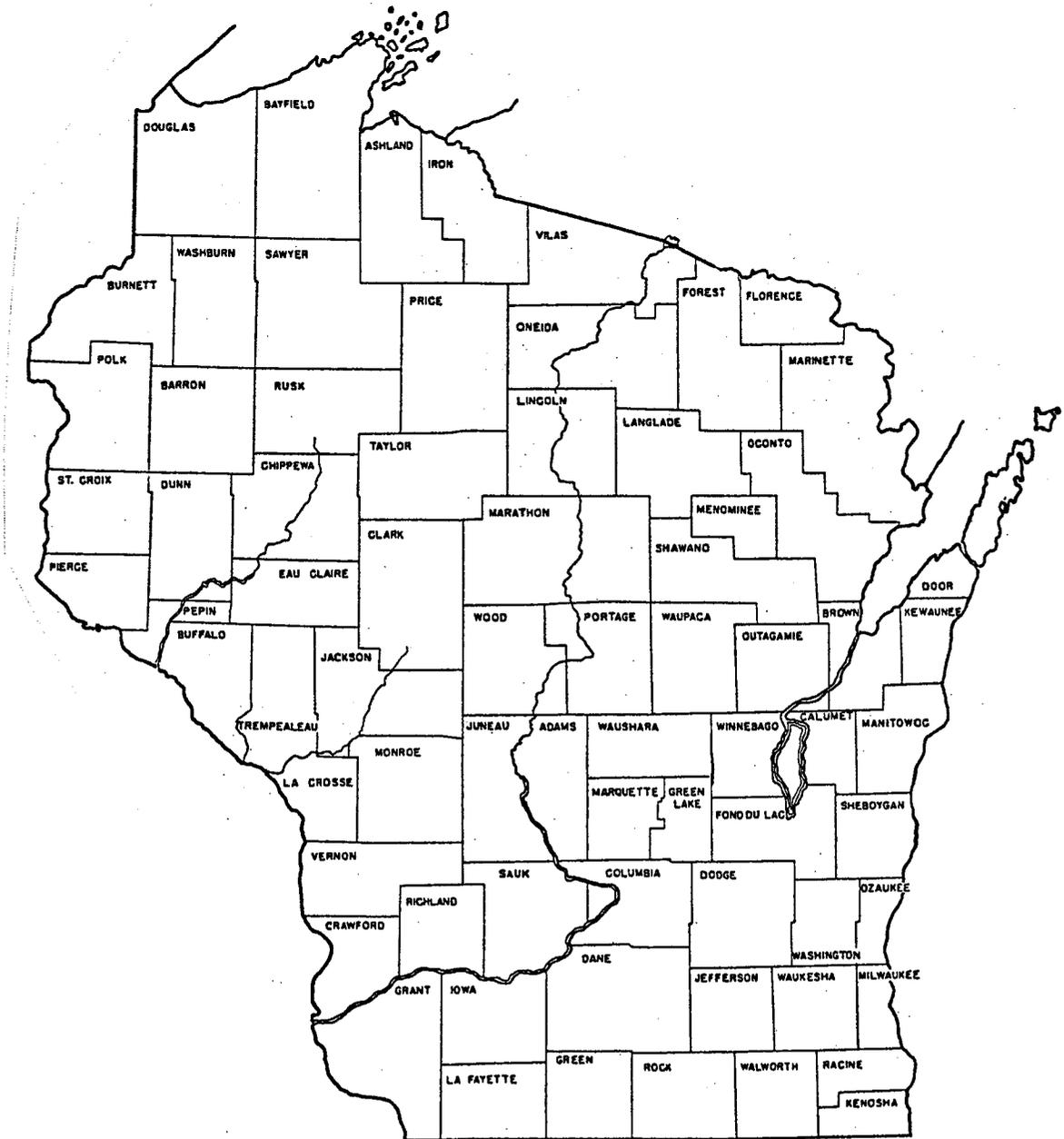
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



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

April 16, 2008 to April 20, 2010

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Vice Chairperson Ed Gale

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Jean Maszk
Craig McEwen
Gary Gisselman

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Kurt Gibbs
Shawn Bahr (FSA Member)

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Ann Williams
Tari Jahns
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Jim McNett
Connie Willfahrt
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Tom Younger
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Bernie Gauerke
Joseph Voight

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**CENTRAL WISCONSIN AIRPORT
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Matthew Bootz, Citizen Member
Jim Schuh, Citizen Member, Portage Co.
Barb Ermeling

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Terry Ryan
Colleen Rankin
John Robinson
Robert Wagman
E. Richard Simon, Lincoln Co.
Ray Bloomer, Lincoln Co.
Ron Nye, Langlade Co.

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

Primary Government

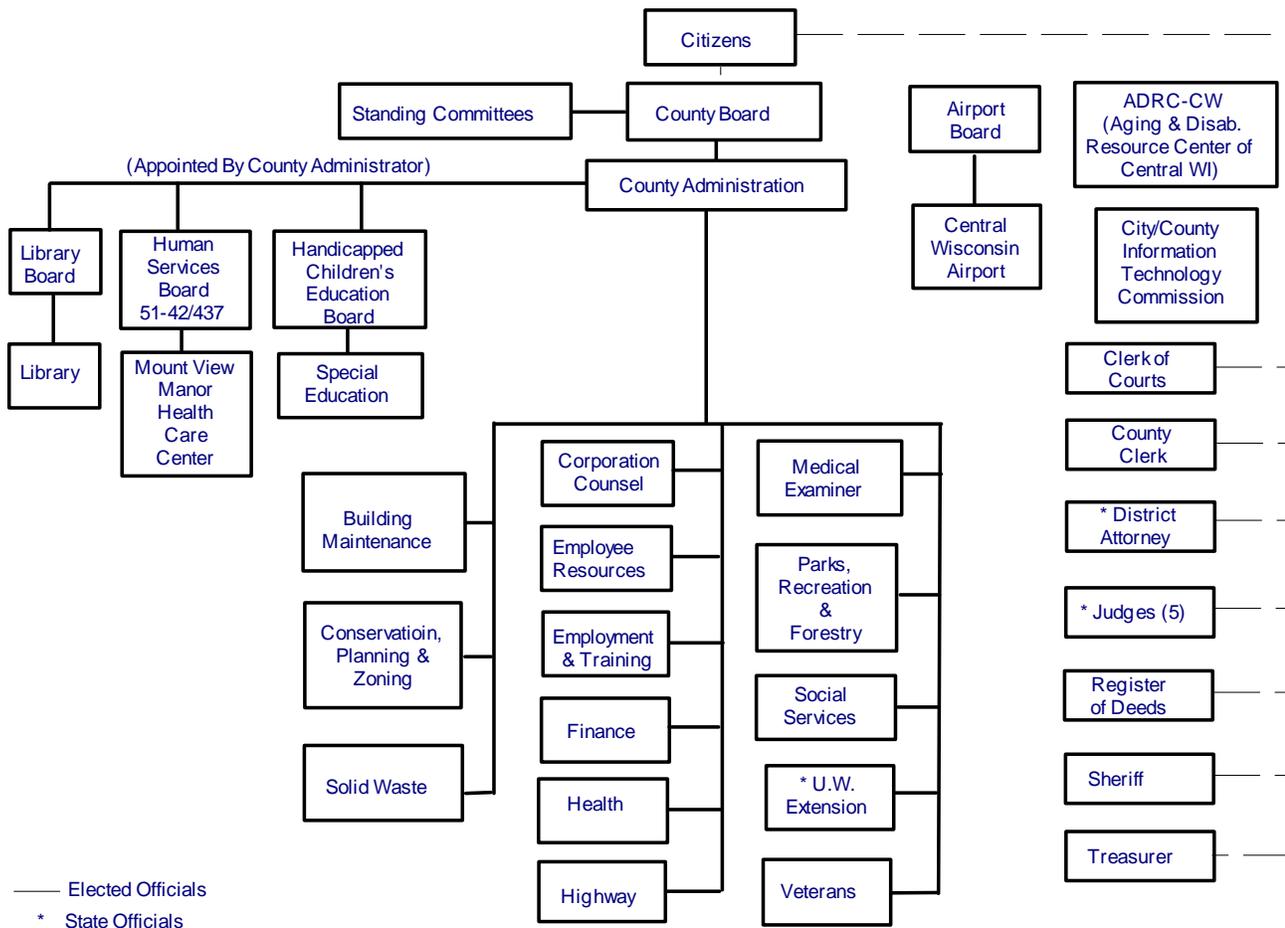
	Brad Karger	County Administrator
	Julie Strenn	Aging & Disability Resource Center of Central Wisconsin
	Michael Lotter	Building Maintenance
*	Diane Sennholz	Clerk of Courts
	James Edward Hammer	Conservation, Planning & Zoning
	Scott Corbett	Corporation Counsel
*	Nan Kottke	County Clerk
* •	Jill Falstad	District Attorney
	Frank Matel	Employee Resources
	Charlie Sparr	Employment & Training
	Kristi Kordus	Finance
	Julie Williams Van Dijk	Health
	James Griesbach	Highway
	Phyllis Christensen	Library
*	John Larson	Medical Examiner
	William Duncanson	Parks, Recreation & Forestry
*	Michael Sydow	Register of Deeds
*	Randy Hoenisch	Sheriff
	Vicki Tylka	Social Services
	Meleesa Johnson	Solid Waste
	Eric Hartwig	Special Education
*	Lorraine I. Beyersdorff	Treasurer
	Mike Wildeck	UW Extension
	Scott Berger	Veterans Service

Discretely Presented Component Units

	Tony Yaron	Central Wisconsin Airport
	Gerard Klein	City-County Data Commission
	Gary Bezucha	North Central Community Services

* Elected • State Employee

MARATHON COUNTY ORGANIZATIONAL CHART 2008



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MARATHON COUNTY, WISCONSIN
FINANCIAL STATEMENTS
For the Year Ended December 31, 2008

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Marathon County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Central Community Services, which represent 38.6 percent and 87.4 percent, respectively, of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Central Community Services, is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our 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, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and social improvement funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of Marathon County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management discussion and analysis and schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we and the other auditors did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marathon County's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Letter of Transmittal" 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 of Marathon County, Wisconsin. The information has not been audited by us and, accordingly, we express no opinion on such information.

Madison, Wisconsin
June 24, 2009

Baker Tilly Vuchow-Krause LLP

Management's Discussion and Analysis

As management of Marathon County, we offer the 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, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-13 of this report.

Financial Highlights

- The assets of Marathon County exceeded liabilities at the close of the most recent fiscal year by \$336,277,974 (net assets). Of this amount \$103,486,295 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$7,681,055.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$4,148,520, or 10 percent of total general fund expenditures.
- Marathon County has paid off all debt service that is funded with tax levy. The County paid off the principal of \$1,075,000 on the 2007A GO Note issued in 2007. This note was issued for County Capital Improvement Projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Marathon County's basic financial statements. Marathon County's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 assets presents information on all of Marathon County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Marathon County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 general government, public safety, transportation, health, social services, leisure and education, and conservation and development. The business-type activities of Marathon County include landfill and highway operations.

The government-wide financial statements include not only Marathon County itself (known as the primary government), but also a legally separate school district, airport and health care center for which Marathon County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 42-43 of this report.

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. The funds of Marathon County can be divided into two categories: governmental funds and proprietary 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 near-term inflows and outflows of spendable resources, as well as on 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, social improvement fund and capital improvement fund are considered to be major funds. The debt service and highway road improvement funds are considered to be non-major funds.

Marathon County adopts an annual appropriated budget for its general fund and social improvement fund. A budgetary comparison statement has been provided for the general fund and social improvement fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 44-48 of this report.

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 governmental-wide financial statements. Marathon County uses enterprise funds to account for its landfill and for its highway operations. Internal service funds are an accounting device used to accumulate and allocate costs internally amongst Marathon County's various functions. Marathon County uses internal service funds to account for its property and casualty insurance fund and employee benefits fund. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 landfill and highway operations, both of which are considered to be major funds of Marathon County. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 49-52 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for propriety funds. The basic fiduciary fund financial statements can be found on page 53 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 56-96 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Marathon County, assets exceeded liabilities by \$336,277,974 and \$328,596,919 at the end of 2008 and 2007 respectively.

By far the largest portion of Marathon County's net assets, 68 percent, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure); less any related outstanding debt used to acquire those assets. Marathon County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Marathon County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Marathon County's Net Assets for 2007 and 2008

	2007 Governmental Activities	2007 Business Type Activities	2007 Total	2008 Governmental Activities	2008 Business Type Activities	2008 Total
Current and other assets	\$ 123,978,438	\$ 56,870,465	\$180,848,903	\$ 129,964,166	\$ 62,912,814	\$192,876,980
Capital assets	216,374,377	13,498,501	229,872,878	216,710,896	12,808,726	229,519,622
Total Assets	340,352,815	70,368,966	410,721,781	346,675,062	75,721,540	422,396,602
Other liabilities	52,552,414	10,393,340	62,945,754	54,167,878	11,228,269	65,396,147
Long-term liabilities	7,257,648	11,921,460	19,179,108	7,951,013	12,771,468	20,722,481
Total liabilities	59,810,062	22,314,800	82,124,862	62,118,891	23,999,737	86,118,628
Net assets:						
Invested in capital assets, net of related debt	215,050,440	13,498,501	228,548,941	214,790,257	12,808,726	227,598,983
Restricted	509,144	2,922,567	3,431,711	2,625,708	2,566,988	5,192,696
Unrestricted	64,983,169	31,633,098	96,616,267	67,140,206	36,346,089	103,486,295
Total net assets	\$ 280,542,753	\$ 48,054,166	\$328,596,919	\$ 284,556,171	\$ 51,721,803	\$336,277,974

An additional portion of Marathon County's net assets, 2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$103,486,295 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2008 and 2007, Marathon County is able to report positive balances in all three categories of net assets, for the governmental activities. The government's net assets increased by \$7,681,055 during the current fiscal year.

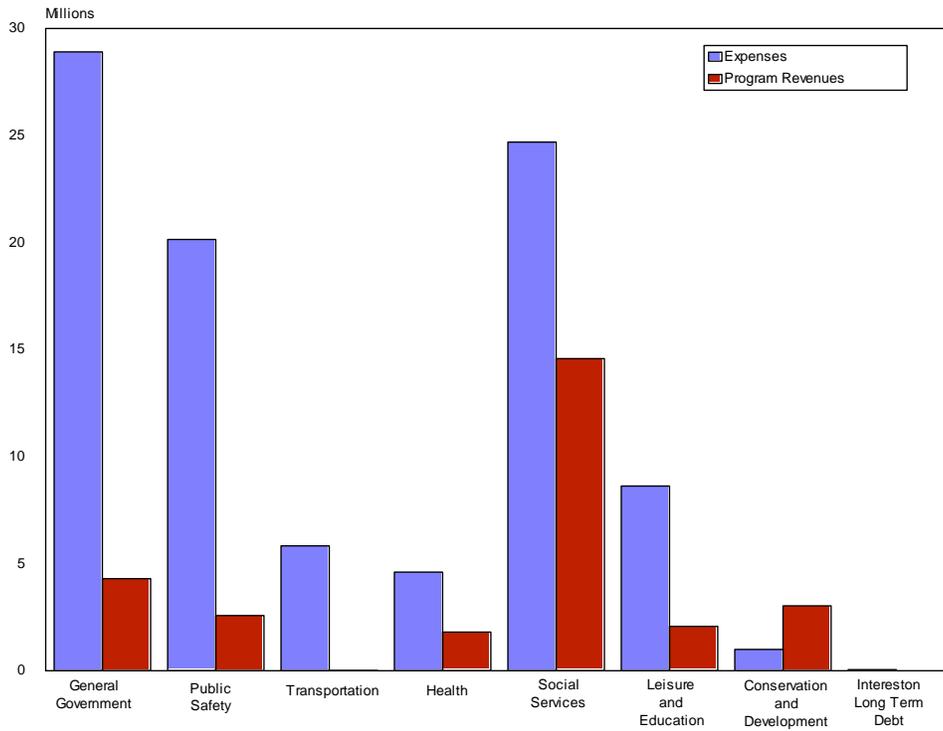
Governmental activities. Governmental activities increased Marathon County's net assets by \$4,013,418, thereby accounting for 52 percent of the total growth in the net assets of Marathon County.

Marathon County's Changes in Net Assets

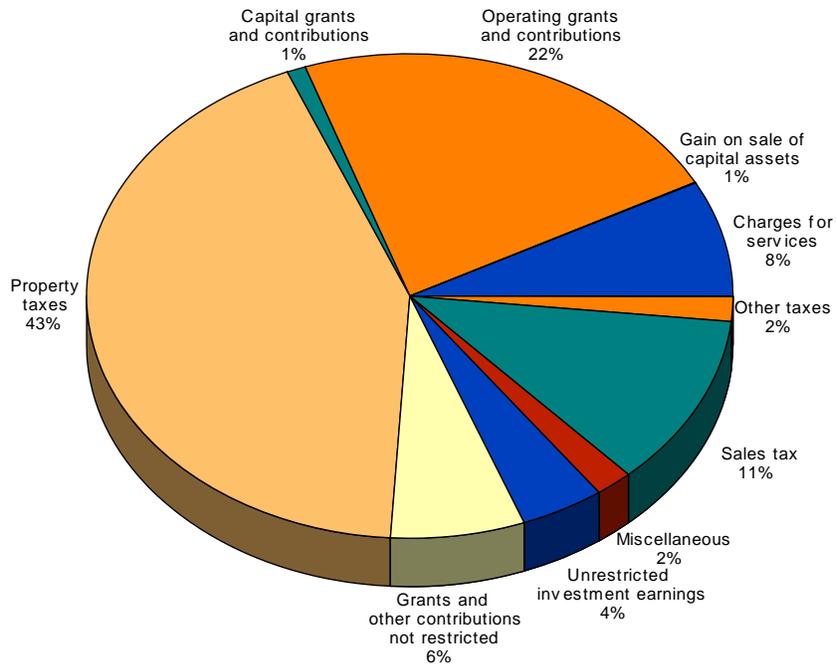
	2007 Governmental Activities	2007 Business Type Activities	2007 Total	2008 Governmental Activities	2008 Business Type Activities	2008 Total
Revenues:						
Program Revenues						
Charges for service	8,439,264	7,207,682	15,646,946	7,045,966	7,866,456	14,912,422
Operating grants and contributions	22,619,320	1,535,083	24,154,403	20,473,974	873,100	21,347,074
Capital grants and contributions	1,082,596	2,913,491	3,996,087	863,728	3,132,814	3,996,542
General Revenues						
Property taxes	38,579,214	8,252,009	46,831,223	39,723,667	8,409,424	48,133,091
Other taxes	12,028,089	-	12,028,089	12,177,630	-	12,177,630
Grants not restricted to specific programs	6,435,348	-	6,435,348	6,067,914	-	6,067,914
Other	5,394,615	2,629,926	8,024,541	5,758,242	2,526,336	8,284,578
Total Revenues	94,578,446	22,538,191	117,116,637	92,111,121	22,808,130	114,919,251
Expenses:						
General government	34,353,888	-	34,353,888	28,901,745	-	28,901,745
Public safety	18,436,524	-	18,436,524	20,144,675	-	20,144,675
Transportation	4,927,325	-	4,927,325	5,831,047	-	5,831,047
Health	4,386,361	-	4,386,361	4,609,679	-	4,609,679
Social services	25,317,481	-	25,317,481	24,691,433	-	24,691,433
Leisure and education	6,700,634	-	6,700,634	8,624,175	-	8,624,175
Conservation and development	1,476,149	-	1,476,149	997,139	-	997,139
Interest on long term debt	60,238	-	60,238	54,011	-	54,011
Landfill	-	2,773,166	2,773,166	-	3,989,716	3,989,716
Highway	-	8,831,170	8,831,170	-	9,394,576	9,394,576
Total expenses	95,658,600	11,604,336	107,262,936	93,853,904	13,384,292	107,238,196
Increase in net assets before transfers	(1,080,154)	10,933,855	9,853,701	(1,742,783)	9,423,838	7,681,055
Transfers	5,643,770	(5,643,770)	-	5,756,201	(5,756,201)	-
Increase in net assets	4,563,616	5,290,085	9,853,701	4,013,418	3,667,637	7,681,055
Net assets-January 1	275,979,137	42,764,081	318,743,218	280,542,753	48,054,166	328,596,919
Net assets-December 31	280,542,753	48,054,166	328,596,919	284,556,171	51,721,803	336,277,974

Property taxes were \$48,133,091 for 2008 and \$46,831,223 for 2007. A portion of the property taxes went to pay outstanding principal plus interest on general obligation notes. The outstanding general obligation debt that Marathon County has at the end of 2008 is for Central Wisconsin Airport improvements and County highway road improvements. The Central Wisconsin Airport is a discretely presented component unit of Marathon County. The debt service payments for the airport issue is supported by airport revenues. Additional increases went to pay for increasing personal service operating costs such as health insurance and wage increases.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased Marathon County’s net assets by \$3,667,637. Key elements of this increase are as follows:

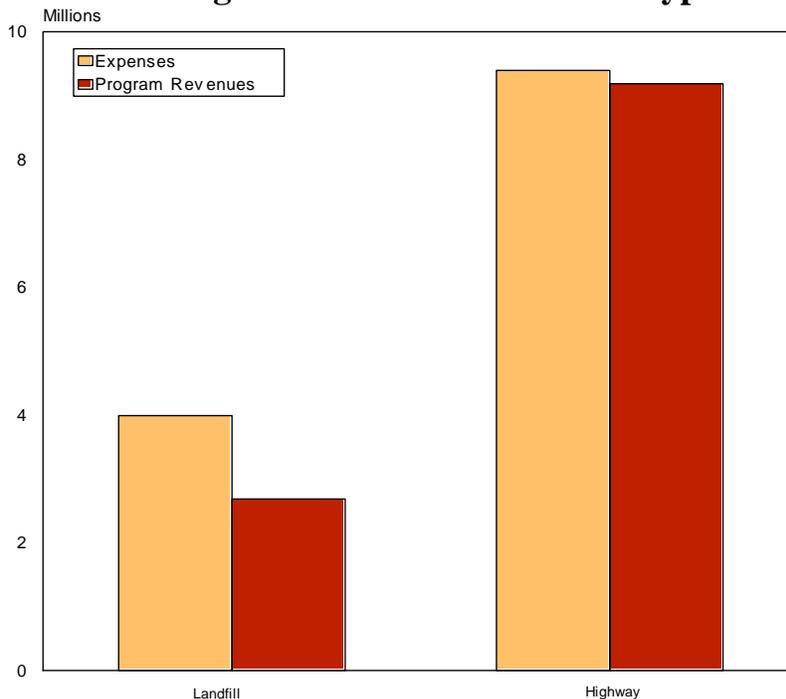
Operating expenses for business type activities increased by \$2,186,416 or 12%. Most of the decrease in expenses comes from a decrease in:

- Construction and maintenance of \$232,825 (6%)
- Contractual services of \$647,231 (41%)
- Other operating expense fees of \$42,566 (99%)
- Depreciation increased by \$567,245 (46%)
- Materials and supplies of \$357,341 (23%)

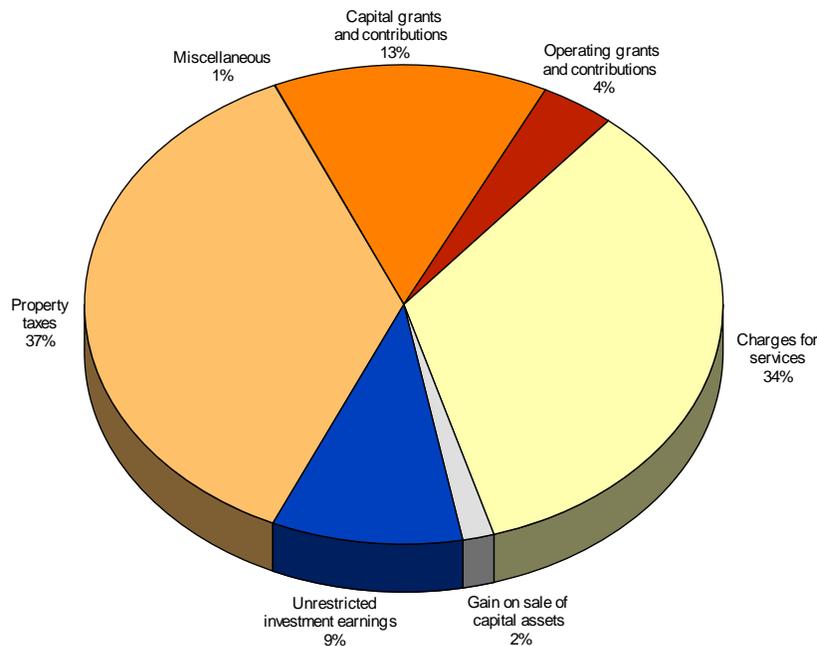
Operating revenues for business type activities increased by \$658,774 or 9% as follows:

- Intergovernmental charges for services decreased by \$82,275 (2%)
- Public charges for services increased by \$754,106 (38%)
- Other revenues for business type activities decreased by \$388,835 (3%)
- Intergovernmental grants and aids decreased by \$442,660 (10%)
- Property Tax revenues increased \$157,415 (2%)
- Decrease in interest income of \$349,532 (14%)
- Other income decreased \$113,563 (95%)
- Capital contributions from government activities accounted for \$697,338

Expenses and Program Revenues - Business-Type Activities



Revenue By Source - Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, 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 Marathon County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As the end of the current fiscal year, Marathon County's governmental funds reported combined ending fund balances of \$59,466,511, an increase of \$1,957,171 in comparison with the prior year. Approximately 10 percent of this total amount, \$6,060,076, constitutes undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed. The reserve balance of \$16,240,563 is made up of the following: 1) \$10,278 to liquidate contracts and purchase orders of the prior period, 2) \$2,625,708 to pay debt service, 3) \$10,789,930 for capital improvements, 4) \$2,716,266 for delinquent taxes for other governmental entities and, 5) \$98,481 for a variety of other restricted purposes.

The designated fund balance for the governmental funds totaled \$37,165,872. This fund balance is not available for spending and has been committed to the following: 1) \$4,298,792 for subsequent years budget, 2) \$18,398,598 for working capital and 3) \$6,250,420 for improvements, 4) \$2,842,855 for carryforwards 5) \$5,357,312 for compensated absences and 6) \$17,895 for ADRC.

The general fund is the chief operating fund of Marathon County. The undesignated fund balance of the general fund was \$4,148,520 and \$1,830,635 for 2008 and 2007 respectively while the total fund balance reached \$42,856,579 and \$40,772,223 for 2008 and 2007 respectively. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated fund balances represents 7 percent of total general fund expenditures in 2008 and 3 percent in 2007. Total fund balance represents 76 and 68 percent of that same amount in 2008 and 2007 respectively.

The fund balance of Marathon County's general fund increased by \$2,084,346 during the current fiscal year. Key factors in this change are as follows:

- An increase in sales tax revenues of \$157,829
- Property taxes increased \$1,276,489
- Revenues from public charges for services of the general fund decreased by \$702,519
- Intergovernmental grants and aids increased \$18,752 (less than 1%)
- Miscellaneous Revenues of the General Fund decreased by \$394,985
- General Government expenditures decreased \$3,096,069 (11%)
- Public Safety expenditures increased \$2,033,430. A large portion of this increase was a result of increased adult inmate cost. Marathon County is transporting inmates to Shawano County due to overcrowding.
- Health expenditures increased \$241,621
- Leisure & Education expenditures increased \$432,804
- Conservation expenditures decreased \$457,815

The debt service fund has a total fund balance of \$2,625,708, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$2,116,564. As of December 31, 2008, the County has no general obligation debt that is supported by tax levy dollars.

The fund balance for the Capital Improvement Fund decreased by \$1,022,530. This includes construction of County road projects and communication equipment.

The Highway Road Improvement Fund has a fund balance of \$1,480,024. The projects being completed in the Highway Road Improvement Fund include new sections of County Highway R.

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

Unrestricted net assets of the landfill at the end of the year amounted to \$6,424,891, and those for the highway operations amounted to \$29,921,198. The total decrease in net assets for the landfill fund was \$372,601. The net assets of the highway fund increased by \$4,040,238. Other factors concerning the finances of these two funds have already been addressed in the discussion of Marathon County's business-type activities.

General Fund Budgetary Highlights

Difference between the original expenditure budget and the final amended budget was \$4,863,109, which is an increase in appropriations and can be briefly summarized as follows:

\$ 563,448 in increases in general government activities, which includes:

- \$331,134 increase financial administration
- \$84,176 for legal services
- \$250,000 for judicial expenditures

\$ 1,815,807 in increases allocated to the public safety

\$ 1,249,226 in increases allocated to the health

\$ 11,391 in increases allocated for social services

\$ 752,812 in increases allocated for leisure and education

\$ 417,885 in increases allocated for conservation and economic development

\$ 52,540 increases allocated for capital outlay

Of this increase, a major portion of this increase \$508,367 was to be funded out of increases in intergovernmental grants and aids. Taxes were an additional \$1,465,484 is funded from an increase in miscellaneous revenue. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

The change between the original general fund expenditure and the final amended general fund budget for the fiscal year ended December 31, 2008 was \$4,863,109 increase; primarily due to an increase in capital outlay as the County obtained forest land. The County also received additional grant dollars for new and regional program initiatives.

Actual expenditures were \$6,638,098 less than the final amended general fund budget. Most of the amount that was not spent consisted of grant funds which will be spent in 2009.

The final amended general fund budget projected fiscal year expenditures of \$62,615,708. The actual general fund expenditures for the fiscal year ended December 31, 2008 were \$56,247,610.

Capital Asset and Debt Administration

Marathon County's investment in capital assets for its governmental and business-type activities as of December 31, 2008, amounts to \$227,598,983 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, culverts, bridges and construction in process. The total decrease in Marathon County's investment in capital assets for the current fiscal year was \$949,658 or less than 1 percent.

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

- Road construction was on going on the County Highway XX and Lahr Road in Weston.
- Purchased communication equipment and upgrade the Rib Mountain radio tower so the County and municipalities can move to digital band width requirements by 2012.

Marathon County's Capital Assets

Governmental Activities	Governmental Activities	Business-type Activities	Total
Construction in process	17,183,597	-	17,183,597
Land	32,774,235	523,038	33,297,273
Buildings	63,419,269	6,612,213	70,031,482
Improvements	8,022,717	18,420,444	26,443,161
Equipment	17,663,231	13,926,550	31,589,781
Infrastructure	174,549,900	-	174,549,900
Library Collection	4,303,100	-	4,303,100
Subtotal	317,916,049	39,482,245	357,398,294
Less: Accumulated Depreciation	(101,205,153)	(26,673,519)	(127,878,672)
TOTAL	216,710,896	12,808,726	229,519,622

Additional information on Marathon County's capital assets can be found in note F on pages 76-77 of this report.

Long-term debt. At the end of the current fiscal year, Marathon County had \$0 in bonded debt outstanding paid by tax levy revenues. However, the amount of \$3,650,000 in General Obligation Bonds were issued by Marathon County for Marathon County's discretely presented component unit, Central Wisconsin Airport and are paid by the Airport. This entire amount comprises debt backed by the full faith and credit of the government.

Marathon County's Outstanding General Obligation Debt for 2008

Central Wisconsin Airport	\$3,650,000
General	\$0
TOTAL	\$3,650,000

Marathon County's total debt increased during the current fiscal year. Marathon County maintains a Moody's Rating of Aa2 for a general obligation debt. The 2007A general obligation notes have been rated Aa2 by Moody's Investor Service.

State statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized valuation. The current debt limitation for Marathon County is \$503,025,643, which is significantly in excess of Marathon County's outstanding general obligation debt.

Additional information on Marathon County's long-term debt can be found in note H on pages 80-81 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Marathon County in 2008 was 4.8 percent. This compares favorably to the state's average unemployment rate of 5.0 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing Marathon County's budget for the 2008 fiscal year.

The unreserved fund balance in the general fund at the end of 2008 was \$3,213,692. Marathon County has appropriated this amount to fund the 2010 capital improvement fund. It is intended that this use of available fund balance will avoid the need to raise taxes or borrow to complete capital projects.

Request for information

This financial report is designed to provide a general overview of Marathon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Marathon County, 500 Forest Street, Wausau, WI, 54403-5568.

MARATHON COUNTY, WISCONSIN

Statement of Net Assets

December 31, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Major	Non-Major
Assets:					
Cash and cash equivalents	\$ 67,510,019	\$ 36,343,655	\$ 103,853,674	\$ 2,340,126	\$ 1,626,801
Investments	-	-	-	5,075,000	-
Taxes receivable	44,742,045	8,577,612	53,319,657	-	-
Accounts receivable	2,327,888	423,883	2,751,771	8,404,823	130,485
Contracts receivable	-	663,606	663,606	-	-
Accrued interest receivable	858,729	-	858,729	-	1,748
Penalties and interest receivable	193,119	-	193,119	-	-
Internal balances	(44)	44	-	-	-
Due from other governments	4,020,253	1,209,396	5,229,649	440,000	264,570
Due from discretely presented component unit	2,511	119	2,630	-	-
Prepaid items	10,278	-	10,278	219,057	38,340
Inventories	28,753	1,089,691	1,118,444	381,171	-
Advance to discretely presented component unit	-	6,250	6,250	-	-
Restricted assets					
Cash and cash equivalents	8,751,615	1,634,613	10,386,228	2,024,551	45,000
Investments	-	12,836,946	12,836,946	287,171	-
Accrued interest receivable	-	126,999	126,999	-	-
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-	-
Deferred charges	-	-	-	33,049	-
Capital assets:					
Capital Assets not depreciated	49,957,832	523,038	50,480,870	2,168,630	-
Capital Assets, net of accumulated depreciation	166,753,064	12,285,688	179,038,752	41,201,139	228,124
Total assets	<u>\$ 346,675,062</u>	<u>\$ 75,721,540</u>	<u>\$ 422,396,602</u>	<u>\$ 62,574,717</u>	<u>\$ 2,335,068</u>
Liabilities:					
Accounts payable	\$ 6,348,299	\$ 1,158,138	\$ 7,506,437	\$ 1,552,135	\$ 594,786
Accrued items	1,280,218	311,291	1,591,509	1,958,892	-
Special deposits	610,665	-	610,665	287,171	-
Accrued interest payable	-	-	-	37,771	-
Accrued liability - claims payable	3,940,502	-	3,940,502	710,000	-
Due to other governments	1,447,572	1,102,277	2,549,849	600,507	-
Due to primary government	-	-	-	2,630	-
Unearned revenues	40,405,424	8,643,116	49,048,540	250,128	12,606
Advance from primary government	-	-	-	6,250	-
Non-current liabilities:					
Due within one year:					
Current portion of long-term obligations	135,198	13,447	148,645	340,000	10,784
Non-current liabilities:					
Due in more than one year:					
Contracts payable	-	14,623	14,623	-	-
General obligation notes payable	-	-	-	3,310,000	-
Non-current portion-forest crop loan payable	1,882,639	-	1,882,639	-	-
Landfill closure & long-term care payable	-	11,926,597	11,926,597	-	-
Compensated absences	4,762,693	658,889	5,421,582	1,992,367	74,519
Net OPEB obligation	1,305,681	171,359	1,477,040	43,329	34,042
Total liabilities	<u>62,118,891</u>	<u>23,999,737</u>	<u>86,118,628</u>	<u>11,091,180</u>	<u>726,737</u>
Net Assets					
Invested in capital assets, net of related debt	214,790,257	12,808,726	227,598,983	39,719,769	228,124
Restricted					
Debt service	2,625,708	-	2,625,708	-	-
Landfill long-term care costs	-	2,566,988	2,566,988	-	-
Passenger facility charges	-	-	-	1,537,795	-
Member entity investment	-	-	-	1,578,388	-
Employee benefits	-	-	-	-	45,000
Unrestricted	67,140,206	36,346,089	103,486,295	8,647,585	1,335,207
Total Net Assets	<u>\$ 284,556,171</u>	<u>\$ 51,721,803</u>	<u>\$ 336,277,974</u>	<u>\$ 51,483,537</u>	<u>\$ 1,608,331</u>

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Statement of Activities

For the year ended December 31, 2008

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Major Component Units	Non-Major Component Units
Primary government:									
Governmental activities									
General government	\$ 28,901,745	\$ 2,546,867	\$ 1,758,758	\$ -	\$ (24,596,120)	\$ -	\$ (24,596,120)	\$ -	\$ -
Public safety	20,144,675	1,667,040	227,057	682,557	(17,568,021)	-	(17,568,021)	-	-
Transportation	5,831,047	-	-	-	(5,831,047)	-	(5,831,047)	-	-
Health	4,609,679	561,468	1,245,938	-	(2,802,273)	-	(2,802,273)	-	-
Social services	24,691,433	868,342	13,713,523	-	(10,109,568)	-	(10,109,568)	-	-
Leisure and education	8,624,175	1,236,038	660,026	181,171	(6,546,940)	-	(6,546,940)	-	-
Conservation and development	997,139	166,211	2,868,672	-	2,037,744	-	2,037,744	-	-
Interest on long term debt	54,011	-	-	-	(54,011)	-	(54,011)	-	-
Total governmental activities	93,853,904	7,045,966	20,473,974	863,728	(65,470,236)	-	(65,470,236)	-	-
Business-type activities									
Landfill	3,989,716	2,685,025	-	-	-	(1,304,691)	(1,304,691)	-	-
Highway	9,394,576	5,181,431	873,100	3,132,814	-	(207,231)	(207,231)	-	-
Total business-type activities	13,384,292	7,866,456	873,100	3,132,814	-	(1,511,922)	(1,511,922)	-	-
Total primary government	107,238,196	14,912,422	21,347,074	3,996,542	(65,470,236)	(1,511,922)	(66,982,158)	-	-
Component units:									
Governmental-type									
Handicapped Children Education Board	5,032,132	3,315,816	795,808	-	-	-	-	-	(920,508)
Business-type									
Central Wisconsin Airport	4,510,747	2,782,648	-	888,245	-	-	-	(839,854)	-
North Central Community Services	68,190,738	57,243,964	10,845,506	905,991	-	-	-	804,723	-
Total business-type component units	\$ 72,701,485	\$ 60,026,612	\$ 10,845,506	\$ 1,794,236	\$ -	\$ -	\$ -	\$ (35,131)	\$ -
General revenues:									
Taxes									
Property taxes					39,723,667	8,409,424	48,133,091	-	-
Sales taxes					10,708,417	-	10,708,417	-	-
Other taxes					1,469,213	-	1,469,213	-	-
Grants and contributions not restricted to specific programs					6,067,914	-	6,067,914	-	1,030,719
Unrestricted investment earnings					3,938,127	2,160,230	6,098,357	403,967	62,059
Gain on sale of capital assets					40,304	359,505	399,809	17,473	-
Miscellaneous					1,779,811	6,601	1,786,412	645,712	48,138
Transfers					5,756,201	(5,756,201)	-	-	-
Total general revenues, special items and transfers					69,483,654	5,179,559	74,663,213	1,067,152	1,140,916
Change in net assets					4,013,418	3,667,637	7,681,055	1,032,021	220,408
Net assets - beginning					280,542,753	48,054,166	328,596,919	50,451,516	1,387,923
Net assets - ending					\$ 284,556,171	\$ 51,721,803	\$ 336,277,974	\$ 51,483,537	\$ 1,608,331

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2008

	General	Social Improvement	Capital Improvement	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 31,381,512	\$ 3,699,633	\$ 11,737,756	\$ 3,281,570	\$ 50,100,471
Taxes receivable	34,278,904	8,124,672	-	2,338,469	44,742,045
Accounts receivable	1,803,179	325,537	-	-	2,128,716
Accrued interest receivable	858,729	-	-	-	858,729
Penalties and interest receivable	193,119	-	-	-	193,119
Due from other governments	2,698,994	1,321,259	-	-	4,020,253
Due from other funds	996	-	-	-	996
Due from discretely presented component unit	2,511	-	-	-	2,511
Prepaid items	-	10,278	-	-	10,278
Inventories	28,753	-	-	-	28,753
Restricted assets:					
Cash and cash equivalents	7,564,886	360,058	-	826,671	8,751,615
Total assets	\$ 78,811,583	\$ 13,841,437	\$ 11,737,756	\$ 6,446,710	\$ 110,837,486
Liabilities and Fund Balance:					
Accounts payable	\$ 2,041,861	\$ 2,095,691	\$ 1,246,274	\$ 2,510	\$ 5,386,336
Accrued items	802,208	408,667	-	-	1,210,875
Special deposits	263,209	347,456	-	-	610,665
Due to other governments	1,199,773	247,799	-	-	1,447,572
Due to other funds	64,026	405	-	-	64,431
Deferred revenues	31,583,927	8,728,700	-	2,338,469	42,651,096
Total liabilities	35,955,004	11,828,718	1,246,274	2,340,979	51,370,975
Fund Balances:					
Fund balances:					
Reserved:					
Reserved for delinquent taxes	2,716,266	-	-	-	2,716,266
Reserved for inventory and prepaid items	28,753	10,278	-	-	39,031
Reserved for long-term receivables	69,728	-	-	-	69,728
Reserved for encumbrances	-	-	10,789,830	-	10,789,830
Reserved for debt service	-	-	-	2,625,708	2,625,708
Unreserved and designated	35,893,312	1,272,560	-	-	37,165,872
Unreserved and undesignated	4,148,520	729,881	(298,348)	1,480,023	6,060,076
Total fund balance	42,856,579	2,012,719	10,491,482	4,105,731	59,466,511
Total liabilities and fund balances	\$ 78,811,583	\$ 13,841,437	\$ 11,737,756	\$ 6,446,710	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (Internal Service Fund capital assets are fully depreciated)					216,710,896
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds					2,309,064
Internal service funds are used by management to charge costs of insurance coverage to individual funds. The assets and liabilities of the interenal service funds are included in government activities in the statement of net assets					14,112,093
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds. See Footnote 2. A.					(8,042,393)
Net assets of government activities					\$ 284,556,171

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year ended December 31, 2008

	General	Social Improvement	Capital Improvement	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 40,778,743	\$ 7,957,061	\$ 93,500	\$ 3,098,111	\$ 51,927,415
Intergovernmental grants and aids	11,901,178	15,701,995	-	-	27,603,173
Licenses and permits	214,061	-	-	-	214,061
Fines and forfeitures	723,624	-	-	-	723,624
Public charges for services	4,334,472	870,902	-	87,428	5,292,802
Intergovernmental charges for services	1,151,057	-	-	-	1,151,057
Miscellaneous revenue	2,758,471	318,755	727,612	161,747	3,966,585
Total revenues	61,861,606	24,848,713	821,112	3,347,286	90,878,717
Expenditures:					
Current:					
General government	23,893,847	-	-	-	23,893,847
Public safety	18,991,445	-	-	-	18,991,445
Health	4,541,926	-	-	-	4,541,926
Social services	219,653	24,459,063	-	-	24,678,716
Leisure activities and education	7,429,831	-	-	-	7,429,831
Conservation and economic development	1,009,482	-	-	-	1,009,482
Capital outlay	161,426	-	5,439,439	931,220	6,532,085
Debt service:					
Principal	-	-	-	1,161,276	1,161,276
Interest and paying agent fees	-	-	-	40,512	40,512
Total expenditures	56,247,610	24,459,063	5,439,439	2,133,008	88,279,120
Excess (deficiency) of revenues over expenditures	5,613,996	389,650	(4,618,327)	1,214,278	2,599,597
Other financing sources (uses):					
Transfers in:					
General Fund	-	176,936	4,610,939	-	4,787,875
Social Improvement Fund	-	-	885,509	-	885,509
Capital Improvement Fund	1,630,336	-	-	-	1,630,336
Sales of capital assets	10,619	-	29,685	-	40,304
State loan program debt issued	14,608	-	-	-	14,608
Transfers out:					
General Fund	-	-	(1,630,336)	-	(1,630,336)
Social Improvement Fund	(176,936)	-	-	-	(176,936)
Capital Improvement Fund	(4,610,939)	(885,509)	-	-	(5,496,448)
County Highway Fund	(397,338)	-	(300,000)	-	(697,338)
Total other financing sources (uses)	(3,529,650)	(708,573)	3,595,797	-	(642,426)
Net change in fund balance	2,084,346	(318,923)	(1,022,530)	1,214,278	1,957,171
Fund balances, January 1	40,772,233	2,331,642	11,514,012	2,891,453	57,509,340
Fund balances, December 31	\$ 42,856,579	\$ 2,012,719	\$ 10,491,482	\$ 4,105,731	\$ 59,466,511

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

Year ended December 31, 2008

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

Net change in fund balance-total governmental funds	\$ 1,957,171
<p>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. This is the amount by which capital outlay exceeded depreciation in the current period as follows:</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements including infrastructure assets	16,850,945
Less: Depreciation is reported in the government-wide statements	(8,812,235)
Deletion of capital assets, net of accumulated depreciation	(7,702,191)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds	(246,392)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. See Footnote 2. B.</p>	
	1,146,668
<p>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. See Footnote 2. B.</p>	
	(780,290)
The net revenue of certain activities in the internal service funds is reported with governmental activities.	<u>1,599,742</u>
Change in net assets of governmental activities	\$ <u><u>4,013,418</u></u>

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

GENERAL FUND

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

Year ended December 31, 2008

	2008			
	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 39,184,675	\$ 39,184,675	\$ 40,778,743	\$ 1,594,068
Intergovernmental grants and aids	10,773,232	13,152,986	11,901,178	(1,251,808)
Licenses and permits	258,660	258,660	214,061	(44,599)
Fines and forfeitures	824,000	824,000	723,624	(100,376)
Public charges for services	4,260,662	4,416,157	4,334,472	(81,685)
Intergovernmental charges for services	1,007,469	1,092,138	1,151,057	58,919
Miscellaneous revenue	1,217,842	1,288,834	2,758,471	1,469,637
Total revenues	<u>57,526,540</u>	<u>60,217,450</u>	<u>61,861,606</u>	<u>1,644,156</u>
Expenditures:				
Current:				
General government	25,822,816	26,386,264	23,893,847	2,492,417
Public safety	18,182,056	19,997,863	18,991,445	1,006,418
Health	4,448,581	5,697,807	4,541,926	1,155,881
Social services	224,116	235,507	219,653	15,854
Leisure activities and education	7,640,266	8,393,078	7,429,831	963,247
Conservation and economic development	1,209,764	1,627,649	1,009,482	618,167
Capital outlay	225,000	277,540	161,426	116,114
Total expenditures	<u>57,752,599</u>	<u>62,615,708</u>	<u>56,247,610</u>	<u>6,368,098</u>
Excess (deficiency) of revenues over expenditures	(226,059)	(2,398,258)	5,613,996	8,012,254
Other financing sources (uses):				
Transfers in:				
Capital Improvement Fund	68,679	352,841	1,630,336	1,277,495
Sales of capital assets	26,500	26,500	10,619	(15,881)
State loan program debt issued	14,884	14,884	14,608	(276)
Transfers out:				
Social Improvement Fund	-	(176,936)	(176,936)	-
Capital Improvement Fund	(4,383,079)	(4,610,939)	(4,610,939)	-
Highway Fund	-	(397,338)	(397,338)	-
Total other financing sources (uses)	<u>(4,273,016)</u>	<u>(4,790,988)</u>	<u>(3,529,650)</u>	<u>1,261,338</u>
Net change in fund balance	(4,499,075)	(7,189,246)	2,084,346	9,273,592
Fund balances, January 1	<u>40,772,233</u>	<u>40,772,233</u>	<u>40,772,233</u>	-
Fund balances, December 31	<u>\$ 36,273,158</u>	<u>\$ 33,582,987</u>	<u>\$ 42,856,579</u>	<u>\$ 9,273,592</u>

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

SOCIAL IMPROVEMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended December 31, 2008

	2008			
	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
General property taxes	\$ 7,957,061	\$ 7,957,061	\$ 7,957,061	\$ -
Intergovernmental grants and aids:				
Federal grants	652,874	652,874	1,135,345	482,471
State grants:				
Provided services and administration	4,674,744	4,674,744	3,727,660	(947,084)
Special services	8,138,415	9,754,327	8,807,825	(946,502)
Other revenues	1,871,669	2,004,395	1,342,268	(662,127)
Local government grants	585,033	708,033	688,897	(19,136)
Total intergovernmental grants and aids	15,922,735	17,794,373	15,701,995	(2,092,378)
Public charges for services:				
General government	3,800	3,800	5,791	1,991
Public safety	7,500	7,500	8,220	720
Social services	681,500	685,558	856,891	171,333
Total public charges for service	692,800	696,858	870,902	174,044
Miscellaneous revenue:				
Interest income	334,600	340,346	298,675	(41,671)
Other revenues	46,432	46,432	20,080	(26,352)
Total miscellaneous revenue	381,032	386,778	318,755	(68,023)
Total revenues	24,953,628	26,835,070	24,848,713	(1,986,357)
Expenditures:				
Social services:				
Personal services	9,917,907	9,982,132	9,386,620	595,512
Contractual services	1,206,561	1,062,206	1,033,929	28,277
Materials and supplies	317,372	304,488	300,378	4,110
Fixed charges	377,556	382,056	367,323	14,733
Grants and contributions	13,264,565	15,412,431	13,370,813	2,041,618
Total expenditures	25,083,961	27,143,313	24,459,063	2,684,250
Excess (deficiency) of revenues over expenditures	(130,333)	(308,243)	389,650	697,893
Other financing sources (uses):				
Transfers in:				
General Fund	-	176,936	176,936	-
Transfers out:				
Capital Improvement Fund	(885,509)	(885,509)	(885,509)	-
Total other financing sources (uses)	(885,509)	(708,573)	(708,573)	-
Net change in fund balance	(1,015,842)	(1,016,816)	(318,923)	697,893
Fund balances, January 1	2,331,642	2,331,642	2,331,642	-
Fund balances, December 31	\$ 1,315,800	\$ 1,314,826	\$ 2,012,719	\$ 697,893

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Statement of Net Assets

Proprietary Funds

December 31, 2008

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
Assets				
Current assets:				
Cash and cash equivalents	\$ 6,754,238	\$ 29,589,417	\$ 36,343,655	\$ 17,409,548
Taxes receivable	-	8,577,612	8,577,612	-
Accounts receivable	423,441	442	423,883	199,171
Contracts receivable	663,606	-	663,606	-
Due from other governments	-	1,209,396	1,209,396	-
Due from other funds	70	565	635	63,391
Due from discretely presented component unit	-	119	119	-
Inventories	73,285	1,016,406	1,089,691	-
Advance to component unit	-	6,250	6,250	-
Total current assets	7,914,640	40,400,207	48,314,847	17,672,110
Noncurrent assets:				
Restricted cash	1,634,613	-	1,634,613	-
Restricted investments	12,836,946	-	12,836,946	-
Accrued interest receivable	126,999	-	126,999	-
Deposit in Wisconsin Municipal Mutual Insurance Company	-	-	-	1,519,000
Total non-current assets	14,598,558	-	14,598,558	1,519,000
Capital assets:				
Land	268,534	254,504	523,038	-
Buildings	1,304,593	5,307,620	6,612,213	-
Improvements	18,420,444	-	18,420,444	-
Equipment	321,408	13,605,142	13,926,550	58,466
Total capital assets	20,314,979	19,167,266	39,482,245	58,466
Less: accumulated depreciation	(15,804,114)	(10,869,405)	(26,673,519)	(58,466)
Net capital assets	4,510,865	8,297,861	12,808,726	-
Total assets	\$ 27,024,063	\$ 48,698,068	\$ 75,722,131	\$ 19,191,110
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	423,022	735,116	1,158,138	961,963
Accrued items	23,411	287,880	311,291	69,343
Due to other governments	1,102,277	-	1,102,277	-
Due to other funds	506	85	591	-
Unearned revenue	-	8,643,116	8,643,116	63,391
Current portion of long-term obligations	543	12,904	13,447	-
Total current liabilities	1,549,759	9,679,101	11,228,860	1,094,697
Long-term liabilities:				
Contracts payable	14,623	-	14,623	-
Landfill closure & long-term care payable	11,926,597	-	11,926,597	-
Accrued liability - claims payable	-	-	-	3,940,502
Compensated absences	26,607	632,282	658,889	43,818
Net OPEB obligation	3,733	167,626	171,359	-
Total long-term liabilities	11,971,560	799,908	12,771,468	3,984,320
Total liabilities	13,521,319	10,479,009	24,000,328	5,079,017
Net Assets				
Invested in Capital Assets	4,510,865	8,297,861	12,808,726	-
Restricted				
Restricted for long-term care costs	2,566,988	-	2,566,988	-
Unrestricted	6,424,891	29,921,198	36,346,089	14,112,093
Total Net Assets	\$ 13,502,744	\$ 38,219,059	\$ 51,721,803	\$ 14,112,093

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Fund

Year ended December 31, 2008

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
Operating revenues:				
Licenses and permits	\$ -	\$ 20,160	\$ 20,160	\$ -
Public charges for services	2,685,025	77,500	2,762,525	26,600
Intergovernmental charges for services	-	5,083,771	5,083,771	12,964,007
Total operating revenues	<u>2,685,025</u>	<u>5,181,431</u>	<u>7,866,456</u>	<u>12,990,607</u>
Operating expenses:				
Salaries and benefits	220,043	5,474,339	5,694,382	264,749
Contractual services	1,953,058	261,614	2,214,672	296,865
Materials and supplies	43,112	1,845,764	1,888,876	13,286
Construction and maintenance	-	4,314,976	4,314,976	-
Landfill closure & long term care	779,671	-	779,671	-
Building and equipment rent	-	2,823,620	2,823,620	-
Insurance and claims	-	-	-	12,438,468
Loss and loss adjustment expense	-	-	-	(923,729)
Insurance and administration costs	11,261	170,900	182,161	260,700
Depreciation	832,181	956,902	1,789,083	-
Other operating expenses	85,390	-	85,390	-
Total operating expenses	<u>3,924,716</u>	<u>15,848,115</u>	<u>19,772,831</u>	<u>12,350,339</u>
Operating income (loss)	<u>(1,239,691)</u>	<u>(10,666,684)</u>	<u>(11,906,375)</u>	<u>640,268</u>
Nonoperating revenues and (expenses):				
General property taxes	-	8,409,424	8,409,424	-
Intergovernmental grants and aids	-	4,005,914	4,005,914	-
Investment income	925,491	1,234,739	2,160,230	790,894
Insurance recoveries	-	359,505	359,505	32,716
Other income	6,599	2	6,601	135,864
Other expenses	(65,000)	-	(65,000)	-
Total nonoperating revenues and (expenses), net	<u>867,090</u>	<u>14,009,584</u>	<u>14,876,674</u>	<u>959,474</u>
Income (loss) before transfers	<u>(372,601)</u>	<u>3,342,900</u>	<u>2,970,299</u>	<u>1,599,742</u>
Transfers in:				
General fund	-	397,338	397,338	-
Capital Improvement Fund	-	300,000	300,000	-
Total transfers	<u>-</u>	<u>697,338</u>	<u>697,338</u>	<u>-</u>
Change in Net Assets	<u>(372,601)</u>	<u>4,040,238</u>	<u>3,667,637</u>	<u>1,599,742</u>
Net Assets, January 1	<u>13,875,345</u>	<u>34,178,821</u>	<u>48,054,166</u>	<u>12,512,351</u>
Net Assets, December 31	<u>\$ 13,502,744</u>	<u>\$ 38,219,059</u>	<u>\$ 51,721,803</u>	<u>\$ 14,112,093</u>

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Statement of Cash Flows -
Proprietary Funds

Year ended December 31, 2008

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
Cash flows from operating activities:				
Cash received from the sale of goods and services	-	5,681,339	5,681,339	-
Collections from landfill disposal services	3,755,673	-	3,755,673	-
Collections from departments and other insurance purchasers	-	-	-	13,627,103
Cash received from other departments for reimbursement	-	-	-	-
Cash paid to WMMIC for self insured retention	-	-	-	-
Cash paid to employees for services	(219,389)	(6,098,852)	(6,318,241)	(261,897)
Cash paid to suppliers for goods and services	(3,109,996)	(7,833,186)	(10,943,182)	(12,386,230)
Cash paid to other departments for reimbursement operating transfers	(11,261)	(373,368)	(384,629)	-
Net cash provided (used) by operating activities	<u>415,027</u>	<u>(8,624,067)</u>	<u>(8,209,040)</u>	<u>978,976</u>
Cash flows from noncapital financing activities:				
General property taxes	-	8,409,424	8,409,424	-
Cash received from government grants	-	4,005,914	4,005,914	-
Cash refunded from other departments	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>12,415,338</u>	<u>12,415,338</u>	<u>-</u>
Cash flows from capital financing activities:				
Payments for capital acquisitions	(256,900)	(842,749)	(1,099,649)	-
Contributed capital received	-	-	-	-
Payments for contract obligations	-	-	-	-
Payments of principal on debt obligations	-	-	-	-
Payments of interest on debt obligations	-	-	-	-
Cash received from other departments for capital projects	-	697,338	697,338	-
Cash paid to other departments for capital projects	-	-	-	-
Net cash used by capital financing activities	<u>(256,900)</u>	<u>(145,411)</u>	<u>(402,311)</u>	<u>-</u>
Cash flows from investing activities:				
Decrease in short-term investments	(1,691,981)	-	(1,691,981)	-
Interest received on investments	784,596	1,234,739	2,019,335	790,894
Net cash provided by investing activities	<u>(907,385)</u>	<u>1,234,739</u>	<u>327,354</u>	<u>790,894</u>
Net increase in cash and cash equivalents	(749,258)	4,880,599	4,131,341	1,769,870
Cash and cash equivalents, January 1	<u>9,138,109</u>	<u>24,708,818</u>	<u>33,846,927</u>	<u>15,639,678</u>
Cash and cash equivalents, December 31	<u>8,388,851</u>	<u>29,589,417</u>	<u>37,978,268</u>	<u>17,409,548</u>

MARATHON COUNTY, WISCONSIN

Statement of Cash Flows -
Proprietary Funds

Year ended December 31, 2008

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating (loss)	(1,239,691)	(10,666,684)	(11,906,375)	640,268
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation expense	832,181	956,902	1,789,083	-
Insurance recoveries	-	359,505	359,505	32,716
Other income	6,599	2	6,601	135,864
Other expense	(65,000)	-	(65,000)	-
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:				
Taxes receivable	-	(168,188)	(168,188)	-
Accounts receivable	(101,428)	3,373	(98,055)	27,990
Contracts receivable	41,510	-	41,510	-
Due from other governments	-	344,241	344,241	-
Due from other funds	209	(565)	(356)	-
Due from discretely presented component unit	-	(10)	(10)	-
Prepaid items	-	-	-	167,407
Inventories	(47,708)	36,964	(10,744)	-
Advance to discretely presented component unit	-	6,250	6,250	-
Accounts payable	(69,783)	457,887	388,104	875,409
Accrued expenses	15,496	57,285	72,781	15,919
Due to other governments	258,625	-	258,625	-
Due to other funds	76	(191,938)	(191,862)	-
Unearned revenues	-	116,018	116,018	-
Landfill closure & long-term care payable	779,671	-	779,671	-
Accrued liabilities - claims payable	-	-	-	(923,729)
Compensated absences	2,418	(18,316)	(15,898)	7,132
Net other post employment benefits obligation	1,852	83,207	85,059	-
Net cash provided (used) by operating activities	<u>415,027</u>	<u>(8,624,067)</u>	<u>(8,209,040)</u>	<u>978,976</u>
Non-cash investing, capital and non-capital financing activities:				
Fair value adjustment - investments	<u>140,896</u>	<u>-</u>	<u>140,896</u>	<u>-</u>
Total non-cash investing, capital and non-capital financing	<u>140,896</u>	<u>-</u>	<u>140,896</u>	<u>-</u>
Reconciliation of cash and cash equivalents:				
Cash and cash equivalents	<u>6,754,238</u>	<u>29,589,417</u>	<u>36,343,655</u>	<u>17,409,548</u>
Cash and cash equivalents - restricted assets	<u>1,634,613</u>	<u>-</u>	<u>1,634,613</u>	<u>-</u>
Cash and cash equivalents, December 31	<u>8,388,851</u>	<u>29,589,417</u>	<u>37,978,268</u>	<u>17,409,548</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS
 Fiduciary Funds
 December 31, 2008

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 1,849,091
Accounts receivable	371,569
Due from other governments	48,570
Total assets	<u>\$ 2,269,230</u>
Liabilities	
Accounts payable	\$ 320,490
Due to other governments	207,284
Due to participants	138,558
Other accrued liabilities and deposits	1,602,898
Total liabilities	<u>\$ 2,269,230</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Net Assets

Major Discretely Presented Component Units

December 31, 2008

	Central Wisconsin Airport	North Central Community Service	Major Discretely Presented Component Units Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,018,990	\$ 321,136	\$ 2,340,126
Investments	-	5,075,000	5,075,000
Accounts receivable	135,737	8,269,086	8,404,823
Due from other governments	-	440,000	440,000
Prepaid items	38,375	180,682	219,057
Inventories	-	381,171	381,171
Total current assets	<u>2,193,102</u>	<u>14,667,075</u>	<u>16,860,177</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	2,024,551	-	2,024,551
Investments	-	287,171	287,171
Total non-current assets	<u>2,024,551</u>	<u>287,171</u>	<u>2,311,722</u>
Deferred charges	<u>33,049</u>	<u>-</u>	<u>33,049</u>
Capital assets:			
Land	614,983	51,300	666,283
Buildings	12,356,140	19,251,720	31,607,860
Improvements	41,938,697	921,778	42,860,475
Equipment	7,567,100	12,813,065	20,380,165
Construction in progress	104,421	1,397,926	1,502,347
Total capital assets	<u>62,581,341</u>	<u>34,435,789</u>	<u>97,017,130</u>
Total accumulated depreciation and depletion	<u>(29,288,761)</u>	<u>(24,358,600)</u>	<u>(53,647,361)</u>
Net capital assets	<u>33,292,580</u>	<u>10,077,189</u>	<u>43,369,769</u>
Total assets	<u>\$ 37,543,282</u>	<u>\$ 25,031,435</u>	<u>\$ 62,574,717</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	89,657	1,462,478	1,552,135
Accrued items	81,084	1,877,808	1,958,892
Special deposits	-	287,171	287,171
Interest payable	37,771	-	37,771
Due to other governments	77,776	522,731	600,507
Due to primary government	2,630	-	2,630
Advance from primary government	6,250	-	6,250
Unearned revenues	-	250,128	250,128
Current portion of long-term obligations	340,000	-	340,000
Total current liabilities	<u>635,168</u>	<u>4,400,316</u>	<u>5,035,484</u>
Long-term liabilities:			
General obligation notes payable	3,310,000	-	3,310,000
Accrued liability - claims payable	-	710,000	710,000
Compensated absences	116,330	1,876,037	1,992,367
Net OPEB obligation	43,329	-	43,329
Total long-term liabilities	<u>3,469,659</u>	<u>2,586,037</u>	<u>6,055,696</u>
Total liabilities	<u>4,104,827</u>	<u>6,986,353</u>	<u>11,091,180</u>
Net Assets			
Invested in Capital Assets, net of related debt	29,642,580	10,077,189	39,719,769
Restricted			
Passenger facility charges	1,537,795	-	1,537,795
Member entity investment	-	1,578,388	1,578,388
Unrestricted	2,258,080	6,389,505	8,647,585
Total Net Assets	<u>\$ 33,438,455</u>	<u>\$ 18,045,082</u>	<u>\$ 51,483,537</u>

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

Statement of Activities

Major Discretely Presented Component Units

December 31, 2008

	<u>Central Wisconsin Airport</u>	<u>North Central Community Service</u>	<u>Major Discretely Presented Component Units Total</u>
Expenses:			
Transportation			
Airport	\$ 4,510,747	\$ -	\$ 4,510,747
Social Services			
North Central Community Services	-	68,190,738	68,190,738
Total Expenses	<u>4,510,747</u>	<u>68,190,738</u>	<u>72,701,485</u>
Program Revenues:			
Charges for service	2,782,648	57,243,964	60,026,612
Operating grants and contributions	-	10,845,506	10,845,506
Capital grants and contributions	<u>888,245</u>	<u>905,991</u>	<u>1,794,236</u>
Total Program Revenues	<u>3,670,893</u>	<u>68,995,461</u>	<u>72,666,354</u>
Net income (expense)	(839,854)	804,723	(35,131)
General Revenues:			
Unrestricted investment earnings	143,492	260,475	403,967
Gain on sale of capital assets	-	17,473	17,473
Miscellaneous	<u>645,712</u>	<u>-</u>	<u>645,712</u>
Total general revenues	<u>789,204</u>	<u>277,948</u>	<u>1,067,152</u>
Change in net assets	(50,650)	1,082,671	1,032,021
Net assets - beginning	<u>33,489,105</u>	<u>16,962,411</u>	<u>50,451,516</u>
Net assets - ending	<u>\$ 33,438,455</u>	<u>\$ 18,045,082</u>	<u>\$ 51,483,537</u>

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY
Notes to the Financial Statements
Year ended December 31, 2008

FOOTNOTE 1-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, zoning, and general administrative services.

The financial statements of the County have been prepared in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies as promulgated by various statements and interpretations of the GASB:

A. The Reporting Entity:

This report includes all of the funds of Marathon County. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) 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 or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity 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 is entitled to or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Marathon County reports the discretely presented component units in separate columns to emphasize they are legally separate entities.

Discretely Presented Component Units:

The Government-wide financial statements include CWA, NCCS and HCEB as discretely presented component units.

Certain financial data pertaining to the CWA, contained in the notes hereafter, is not separable from the aggregated County data. In those occurrences the specific note will mention "the County (including the CWA as a discretely presented component unit)" so as to inform the reader where the data is not for the primary government alone. All financial data contained in the notes hereafter for the other discretely presented component units is listed separately.

The County has entered into three multigovernmental arrangements classified as discretely presented component units that create organizations that are owned, operated, or governed by two or more

participants as separate and specific activities subject to joint leadership, in which Marathon County retains an ongoing financial interest or an ongoing financial responsibility, as follows:

Central Wisconsin Airport (CWA)

The CWA was created by Wisconsin Statute 114, which allows for the creation of multi-governmental agreements and is a joint function with Marathon and Portage counties. The CWA Board is made up of seven members whose appointments are based on the respective equalized value of each county. The ratio for 2008 (which is revised once every five (5) years) is Marathon County 65% and Portage County 35%. The current CWA Board is made up of four members from Marathon County and three members from Portage County. Therefore, Marathon County appoints a majority of the CWA board. The Board is responsible for fiscal matters of the operations once the respective county boards approve the budget. The CWA Board can make changes in its budget up to \$50,000 without prior approval of the Counties. The CWA Board is responsible for the CWA management. Marathon County is financially accountable for CWA and records its full financial operations as a discretely presented component unit because Marathon County appoints a majority of the CWA board and:

1. Marathon County can impose its will on CWA since the budget for the operations and capital improvements must be approved by the respective County Boards.
2. The CWA has no tax levy authority.
3. There is a financial burden since each county takes responsibility for their respective share of bonded debt for any capital project.

North Central Community Services (NCCS)

The NCCS is a joint function with Marathon, Lincoln and Langlade counties providing medical and nursing care, including mental health care under contractual arrangements with the counties. It is also organized as a 51.42/437 Mental Health Board under Wisconsin Statutes giving the Board separate legal status. The County Board of Supervisors from the three counties appoint members to the Community Services Board. Marathon County appoints the majority of the NCCS board. The fourteen member board is made up of ten members from Marathon County and two members each from Lincoln and Langlade Counties. Annually the three counties fund an amount equal to expenses in excess of federal and state grants and patient fees as it relates to the respective counties proportionate share of operating costs. Capital facilities are the direct responsibility of each county. Nursing care is funded primarily by patient revenues and tax levy support. Marathon County is financially accountable for NCCS and records its full financial operations as a discretely presented component unit because Marathon County appoints a majority of the NCCS and:

1. Marathon County can impose its will on NCCS since the budget must be approved by the three separate County Boards.
2. The NCCS has no tax levy authority.
3. There is a financial burden since NCCS cannot issue debt and each county takes responsibility for their share of debt for capital projects.

Handicapped Children Education Board (HCEB)

Provided for by Wisconsin Statute 115.86 the HCEB must be shown on the financial report of the school district that exercises oversight over their Board or, if that does not occur, the HCEB must be reported on the County's financial reports. The financial reports of the HCEB are reported on a school fiscal year basis ending on June 30 of each year and are not converted to a calendar year report for inclusion in this CAFR. The HCEB provides educational services for six school districts and therefore the Board is made up of six members, one from each participating school district. School Superintendents from each of the districts serve on a special committee to advise the Board on educational matters. Once the budget is approved by the County Board, the HCEB is responsible for all budget and other fiscal related matters. The HCEB is responsible for hiring an Executive Director who in turn is responsible for the overall administration of the programs. Funding for services is recovered through user charges to participating school districts and federal and state grants and aids. The HCEB has the authority to fix cost sharing charges to the participating school districts in an amount sufficient to provide the funds necessary to fully fund operations. Without this ability, the HCEB would be fiscally dependent on Marathon County and records its full financial operations as a discretely presented component unit because:

1. The budget must be approved by the County Board.
2. The HCEB has no tax levy authority.
3. The HCEB cannot issue debt.

The financial statements for CWA and NCCS are presented as of their most recent fiscal year ended December 31, 2008 and the HCEB's most recent fiscal year ended June 30, 2008 are included in the financial statements. Significant footnote disclosures relating to the discretely presented component units are included within the respective notes to the financial statements. Separately issued financial statements are not available for CWA. Complete financial statements of the NCCS and HCEB can be obtained from their respective administrative offices as follows:

North Central Community Services
1100 Lakeview Drive
Wausau, WI 54403-6799

Handicapped Children's Education Board
1200 Lakeview Drive
Wausau, WI 54403-6799

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities are generally 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 and 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 revenue. 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 are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitutes its assets, liabilities, net assets/fund equity, revenues and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary and fiduciary funds. Major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental Funds

The County reports the following major governmental funds:

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

Social Improvement Fund – The Social Improvement Fund is used to account for resources legally restricted to support the various community service programs.

Capital Improvement Fund – The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities but excludes those projects financed by the Highway Road Improvement Fund, proprietary funds and discretely presented component units.

The County reports the following non-major governmental funds:

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs, but excludes debt serviced by proprietary funds and discretely presented component units.

Highway Road Improvement Fund – The Highway Road Improvement Fund is used to account for financial resources to be used for the acquisition or construction of major highway road improvements not normally completed by the Highway Department.

Enterprise Funds

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods and services.

The County reports the following major enterprise funds:

Landfill Fund – accounts for the operation of the County operated landfill

County Highway Fund – accounts for the operation of the highway systems

In addition, the County reports the following fund types:

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The County reports the following Internal Service Funds:

Property Casualty Fund – Accounts for the property and casualty insurance operations for the County

Employee Benefits Insurance Fund – Accounts for the health, dental, workers compensation and flex benefits of the county employees and eligible retirees.

Agency Funds

Agency funds are used to account for the receipt and disbursement of various collections held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or governmental units.

Discretely Presented Component Units

The CWA, NCCS and HCEB are reported as discretely presented component units of the County.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

The business-type activities have elected to follow all pronouncements of the Governmental Accounting Standards Board. The business-type activities have elected not to follow Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

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

Fund Financial Statements

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual or when measurable and available.

Those revenues susceptible to modified accrual are as follows:

1. Property tax collections including penalty and interest received within sixty days after year-end;
2. Sales tax collected and held by the State of Wisconsin at year-end on behalf of the County;
3. Other revenues that are receivable at year-end if actually collected during the first sixty days after year-end.

Other general revenues such as fines, forfeitures, inspection fees and miscellaneous revenues are considered measurable only when received in cash, with the exception of intergovernmental grants and aids that are recorded as revenue when County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

All governmental fund types are accounted for on a flow of current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, such statements present a summary of sources and uses of available spendable resources during a period.

All proprietary funds and CWA and NCCS as discretely presented component units are accounted for using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when a liability is incurred regardless of the timing of related cash flows. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

In accordance with GASBS No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the enterprise funds have elected not to follow guidance of FASB Statements and Interpretations issued after November 30, 1989.

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 highway funds are charges to customers for 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.

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 and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditure/expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

For the purposes of the statement of cash flows, cash includes amounts in petty cash, demand deposits, certificates of deposit and other short-term interest-bearing deposits.

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

1. Obligations of the U. S. Treasury, Agencies and Instrumentalities
2. Obligations of Wisconsin governmental units
3. Time deposits with maturities of less than three years in any financial institution in Wisconsin,
4. The State of Wisconsin Local Government Investment Pool and other qualifying investment pools.
5. Any security maturing in seven years or less having the highest or second highest rating category of a nationally recognized rating agency

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

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; however, potential resulting losses and delays in receiving funds are possible, depending on pool participant demand for funds. At December 31, 2008, the fair value of Marathon County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The CLASS investment (Cooperative Liquid Assets Securities System) is an investment pool established by an intergovernmental agreement dated March 1, 1996. CLASS is available for investment by Wisconsin governmental entities except school districts. CLASS operates consistent with the provisions of a 2a-7 like pool, and invests only in investments legally permissible under Wisconsin law, with a weighted average maturity not exceeding 120 days. The value of pool shares is the same as the fair value position in the pool.

The County only deposits and invests its monies in investments allowed by State Statutes. Most investments are pooled for cash management and investment purposes. Investment earnings, except for unrealized gains and losses, are allocated to funds on the basis of average cash balances. Other funds have been invested in free-standing investment accounts, and those investment earnings are not allocated. Unrealized gains and losses are recognized in the funds for which the investments are held for specific legal reasons, and are shown as restricted assets.

Marathon County has adopted an investment policy. The 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 non-negotiable 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.

2. Accounts 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 since it is believed that the amount of such allowance would not be material.

3. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. At certain times during the year the various grant programs can be

waiting for reimbursement. This may cause the cash to be negative therefore creating the need to use the County's pooled cash for operations. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

4. Prepaid Items

Prepayments are payments made by the County for which benefit extends beyond December 31 or applies to the subsequent budget year.

5. Inventory

Inventories for the governmental funds are stated at cost with value being determined on the first in, first out basis of calculation. Inventories are recorded as expenditures when used rather than when purchased using the consumption method.

Inventory for the internal service funds and discretely presented component units are stated at the lower of cost or market with the value being determined on the first in, first out basis of valuation. Inventory which is accounted for using the consumption method consists of expendable supplies held for future use.

6. Restricted Assets

Mandatory segregation 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 assets.

7. Capital Assets

Government-Wide Statements

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 assets and \$50,000 for infrastructure assets. Capital assets purchased since 1983 are recorded at cost. All other capital assets are valued at either historical cost or estimated historical cost. Prior to 1982, the County did not maintain a record of its capital assets. Donated capital assets are valued at their estimated fair value on the date donated.

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 costs 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 proceeds. \$0 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts and, generally, depreciation expense in year of disposal, together with removal costs less salvage is charged to accumulated depreciation.

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

Building	20 - 50 years
Improvements	2 - 20 years
Equipment	3 - 10 years
Infrastructure	5 – 75 years

Fund Financial Statements

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

8. Deferred Charges

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and in the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

9. Forest Crop Loan

The County participates in a program whereby counties which have established and maintained a county forest are eligible to receive from the state, out of the appropriation under Section 20.370(4)(ar) of the Wisconsin Statutes, 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 lands entered as county forest lands, the County pays a severance share of not less than 20 percent 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 not predetermined calendar time periods. Severance share payments will not exceed the balance due.

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.

10. Compensated Absences Liability

The County records compensated absences pursuant to GASBS No. 16 *Accounting for Compensated Absences*. All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

The County's sick pay policy allows employees to earn varying numbers of sick days for each month worked. One-half of the unused accumulated amount vests upon completion of 20 years of service and is converted into the employees Post Employment Health Plan upon retirement. The County's paid leave balance credit policy allows employees to vest any unused paid leave balance credits. The accumulation is recorded as a long-term item in the individual proprietary fund financial statements and is included in the government-wide financial statements.

In addition to pension benefits being provided through the Wisconsin Retirement System described in Note 5, 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 and draw down on the amount to pay the costs of health care and life insurance premiums. The expenditure/expense associated with these benefits is recognized during the period benefits are provided. The 2008 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$75,000 with an actual cost of \$375,536. There were nineteen (19) employees eligible for benefits as of year-end.

11. Long-Term Obligations/Conduit Debt

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The face value of debt issues 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 deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premium/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

The County does not engage in conduit debt transactions.

12. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are due and payable. There were no significant claims or judgments at year-end.

13. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances, excluding any unspent debt proceeds, if any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets – Consists of net assets with constraints placed on the 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 assets – Consists of all other net assets that do not meet the definition of “restricted or “invested in capital assets, net of related debt.”

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

Fund Financial Statements

Under the provision of GASBS No. 1 *Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide*, a county may establish reserves of fund balance and/or net assets to segregate that portion of fund equity which is not appropriable for expenditure in future periods, or which is legally segregated for a specific future use. Fund equity designations may also be established to indicate tentative plans for financial resource utilization in a future period.

The nature and purpose for each of the County's reserves and designations are explained as follows:

1. Reserved for passenger facility charge - represents the amount of restricted assets set aside for future qualifying construction needs at the CWA.
2. Reserved for member entity investment – investment by other member counties in the NCCS based on the 66.0301 Intergovernmental Agreement.
3. Reserved for debt service - in the Debt Service Fund the amount represents funds available for future payment of principal and interest or obligations of the County.
4. Reserved for encumbrances - represents the commitments related to unperformed contracts for goods and services that will be fulfilled in a subsequent period.
5. Reserved for delinquent taxes from other governmental entities - represents delinquent property taxes that are uncollected by other taxing jurisdictions that have been purchased by the County. The amounts are shown in the tax certificate and tax deed accounts and do not constitute available spendable resources and are a reduction of the receivable when collected.
6. Reserved for prepaid items - represents amounts equal to prepaid items of governmental fund types as these amounts do not constitute available spendable resources.
7. Reserved for inventories - represents amounts equal to inventories of governmental fund types as these amounts do not constitute available spendable resources.
8. Reserved for long-term receivables - represents amounts equal to advances to governmental entities of Marathon County as these amounts do not constitute available spendable resources.
9. Reserve for Landfill long-term care costs-represents the net amount of restricted cash reserve by DNR requirements for the long-term care and closure of the landfill.
10. Designated for capital improvements - represents the amount of fund equity to be used in the 2008 operating year to purchase items or continue projects originally appropriated in previous years as determined by the County Board budget ordinance.
11. Designated for compensated absences - represents action by the County Board to begin setting aside current resources to fund future requirements.
12. Designated for subsequent years budget - represents the amount of fund balance to be used for the 2009 operating budget to continue programs and contracts
13. Designated for working capital - represents the amount of funds set aside to cover cash flow for the general operations of governmental funds. The policy approved by the County Board for most funds restricts the amount from being used to offset future years' tax levies.

14. Designated for ADRC-CW – represents the amount of funds set aside to cover the cost of future benefits of transferred employees from Wood County to the ADRC-CW.
15. Designated for carryforwards – Designated for carryforwards – represents the amount of unspent funds set to be used for programs in subsequent years.

14. Statement of Cash Flows

For purposes of the statement of cash flows, the County’s enterprise, internal service funds and discretely presented component units consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

FOOTNOTE 2-Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between The Governmental Fund Balance Sheet and the Statements of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that “long-term liabilities, including notes payable are not due and payable in the current period and therefore not reportable in the funds”. The details of this \$8,042,393 difference, which includes \$43,818 in compensated absences from Internal Service Funds, are as follows:

Forest Crop Loan	\$ 1,920,639
Compensated Absences (net of \$43,818 reported in the Internal Service Funds)	4,816,073
Net OPEB Obligation	<u>1,305,681</u>

Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 8,042,393</u>
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B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “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.” The details of this \$336,519 difference are as follows:

Capital Assets additions prior to depreciation	\$16,850,945
Depreciation Expense (less: ISF depreciation expense of \$0)	(8,812,235)
Deletions, Net of Accumulated Depreciation	<u>(7,702,191)</u>

Net Adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 336,519</u>
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Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,146,668 difference are as follows:

Debt issued or incurred:

Forest crop loan	\$ 14,608
Principal repayments:	
General obligation debt	(1,075,000)
Forest crop loan	<u>(86,276)</u>

Net adjustment to decrease *net changes in fund balance – total governmental funds*
to arrive at *changes in net assets of governmental activities* \$(1,146,668)

Another element of that reconciliation states that “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.” The details of this \$780,290 difference are as follows:

Compensated absences	\$ 112,169
Net OPEB Obligation	648,118
Accrued interest payable	3,252
Amortization of issuance costs/paying agent fees	<u>16,751</u>

Net adjusted balance to decrease *net changes in fund balance–total governmental funds*
to arrive at changes in *net assets of governmental activities* \$ 780,290

FOOTNOTE 3-Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

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.

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;
- 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. Encumbrances outstanding at year-end, if any, are reported as reservations of fund balances since they do not constitute expenditures or liabilities of the current period. Only those encumbrances that will be honored are reappropriated 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.

B. Limitations of the County's Tax Levy Rate and Its Ability to Issue New Debt

As part of Wisconsin's State Budget Bill (1993 Act 16), legislation was passed that limits the County's future tax levy rates. Based upon current legislation, the County is limited to its 1992 tax levy rate. However, this limitation does not affect debt authorized prior to August 12, 1993 or refunding bonds.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher rate. The County may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

The state budget bill also imposes restrictions on the County's ability to issue new debt. Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- refunding debt issue
- 75% approval by the County Board
- a reasonable expectation that the new debt can be accommodated within the existing tax rate

- other exceptions as listed in State Statutes Section 67.045

The 2008 tax levy rate is within the limitation contained in the state law.

C. Limitations on the County's Tax Levy

As part of Wisconsin's Act 20 (2007), new legislation was passed that limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the County's equalized value due to new construction, or 3.86% for the 2007 levy collected in 2008 and 2% for the 2008 levy collected in 2009. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2008 levy.

D. Deficit balances

Generally accepted accounting principals require disclosure of individual funds that have deficit balances at year end. As of December 31, 2008, there are no funds that report a deficit balance.

FOOTNOTE 4-Detailed Notes on All Funds

A. Deposits and Investments

The County (including the CWA as a discretely presented component unit) maintains separate and distinct bank or trust accounts for the following activities; the Clerk of Courts Account; the Landfill Account; the Landfill Escrows; bond issue escrows; Social Services COP Risk Reserve; Library Merchant Settlement; and jail inmate account. All other funds share common bank and investment accounts. Other discretely presented component units maintain their own bank and investments accounts.

Reconciliation to financial statements

The cash and temporary cash investment balances of the reporting entity at December 31, 2008 are as follows:

Per statements of net assets

Primary Government:

Per statement of net assets	
Unrestricted cash and investments	\$103,853,674
Restricted cash and investments	23,223,174
Per statement of net assets	
Fiduciary Funds	
Agency unrestricted cash and investments	<u>1,849,091</u>
Subtotal	128,925,939

CWA as a Discretely Presented Component Units:

Cash and investments	2,018,990
Cash and investments - restricted	<u>2,024,551</u>
Total Primary government, CWA and Agency	<u>\$132,969,480</u>

Discretely Presented Component Units

(including NCCS and HCEB)	<u>7,355,108</u>
Total per Reporting Entity	<u>\$138,475,497</u>

Per statement of net assets	
Total cash and investments	<u>\$138,475,497</u>

Add Agency Funds	\$ 1,849,091
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Total Entity-wide cash and investments	<u>\$140,324,588</u>
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At year-end 2008, Marathon County's deposit and investment balance (including CWA as a discretely presented component units and agency funds) were as follows:

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand deposits and cash on hand	\$ 4,482,332	\$ 1,169,199	Custodial credit
U S Treasury Bonds & Notes	6,466,959	6,747,709	Custodial credit and Interest rate
US Agencies-Implicitly guaranteed	63,900,161	65,066,561	Custodial credit, Interest rate and credit
Corporate Notes	6,575,594	6,608,708	Custodial credit, Interest rate and credit
Corporate Notes – FDIC Insured	5,744,252	5,929,719	Credit and interest rate
Commercial Paper	1,774,922	1,777,798	Custodial credit, Interest rate and credit
Banker Bank CD program	17,125,000	17,125,000	Custodial credit
Money Market Mutual Funds	3,148,062	3,148,062	Credit and interest rate
LGIP and other qualifying investment pools	23,752,198	23,752,198	Credit and interest rate
Total	\$132,969,480	\$131,324,954	

All deposits in financial institutions are temporarily insured to \$250,000 by federal depository insurance and are guaranteed an additional \$400,000 by the State for each depository for losses incurred subject to the availability of funds in the State's Deposit Guarantee Fund.

Investments in the local government investment pool are guaranteed by Financial Security Assurance, Inc. (FSA) which is a Triple-A-rated financial guaranty insurance company. The FSA policy insures against credit loss for the LGIP's share of covered securities. Covered securities meet defined rating criteria at the time of their purchase and generally include highly rated corporate, bank, asset backed and mortgage backed securities. This coverage expired on February 15, 2009. Securities not covered under the FSA policy include obligations of the US government and its Agencies, obligations of the State of Wisconsin Agencies and certain Wisconsin banks; these obligations are of the highest credit quality and do not merit the cost of private insurance.

The County maintains \$1,000,000 of collateral coverage with Bankers Bank.

The County has adopted a formal investment policy which delegates authority to the County Treasurer to invest money of the County, to sell or exchange securities purchased and to provide for the safekeeping of such securities. The County contracts with investment advisory firms for investment management services.

Custodial Credit Risk

Deposits - Custodial Credit Risk is the risk that in the event of a financial institution failure, the County's deposit may not be returned to the County.

As in the County's Investment Policy where allowed by state law, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

As of December 31, 2008, the County's total bank balance (including the Central Wisconsin Airport as a discretely presented component unit) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	0
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As of December 31, 2008 for NCCS and June 30, 2008 for HCEB the total bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized – HCEB	\$	176, 249
Uninsured and uncollateralized – NCCS	\$	3,884,506

Investments - For an investment, custodial credit risk is the risk that, in the event of 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.

As of December 31, 2008, the County's investments (including the Central Wisconsin Airport as a discretely presented component unit and agency funds) were exposed to custodial credit risk as follows:

Securities - Neither insured nor registered and held by counterparty's trust company or agent not in the County's name	\$80,200,776
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Details of this amount are as follows:

US Treasures Bonds and Notes	\$ 6,747,709
US Agencies – Implicitly Guaranteed	65,066,561
Corporate Notes	6,608,708
Commercial Paper	<u>1,777,798</u>
Total	\$80,200,776

Corporate notes shall not exceed 30% of the County's surplus money.

Credit Risk

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the nationally recognized bond rating agencies, such as Moody's Investors Service (Moody's) or Standard and Poor's (S&P). The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk. (The County's investment policy permits investments in securities in which the issuing organization has an "AA" or higher rating at the time of acquisition, as provided by a nationally recognized rating service.)

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

As of December 31, 2008, the County's investments were rated as follows:

Investment Type		Standard & Poors
Commercial Paper	Citigroup Funding, Inc	A-1
Corporate Note	Bank of America Corp	A+
Corporate Note	Citigroup Inc Global	A
Corporate Note	General Electric Cap Corp	AAA
Corporate Note	HSBC Bank USA	AA
Corporate Note	JP Morgan Chase & Co	A+
Corporate Note	Wachovia Corp Global	A+
Corporate Note	Wells Fargo & Co	AA
Corporate Note (FDIC)	John Deere Capital Corp	AAA
Corporate Note (FDIC)	JP Morgan Chase & Co	AAA
Corporate Note (FDIC)	Morgan Stanley Global	AAA
Corporate Note (FDIC)	PNC Funding	AAA
Corporate Note (FDIC)	Regions Bank	AAA
Corporate Note (FDIC)	Suntrust Bank	AAA
Federal Agency Bond/Note		AAA
Federal Agency Discount Note		A-1+
Money Market Mutual Funds		AAAm

The County also had investments in the following external pools:

Local Government Investment Pool: not rated
 MBIA Investment Pool: AAA by Fitch

Interest Rate Risk

Interest rate risk - the risk that changes in the interest rate will adversely affect the fair value of an investment.

The maturity limits in the County's investment policy are no more than 70 percent of the portfolio may be invested beyond 12 months, and 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. Overall, unless matched to a specific cash flow, the County will not directly invest in securities maturing more than seven (7) years from date of purchase or in accordance with state statutes.

Investment Type	Fair Value	Less than 6 months	6 months – 1 year	1 year – 2 years	Greater than 2 years
US Treasuries Bonds and Notes	\$ 6,747,709	\$ -	\$ 259,072	\$ 4,180,238	\$ 2,308,399
US Agencies-Implicitly guaranteed	65,066,561	16,824,170	17,489,226	23,060,633	7,692,532
Corporate Notes	6,608,708	995,898	499,154	4,624,048	489,608
Corporate Notes – FDIC Insured	5,929,719	-	-	1,020,077	4,909,642
Commercial Paper	1,777,798	1,777,798	-	-	-
Money Market Mutual Funds	3,148,062	3,148,062	-	-	-
LGIP and other qualified investment pools	23,752,198	23,752,198	-	-	-
Totals	\$ 113,030,755	\$ 46,498,126	\$ 18,247,452	\$ 32,884,996	\$15,400,181

B. Receivables

Property Taxes

The County's property taxes are levied on or before December 31 on the equalized valuation as of the prior January 1 for all general property located in the County. Such taxes become a lien on January 1 and are due and payable in the following year. Pursuant to GASBS No. 1, *Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide*, such amounts are recorded as property taxes receivable and deferred revenues in the accompanying financial statements. (The aggregate levy of \$48,793,927 will be recognized as revenue during 2009.)

Property taxes are recognized in the appropriate fund as revenues in the succeeding year when they are collected and available to finance services. If property taxes are not collected by year-end or within sixty days after year end, the delinquent property taxes are recorded as receivables and deferred revenues in the General Fund. Delinquent property taxes are recognized as revenue when received or available for payment of current expenditures.

The County purchases property taxes from other taxing authorities at the unpaid amount as a cash flow transaction to facilitate the collection of the taxes. The purchases are a financing arrangement per Wisconsin Statute 74.29 and are not included in property tax revenues when collected.

Property taxes as levied are collected by local treasurers typically through the last day of January in each year. At this time, a settlement process between the County Treasurer and local treasurers determines the amount due to the various taxing districts. Tax collection becomes the responsibility of the County and taxes receivable represent unpaid taxes levied for all taxing entities within the County. Real property taxes are payable by taxpayers in full by the last day of January or in two installments due by January 31 and July 31. Personal property taxes, except on leased lands, are due in full by the last day in January. The municipal treasurer retains collection of personal property taxes and settles with all taxing jurisdictions by August 20th. If uncollected during the following year, the municipal treasurer may charge back to each taxing jurisdiction its proportionate share of the personal property tax still unpaid as per Wisconsin Statute 74.42. The County share of these uncollected taxes are written off as uncollectible; few if any will ever be collected. Most are defunct corporations or bankrupt companies. 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.

On August 30, all unpaid property taxes are reflected as tax certificates. No allowance for losses on delinquent taxes has been provided because of the County's ability to recover any losses through the sale of the property.

Special assessments and charges on the tax rolls are settled in full if an agreement between the county and local municipality has been signed. The local municipality reimburses the County for losses on special assessments and charges if the tax deed process occurs.

Delinquent property taxes purchased from other taxing authorities are reflected as reservations of 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 reservation of fund balances. Delinquent property taxes levied by the County are reflected as deferred 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.

Taxes receivable represent current taxes and unpaid taxes for 2008 and prior years as follows:

Year of Settlement	County Tax Levied	County Purchased	Balance December 31, 2008
1998	3,041	9,742	12,784
1999	2,783	8,607	11,390
2000	4,057	12,256	16,312
2001	4,190	12,780	16,970
2002	4,763	14,328	19,092
2003	4,029	12,141	16,169
2004	8,492	25,271	33,763
2005	26,629	81,181	107,811
2006	83,332	252,876	336,208
2007	255,571	783,430	1,039,000
2008	687,082	2,078,959	2,766,041
TOTAL TAX CERTIFICATES	1,083,970	3,291,570	4,375,540
TAX DEEDS			150,190
CURRENT TAXES			48,793,927
TOTAL TAXES RECEIVABLE			\$53,319,657

Delinquent taxes collected within the sixty day period subsequent to year end aggregated \$189,572 and \$575,305 for delinquent taxes levied and purchased by the County, respectively.

Due from Other Governments

Amounts due from other governments are for various services provided by the County and it's discretely presented component units in advance of payments.

The City of Wausau owes \$344,841 for park services performed.

The State of Wisconsin has a two month lag for the remittance of sales tax in the amount of \$1,687,353. The State of Wisconsin and other local districts also owe the County various amounts for the completion of road projects.

C. Restricted Assets

Restricted assets of \$26,893,724 include \$7,564,886 held for special deposits and cash drawers not legally available to the County to finance current operations. \$360,058 is included in the Social Improvement Fund in a special trust for Community Options Programming. Restricted assets of \$14,598,558 are included in the Landfill fund for long-term care and closure costs of the landfill site. \$1,519,000 in the Property Casualty Fund as a deposit in Wisconsin Mutual Municipal Insurance Company. \$2,024,551 consists from the accumulation of unspent passenger facility charges as authorized by the Federal Aviation Administration (FAA). The charges are to be used to finance various FAA approved construction projects. The balance of \$826,671 is unspent construction proceeds.

Capital Asset activity for the year ended December 31, 2008

Governmental Activities	Balance January 1, 2008	Additional 2008	Deletions 2008	Balance December 31, 2008
Construction in progress	\$ 18,119,906	\$ 3,971,330	\$ 4,907,639	17,183,597
Land	32,372,105	402,130	-	32,774,235
Subtotal-Capital Assets not being depreciated	50,492,011	4,373,460	4,907,639	49,957,832
Buildings	59,068,919	4,350,350	-	63,419,269
Improvements	7,357,261	665,456	-	8,022,717
Equipment	16,479,578	1,450,879	267,226	17,663,231
Infrastructure	174,180,000	5,695,100	5,325,200	174,549,900
Library Collection	4,385,600	315,700	398,200	4,303,100
Subtotal-Capital Assets being depreciated	261,471,358	12,477,485	5,990,626	267,958,217
Less: Accumulated Depreciation	95,588,992	8,812,235	3,196,074	101,205,153
TOTAL	\$ 216,374,377	\$ 8,038,710	\$ 7,702,191	\$ 216,710,896

Includes \$58,466 in Internal Service Fund Capital Equipment

Construction in process consists of the following:

Courthouse remodeling	\$ 11,238,422
UWMC Remodeling	626,162
72nd Ave storage facility	1,764,420
River Walk/Pedestrian Bridge	1,539,983
Rib Mountain Tower	1,301,727
County Highway Road and Bridges	712,883
	<u>\$ 17,183,597</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$ 1,669,958
Public Safety	808,834
Transportation	4,899,828
Health	20,806
Social Services	61,787
Leisure and Education	1,345,672
Conservation and Economic Development	5,350
Total Government Activities Depreciation Expense	\$ 8,812,235

The following is a breakdown of accumulated depreciation by asset class for December 31, 2008:

Governmental Activities Accumulated Depreciation	Balance January 1, 2008	Additional 2008	Deletions 2008	Balance December 31, 2008
Buildings	\$ 31,776,575	1,866,245	-	33,642,820
Improvements	2,724,159	471,983	-	3,196,142
Equipment	13,084,788	1,210,979	265,642	14,030,125
Infrastructure	45,708,070	4,899,828	2,533,132	48,074,766
Library Collection	2,295,400	363,200	397,300	2,261,300
TOTAL	\$ 95,588,992	\$ 8,812,235	\$ 3,196,074	\$ 101,205,153

Equipment includes the depreciation expense for the ISF of \$58,466

Capital asset activity for business-type activity at December 31, 2008 is as follows:

Business-type activities	Balance January 1, 2008	Additions 2008	Deletions 2008	Balance December 31, 2008
Land	\$ 523,038	-	-	523,038
Subtotal-Capital assets not being depreciated	523,038	-	-	523,038
Buildings	6,501,154	111,059	-	6,612,213
Improvements	18,159,539	260,905	-	18,420,444
Equipment	13,477,926	770,870	322,246	13,926,550
Subtotal-Capital assets being depreciated	38,138,619	1,142,834	322,246	38,959,207
Less:Accumulated Depreciation	(25,163,156)	(1,789,083)	(278,720)	(26,673,519)
TOTAL	\$ 13,498,501	\$ (646,249)	\$ 43,526	\$ 12,808,726

Depreciation expense was charged to functions as follows:

Landfill	\$ 832,181
Highway	956,902
Total Business-type Activities Depreciation Expense	\$ 1,789,083

The following is a breakdown of accumulated depreciation by asset class for business-type activities for December 31, 2008 as follows:

Business-type activities	Balance January 1, 2008	Additions 2008	Deletions 2008	Balance December 31, 2008
Depletion Allowance	\$ 9,679	-	-	9,679
Buildings	3,940,874	265,765	-	4,206,639
Improvements	13,661,917	767,931	-	14,429,848
Equipment	7,550,686	755,387	278,720	8,027,353
TOTAL	\$ 25,163,156	1,789,083	278,720	26,673,519

Capital asset activity for discretely presented component units at December 31, 2008 is as follows:

Discretely Presented Component Units	Business-Type		Total Business-type Discretely presented Component Units	Non-Major Component Units- HCEB
	CWA	NCCS		
Construction in Progress	\$ 104,421	1,397,926	1,502,347	-
Land	614,983	51,300	666,283	-
Subtotal-Capital assets not being depreciated	719,404	1,449,226	2,168,630	-
Land Improvements	-	921,778	921,778	-
Buildings	12,356,140	19,251,720	31,607,860	263,376
Improvements	41,938,697	-	41,938,697	-
Equipment	7,567,100	12,813,065	20,380,165	-
Subtotal-Capital assets being depreciated	61,861,937	32,986,563	94,848,500	263,376
Less:Accumulated Depreciation	(29,288,761)	(24,358,600)	(53,647,361)	(35,252)
TOTAL	\$ 33,292,580	10,077,189	43,369,769	228,124

Construction in progress consisted of the following:

CWA

AIP-36	\$ 95,795
AIP-37	8,626
TOTAL-CWA	\$ 104,421

NCCS

Rolling Stock	113,819
Equipment Replacement	83,333
LVS Envelope Repairs	38,119
IT/phone equipment	313,554
HCC Parking Lot	145,217
Building Remodeling/Roof Replacement	64,492
Ware Washing Equipment	242,581
Dietary Cart System	323,668
ADRC Accessibility Project	73,143
TOTAL-NCHC	\$ 1,397,926

TOTAL

\$ 1,502,347

E. Interfund and Interentity Receivables/Payables and Transfers

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 assets. Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

The County has the following interfund and interentity receivable and payable balances at December 31, 2008:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue-Social Improvement Fund	\$ 405
	Enterprise-Landfill	506
	Enterprise-Highway	85
Enterprise Fund - Highway	General Fund	565
Internal Service Fund-Employee Benefit Fund	General Fund	63,391
Enterprise Fund-Landfill	General Fund	70
Total –Fund Financial Statements	65,022	65,022
Less: Fund Eliminations		(64,978)
Total Government-wide Financial Statements		\$ 44
General Fund:	Discretely presented component unit	2,511
Enterprise-Highway Fund:	Discretely presented component unit	119
Advance from primary government Enterprise-Highway Fund	Discretely presented component unit	6,250
Total-Government Wide Statement of Net Assets		\$ 8,880

The one advance to a discretely presented component unit is a long-term receivable due within 5 years. The discretely presented component unit will pay \$6,250 per year.

Balances resulted from the timing lag between the dates that (1) interfund goods and services are provided and reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The County had the following interfund transfers during 2008

Funds Transferred to:	Funds Transferred from:	Amount	Principal Purpose
County Highway Fund	General Fund	\$ 397,338	Fund Capital Projects
County Highway Fund	Capital Improvement	300,000	Fund Capital Projects
General	Capital Improvement	1,630,336	Close out finished capital projects to General Fund
Capital Improvement	General	4,610,939	Fund capital projects
Capital Improvement	Social Improvement	885,509	Fund capital projects
Social Improvement	General Fund	176,936	Fund social service programs
Subtotal-Fund Financial Statements		8,001,058	
Less: Fund Eliminations		(7,303,720)	
Subtotal		697,338	
Reclassify infrastructure costs paid by the highway fund		6,453,539	
Total Transfers Government-Wide Statement of Net Activities		\$ 5,756,201	

For economic development loans, the County is limited by the Wisconsin Department of Commerce to the amount of program income from economic development loans that it may retain and loan to other businesses. Program income includes the principal and interest received from economic development loans repayments. Based upon its current population, the County may generally retain \$750,000. (For additional information, consult the Department of Commerce Administrative Rules Chapter 108.16)

At December 31, 2008 the County has not exceeded its maximum retention cap. When it does, a liability to the state will be recorded.

F. Litigation

From time to time the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Corporation Counsel that in each case the possibility of material loss, net of amounts reserved, is remote.

G. Operating Leases

The Forestry Department leases (as lessor) land for farmland. In addition, the CWA, as a discretely presented component unit, leases farmland, terminal space, hangar space and parking space. All of the leases are operating leases. The book value and carrying amount of the leased farmland is \$98,805. The book value of the leased space at CWA is \$9,616,670. The carrying amount of the leased space at CWA is \$5,252,478. The difference between the two figures is the accumulated depreciation of \$4,364,192. The following is a schedule by years of future minimum lease receipts for noncancelable operating leases as of December 31, 2008.

Year ended December 31:

	Forestry Department	Discretely Presented Component Units	Total
2009	\$ 1,881	\$ 359,282	\$ 361,163
2010	1,881	347,094	348,975
2011	897	36,350	37,247
2012	897	32,999	33,896
2013	897	4,032	4,929
2014 & Thereafter	36,783	4,192	40,975
TOTAL MINIMUM LEASE RECEIPTS	\$ 43,236	\$783,949	\$827,185

There are no commitments under operating lease agreements for building rent as minimum annual payments.

North Central Health Care

Leases

NCHC has various operating leases for apartments and group homes. NCHC leases three group homes from Marathon County. Rental expense on the related-party group homes amounted to \$13,600 in 2008. Total rental expense on all operating leases amounted to \$390,387 in 2008.

H. Long-term Debt

During the year ended December 31, 2008, the following changes occurred in long term liabilities reported for Governmental Activities:

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Compensated Absences	\$ 4,740,590	\$ 214,113	\$ 94,812	\$ 4,859,891	\$ 97,198
OPEB Obligation	657,563	1,552,052	903,934	1,305,681	-
General Obligation bonds and notes	1,075,000	-	1,075,000	-	-
Forest crop loan	1,992,307	14,608	86,276	1,920,639	38,000
TOTAL	\$8,465,460	\$1,685,961	\$2,065,210	\$8,086,211	\$135,198

Compensated absences include \$43,818 for internal service funds.

General obligation bonds and notes - The County issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for discretely presented component unit activities. Bonds expected to be repaid from the associated revenues are reported in the respective funds. CWA, HCEB and NCCS cannot issue debt.

There are no significant limitations or restrictions contained in the County's various bond indentures and loan agreements.

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 non-interest bearing loan has no specific payment schedule and is repaid from the proceeds of the sale of forest crops.

Changes in Business-Type Activities and Discretely Presented Component Unit Long-term Liabilities

Business-types activities and discretely presented component units accrue paid leave balances and sick leave benefits in the period they are earned. A liability of \$672,336 and \$1,992,367 has been established for the purpose of future payments to be made for the enterprise funds and discretely presented component units, respectively.

Revenue sources used to repay the long-term debt in the CWA discretely presented component unit include various public charges for services.

During the year ended December 31, 2008 the following changes occurred in long-term liabilities reported in the business-type activities:

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Compensated Absences	\$702,280	\$ 1,913	\$ 31,857	\$ 672,336	\$13,447
Net OPEB Obligation	86,300	117,393	32,334	171,359	-
TOTAL	\$788,580	\$ 119,306	\$ 64,191	\$ 843,695	\$ 13,447

During the year ended December 31, 2008 the following changes occurred in general obligation debt reported in the discretely presented component units:

CWA	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
General Obligation notes-Marathon County	\$3,975,000	\$ -	\$ 325,000	\$ 3,650,000	\$ 340,000
Net OPEB	22,137	30,117	8,925	43,329	-
TOTAL	\$3,997,137	\$ 30,117	\$ 333,295	\$ 3,693,959	\$ 340,000

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the County. The debt, issued in serial form, is generally issued for terms of up to 10 years. General obligation debt at December 31, 2008 is as follows:

	Date Issued	Maturity	Rate	Original Balance	Current Balance
2003A	06/01/2003	05/01/2013	1.20%-3.30%	555,000	\$ 295,000
2005B	12/01/2005	10/01/2017	4.0%-4.5%	4,105,000	3,355,000
TOTAL				\$4,660,000	\$3,650,000

Annual debt service requirements to maturity are as follows at December 31, 2008:

Year	Principal	Interest	Reporting Entity Total
2009	340,000	153,363	493,363
2010	355,000	140,395	495,395
2011	385,000	126,640	511,640
2012	405,000	111,750	516,750
2013	430,000	95,572	525,572
2014-2017	1,735,000	202,051	1,937,051
TOTAL	3,650,000	829,771	4,479,771

Prior Years Defeasance of Debt

At December 31, 2008 a total of \$1,640,000 of bonds outstanding are considered defeased.

Funds have been deposited in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the county's financial statements. The bonds are callable as follows:

<u>Call Year</u>	<u>Amount</u>
2009	\$ 375,000
2010	395,000
2011	420,000
2012	<u>450,000</u>
Total	\$1,640,000

I. University of Wisconsin-Marathon Campus

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.

J. Landfill Closure and Long-term Care Costs

State and federal laws and regulations required Marathon County Landfill to place a final cover on its Cell A site when it stopped accepting waste in 1993. They also require the landfill to perform certain maintenance and monitoring functions at the site for forty (40) years thereafter, until 2033. Although closure costs have been paid on this cell already, long-term care costs and potential costs for corrective action of known releases could occur annually during the forty (40) year period. The funds associated with the continuing costs were collected during the period Cell A accepted solid waste and had been set up on the financial records prior to GASB No.18, Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs, as a restricted asset and a reservation to net assets. When GASB No. 18 was implemented in 1994, money set aside for the long term care and corrective action of known releases of the cell was restated as a long-term care payable within the fund. The value of the Cell A fund is impacted by interest earnings – which are credited directly to the account – and the periodic release of funds for Long Term Care expenses incurred – which are authorized by the State of Wisconsin DNR. The fair value of this investment at \$5.17 million is managed with the other investment programs of the County and is reviewed annually by the State of Wisconsin DNR. These earnings are expected to offset the rate of inflation and no additional funds are expected to be contributed to the account. If such earnings are insufficient to cover the ongoing costs, the amount would need to be added to future tipping fees of Cell B. These amounts represent 100% closure of Cell A. In 2007 the Landfill used and have requested the DNR approved \$0 so far of costs for Cell A long-term care or corrective action for known releases.

Similar state and federal laws and regulations require the landfill to place a final cover on its Cell B site when it stops accepting solid waste, estimated to be in the year 2014. They will also require the Landfill to perform certain maintenance and monitoring functions at the site for forty (40) years thereafter, until approximately 2054. Although these costs will not actually be paid until needed in future years, a prorata share is included in current tipping fees and charged directly to the customers currently using the disposal site. The calculations and estimates follow DNR rules and are being charged as a current operating expense to the fund and set up as a liability and a restricted asset in accordance with GASBS No. 18.

The \$11.9 million reported as Landfill closure and long term care payable at the December 31, 2008 reporting date represents the following:

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
Cell A				
Long-Term Care	\$ 4,506,900	\$ -	\$247,240	\$ 4,259,660
Cell B Closure	2,455,756	606,594	108,660	2,953,690
Cell B				
Long-Term Care	4,184,270	528,977	-	4,713,247
TOTALS	\$11,146,926	\$1,135,571	\$355,900	\$11,926,597

The \$2.95 million amount reported as the estimated closure costs for Cell B with an estimated remaining useful life of six (6) years. Total Cell B capacity is estimated at 3,376,000 cubic yards with 2,596,000 cubic yards used as of December 31, 2008, or 77% of the capacity. These amounts are based on current 2008 costs and could change due to inflation, changes in technology or regulations. As with Cell A, the accounts for cell B are managed within the realm of the County's overall investment program with annual review by the DNR. Earnings are credited directly to the account and are expected to fund future inflationary increases in closure, long-term care and corrective action for known release costs. If earnings are insufficient to fund these increases, amounts will be added to future tipping fees. The current estimated cost due in one year for closure is \$170,110.

K. Governmental Activities Net Assets

Governmental activities net assets reported on the government wide statement of net assets at December 31, 2008 includes the following:

GOVERNMENTAL ACTIVITIES

Invested in capital assets, net of related debt	
Construction in progress	\$ 17,183,597
Land	32,774,235
Other capital assets, net of accumulated depreciation	166,753,064
Less: related long-term debt outstanding	(1,920,639)
Total Invested in Capital Assets	<u>\$ 214,790,257</u>
Restricted	
General debt service	\$ 2,625,708
Unrestricted	<u>\$ 67,140,206</u>
Total Governmental Activities Net Assets	<u>\$284,556,171</u>

Governmental fund balances reported on the fund financial statements at December 31, 2008 include the following:

Reserved	
Major Funds	
General Fund	
Delinquent taxes for other governmental entities	\$ 2,716,266
Inventories	28,753
Long-term receivables	69,728
Total	<u>\$ 2,814,747</u>
Social Improvement Fund	
Prepaid items	\$ 10,278
Capital Improvement Fund	
Encumbrances	<u>\$ 10,789,830</u>
Total Reserve Major Funds	<u>\$ 13,614,855</u>
Other Governmental Funds	
General Debt Service Funds	
Reserved for Debt Service	\$ 2,625,708
Total Reserved	<u>\$ 16,240,563</u>
Unreserved –Designated	
Major Funds	
General Fund	
Capital Improvements	\$ 6,250,420
Subsequent Years Budget	3,033,148
Carryforwards	2,835,939
Compensated absences	5,357,312
Working capital	18,398,598
ADRC-CW	17,895
Total	<u>\$ 35,893,312</u>
Social Improvement Fund	
Carryforwards	\$ 6,916
Subsequent Years Budget	1,265,644
Total	<u>\$ 1,272,560</u>
Total Designated	<u>\$ 37,165,872</u>

Undesignated	
Major Funds	
General Fund	\$ 4,148,520
Special Revenue Fund	729,881
Capital Improvement Fund	(298,348)
Total Undesignated Major Funds	<u>\$ 4,580,053</u>
Other Governmental Funds	\$ 1,480,023
Total Undesignated	<u>\$ 6,060,076</u>
Total governmental fund balances	<u>\$ 59,466,511</u>

FOOTNOTE 5-Other Information

A. Pension Plan

All eligible employees of the reporting entity participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. Covered employees in the General/Teacher category are required by statute to contribute 6.0% of their salary, 3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for the County employees (including CWA as a discretely presented component unit) covered by the system for the year ended December 31, 2008 was \$33,592,825; the employer's total payroll was \$34,956,826. The total required contribution for the year ended December 31, 2008 was \$3,891,746 which consisted of \$1,922,232 which represents the employer share and \$1,969,514 which represents the employee share. Total contributions for the years ended December 31, 2007 and 2006 were \$3,765,884 and \$3,549,494 respectively, equal to the required contributions for each year. The payroll for the HCEB employees covered by the system for the year ended June 30, 2008 was \$2,725,434. The total required contribution for the year ended June 30, 2008 was \$288,896. The contributions for 2007 and 2006 were \$274,116 and \$264,545 respectively and were the required amounts. The payroll for the NCCS employees covered by the system for the year ended December 31, 2008 was \$26,169,676; the employer's total payroll was \$29,558,803. The total required contribution for the year ended December 31, 2008 was \$3,029,520 which consists of 4.6% of payroll from the employer and 6.0% of payroll from employees. The contributions for 2007 and 2006 were \$2,955,179 and \$3,076,755 respectively and were equal to the required contributions.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive full retirement benefits. Employees and elected officials may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation after January 1, 1990 and no longer 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 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of the Wisconsin Statutes. The WRS issues an annual financial

report which may be obtained by writing to: Department of Employee Trust Funds, P. O. Box 7931, Madison, WI 53707-7931.

The County (including HCEB and CWA as discretely presented component units) and NCCS have paid in full their respective unfunded pension liability. This liability was determined in accordance with GASBS No. 27 *Accounting for Pensions by State and Local Governmental Employers*.

B. Other Post Employment Benefits

Marathon County’s single employer, self-insured health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other post employment benefit (OPEB) for the retirees commonly referred to as an implicit rate subsidy.

Plan Contribution Information

Members of the plan consisted of the following at January 1, 2007, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	41
Terminated plan members entitled to but not yet Receiving benefits	-
Active plan member	<u>660</u>
Total	<u>701</u>

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the County and the union. The retirees and their spouse may stay on the County plan until age 65 and must pay 100% of the monthly premium. For 2008 total member contributions were \$359,639.

The County’s annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The County has elected to calculate the ARC and related information using the projected unit credit actuarial cost method because this method allocated costs based on each employee’s length of service. The ARC represents a level of funding that, if paid on a on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to plan and changes in the County’s net OPEB obligation to the Health Plan.

Annual Required Contribution	\$1,042,000
Contributions made	<u>(287,631)</u>
Increase in net OPEB obligation	\$ 754,369
Net OPEB Obligation – Beginning of Year	<u>\$ 766,000</u>
Net OPEB Obligation – End of Year	<u>\$1,520,369</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 and 2008 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2007	\$1,042,000	26.49%	766,000
2008	\$1,042,000	27.60%	1,520,369

The funded state of the plan as of January 1, 2007, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 8,766,000
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 8,766,000</u>

The Marathon County Health plan is financed on a pay-as-you-go basis.

Covered payroll (active plan members)	\$28,105,617
UAAL as a percentage of covered payroll	31.19%

The projection of future benefit payments for an ongoing plan involves estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4 percent investment rate of return and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of 4 percent after 8 years. Both rates include a 1 percent inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008 was 28 years.

The following assumptions were made:

Employee Turnover/Withdrawal

Ten-year select and ultimate rates of WRS for Protective with Social Security for Sheriff’s Department employees and General Employee for all other employees. Separate rates for males and females. Select rates are as follows:

YEAR	Protective with Social Security	General Employee Male Rates	General Employee Female Rate
First	12.0%	21.0%	20.0%
Second	6.5%	13.0%	14.0%
Third	4.5%	9.5%	10.0%
Fourth	4.1%	7.5%	8.0%
Fifth	3.2%	5.5%	7.0%
Sixth	3.0%	4.5%	6.0%
Seventh	2.7%	4.0%	5.0%
Eighth	2.5%	3.8%	4.5%
Ninth	2.3%	3.5%	4.3%
Tenth	2.0%	3.2%	4.0%

Disablement

WRS disability rates for Protective with Social Security for Sheriff’s Department employees and General Employee for all other employees. Separate rates for General Employees for males and females.

Retirement

WRS retirement rates for Protective with Social Security for Sheriff’s Department employees and General Employee for all other employees. Separate rates for General Employees for male and females.

Percentage of Retirees Electing Family Coverage

Future Retirees: 25% of future retirees that take coverage are assumed to elect single coverage for both the retiree and the retiree’s spouse at retirement. The remaining 75% of future retirees that take coverage are assumed to elect single coverage for only the retiree.

Current Retirees: Actual family coverage election.

Percentage of Retirees Participating in Retiree Medical Coverage

Future Retirees: 80% of current employees are expected to participate in the County’s retiree medical coverage if they continue in employment to retirement age.

Current retirees: Actual retiree participation.

Age Difference of Active Employees and Spouses

Females same age as male spouses.

C. Risk Management

The County is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The County has chosen to retain a portion of the risks through self-insurance programs and has also purchased insurance to transfer other risks

to outside parties. 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. There is a schedule of all the County's insurance coverages included as a part of the Statistical Section of this CAFR in Schedule 17 "Schedule of Insurance - Fiscal Year Ended December 31, 2008. The majority of the coverage is on a per occurrence basis, however, several claims made policies exist for which tail coverage does exist. A description of the County's risk management program is presented below:

1. Property Casualty Insurance Fund

Beginning January 1, 1995 the County joined a municipal mutual insurance provider, WMMIC. Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. At December 31, 2008 WMMIC was owned by eighteen municipalities. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

The WMMIC provides occurrence based coverage on all lines of coverage except error and omission public official liability that is covered on a claim made basis. Coverage for members is \$5,000,000 per occurrence with a \$15,000,000 annual aggregate. Errors and omissions public official liability coverage and employee benefit liability coverage, applying to general and auto liability coverage, have a \$15,000,000 aggregate. WMMIC also reinsures at these levels. The County, being the medium sized member, currently has a \$400,000 per occurrence deductible with an annual aggregated deductible of \$1,050,000. By December 31, 1996 the County had contributed its total required contribution of \$1,519,000 to the capital of WMMIC which is a non-assessable insurance company and is generally viewed as an excess carrier.

WMMIC is self-insured for all insurance risks up to a maximum of \$5,000,000 of losses involving two or more of its members. Losses paid by WMMIC plus administrative costs will be recovered through premiums of the participating pool of municipalities. The County's share of such losses is 5.26%. A list of other members and their share of participation is in the WMMIC report.

WMMIC provides its participating members with the broadest protection possible for general liability, automobile liability, police professional liability, public officials liability, and errors and omission coverage. An annual premium is charged to cover expected losses and minor administrative costs.

Through WMMIC the County has an annual actuarial evaluation performed on the Property Casualty Fund. Lines of coverage are reserved at the 95 percentile and include an amount for catastrophic losses.

The County maintains funds with WMMIC and in the Property Casualty Insurance Fund to pay for any settlements under the self insured retention. A separate financial report is issued annually by WMMIC and is available from the administrative offices of:

Wisconsin Municipal Mutual Insurance Company
4785 Hayes Road
Madison, WI 53704

The State of Wisconsin provides a Local Government Property Insurance Fund to which the County belongs. The full line of coverage provides the needed protection for the County with a \$5,000 per occurrence deductible and a \$500 per occurrence deductible on its fleet comprehensive coverage. 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.

The 2008 claims liability of \$1,182,197 reported in the fund at December 31, 2008 is based on the requirements of GASBS No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, 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 non-incremental costs to the claims liabilities. The amount has been fully funded. Changes in the fund's claim liability amount for 2007 and 2008 are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2007	3,040,538	(814,691)	(464,504)	1,761,343
2008	1,761,343	306,022	(885,168)	1,182,197

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. 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. \$2,675,759 was designated for that reserve at year end, and is included in unreserved net assets of the internal fund.

2. Employee Benefit Insurance Plan

Primary Government

The County (including the CWA as a discretely presented component unit) maintains a self-funded group health insurance program, which is administered by Allied Benefits and operated as a PPO type plan. The number of employees covered is approximately 698. The aggregate stop-loss per policy year is based in a flat fee per employee. The aggregate stop-loss for 2008 is \$12,687,273. Employees are offered a choice of 2 dental plans, a capitated DMO program, and a self funded program. The claims liability of \$895,748 for health and \$4,088 for dental reported in the fund at December 31, 2008, are based on the requirements of GASB No. 10, which are stated above.

Changes in the fund's claim liability amount for 2007 and 2008 are as follows:

	Health Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2007	885,500	8,165,843	(8,211,734)	839,609
2008	839,609	9,162,077	(9,105,938)	895,748

	Dental Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2007	4,810	164,196	(164,006)	5,000
2008	5,000	181,327	(182,239)	4,088

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 \$300,000 per claim/occurrence. The claims liability of \$1,858,469 reported in the fund at December 31, 2008 is also based on the requirements of GASBS No. 10.

Changes in the fund's claim liability amount for 2007 and 2008 are as follows:

	Worker's Comp Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2007	\$ 1,183,783	1,197,836	(123,340)	2,258,279
2008	\$ 2,258,279	(206,738)	(193,072)	1,858,469

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, 2008 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.

3. 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, set aside \$0 in 2008. In addition to this amount and as a substitute to paying traditional insurance premiums, an amount of \$69,212 was set aside for 2007. This amount is adjusted by an estimated cost of living increase added for all subsequent years until the balance approximates \$2 million. 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 the year 2006. The self-funded pollution liability account has a balance of \$2,393,386 as of December 31, 2008. Of this amount, the amount due within one year is \$0.

D. Discretely Presented Component Units

Cash and Cash Equivalents and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, NCCS's deposits and investments may not be returned to NCCS. NCCS does not have a custodial credit risk policy for deposits.

At December 31, NCCS's bank balances, which includes certificates of deposits held as short-term investments, were exposed to credit risk as follows:

	2008
Uninsured, unguaranteed, or uncollateralized	\$ 3,884,506
Bank Balances	\$ 6,464,506

Investments

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, NCCS's investment policy limits its investment portfolio to maturities of two years or less, and shall be able to be liquid within 60 days. As of December 31, 2008, NCCS's investments, consisting of certificates of deposit, maturing in less than one year were \$4,325,000 and in one to two years were \$750,000.

Credit Risk – In addition to the limitations imposed by state statute, NCCS's policy further limits its investments to direct obligations of the United States and its agencies and certificates of deposits maturing in two years or less from the date of the investment.

Concentration of Credit Risk – NCCS's custodial credit risk policy for investments allows for no more than 75% of its investment portfolio in one back or one issue.

Financial instruments that potentially subject NCCS to credit risk consist principally of cash deposits in excess of insured limits, investments of surplus operating funds and accounts receivable as discussed in Note 3.

Patient Accounts Receivable – Net

Patient accounts receivable consisted of the following at December 31:

	2008		
	51.42/.437 Program	Nursing Home	Total
Patient accounts receivable	\$ 4,738,079	\$ 3,484,408	\$ 8,222,487
Less:			
Allowance for doubtful accounts	855,113	7,442	862,555
Contractual adjustments	950,789	78,136	1,028,925
Patient accounts receivable - Net	\$ 2,932,177	\$ 3,398,830	\$ 6,331,007

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

	2008
Medicare	31%
Medicaid	31%
Other third-party payors	22%
Patients	16%
Totals	100%

Charity Care

The amount of charges forgone for services and supplies furnished under NCCS's charity care policy aggregate approximately \$3,831,000 for NCCS's 51.42/437 program for 2008.

Self-Funded Insurance

Effective January 1, 2008, NCCS 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 \$150,000 and aggregate specific claims over \$25,000 of the actuarial estimate for the year.

	2008	
Unpaid claims liability at beginning	\$	-
Claims expense		5,757,442
Claim payments		(5,072,442)
Unpaid claims liability at end	\$	685,000

NCCS 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.

	2007		2008	
Unpaid claims liability at beginning	\$	25,000	\$	25,000
Claims expense		252,383		252,222
Claim payments		(252,383)		(252,222)
Unpaid claims liability at end	\$	25,000	\$	25,000

Management believes the liabilities are sufficient to cover estimated claims, including claims incurred but not yet reported.

Family Care County Contribution

Effective November 1, 2008, NCHC's Marathon County developmentally disabled clients were transitioned to the Family Care program which is operated by a third party. Thus, NCHC no longer receives state funding to serve these clients. However, NCHC has contracted with the Family Care agency to be a provider of residential and day services for these clients.

As part of the transition to Family Care, Marathon County is required by the State to assist in funding the cost of care for individuals in the program. The county contribution is a preset State-determined decreasing amount to be paid annually on October 31 over five years.

NCHC is responsible for the Marathon County 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 due for 2008 of \$603,494 is reflected as a net adjustment to the state match/addendum in the combined statements of revenue, expenses, and changes in net assets and in accounts payable at December 31, 2008. The future amounts payable under the agreement consist of the following:

2009	\$	3,516,979
2010		2,893,060
2011		2,269,140
2012		1,645,220
2013		937,740
Total	\$	11,262,139

Related-Party Transactions

NCHC 51.42/.437 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's 51.42/.437 program received \$9,012,795 in 2008 from the counties, and the nursing home received \$2,738,702 from Marathon County to assist in meeting operating costs and for additions and improvements to capital assets.

Land and buildings at a cost of \$24,210,359 in 2008, 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 assets under capital assets – net and in net assets invested in capital assets. Depreciation on this property is included in the combined financial statements of NCHC.

North Central Health Care

Reimbursement Arrangement with Third-Party Payors

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

Medicare

Effective January 1, 2005, inpatient services rendered to Medicare program beneficiaries are paid on a blend of prospectively determined rates per discharge and a cost-reimbursement method limited by a target rate per discharge established by the Tax Equity and Fiscal Responsibility Act of 1982. Prior to January 1, 2005, inpatient services rendered to Medicare program beneficiaries were paid on a cost-reimbursement method limited by a target rate per discharge established by the Tax Equity and Fiscal Responsibility Act of 1982.

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

Hospital and nursing home services rendered to Medicaid program beneficiaries are reimbursed primarily based upon prospectively determined rates.

Accounting for Contractual Adjustments

The hospital and nursing home are reimbursed for cost-reimbursable items at an interim rate with final settlements determined after audit of NCCS's related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying financial statements. The cost reports have been audited by the Medicare and Medicaid fiscal intermediaries through December 31, 2006 and 2003, respectively.

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. Violation 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 NCCS is in substantial compliance with current laws and regulations.

Comprehensive General and Professional Liability Insurance

NCCS'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). NCCS'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). NCCS 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 NCCS. Although there exists the possibility of claims arising from services provided to patients through December 31, 2008, which have not yet been asserted, NCCS is unable to determine the ultimate cost, if any, of such possible claims and, accordingly, no provision has been made for them. Settled claims have not exceeded commercial coverage in any of the three preceding years. These insurance policies are renewable annually and have been renewed by the insurance carrier for the annual period extending through December 31, 2009.

E. Commitments and Contingencies

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 grant. County management believes such disallowances, if any, would be immaterial.

The County had the following construction commitments shown as encumbrances at December 31, 2008:

Project	Encumbrance
Rib Mountain Tower	1,792,403
Marathon County Courthouse-Remodel	43,546
Courthouse Fire Alarm System	31,830
UWMC	479,638
Upgrade Telecommunications	8,419,343
Storage Facility Sheriff	23,070
TOTAL	\$10,789,830

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from the other units of government, user fees, fines, and permits, and other miscellaneous revenue. The State of Wisconsin provides a variety of aid and grant programs which benefit the County. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin

governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the County.

The Landfill has entered into an agreement for the future purchase of clay. The Landfill has recorded the outstanding amount due in 2010 of \$14,623 as a contract payable.

F. Related Organizations/Jointly Governed Organizations

City County Data Center Commission

The CCDCC is a joint function with Marathon County and the City of Wausau to provide for the implementation and operation of a data and management information service. The CCDCC is governed by a six-member Board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County Chairman of the Board of Supervisors, County Administrator and Finance Director. To ensure a balance of influence on the Board of Commissioners, one member is appointed at large from within the County. This member 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 and County split the operating costs not recovered through outside user fees 30/70 respectively. Capital is paid for on a 50/50 basis unless otherwise shown to benefit only one owner. Marathon County share of the CCDCC costs for 2008 was \$1,197,758. The County has an equity interest in the joint venture but it is not material to the financial statements.

Contact the CCDCC at the following address for the financial statements of the entity:

City-County Data Center Commission
Wausau City Hall
407 Grant Street
Wausau, WI 54403-4737

Aging and Disability Resources Center of Central Wisconsin (ADRC-CW)

In 2006, Marathon County entered into an agreement with Wood County for the joint operation of the ADRC-CW. The purpose of the agreement was to create a regional agency that can provide quality programs to enhance the quality of life the aged and disabled residents of Wood and Marathon Counties. In 2007, each County had the ADRC-CW act as the subcontractor for their ADRC grant dollars. In 2008, the ADRC-CW will be the subcontractor for Older American Act funds for each County.

Under the terms of the agreement, the portion of County funding to maintain and operate the ADRC-CW will be the County's respective share of equalized value. Marathon County's share of funding based on equalized value is 67%.

The agreement current terminates on December 31, 2008 unless renewed or can be terminated if 16 month advance notice is given to the member counties.

Contact the ADRC-CW at the following address for the financial statements of the entity:

ADRC-CW
1100 Lake View Drive
Wausau, WI 54403

North Central Wisconsin 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 three members from each of the 10 counties. The County's representatives are appointed by the County Board Chairperson and approved by the County Board. Marathon County's 2008 appropriation for NCWRPC was \$0.

G. Subsequent Event

On January 20, 2009 the County issued general obligation notes in the amount of \$16,770,000 with an interest rate of 2.5-5.0%. This amount will be used to finance two capital projects.

REQUIRED SUPPLEMENTAL INFORMATION

Marathon County
 Other Post Employment Benefits Plan
 Schedule of Funding Progress
 For the Year Ended December 31, 2008*

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) – Frozen Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/07	\$ -	\$8,766,000	\$8,766,000	0%	\$28,105,617	31.19%

* A new actuarial evaluation has not yet been completed.

See Independent Auditors' Report

SUPPLEMENTAL INFORMATION

MARATHON COUNTY, WISCONSIN
GENERAL FUND
Schedule of Revenues - Budget and Actual
Year ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with final budget
	Original	Final		
Revenues:				
Taxes:				
General property taxes	28,563,542	28,563,542	28,601,113	37,571
Forest crop taxes	25,000	25,000	63,983	38,983
Transfer tax	283,000	283,000	247,409	(35,591)
Sales tax	9,983,133	9,983,133	10,708,417	725,284
Interest on delinquent taxes	220,000	220,000	777,625	557,625
Penalties on delinquent taxes	110,000	110,000	380,196	270,196
Total taxes	<u>39,184,675</u>	<u>39,184,675</u>	<u>40,778,743</u>	<u>1,594,068</u>
Intergovernmental grants and aids:				
Wisconsin shared revenue	5,686,035	5,686,035	5,713,162	27,127
Exempt computer aid	345,422	345,422	354,752	9,330
Federal grants	260,343	1,326,077	643,545	(682,532)
State grants	4,451,432	5,601,937	5,072,337	(529,600)
Local government grants	30,000	193,515	117,382	(76,133)
Total intergovernmental grants and aids	<u>10,773,232</u>	<u>13,152,986</u>	<u>11,901,178</u>	<u>(1,251,808)</u>
Licenses and permits:				
Licenses	28,660	28,660	26,268	(2,392)
Permits	230,000	230,000	187,793	(42,207)
Total licenses and permits	<u>258,660</u>	<u>258,660</u>	<u>214,061</u>	<u>(44,599)</u>
Fines and forfeitures:				
County ordinance fines and forfeitures	353,000	353,000	272,950	(80,050)
County share of state fines and forfeitures	471,000	471,000	450,674	(20,326)
Total fines and forfeitures	<u>824,000</u>	<u>824,000</u>	<u>723,624</u>	<u>(100,376)</u>
Public charges for services:				
General government:				
Recording fees	300,000	300,000	273,150	(26,850)
Certified copies	50,000	50,000	69,877	19,877
Land record fees	180,000	180,000	144,470	(35,530)
Court fees and costs	639,000	639,000	658,304	19,304
Other charges	292,925	302,925	259,910	(43,015)
Total general government	<u>1,461,925</u>	<u>1,471,925</u>	<u>1,405,711</u>	<u>(66,214)</u>
Public safety:				
Board of Prisoners	610,000	610,000	486,458	(123,542)
Processing Fees	200,000	200,000	199,801	(199)
Other charges	379,334	398,418	312,579	(85,839)
Total public safety	<u>1,189,334</u>	<u>1,208,418</u>	<u>998,838</u>	<u>(209,580)</u>

MARATHON COUNTY, WISCONSIN
GENERAL FUND
Schedule of Revenues - Budget and Actual
Year ended December 31, 2008

2008

	Budgeted Amounts		Actual	Variance with final budget
	Original	Final		
Revenues (continued):				
Health:				
General health	22,150	36,709	49,495	12,786
Lab contract work	92,897	92,897	82,788	(10,109)
Environmental permits	319,000	319,000	332,571	13,571
Other charges	42,822	149,174	91,526	(57,648)
Total health	<u>476,869</u>	<u>597,780</u>	<u>556,380</u>	<u>(41,400)</u>
Social services	<u>3,000</u>	<u>3,000</u>	<u>5,459</u>	<u>2,459</u>
Library	<u>81,500</u>	<u>81,500</u>	<u>146,410</u>	<u>64,910</u>
Recreation and public areas:				
Camping fees	107,000	107,000	103,560	(3,440)
Park concessions	16,000	16,000	5,840	(10,160)
Shelter rental and forfeitures	28,300	28,300	25,828	(2,472)
Fairgrounds building rents	114,000	114,000	110,552	(3,448)
Organized hockey rents	200,000	200,000	195,610	(4,390)
Cross country fees	59,034	59,034	56,574	(2,460)
Other charges	167,850	167,850	141,990	(25,860)
Total recreation and public areas	<u>692,184</u>	<u>692,184</u>	<u>639,954</u>	<u>(52,230)</u>
Education	<u>22,595</u>	<u>28,095</u>	<u>34,698</u>	<u>6,603</u>
Conservation:				
Forest resources	300,000	300,000	387,612	87,612
Agricultural resources	33,255	33,255	159,410	126,155
Total conservation	<u>333,255</u>	<u>333,255</u>	<u>547,022</u>	<u>213,767</u>
Total public charges for services	<u>4,260,662</u>	<u>4,416,157</u>	<u>4,334,472</u>	<u>(81,685)</u>
Intergovernmental charges for services:				
State and federal	254,632	254,632	213,410	(41,222)
Local districts:				
General government	54,400	54,400	55,828	1,428
Register of Deeds services	45,000	45,000	78,181	33,181
Postage	70,000	70,000	71,128	1,128
Telephone	25,000	25,000	28,258	3,258
Sheriff's services	17,525	18,949	405,314	386,365
Health	13,572	13,572	4,653	(8,919)
Other charges	207,926	291,171	290,470	(701)
Local departments	<u>319,414</u>	<u>319,414</u>	<u>3,815</u>	<u>(315,599)</u>
Total intergovernmental charges for services	<u>1,007,469</u>	<u>1,092,138</u>	<u>1,151,057</u>	<u>58,919</u>
Miscellaneous revenue:				
Interest income	444,212	444,212	1,333,553	889,341
Increase in the fair market value of investments	-	-	767,538	767,538
Donations	194,563	265,555	328,484	62,929
Rental income	509,261	509,261	248,647	(260,614)
Other revenues	69,806	69,806	80,249	10,443
Total miscellaneous revenue	<u>1,217,842</u>	<u>1,288,834</u>	<u>2,758,471</u>	<u>1,469,637</u>
Total revenues	<u>\$ 57,526,540</u>	<u>\$ 60,217,450</u>	<u>\$ 61,861,606</u>	<u>\$ 1,644,156</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2008

2008

	Budgeted Amounts		Actual	Variance with final budget
	Original	Final		
Expenditures:				
General government:				
Legislative:				
Personal services	\$ 267,788	\$ 267,788	\$ 260,109	\$ 7,679
Contractual Services	12,200	12,200	11,945	255
Materials and supplies	94,124	94,124	87,872	6,252
Total legislative	<u>374,112</u>	<u>374,112</u>	<u>359,926</u>	<u>14,186</u>
Judicial:				
Personal services	2,323,879	2,323,879	2,286,140	37,739
Contractual Services	634,475	884,475	865,936	18,539
Materials and supplies	99,220	99,220	89,885	9,335
Fixed charges	5,226	5,226	2,616	2,610
Total judicial	<u>3,062,800</u>	<u>3,312,800</u>	<u>3,244,577</u>	<u>68,223</u>
Executive:				
Personal services	414,106	455,441	406,392	49,049
Contractual Services	357,030	128,383	105,636	22,747
Materials and supplies	20,244	26,284	24,422	1,862
Fixed charges	540	540	720	(180)
Grants and contributions	1,500	51,500	51,250	250
Total executive	<u>793,420</u>	<u>662,148</u>	<u>588,420</u>	<u>73,728</u>
General administration:				
Personal services	626,433	624,213	614,346	9,867
Contractual Services	263,310	274,055	263,913	10,142
Materials and supplies	352,811	355,152	302,071	53,081
Grants and contributions	50,000	40,000	(10,478)	50,478
Total general administration	<u>1,292,554</u>	<u>1,293,420</u>	<u>1,169,852</u>	<u>123,568</u>
Financial administration:				
Personal services	874,649	884,211	825,269	58,942
Contractual Services	198,290	193,728	89,454	104,274
Materials and supplies	50,246	50,246	41,726	8,520
Fixed charges	401,375	401,375	401,375	-
Grants and contributions	10,829,281	11,155,415	10,980,172	175,243
Total financial administration	<u>12,353,841</u>	<u>12,684,975</u>	<u>12,337,996</u>	<u>346,979</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with final budget
	Original	Final		
Legal:				
Personal services	1,312,392	1,326,601	1,228,288	98,313
Contractual Services	140,801	210,590	170,353	40,237
Materials and supplies	74,901	75,079	66,772	8,307
Fixed charges	300	300	2	298
Total legal	<u>1,528,394</u>	<u>1,612,570</u>	<u>1,465,415</u>	<u>147,155</u>
Property records and control:				
Personal services	668,213	668,213	655,729	12,484
Contractual Services	60,900	60,900	9,417	51,483
Materials and supplies	28,703	28,703	20,058	8,645
Fixed charges	900	900	-	900
Total property records and control	<u>758,716</u>	<u>758,716</u>	<u>685,204</u>	<u>73,512</u>
County planning and zoning:				
Personal services	1,580,406	1,580,406	1,563,308	17,098
Contractual Services	825,998	814,713	364,319	450,394
Materials and supplies	83,418	102,609	69,013	33,596
Fixed charges	6,596	6,596	6,445	151
Grants and contributions	85,101	88,742	88,348	394
Capital outlay	783,937	800,934	49,867	751,067
Total county planning and zoning	<u>3,365,456</u>	<u>3,394,000</u>	<u>2,141,300</u>	<u>1,252,700</u>
Building maintenance:				
Personal services	1,245,109	1,245,109	988,351	256,758
Contractual Services	911,388	911,388	850,497	60,891
Materials and supplies	129,860	129,860	54,953	74,907
Fixed charges	7,166	7,166	7,356	(190)
Total building maintenance	<u>2,293,523</u>	<u>2,293,523</u>	<u>1,901,157</u>	<u>392,366</u>
Total general government	<u>25,822,816</u>	<u>26,386,264</u>	<u>23,893,847</u>	<u>2,492,417</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with final budget
	Original	Final		
Public Safety:				
Sheriff:				
Personal services	9,153,791	9,189,852	9,120,442	69,410
Contractual Services	364,888	397,260	377,499	19,761
Materials and supplies	775,859	1,082,858	774,276	308,582
Fixed charges	83,905	83,905	81,046	2,859
Grants and contributions	21,200	38,172	26,012	12,160
Capital outlay	482,665	549,335	514,060	35,275
Total sheriff	10,882,308	11,341,382	10,893,335	448,047
Emergency Services:				
Personal services	153,047	200,196	157,717	42,479
Contractual Services	5,095	30,185	3,354	26,831
Materials and supplies	49,954	70,242	62,829	7,413
Fixed charges	2,880	2,880	2,880	-
Grants and contributions	18,500	18,231	18,992	(761)
Capital outlay	-	724,267	579,562	144,705
Total emergency services	229,476	1,046,001	825,334	220,667
Adult corrections:				
Personal services	3,279,591	3,320,773	3,319,484	1,289
Contractual Services	2,017,831	2,520,363	2,281,689	238,674
Materials and supplies	152,541	192,058	148,185	43,873
Fixed charges	1,586	1,586	1,774	(188)
Capital outlay	-	26,225	10,390	15,835
Total adult corrections	5,451,549	6,061,005	5,761,522	299,483
Juvenile corrections:				
Personal services	1,014,532	981,342	961,814	19,528
Contractual Services	63,300	47,915	49,906	(1,991)
Materials and supplies	16,500	15,195	13,028	2,167
Fixed charges	2,160	2,160	2,160	-
Total juvenile corrections	1,096,492	1,046,612	1,026,908	19,704
Shelter home:				
Personal services	469,389	466,421	458,884	7,537
Contractual Services	29,050	16,250	18,266	(2,016)
Materials and supplies	12,615	9,015	7,196	1,819
Fixed charges	250	250	-	250
Capital outlay	10,927	10,927	-	10,927
Total shelter home	522,231	502,863	484,346	18,517
Total public safety	18,182,056	19,997,863	18,991,445	1,006,418

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with final budget
	Original	Final		
Health:				
Personal services	3,228,355	3,784,489	3,166,551	617,938
Contractual Services	1,026,654	1,420,298	1,065,577	354,721
Materials and supplies	190,572	420,520	246,272	174,248
Grants and contributions	3,000	72,500	63,526	8,974
Total health	<u>4,448,581</u>	<u>5,697,807</u>	<u>4,541,926</u>	<u>1,155,881</u>
Social services:				
Veterans:				
Personal services	206,330	206,330	206,104	226
Contractual Services	3,300	3,300	3,416	(116)
Materials and supplies	11,086	11,086	8,047	3,039
Fixed charges	200	200	-	200
Grants and contributions	3,200	14,591	2,086	12,505
Total veterans	<u>224,116</u>	<u>235,507</u>	<u>219,653</u>	<u>15,854</u>
Total social services	<u>224,116</u>	<u>235,507</u>	<u>219,653</u>	<u>15,854</u>
Leisure activities and education:				
Library:				
Personal services	2,855,281	2,835,281	2,586,815	248,466
Contractual Services	179,251	228,611	193,121	35,490
Materials and supplies	520,560	614,974	551,148	63,826
Fixed charges	66,946	66,946	65,358	1,588
Total library	<u>3,622,038</u>	<u>3,745,812</u>	<u>3,396,442</u>	<u>349,370</u>
Public areas:				
Personal services	2,039,790	2,045,515	2,059,900	(14,385)
Contractual Services	780,539	1,045,470	824,998	220,472
Materials and supplies	364,922	376,728	356,694	20,034
Fixed charges	146,785	146,785	62,847	83,938
Grants and contributions	25,397	25,397	24,416	981
Capital outlay	261,801	566,369	316,857	249,512
Total public areas	<u>3,619,234</u>	<u>4,206,264</u>	<u>3,645,712</u>	<u>560,552</u>
University extension program:				
Personal services	129,014	142,615	138,817	3,798
Contractual Services	222,215	229,196	204,839	24,357
Materials and supplies	47,565	68,991	43,660	25,331
Fixed charges	200	200	361	(161)
Total university extension program	<u>398,994</u>	<u>441,002</u>	<u>387,677</u>	<u>53,325</u>
Total leisure activities and education	<u>7,640,266</u>	<u>8,393,078</u>	<u>7,429,831</u>	<u>963,247</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with final budget
	Original	Final		
Conservation and economic development:				
Forest resources:				
Contractual Services	63,980	59,379	8,288	51,091
Materials and supplies	7,290	7,290	-	7,290
Fixed charges	3,898	3,898	598	3,300
Capital outlay	206,716	199,538	-	199,538
Total forest resources	<u>281,884</u>	<u>270,105</u>	<u>8,886</u>	<u>261,219</u>
Agricultural resources:				
Personal services	270,742	384,861	202,328	182,533
Contractual Services	45,326	89,711	67,925	21,786
Materials and supplies	18,023	62,354	21,587	40,767
Grants and contributions	593,789	820,618	708,756	111,862
Total agricultural resources	<u>927,880</u>	<u>1,357,544</u>	<u>1,009,596</u>	<u>356,948</u>
Total conservation and economic development	<u>1,209,764</u>	<u>1,627,649</u>	<u>1,009,482</u>	<u>618,167</u>
Capital outlay:				
Capital projects:				
Contractual Services	125,000	150,000	62,399	87,601
Capital outlay	100,000	127,540	99,027	28,513
Total capital outlay	<u>225,000</u>	<u>277,540</u>	<u>161,426</u>	<u>116,114</u>
Total expenditures	<u>\$ 57,752,599</u>	<u>\$ 62,615,708</u>	<u>\$ 56,247,610</u>	<u>\$ 6,368,098</u>

MARATHON COUNTY, WISCONSIN

Balance Sheet
Non-major Governmental Funds

December 31, 2008

	<u>Debt Service</u>	<u>Highway Road Improvements</u>	<u>Total Non-major Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 2,625,708	\$ 655,862	\$ 3,281,570
Taxes receivable	2,338,469	-	2,338,469
Restricted cash and cash equivalents	-	826,671	826,671
Total assets	<u>\$ 4,964,177</u>	<u>\$ 1,482,533</u>	<u>\$ 6,446,710</u>
Liabilities and Fund Balance			
Accounts payable	\$ -	\$ 2,510	\$ 2,510
Deferred revenues	2,338,469	-	2,338,469
Total liabilities	<u>\$ 2,338,469</u>	<u>\$ 2,510</u>	<u>\$ 2,340,979</u>
Fund balances:			
Reserved:			
Reserved for debt service	\$ 2,625,708	\$ -	\$ 2,625,708
Unreserved and undesignated	-	1,480,023	1,480,023
Total fund balance	<u>2,625,708</u>	<u>1,480,023</u>	<u>4,105,731</u>
Total liabilities and fund balances	<u>\$ 4,964,177</u>	<u>\$ 1,482,533</u>	<u>\$ 6,446,710</u>

MARATHON COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-major Governmental Funds

Year ended December 31, 2008

	<u>Debt Service</u>	<u>Highway Road Improvements</u>	<u>Total Non-major Governmental Funds</u>
Revenues:			
Taxes	\$ 3,098,111	\$ -	\$ 3,098,111
Public charges for services	87,428	-	87,428
Miscellaneous revenues	<u>132,813</u>	<u>28,934</u>	<u>161,747</u>
Total revenues	<u>3,318,352</u>	<u>28,934</u>	<u>3,347,286</u>
Expenditures:			
Current:			
Capital outlay	-	931,220	931,220
Debt service:			
Principal	1,161,276	-	1,161,276
Interest and paying agent fees	<u>40,512</u>	<u>-</u>	<u>40,512</u>
Total expenditures	<u>1,201,788</u>	<u>931,220</u>	<u>2,133,008</u>
Excess (deficiency) of revenues over expenditures	2,116,564	(902,286)	1,214,278
Fund balances, January 1	<u>509,144</u>	<u>2,382,309</u>	<u>2,891,453</u>
Fund balances, December 31	<u><u>\$ 2,625,708</u></u>	<u><u>\$ 1,480,023</u></u>	<u><u>\$ 4,105,731</u></u>

MARATHON COUNTY, WISCONSIN

CAPITAL IMPROVEMENTS FUND - MAJOR FUND

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 93,500	\$ 93,500	\$ 93,500	\$ -
Miscellaneous revenues:				
Interest income	-	20,000	585,721	565,721
Rental income	141,891	141,891	141,891	-
Total revenues	<u>235,391</u>	<u>255,391</u>	<u>821,112</u>	<u>565,721</u>
Expenditures:				
Contractual services	100,000	816,300	44,357	771,943
Capital outlay	4,035,300	13,696,267	5,395,082	8,301,185
Total expenditures	<u>4,135,300</u>	<u>14,512,567</u>	<u>5,439,439</u>	<u>9,073,128</u>
Excess (deficiency) of revenues over expenditures	(3,899,909)	(14,257,176)	(4,618,327)	9,638,849
Other financing sources (uses):				
Transfers in:				
General Fund	4,383,079	4,610,939	4,610,939	-
Social Services Fund	885,509	885,509	885,509	-
Sale of capital assets	-	-	29,685	29,685
Transfers out:				
General Fund	(68,679)	(352,841)	(1,630,336)	(1,277,495)
County Highway Fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,899,909</u>	<u>4,843,607</u>	<u>3,595,797</u>	<u>(1,247,810)</u>
Net change in fund balance	1,000,000	(9,413,569)	(1,022,530)	8,391,039
Fund balances, January 1	<u>11,514,012</u>	<u>11,514,012</u>	<u>11,514,012</u>	<u>-</u>
Fund balances, December 31	<u>\$ 12,514,012</u>	<u>\$ 2,100,443</u>	<u>\$ 10,491,482</u>	<u>\$ 8,391,039</u>

MARATHON COUNTY, WISCONSIN

DEBT SERVICE FUND

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual

Year ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,098,111	\$ 3,098,111	\$ 3,098,111	\$ -
Public charges for services	50,000	80,000	87,428	7,428
Miscellaneous revenues	-	-	132,813	132,813
Total revenues	<u>3,148,111</u>	<u>3,178,111</u>	<u>3,318,352</u>	<u>140,241</u>
Expenditures:				
Debt service:				
Principal	3,108,873	3,166,302	1,161,276	2,005,026
Interest	39,238	39,238	40,512	(1,274)
Total expenditures	<u>3,148,111</u>	<u>3,205,540</u>	<u>1,201,788</u>	<u>2,003,752</u>
Excess (deficiency) of revenues over expenditures	-	(27,429)	2,116,564	2,143,993
Fund balances, January 1	<u>509,144</u>	<u>509,144</u>	<u>509,144</u>	<u>-</u>
Fund balances, December 31	<u>\$ 509,144</u>	<u>\$ 481,715</u>	<u>\$ 2,625,708</u>	<u>\$ 2,143,993</u>

MARATHON COUNTY, WISCONSIN

HIGHWAY ROAD IMPROVEMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended December 31, 2008

	2008		
	Budgeted Amount		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Interest income	9,041	28,934	19,893
Total revenues	<u>9,041</u>	<u>28,934</u>	<u>19,893</u>
Expenditures:			
Personal service	-	253,335	(253,335)
Contractual services	9,041	4,848	4,193
Material and supplies	1,728,215	457,729	1,270,487
Fixed charges	-	215,308	(215,308)
Total expenditures	<u>1,737,256</u>	<u>931,220</u>	<u>806,037</u>
Excess (deficiency) of revenues over expenditures	(1,728,215)	(902,286)	825,929
Fund balances, January 1	<u>2,382,309</u>	<u>2,382,309</u>	<u>-</u>
Fund balances, December 31	<u>\$ 654,094</u>	<u>\$ 1,480,023</u>	<u>\$ 825,929</u>

MARATHON COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
Combining Statement of Net Assets
December 31, 2008

	Property Casualty Insurance	Employee Benefits Insurance	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,544,495	\$ 11,865,053	\$ 17,409,548
Accounts receivable	171,474	27,697	199,171
Due from other funds	-	63,391	63,391
Total current assets	5,715,969	11,956,141	17,672,110
Noncurrent assets:			
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000
Total non-current assets	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	-	-	-
Total assets	\$ 7,234,969	\$ 11,956,141	\$ 19,191,110
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	405,194	556,769	961,963
Accrued items	3,169	66,174	69,343
Unearned revenue	-	63,391	63,391
Total current liabilities	408,363	686,334	1,094,697
Long-term liabilities:			
Accrued liability - claims payable	1,182,197	2,758,305	3,940,502
Compensated absences	11,796	32,022	43,818
Total long-term liabilities	1,193,993	2,790,327	3,984,320
Total liabilities	1,602,356	3,476,661	5,079,017
Net Assets			
Unrestricted	5,632,613	8,479,480	14,112,093
Total Net Assets	\$ 5,632,613	\$ 8,479,480	\$ 14,112,093

MARATHON COUNTY, WISCONSIN

INTERNAL SERVICE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Net Assets

Year ended December 31, 2008

	<u>Property Casualty Insurance</u>	<u>Employee Benefits Insurance</u>	<u>Totals</u>
Operating revenues:			
Public charges for services	\$ 26,600	\$ -	\$ 26,600
Intergovernmental charges for services	<u>841,862</u>	<u>12,122,145</u>	<u>12,964,007</u>
Total operating revenues	<u>868,462</u>	<u>12,122,145</u>	<u>12,990,607</u>
 Operating expenses:			
Salaries and benefits	85,049	179,700	264,749
Contractual services	1,310	295,555	296,865
Materials and supplies	905	12,381	13,286
Insurance and claims	855,168	11,583,300	12,438,468
Loss and loss adjustment expense	(579,146)	(344,583)	(923,729)
Insurance and administration costs	-	260,700	260,700
Total operating expenses	<u>363,286</u>	<u>11,987,053</u>	<u>12,350,339</u>
 Operating income	505,176	135,092	640,268
 Nonoperating revenues			
Investment income	343,164	447,730	790,894
Insurance recoveries	49,776	(17,060)	32,716
Other income	<u>978</u>	<u>134,886</u>	<u>135,864</u>
Total nonoperating revenues, net	<u>393,918</u>	<u>565,556</u>	<u>959,474</u>
 Increase in net assets	899,094	700,648	1,599,742
 Net Assets, January 1	<u>4,733,519</u>	<u>7,778,832</u>	<u>12,512,351</u>
 Net Assets, December 31	<u>\$ 5,632,613</u>	<u>\$ 8,479,480</u>	<u>\$ 14,112,093</u>

MARATHON COUNTY, WISCONSIN

INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

Year ended December 31, 2008

	Property Casualty Insurance	Employee Benefits Insurance	Totals
Cash flows from operating activities:			
Collections from departments and other insurance purchasers	\$ 909,760	12,717,343	13,627,103
Cash paid to employees for services	(82,000)	(179,897)	(261,897)
Cash paid to suppliers for goods and services	<u>(354,660)</u>	<u>(12,031,570)</u>	<u>(12,386,230)</u>
Net cash provided (used) by operating activities	<u>473,100</u>	<u>505,876</u>	<u>978,976</u>
Cash flows from investing activities:			
Interest received on investments	<u>343,164</u>	<u>447,730</u>	<u>790,894</u>
Net cash provided by investing activities	<u>343,164</u>	<u>447,730</u>	<u>790,894</u>
Net increase in cash and cash equivalents	816,264	953,606	1,769,870
Cash and cash equivalents, January 1	<u>4,728,231</u>	<u>10,911,447</u>	<u>15,639,678</u>
Cash and cash equivalents, December 31	<u>\$ 5,544,495</u>	<u>11,865,053</u>	<u>17,409,548</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 505,176	135,092	640,268
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Insurance recoveries	49,776	(17,060)	32,716
Other income	978	134,886	135,864
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:			
Accounts receivable	(9,457)	37,447	27,990
Prepaid items	134,714	32,693	167,407
Accounts payable	367,883	507,526	875,409
Accrued expenses	593	15,326	15,919
Accrued liabilities - claims payable	(579,146)	(344,583)	(923,729)
Compensated absences	<u>2,583</u>	<u>4,549</u>	<u>7,132</u>
Net cash provided (used) by operating activities	<u>\$ 473,100</u>	<u>505,876</u>	<u>978,976</u>

MARATHON COUNTY, WISCONSIN

FIDUCIARY FUNDS

Combining Statement of Changes in Assets
and Liabilities - All Agency Funds

Year ended December 31, 2008

	Balance <u>January 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2008</u>
<u>ADRC-CW</u>				
Assets				
Cash and cash equivalents	\$ -	246,193	-	246,193
Account receivable	603,892	371,569	603,892	371,569
Due from other governments	230,437	48,570	230,437	48,570
Total assets	<u>\$ 834,329</u>	<u>666,332</u>	<u>834,329</u>	<u>666,332</u>
Liabilities:				
Accounts payable	\$ 247,902	320,490	247,902	320,490
Due to other governments	14,553	207,284	14,553	207,284
Due to participants	571,874	138,558	571,874	138,558
Total Liabilities	<u>\$ 834,329</u>	<u>666,332</u>	<u>834,329</u>	<u>666,332</u>
<u>Clerk of Courts</u>				
Assets				
Cash and cash equivalents	\$ 906,547	1,550,837	906,547	1,550,837
Liabilities:				
Liabilities:				
Other accrued liabilities and deposits	\$ 906,547	1,550,837	906,547	1,550,837
<u>Sheriff Adult Inmate</u>				
Assets				
Cash and cash equivalents	\$ 56,293	52,061	56,293	52,061
Liabilities:				
Other accrued liabilities and deposits	\$ 56,293	52,061	56,293	52,061
<u>Total all agency funds</u>				
Assets				
Cash and cash equivalents	\$ 962,840	1,849,091	962,840	1,849,091
Account receivable	603,892	371,569	603,892	371,569
Due from other governments	230,437	48,570	230,437	48,570
Total assets	<u>\$ 1,797,169</u>	<u>2,269,230</u>	<u>1,797,169</u>	<u>2,269,230</u>
Liabilities:				
Accounts payable	247,902	320,490	247,902	320,490
Due to other governments	14,553	207,284	14,553	207,284
Due to participants	571,874	138,558	571,874	138,558
Other accrued liabilities and deposits	962,840	1,602,898	962,840	1,602,898
Total Liabilities	<u>\$ 1,797,169</u>	<u>2,269,230</u>	<u>1,797,169</u>	<u>2,269,230</u>

MARATHON COUNTY, WISCONSIN

Statement of Net Assets
Central Wisconsin Airport
December 31, 2008

	Central Wisconsin Airport
	<u> </u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,018,990
Accounts receivable	135,737
Prepaid items	<u>38,375</u>
Total current assets	<u>2,193,102</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	<u>2,024,551</u>
Total non-current assets	<u>2,024,551</u>
Deferred charges	<u>33,049</u>
Capital assets:	
Land	614,983
Buildings	12,356,140
Improvements	41,938,697
Equipment	7,567,100
Construction in progress	<u>104,421</u>
Total capital assets	62,581,341
Total accumulated depreciation and depletion	<u>(29,288,761)</u>
Net capital assets	<u>33,292,580</u>
Total assets	<u><u>\$ 37,543,282</u></u>
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 89,657
Accrued items	81,084
Interest payable	37,771
Due to other governments	77,776
Due to primary government	2,630
Advance from primary government	6,250
Current portion of long-term obligations	<u>340,000</u>
Total current liabilities	<u>635,168</u>
Long-term liabilities:	
General obligation notes payable	3,310,000
Compensated absences	116,330
Net OPEB obligation	<u>43,329</u>
Total long-term liabilities	<u>3,469,659</u>
Total liabilities	<u>4,104,827</u>
Net Assets	
Invested in Capital Assets	29,642,580
Restricted	
Passenger facility charges	1,537,795
Unrestricted	<u>2,258,080</u>
Total Net Assets	<u><u>\$ 33,438,455</u></u>

MARATHON COUNTY, WISCONSIN

Statement of Activities

Central Wisconsin Airport

December 31, 2008

	<u>Central Wisconsin Airport</u>
Operating revenues:	
Public charges for service	2,782,648
Total operating revenues	<u>2,782,648</u>
Operating expenses:	
Salaries and benefits	1,394,489
Contractual services	373,071
Materials and supplies	455,126
Insurance	64,246
Depreciation	2,057,065
Total operating expenses	<u>4,343,997</u>
Operating loss	(1,561,349)
Nonoperating revenues and (expenses):	
Unrestricted investment earnings	143,492
Passenger facility charges	619,784
Other income	25,928
Interest expense	(166,750)
Total nonoperating revenues and (expenses), net	<u>622,454</u>
Loss before contributions	(938,895)
Capital Contributions	888,245
Change in net assets	(50,650)
Net assets - beginning	<u>33,489,105</u>
Net assets - ending	<u>\$ 33,438,455</u>

MARATHON COUNTY, WISCONSIN

CENTRAL WISCONSIN AIRPORT

Statement of Cash Flows

Year ended December 31, 2008

	<u>2008</u>
Cash flows from operating activities:	
Cash received from the sale of goods and services	\$ 3,005,091
Cash paid to employees for services	(1,370,036)
Cash paid to suppliers for goods and services	(1,285,503)
Cash paid to other departments for reimbursement	(42,626)
Net cash provided by operating activities	<u>306,926</u>
Cash flows from capital financing activities:	
Passenger facility charges	619,784
Payments for capital acquisitions	(118,885)
Payments of principal on debt obligations	(325,000)
Payments of interest on debt obligations	(165,565)
Net cash (used) by capital financing activities	<u>10,334</u>
Cash flows from investing activities:	
Interest received on investments	<u>143,492</u>
Net cash provided by investing activities	<u>143,492</u>
Net increase in cash and cash equivalents	460,752
Cash and cash equivalents, January 1	<u>3,582,789</u>
Cash and cash equivalents, December 31	<u>\$ 4,043,541</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	(1,561,349)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	2,057,065
Other income	25,928
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:	
Accounts receivable	(32,148)
Prepaid Items	(38,375)
Due from other governments - restricted assets	
Accounts payable	(170,323)
Accrued expenses	8,204
Interest payable	(2,705)
Due to other governments	4,484
Due to primary government	(12,482)
Advance from primary government	6,250
Compensated absences	1,186
Net OPEB obligation	21,191
Net cash provided by operating activities	<u>\$ 306,926</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	2,018,990
Cash and cash equivalents - restricted assets	<u>2,024,551</u>
Cash and cash equivalents, December 31	<u>\$ 4,043,541</u>

MARATHON COUNTY, WISCONSIN

HANDICAPPED CHILDREN EDUCATION BOARD

Balance Sheet

June 30, 2008

	<u>General Fund</u>	<u>Federal Handicapped Education Fund</u>	<u>Total Governmental Funds</u>
Assets			
Assets:			
Cash and cash equivalents	\$ 1,323,592	303,209	1,626,801
Accounts receivable	128,779	1,706	130,485
Due from other governments	-	264,570	264,570
Accrued interest receivable	1,748	-	1,748
Prepaid items	38,340	-	38,340
Restricted cash and investments	45,000	-	45,000
Total assets	<u>\$ 1,537,459</u>	<u>569,485</u>	<u>2,106,944</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 4,742	9,103	13,845
Due to other governments	11,982	269,465	281,447
Accrued expenditures	8,577	290,917	299,494
Due to primary government	-	-	-
Deferred revenue	12,606	-	12,606
Total liabilities	<u>37,907</u>	<u>569,485</u>	<u>607,392</u>
Fund balances:			
Reserved:			
Reserved for compensated absences	45,000	-	45,000
Reserved for prepaid items	38,340	-	38,340
Unreserved:			
Undesignated	1,416,212	-	1,416,212
Total fund balances	<u>1,499,552</u>	<u>-</u>	<u>1,499,552</u>
Total liabilities and fund balances	<u>\$ 1,537,459</u>	<u>\$ 569,485</u>	
Amount reported for governmental activities in the statement of net assets are different because:			
Capital assets used in government activities are not financial resources and, therefore are not reported in the funds.			228,124
Employee compensated absences, are not due and payable in the current period and, therefore are not reported in the funds.			(85,303)
OPEB obligation is not due and payable in the current period and, therefore, is not reported in the funds.			(34,042)
Net Assets of the Government Activities			<u>\$ 1,608,331</u>

MARATHON COUNTY, WISCONSIN

HANDICAPPED CHILDREN EDUCATION BOARD

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

Year ended June 30, 2008

	<u>General Fund</u>	<u>Federal Handicapped Education Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Local Sources	\$ 103,365	-	103,365
Interdistrict payments within Wisconsin	3,306,242	9,574	3,315,816
Intermediate sources	4,121	2,710	6,831
State sources	-	1,030,719	1,030,719
Federal sources	-	795,808	795,808
Total revenues	<u>3,413,728</u>	<u>1,838,811</u>	<u>5,252,539</u>
Expenditures:			
Leisure activities and education:			
Instruction	-	3,047,514	3,047,514
Support services	414,911	1,543,148	1,958,059
Non-program activities	16,421	-	16,421
Total expenditures	<u>431,332</u>	<u>4,590,662</u>	<u>5,021,994</u>
Excess of revenue over (under) expenditures	<u>2,982,396</u>	<u>(2,751,851)</u>	<u>230,545</u>
Other Financing Sources (Uses)			
Transfer in	-	2,751,851	2,751,851
Transfer out	<u>(2,751,851)</u>	<u>-</u>	<u>(2,751,851)</u>
Total other financing sources (uses)	<u>(2,751,851)</u>	<u>2,751,851</u>	<u>-</u>
Change in Fund Balance	230,545	-	230,545
Fund balances, July 1	<u>1,269,007</u>	<u>-</u>	<u>1,269,007</u>
Fund balances, June 30	\$ <u>1,499,552</u>	<u>-</u>	1,499,552
Net changes in Fund Balances-Total Government funds			\$ 230,545
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 as depreciation expense. This is the amount of depreciation expense reported in the government-wide statements.			40,499 (8,507)
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 addition of \$8,087			(8,087)
OPEB obligation \$34,042			<u>(34,042)</u>
Change in Net Assets of Governmental Activities			\$ <u>220,408</u>

STATISTICAL SECTION

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.	123-129
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.	130-134
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.	135-138
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.	139-140
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.	141-147

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities							
Invested in capital assets, net of related debt	\$146,231,695	\$175,281,174	\$201,465,599	\$210,096,930	\$212,164,240	\$215,050,440	\$214,790,257
Restricted	\$4,693,262	\$2,515,507	\$152,608	\$229,476	\$387,026	\$509,144	\$2,625,708
Unrestricted	<u>\$49,684,080</u>	<u>\$52,472,205</u>	<u>\$58,975,801</u>	<u>\$59,432,990</u>	<u>\$63,427,871</u>	<u>\$64,983,169</u>	<u>\$67,140,206</u>
Total governmental activities net assets	<u>\$200,609,037</u>	<u>\$230,268,886</u>	<u>\$260,594,008</u>	<u>\$269,759,396</u>	<u>\$275,979,137</u>	<u>\$280,542,753</u>	<u>\$284,556,171</u>
Business-type activities							
Invested in capital assets net of related debt	\$16,395,466	\$13,292,529	\$12,821,192	\$13,115,322	\$12,866,542	\$13,498,501	\$12,808,726
Restricted	\$1,604,174	\$1,535,079	\$1,731,677	\$3,587,880	\$3,628,758	\$2,922,567	\$2,566,988
Unrestricted	<u>\$15,124,560</u>	<u>\$18,727,749</u>	<u>\$23,805,571</u>	<u>\$24,505,698</u>	<u>\$26,268,781</u>	<u>\$31,633,098</u>	<u>\$36,346,089</u>
Total business-type activities net assets	<u>\$33,124,200</u>	<u>\$33,555,357</u>	<u>\$38,358,440</u>	<u>\$41,208,900</u>	<u>\$42,764,081</u>	<u>\$48,054,166</u>	<u>\$51,721,803</u>
Primary government							
Invested in capital assets net of related debt	\$162,627,161	\$188,573,703	\$214,286,791	\$223,212,252	\$225,030,782	\$228,548,941	\$227,598,983
Restricted	\$6,297,436	\$4,050,586	\$1,884,285	\$3,817,356	\$4,015,784	\$3,431,711	\$5,192,696
Unrestricted	<u>\$64,808,640</u>	<u>\$71,199,954</u>	<u>\$82,781,372</u>	<u>\$83,938,688</u>	<u>\$89,696,652</u>	<u>\$96,616,267</u>	<u>\$103,486,295</u>
Total primary government net assets	<u>\$233,733,237</u>	<u>\$263,824,243</u>	<u>\$298,952,448</u>	<u>\$310,968,296</u>	<u>\$318,743,218</u>	<u>\$328,596,919</u>	<u>\$336,277,974</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented

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

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses							
Governmental activities:							
General Government	\$ 16,818,744	\$ 17,971,601	\$ 23,552,567	\$ 27,009,709	\$ 29,637,387	\$ 34,353,888	\$ 28,901,745
Public Safety	13,707,484	13,771,458	14,921,423	15,486,511	18,276,774	18,436,524	20,144,675
Transportation	-	815,400	929,306	1,355,601	4,948,200	4,927,325	5,831,047
Health	3,532,435	3,763,245	3,606,169	3,937,860	4,154,269	4,386,361	4,609,679
Social Services	23,528,262	23,850,711	24,016,721	25,148,953	26,330,535	25,317,481	24,691,433
Leisure and Education	6,250,024	6,391,862	6,646,879	6,738,676	6,273,082	6,700,634	8,624,175
Conservation and Development	1,874,657	1,338,256	1,393,004	1,496,596	2,454,458	1,476,149	997,139
Interest on Long Term Debt	358,634	118,574	104,096	59,955	32,838	60,238	54,011
Total governmental activities	<u>66,070,240</u>	<u>68,021,107</u>	<u>75,170,165</u>	<u>81,233,861</u>	<u>92,107,543</u>	<u>95,658,600</u>	<u>93,853,904</u>
Business-type activities							
Landfill	2,839,215	2,631,547	3,036,939	2,524,569	2,511,020	2,773,166	3,989,716
Highway	12,761,840	11,253,896	11,350,649	16,728,511	8,801,947	8,831,170	9,394,576
Total business-type activities expenses	<u>15,601,055</u>	<u>13,885,443</u>	<u>14,387,588</u>	<u>19,253,080</u>	<u>11,312,967</u>	<u>11,604,336</u>	<u>13,384,292</u>
Total primary government	<u>\$ 81,671,295</u>	<u>\$ 81,906,550</u>	<u>\$ 89,557,753</u>	<u>\$ 100,486,941</u>	<u>\$ 103,420,510</u>	<u>\$ 107,262,936</u>	<u>\$ 107,238,196</u>
Program Revenues							
Government activities:							
Charges for services:							
General Government	2,916,642	3,251,972	3,822,338	3,190,606	3,369,223	3,805,883	2,546,867
Public Safety	1,143,058	1,315,801	1,380,784	1,540,650	1,650,751	1,644,100	1,667,040
Transportation	-	-	4,178	10,790	-	-	-
Health	375,189	400,796	408,699	427,583	538,533	589,739	561,468
Social Services	724,225	858,631	822,505	804,538	935,676	861,928	868,342
Leisure and Education	659,875	883,190	958,447	1,144,312	1,329,621	1,478,208	1,236,038
Conservation and Development	256,297	19,761	20,759	21,756	18,229	59,406	166,211
Operating grants and contributions:							
General Government	7,878,275	7,629,784	6,867,535	1,394,023	1,301,615	1,526,036	1,758,758
Public Safety	615,836	473,204	598,809	273,315	415,553	407,213	227,057
Transportation	-	-	-	-	-	-	-
Health	922,157	1,139,360	1,126,546	1,032,103	1,178,836	1,234,714	1,245,938
Social Services	14,036,528	14,150,449	15,090,598	15,616,222	16,086,431	16,219,243	13,713,523
Leisure and Education	442,463	564,841	500,781	59,066	458,978	527,562	660,026
Conservation and Development	3,310,838	2,939,495	3,382,767	3,197,065	2,475,071	2,704,552	2,868,672

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Capital grants and contributions:							
General Government	-	-	-	1,630,947	-	875,946	-
Public Safety	-	428,287	593,454	554,233	274,081	154,683	682,557
Transportation	-	9,920,798	20,681,976	4,646,944	771,747	51,967	-
Health	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-
Leisure and Education	-	59,060	350,034	400,562	17,258	-	181,171
Conservation and Development	-	-	-	-	-	-	-
Total governmental activities program revenues	33,281,383	44,035,429	56,610,210	35,944,715	30,821,603	32,141,180	28,383,668
Business-type activities:							
Charges for services:							
Landfill	2,078,437	1,758,144	1,769,291	1,803,249	1,494,878	2,008,419	2,685,025
Highway	3,585,291	3,422,954	4,692,796	3,741,802	4,259,403	5,199,263	5,181,431
Operating grants and contributions:							
Landfill	14,093	21,712	10,216	1,000	38,485	22,370	-
Highway	3,342,093	911,691	70,274	5,516,802	2,750,810	1,512,713	873,100
Capital grants and contributions:							
Landfill	-	-	-	-	-	-	-
Highway	2,530,675	2,849,817	3,288,934	-	2,153,430	2,913,491	3,132,814
Total business-type activities program revenues	11,550,589	8,964,318	9,831,511	11,062,853	10,697,006	11,656,256	11,872,370
Total primary government program revenues	\$ 44,831,972	\$ 52,999,747	\$ 66,441,721	\$ 47,007,568	\$ 41,518,609	\$ 43,797,436	\$ 40,256,038
Net (Expense) Revenue							
Governmental activities	(32,788,857)	(23,985,978)	(18,559,955)	(45,289,146)	(61,285,941)	(63,517,420)	(65,470,236)
Business-type activities	(4,050,466)	(4,921,125)	(4,556,077)	(8,190,227)	(615,961)	51,920	(1,511,922)
Total primary governmental net expense	\$ (36,839,323)	\$ (28,907,103)	\$ (23,116,032)	\$ (53,479,373)	\$ (61,901,902)	\$ (63,465,500)	\$ (66,982,158)
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes:							
Property Taxes	33,373,230	32,424,631	33,160,825	34,267,591	36,226,907	38,579,214	39,723,667
Sales Taxes	9,785,132	9,942,370	10,640,547	11,316,392	10,841,250	10,550,263	10,708,417
Other Taxes	1,221,319	1,418,865	1,457,232	1,367,699	1,326,458	1,477,826	1,469,213
Grants and contributions not restricted to specific programs	-	-	-	5,853,529	5,989,625	6,435,348	6,067,914
Unrestricted investment earnings	1,857,501	1,093,619	909,249	2,228,061	2,258,334	3,708,820	3,938,127
Miscellaneous	1,937,174	2,837,160	1,420,924	1,290,367	2,862,843	1,638,968	1,779,811
Gain on sale of capital assets	-	-	-	-	32,633	46,827	40,304
Transfers	(3,200,690)	4,414,834	(800,000)	(1,869,105)	7,967,632	5,643,770	5,756,201
Total general revenues and transfers	44,973,666	52,131,479	46,788,777	54,454,534	67,505,682	68,081,036	69,483,654
Change in net assets	\$ 12,184,809	\$ 28,145,501	\$ 28,228,822	\$ 9,165,388	\$ 6,219,741	\$ 4,563,616	\$ 4,013,418

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

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-type activities:							
Taxes:							
Property Taxes	6,163,799	7,283,173	7,650,953	7,974,383	8,145,306	8,252,009	8,409,424
Sales Taxes	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-
Unrestricted investment earnings	1,789,481	609,248	693,239	1,027,473	1,861,007	2,509,762	2,160,230
Miscellaneous	146,881	128,729	214,968	169,726	132,461	120,164	6,601
Gain on sale of capital assets	-	-	-	-	-	-	359,505
Transfers	3,200,690	(4,414,834)	800,000	1,869,105	(7,967,632)	(5,643,770)	(5,756,201)
Total general revenues and transfers	<u>11,300,851</u>	<u>3,606,316</u>	<u>9,359,160</u>	<u>11,040,687</u>	<u>2,171,142</u>	<u>5,238,165</u>	<u>5,179,559</u>
Change in net assets	<u>\$ 7,250,385</u>	<u>\$ (1,314,809)</u>	<u>\$ 4,803,083</u>	<u>\$ 2,850,460</u>	<u>\$ 1,555,181</u>	<u>\$ 5,290,085</u>	<u>\$ 3,667,637</u>
Net Assets							
Governmental activities	200,609,037	230,268,886	260,594,008	269,759,396	275,979,137	280,542,753	284,556,171
Business-type activities	<u>33,124,200</u>	<u>33,555,357</u>	<u>38,358,440</u>	<u>41,208,900</u>	<u>42,764,081</u>	<u>48,054,166</u>	<u>51,721,803</u>
Total primary government	<u>\$ 233,733,237</u>	<u>\$ 263,824,243</u>	<u>\$ 298,952,448</u>	<u>\$ 310,968,296</u>	<u>\$ 318,743,218</u>	<u>\$ 328,596,919</u>	<u>\$ 336,277,974</u>

Note: Accrual-basis financial information for the county government as a whole is only available back to 2002, the year GASB Statement 34 was implemented

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

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund							
Reserved	\$ 12,195,991	\$ 6,524,949	\$ 6,524,313	\$ 7,018,674	\$ 2,314,832	\$ 2,558,344	\$ 2,814,747
Unreserved							
Designated	15,156,145	27,446,740	26,768,987	29,503,168	32,262,464	36,383,254	35,893,312
Undesignated	8,531,158	6,578,225	6,292,423	2,897,000	4,295,879	1,830,635	4,148,520
Total General Fund	<u>\$ 35,883,294</u>	<u>\$ 40,549,914</u>	<u>\$ 39,585,723</u>	<u>\$ 39,418,842</u>	<u>\$ 38,873,175</u>	<u>\$ 40,772,233</u>	<u>\$ 42,856,579</u>
All Other Governmental Funds							
Reserved	9,986,672	6,588,151	8,774,726	9,406,392	3,336,776	3,643,834	13,425,816
Unreserved							
Designated							
Social Improvement Fund	1,110,826	1,027,397	1,124,584	2,166,017	1,001,803	1,222,671	1,272,560
Capital Improvement Fund	-	-	-	-	10,960,032	8,397,600	-
Highway Road Improvement Fund	-	-	-	-	638,939	2,382,309	-
Undesignated							
Social Improvement Fund	163,217	409,522	1,186,634	635,227	885,508	1,090,693	729,881
Capital Improvement Fund	-	-	-	-	-	-	(298,348)
Highway Road Improvement Fund	-	(3,727,952)	-	-	-	-	1,480,023
Total all other governmental funds	<u>\$ 11,260,715</u>	<u>\$ 4,297,118</u>	<u>\$ 11,085,944</u>	<u>\$ 12,207,636</u>	<u>\$ 16,823,058</u>	<u>\$ 16,737,107</u>	<u>\$ 16,609,932</u>

Notes: Due to changes in the county's fund structure connected with the implementation of GASB Statement 34, fund balance information is available back to 2002 only

See pages 37 and 38 of Management Discussion and Analysis for an explanation of the increase in the general fund for 2008.

Schedule 4
Marathon County
Changes in Fund Balances, Governmental Funds,
Last Seven Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:							
Taxes	\$ 42,876,341	\$ 43,942,891	\$ 45,297,126	\$ 47,438,940	\$ 48,886,962	\$ 49,864,783	\$ 51,927,415
Intergovernmental grants and aids	27,206,097	34,265,362	31,875,679	30,623,194	28,066,821	29,307,688	27,603,173
Licenses and permits	244,147	254,655	249,345	260,415	238,314	243,927	214,061
Fines and forfeitures	720,562	729,036	735,636	774,035	742,897	751,188	723,624
Public charges for services	4,728,387	5,083,627	5,655,255	5,234,333	5,824,912	6,438,774	5,292,802
Intergovernmental charges for services	382,190	404,771	462,721	517,006	572,236	642,690	1,151,057
Miscellaneous revenues	3,710,052	3,348,853	2,081,304	2,760,926	4,420,192	4,673,221	3,966,585
Total Revenues	<u>\$ 79,867,776</u>	<u>\$ 88,029,195</u>	<u>\$ 86,357,066</u>	<u>\$ 87,608,849</u>	<u>\$ 88,752,334</u>	<u>\$ 91,922,271</u>	<u>\$ 90,878,717</u>
Expenditures:							
Current:							
General government	\$ 17,640,072	\$ 18,405,999	\$ 19,409,972	\$ 21,744,844	\$ 24,101,561	\$ 26,989,916	\$ 23,893,847
Public safety	13,007,817	14,106,604	15,478,415	16,531,522	16,784,952	16,958,015	18,991,445
Health	3,499,673	3,721,693	3,640,156	3,970,046	4,140,633	4,300,305	4,541,926
Social services	23,325,610	23,770,911	24,171,797	24,974,256	25,754,586	25,092,581	24,678,716
Leisure activities and education	5,789,820	6,508,954	6,821,038	6,529,195	6,766,414	6,997,027	7,429,831
Conservation and economic development	1,626,397	1,353,665	1,431,258	1,468,283	1,603,643	1,467,297	1,009,482
Capital outlay	4,133,431	23,220,742	10,890,708	9,303,544	6,683,586	8,625,927	6,532,085
Debt service:							
Principal	11,013,284	4,956,583	3,847,244	3,409,097	2,744,303	3,367,666	1,161,276
Interest and paying agent fees	426,631	110,303	102,170	73,826	49,358	59,810	40,512
Total expenditures	<u>\$ 80,462,735</u>	<u>\$ 96,155,454</u>	<u>\$ 85,792,758</u>	<u>\$ 88,004,613</u>	<u>\$ 88,629,036</u>	<u>\$ 93,858,544</u>	<u>\$ 88,279,120</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (594,959)</u>	<u>\$ (8,126,259)</u>	<u>\$ 564,308</u>	<u>\$ (395,764)</u>	<u>\$ 123,298</u>	<u>\$ (1,936,273)</u>	<u>\$ 2,599,597</u>

Schedule 4
Marathon County
Changes in Fund Balances, Governmental Funds,
Last Seven Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Other financing sources (uses):							
Transfers in:							
General Fund	\$ 8,286,907	\$ 3,296,658	\$ 8,731,740	\$ 7,155,017	\$ 6,691,979	\$ 3,664,357	\$ 4,787,875
Social Improvement Fund	1,410,188	103,374	163,340	476,018	1,198,658	644,587	885,509
Capital Improvement Fund	5,197,433	1,366,223	9,933,342	548,109	697,948	1,035,550	1,630,336
Highway	-	4,414,834	-	-	-	-	-
Property Casualty Fund	-	-	-	-	20,439	-	-
Sale of Capital Assets	27,823	252,514	24,089	159,981	69,369	48,634	40,304
Component unit transfer in	95,696	95,696	-	-	3,340,000	-	-
General obligation debt issued	4,350,000	800,000	5,975,000	1,175,000	514,055	3,590,000	-
State loan program debt issued	163,510	380,750	14,055	14,055	2,593	514,055	14,608
Premium on bond/note payable	26,115	-	47,183	1,539	-	-	-
Transfers out:							
General Fund	(899,937)	(37,181)	(1,237,149)	(614,605)	(647,947)	(1,037,532)	(1,630,336)
Social Improvement Fund	-	(42,037)	(90,000)	-	-	(6,000)	(176,936)
Debt Service Fund	(10,941,012)	(566,223)	-	-	-	-	-
Capital Improvement Fund	(3,053,579)	(3,320,814)	(8,804,958)	(7,564,539)	(7,890,637)	(4,300,962)	(5,496,448)
Highway Road Improvement Fund	-	-	(8,696,315)	-	(50,000)	-	-
County Highway Fund	(3,200,690)	(800,000)	(800,000)	-	-	(403,309)	(697,338)
Internal service fund	-	(14,500)	-	-	-	-	-
Component unit transfer out	-	(118,417)	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 1,462,454</u>	<u>\$ 5,810,877</u>	<u>\$ 5,260,327</u>	<u>\$ 1,350,575</u>	<u>\$ 3,946,457</u>	<u>\$ 3,749,380</u>	<u>\$ (642,426)</u>
Net change in fund balance	867,495	(2,315,382)	5,824,635	954,811	4,069,755	1,813,107	1,957,171
Fund balances January 1	<u>\$ 46,276,514</u>	<u>\$ 47,144,009</u>	<u>\$ 44,847,032</u>	<u>\$ 50,671,667</u>	<u>\$ 51,626,478</u>	<u>\$ 55,696,233</u>	<u>\$ 57,509,340</u>
Fund balances, December 31	<u>\$ 47,144,009</u>	<u>\$ 44,828,627</u>	<u>\$ 50,671,667</u>	<u>\$ 51,626,478</u>	<u>\$ 55,696,233</u>	<u>\$ 57,509,340</u>	<u>\$ 59,466,511</u>
Debt service as a percentage of noncapital expenditures	17.6%	7.4%	5.5%	4.6%	3.4%	4.3%	1.5%

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				
1999	3,506,647,700	964,215,700	250,375,300	617,023,000	204,615,400	5,542,877,100	5,368,291,040	6.2149
2000	3,767,714,700	1,046,253,500	269,733,900	639,898,200	216,180,900	5,939,781,200	5,738,954,640	6.2138
2001	4,030,770,000	1,177,080,000	292,845,800	748,085,000	242,096,000	6,490,876,800	6,259,667,840	6.0945
2002	4,233,297,800	1,242,511,400	317,896,400	773,410,900	232,051,300	6,799,167,800	6,544,609,540	6.0884
2003	4,487,578,500	1,313,654,400	325,059,400	808,353,600	217,727,200	7,152,373,100	6,930,455,450	5.8943
2004	4,878,179,500	1,378,948,100	340,798,400	816,056,300	226,190,000	7,640,172,300	7,373,747,250	5.7950
2005	5,260,170,000	1,508,410,200	357,415,500	777,797,800	243,587,100	8,147,380,600	7,790,289,650	5.6943
2006	5,800,529,200	1,655,257,200	358,859,900	859,921,100	276,844,800	8,951,412,200	8,488,768,750	5.4574
2007	6,101,091,900	1,824,538,100	368,564,000	912,690,200	288,145,500	9,495,029,700	8,943,537,550	5.3775
2008	6,395,031,700	2,042,422,000	409,570,600	941,015,900	293,530,100	10,081,570,300	9,444,208,500	5.6000

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)

NET TAX RATE - YEAR LEVIED (1) (A) (B) (C)										
DISTRICT	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOWN										
BERGEN	20.38	21.95	19.36	17.97	16.12	16.84	16.07	16.20	16.27	15.69
BERLIN	20.60	20.44	20.04	20.45	19.97	21.11	18.96	16.51	16.81	16.05
BERN	20.65	18.78	18.36	19.34	17.42	17.90	16.64	14.68	22.32	21.81
BEVENT	19.99	20.36	18.67	18.24	18.13	18.08	17.28	16.30	17.23	17.40
BRIGHTON	23.56	22.55	20.61	20.89	20.75	19.19	18.36	17.52	24.20	23.70
CASSEL	17.34	17.62	17.48	17.43	16.16	16.42	18.23	15.91	18.24	18.11
CLEVELAND	18.49	18.11	18.29	17.42	17.81	17.40	18.09	16.88	18.21	19.26
DAY	18.74	17.84	17.72	17.50	17.89	18.66	17.50	16.76	15.89	16.87
EASTON	20.01	20.76	19.92	20.60	19.25	18.90	18.92	17.80	19.26	20.43
EAU PLEINE	17.64	16.55	15.72	16.49	16.22	16.13	15.36	13.41	15.93	16.43
ELDERON	17.72	17.36	16.05	16.19	16.30	16.91	16.30	14.52	14.02	14.40
EMMET	20.44	20.69	19.48	17.75	26.69	16.59	17.99	15.72	18.25	18.02
FRANKFORT	20.16	20.89	19.74	20.21	20.19	18.47	18.04	16.36	22.25	21.83
FRANZEN	22.12	20.22	18.87	17.97	18.64	18.48	18.61	16.03	20.51	20.45
GREEN VALLEY	20.95	21.25	20.99	19.25	18.26	18.42	17.70	16.54	17.24	17.43
GUENTHER	21.42	21.25	20.42	18.36	18.01	18.79	17.76	16.81	24.74	18.15
HALSEY	20.52	18.68	18.27	19.28	17.37	18.93	16.93	17.21	22.05	21.94
HAMBURG	21.19	20.32	19.80	20.76	19.32	19.74	19.41	16.87	23.17	23.27
HARRISON	18.70	18.34	17.82	17.41	17.35	16.94	16.46	15.86	19.26	18.78
HEWITT	22.28	22.20	21.29	20.86	20.77	22.44	20.44	19.26	26.04	24.62
HOLTON	20.09	20.90	18.89	19.20	19.04	17.47	16.30	15.42	16.71	16.18
HULL	20.67	21.24	19.50	19.63	19.59	19.31	17.31	16.47	20.89	20.29
JOHNSON	19.63	17.87	17.80	19.03	16.66	18.38	16.38	14.89	20.35	20.35
KNOWLTON	19.80	19.97	18.93	17.37	15.72	16.51	15.85	15.00	15.31	16.35
KRONENWETTER (D)	21.99	23.05	21.88	20.06	19.98					
MAINE	20.31	20.19	20.18	19.95	19.65	19.84	19.28	18.76	20.37	20.37
MARATHON	17.24	17.34	16.80	17.97	16.40	15.83	18.27	15.93	22.38	16.15
MCMILLIAN	24.04	22.93	21.52	21.98	21.92	19.43	20.14	18.89	22.20	16.44
MOSINEE	20.64	21.45	19.91	18.26	16.47	17.06	18.52	16.32	16.37	16.33
NORRIE	16.72	16.46	1.73	17.85	17.06	16.96	16.71	13.96	20.52	20.06
PLOVER	21.41	21.07	20.13	18.89	19.64	20.19	19.36	16.75	22.23	22.08
REID	20.76	21.32	19.93	18.29	17.44	17.08	17.43	15.38	19.70	20.16
RIB FALLS	20.76	19.05	18.50	19.48	18.94	18.93	18.29	15.69	17.18	16.75
RIB MOUNTAIN	21.65	21.68	21.33	21.16	20.17	21.14	19.79	18.93	20.01	19.02
RIETBROCK	20.78	19.26	18.69	19.96	18.09	19.73	17.38	17.90	20.82	20.89
RINGLE	16.55	17.61	17.44	17.83	16.95	16.76	16.73	15.78	19.15	15.33
SPENCER	20.92	21.53	19.51	18.65	18.86	15.94	17.74	16.59	19.46	18.89
STETTIN	19.22	19.20	19.99	21.87	20.18	21.13	20.07	17.69	23.55	17.66
TEXAS	19.71	19.89	19.72	19.52	19.25	19.92	18.34	17.89	22.32	21.12
WAUSAU	20.04	20.15	20.41	20.20	19.77	20.40	19.01	16.88	20.85	20.20
WESTON	18.58	19.85	17.64	17.32	16.55	16.15	16.20	15.33	22.16	15.52
WIEN	20.87	19.24	18.69	19.61	18.14	19.13	17.07	17.58	22.04	22.59

Schedule 6
Marathon County
Direct and Overlapping Property Tax Rates,
Last Ten Years
(rate per \$1,000 of assessed value)

NET TAX RATE - YEAR LEVIED (1) (A) (B) (C)										
DISTRICT	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ATHENS	26.69	24.93	25.33	26.67	23.48	24.25	22.14	22.73	27.04	26.88
BIRNAMWOOD	18.86	18.63	17.99	17.98	18.46	18.94	18.12	16.28	18.25	17.90
BROKAW	23.71	23.40	23.83	22.63	22.43	27.52	23.68	21.93	23.01	23.15
DORCHESTER	23.27	24.01	23.78	24.51	24.65	23.09	21.47	21.14	25.80	22.16
EDGAR	20.90	21.31	21.38	20.15	19.79	19.94	20.36	19.15	18.43	18.68
ELDERON	19.02	18.64	17.37	17.63	17.47	18.03	17.23	15.40	18.63	19.05
FENWOOD	17.46	19.02	18.78	16.88	16.85	17.05	17.02	15.22	14.08	13.83
HATLEY	16.53	17.45	16.90	17.27	16.66	16.55	17.00	16.75	16.70	17.98
KRONENWETTER (D)	N/A	N/A	N/A	N/A	19.18	18.98	19.28	16.96	19.21	19.64
MARATHON	21.38	21.12	20.41	21.66	20.40	20.14	23.04	20.52	25.52	26.43
ROTHSCHILD	21.49	22.96	22.59	23.14	22.25	21.71	21.82	20.74	25.56	25.52
SPENCER	26.17	25.85	24.68	23.95	24.22	21.56	23.21	21.62	25.87	24.49
STRATFORD	22.11	20.88	19.88	20.27	19.87	18.84	19.09	18.58	18.34	18.77
UNITY	22.44	23.29	21.59	20.62	21.11	19.42	17.99	17.71	20.73	20.95
WESTON	20.67	21.56	21.15	21.72	20.89	20.79	20.95	20.76	19.87	20.89
CITY										
ABBOTSFORD	23.60	23.67	24.60	25.87	24.14	22.41	20.88	20.12	20.17	21.11
COLBY	25.20	26.13	24.83	24.66	24.66	22.87	22.21	22.16	25.01	24.98
MARSHFIELD	25.67	26.67	24.48	23.67	24.32	23.60	23.18	22.36	23.02	23.94
MOSINEE	25.44	26.01	24.66	22.83	20.92	21.31	20.27	19.32	22.80	23.42
SCHOFIELD	22.79	24.05	22.84	23.33	22.34	22.14	22.11	21.14	24.52	25.19
WAUSAU	26.78	26.87	26.50	26.37	25.93	26.47	25.06	23.80	23.21	23.49

SOURCES: (1) Marathon County Treasurer's Office Division of Property Description

- NOTES: (A) Tax rate per \$1,000 of equalized 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
(D) The Village of Kronenwetter was created in 2002 as a new village when the town split, therefore previous history does not exist

Schedule 7
Marathon County
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2008			Fiscal Year 1999		
	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value
Marshfield Clinic	\$47,434,000	1	0.4705%	\$21,478,700	4	0.3875%
Employers Insurance of Wausau	\$45,724,300	2	0.4535%	\$68,471,800	1	1.2353%
Mosinee Paper Corporation	\$33,932,100	3	0.3366%	\$43,663,800	2	0.7877%
Aspirus Wausau Hospitals	\$27,694,200	4	0.2747%	--	-	--
Menards Inc	\$25,691,200	5	0.2548%	--	-	--
Walmart	\$24,545,200	6	0.2435%	--	-	--
Greenheck Fan Corp	\$24,175,100	7	0.2398%	\$16,893,300	5	0.3048%
Saint Claires Hospital	\$22,554,500	8	0.2237%	--	-	--
Wausau Joint Venture	\$21,983,300	9	0.2181%	\$16,820,100	6	0.3035%
Abbyland Foods	\$21,649,300	10	0.2147%	\$15,875,100	-	0.2864%
Marathon Cheese Company	--	-	--	\$21,742,100	3	0.3923%
Creske Corporation	--	-	--	\$14,961,700	7	0.2699%
SNE/DeMatteo Corporation	--	-	--	\$14,841,000	8	0.2677%
Domtar / Weyerhaeuser	--	-	--	\$12,231,900	9	0.2207%
Apogee Wausau Group	--	-	--	\$11,793,400	10	0.2128%
TOTAL	\$295,383,200.00		2.9299%	\$258,772,900.00		4.6686%

Source: City County Data Communication Center

NOTE (A) Total equalized value for 2008 of \$10,081,570,300 includes the increment value of tax increment districts (TID)
(B) Total equalized value for 1999 of \$5,542,877,100 includes the increment value of tax increment districts (TID)

Schedule 8
Marathon County
Property Tax Levies and Collections
Last Eleven Fiscal Years (A)

Levy Year	Settlement Year	Total Tax Levy	As of December 31 of Settlement Year			Cumulative as of December 31, 2008 (C)		
			Amount Collected	Amount Delinquent	Percent Delinquent	Amount Collected	Amount Delinquent (D)	Percent Delinquent
1997	1998	29,068,916	28,795,852	273,064	0.9394%	29,065,875	3,041	0.0105%
1998	1999	30,856,382	30,534,426	321,956	1.0434%	30,853,599	2,783	0.0090%
1999	2000	33,363,392	32,979,833	383,559	1.1496%	33,359,335	4,057	0.0122%
2000	2001	35,660,957	35,103,411	557,546	1.5635%	35,656,767	4,190	0.0117%
2001	2002	38,149,579	37,644,343	505,236	1.3244%	38,144,816	4,763	0.0125%
2002	2003	39,846,548	39,375,609	470,939	1.1819%	39,842,519	4,029	0.0101%
2003	2004	40,850,300	40,416,211	434,089	1.0626%	40,841,808	8,492	0.0208%
2004	2005	42,730,820	42,268,706	462,114	1.0815%	42,704,191	26,629	0.0623%
2005	2006	44,360,284	43,918,046	442,238	0.9969%	44,276,952	83,332	0.1879%
2006	2007	46,326,948	45,688,305	638,643	1.3786%	46,071,377	255,571	0.5517%
2007 (B)	2008	48,093,638	47,406,556	687,082	1.4286%	48,093,638	687,082	1.4286%

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 2009 is \$48,793,927

(C) Totals do not include uncollected amounts due on tax deed parcels of \$150,190

(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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income ^(b)	Percentage of Actual Value ^(a) of Taxable Property	Per Capita ^(b)
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
1999	\$20,812,559	(\$144,515)	\$20,668,044	0.69%	0.37%	870.05
2000	\$15,833,755	(\$149,421)	\$15,684,334	0.50%	0.26%	632.92
2001	\$10,196,892	(\$37,642)	\$10,159,250	0.31%	0.16%	390.61
2002	\$9,150,955	(\$68,362)	\$9,082,593	0.27%	0.13%	349.21
2003	\$5,144,896	(\$76,952)	\$5,067,944	0.14%	0.07%	179.24
2004	\$6,910,000	(\$121,898)	\$6,788,102	0.18%	0.09%	233.24
2005 (c)	\$4,560,000	(\$192,658)	\$4,367,342	0.11%	0.05%	145.62
2006	\$4,950,000	(\$309,134)	\$4,640,866	0.11%	0.05%	148.72
2007	\$5,050,000	(\$481,716)	\$4,568,284	0.10%	0.05%	137.28
2008	\$3,650,000	(\$2,597,128)	\$1,052,872	0.02%	0.01%	32.72

Notes:

(a) See Schedule 5 for property value data

(b) Population and personal income data can be found in Schedule 12

(c) Remaining \$36,819 is restricted for Forest Aid Loan

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2008

<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:			
BERGEN	\$ 250,028	100.00 %	\$ 250,028
BEVENT	76,618	100.00	76,618
CLEVELAND	228,000	100.00	228,000
DAY	367,774	100.00	367,774
EASTON	171,069	100.00	171,069
EAU PLEINE	15,000	100.00	15,000
ELDERON	2,016	100.00	2,016
GREEN VALLEY	223,604	100.00	223,604
GUENTHER	126,000	100.00	126,000
HEWITT	100,000	100.00	100,000
HULL	16,792	100.00	16,792
KNOWLTON	691,618	100.00	691,618
RIB MOUNTAIN	4,491,471	100.00	4,491,471
RINGLE	83,688	100.00	83,688
SPENCER	53,601	100.00	53,601
TEXAS	166,287	100.00	166,287
TOWN TOTAL	<u>7,063,566</u>		<u>7,063,566</u>
VILLAGE:			
ATHENS	256,000	100.00	256,000
BROKAW	650,223	100.00	650,223
DORCHESTER	861,996	100.00	861,996
EDGAR	947,166	100.00	947,166
HATLEY	667,588	100.00	667,588
KRONENWETTER	15,800,430	100.00	15,800,430
MARATHON	3,378,240	100.00	3,378,240
ROTHSCHILD	8,523,133	100.00	8,523,133
SPENCER	1,705,475	100.00	1,705,475
STRATFORD	1,340,333	100.00	1,340,333
WESTON	16,896,918	100.00	16,896,918
VILLAGE TOTAL	<u>51,027,502</u>		<u>51,027,502</u>

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2008

<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>
CITY:			
ABBOTSFORD	2,090,591	46.17	965,228
COLBY	1,393,066	23.10	321,798
MARSHFIELD	20,991,632	7.79	1,634,913
MOSINEE	5,046,343	100.00	5,046,343
SCHOFIELD	2,549,026	100.00	2,549,026
WAUSAU	50,244,466	100.00	50,244,466
CITY TOTAL	<u>82,315,124</u>		<u>60,761,774</u>
SCHOOL:			
ABBOTSFORD	10,558,922	48.49	5,120,021
ANTIGO	5,571,266	4.70	261,850
ATHENS	682,256	100.00	682,256
AUBURNDALE	5,442,168	3.25	177,023
COLBY	870,000	43.84	381,408
D.C. EVEREST	45,140,000	100.00	45,140,000
EDGAR	1,707,881	100.00	1,707,881
MARATHON	7,232,771	100.00	7,232,771
MARSHFIELD	23,382,103	15.07	3,523,683
MERRILL	17,376,055	4.07	707,205
MOSINEE	11,003,389	100.00	11,003,389
ROSHOLT	3,155,000	25.29	797,900
SPENCER	1,605,450	87	1,392,413
STRATFORD	2,175,250	100.00	2,175,250
WAUSAU	63,880,000	100.00	63,880,000
MID-STATE TECH COLLEGE	21,260,000	2.37	503,862
NORTHCENTRAL TECH	15,900,000	58.66	9,326,940
SCHOOL TOTAL	<u>236,942,511</u>		<u>154,013,852</u>
SPECIAL DISTRICTS:			
RIB MTN METRO SEWAGE	1,219,192	100.00	1,219,192
SPECIAL DISTRICTS TOTAL	<u>1,219,192</u>		<u>1,219,192</u>
TOTAL APPLICABLE UNDERLYING DEBT	<u>378,567,895</u>		<u>274,085,886</u>
DIRECT DEBT			
<u>MARATHON COUNTY (A)</u>	<u>3,650,000</u>	<u>100.00</u>	<u>3,650,000</u>
TOTAL DEBT APPLICABLE TO MARATHON COUNTY	\$ <u>382,217,895</u>		\$ <u>277,735,886</u>

(A) Direct Debt of Marathon County is for capital projects of CWA, a discretely presenting component unit of Marathon County.

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)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Equalized Value of Property (A)	\$5,542,877	\$5,939,781	\$6,490,877	\$6,799,168	\$7,152,373	\$7,640,172	\$8,147,381	\$8,951,412	\$9,495,029	\$100,815,700
Debt Limit, 5% of Equalized Value (Wisconsin statutory limitation)	\$277,144	\$296,989	\$324,544	\$339,958	\$357,619	\$382,009	\$407,369	\$447,570	\$474,751	\$504,078
Amount of debt applicable to debt limitation:										
General obligation promissory notes (B)	\$20,813	\$15,834	\$10,197	\$9,151	\$5,145	\$6,910	\$4,560	\$4,950	\$5,050	\$3,650
Less: Amount available for debt service	<u>(\$145)</u>	<u>(\$149)</u>	<u>(\$38)</u>	<u>(\$68)</u>	<u>(\$77)</u>	<u>(\$122)</u>	<u>(\$193) (C)</u>	<u>\$309</u>	<u>\$481</u>	<u>\$2,597</u>
Total amount of debt applicable to debt margin	\$20,668	\$15,684	\$10,159	\$9,083	\$5,068	\$6,788	\$4,367	\$4,640	\$4,568	\$1,052
Legal Debt Margin-(debt capacity)	<u>\$256,476</u>	<u>\$281,305</u>	<u>\$314,385</u>	<u>\$330,876</u>	<u>\$352,551</u>	<u>\$375,221</u>	<u>\$403,002</u>	<u>\$442,930</u>	<u>\$470,183</u>	<u>\$503,025</u>
Percent of Debt capacity used	7.46%	5.28%	3.13%	2.67%	1.42%	1.78%	1.07%	1.04%	0.96%	0.21%

NOTES: (A) Equalized vlaues 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 \$36,819

Schedule 12
 Marathon County
 Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</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>
1999	126,393	\$3,002,465,715	\$23,755	19,914	3,238	2.9
2000	125,834 (5)	\$3,118,292,354	\$24,781	19,731	3,206	2.4
2001	126,743	\$3,296,458,687	\$26,009	19,638	3,162	3.9
2002	127,968	\$3,328,319,712	\$26,009	19,662	3,086	4.5
2003	128,823	\$3,642,341,502	\$28,274	19,471	2,985	4.6
2004	129,962	\$3,782,284,086	\$29,103	19,471 (6)	2,790	4.1
2005	131,377	\$3,940,258,984	\$29,992	19,505	2,790	4.3
2006	132,697	\$4,140,942,582	\$31,206	19,606	2,627	4.3
2007	134,028	\$4,460,183,784	\$33,278	19,920	2,457	4.4
2008	135,190	\$4,349,873,440	\$32,176	19,949	2,380	4.8

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)

(5) Actual census figures

(6) Public School Enrollment for K-12 (2004-05) were unavailable at press time, due to a WI DPI software change

Schedule 13
Marathon County
Principal Employers
Current Year and Six Years Ago

<u>Employer</u>	<u>2008</u>			<u>2002 (a)</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	2,479	1	3.50%	2,003	1	2.70%
Greenheck Fan Corp.	1,900	2	2.68%	1,350	4	1.82%
Kolbe & Kolbe Millworks, Inc.	1,600	3	2.26%	1,613	3	2.17%
Wausau School District	1,300	4	1.84%	1,325	5	1.79%
Marathon Cheese	1,300	5	1.84%	1,300	6	1.75%
Liberty Mutual	1,250	6	1.77%	1,680	2	2.26%
Footlocker.com/Eastbay	1,065	7	1.50%	1,163	7	1.57%
Wausau Papers	1,034	8	1.46%	1,175	8	1.58%
North Central Health Care	1,000	9	1.41%	790	9	1.06%
UMR/Fiserv Health	820	10	1.16%	900	10	1.21%

Sources: Wausau/Marathon County Chamber of Commerce
Wisconsin Department of Workforce Development

(a) 2003 Information on employee numbers not available

Schedule 14
 Marathon County
 Full-time Equivalent County Government Employees by Function
 Last Ten Fiscal Years

Function / Program	Full-time Equivalent Employees as of December 31									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government	141.73	143.98	144.68	154.55	151.30	149.50	151.50	151.55	151.55	152.55
Public Safety	184.50	176.50	176.50	177.50	174.50	174.00	174.00	173.00	172.00	178.00
Transportation	108.50	109.50	109.50	110.10	102.10	102.10	102.10	101.10	100.10	100.10
Health	40.25	40.75	42.25	42.85	41.65	44.45	45.95	47.70	47.70	47.70
Social Services	119.70	136.91	139.91	147.47	143.22	146.76	149.41	147.91	170.88	170.88
Leisure Activities & Education	248.34	247.03	246.06	213.90	208.03	201.10	200.55	199.07	191.80	190.80
Conservation & Economic Development	37.75	39.75	40.00	28.00	31.00	19.00	19.00	18.00	19.00	19.00
Total	<u>880.77</u>	<u>894.42</u>	<u>898.90</u>	<u>874.37</u>	<u>851.80</u>	<u>836.91</u>	<u>842.51</u>	<u>838.33</u>	<u>853.03</u>	<u>859.03</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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Court cases filed	21,885	22,594	22,146	22,957	22,864	24,240	23,446	22,268	23,652	25,170
Traffic citations processed	10,438	11,022	11,276	9,845	10,031	13,703	13,002	12,356	12,983	13,454
Marriage licenses processed	811	878	849	786	870	825	847	858	815	812
Divorces granted	443	429	462	413	427	825	410	373	434	455
Traffic and criminal fines collected	\$2,493,965	\$3,017,402	\$2,881,209	\$2,875,219	\$2,912,064	\$3,224,572	\$3,222,489	\$3,176,808	\$3,271,298	\$3,737,749
Total coroner cases	467	458	532	491	531	512	509	501	586	612
Public Safety										
Hazardous materials incidents investigated	23	21	18	13	7	7	8	6	6	4
Transportation										
Cost of road maintenance per lane mile	-	-	-	-	-	-	\$3,495	\$3,830	\$4,045	\$5,602
Health										
Public health nurse home visits	-	-	-	2,358	2,172	2,381	2,983	1,682	2,267	2,312
Laboratory tests	19,115	18,741	17,501	17,868	15,755	14,325	14,105	14,519	15,094	13,570
Licenses issued for public facilities	881	807	689	796	779	902	914	957	956	1,009
Number of immunizations given	-	-	-	3,127	2,661	3,617	3,414	2,680	3,562	4,756
Social Services										
Number served at nutrition centers	1,202	1,320	1,284	486	735	300	273	169	228	186
Number of volunteers	113	125	126	30	64	28	56	71	31	26
Volunteer hours	12,315	12,434	14,899	12,675	7,845	6,288	4,956	4,424	3,759	3,453
Number served home delivered meals	-	-	-	-	-	464	451	448	415	412
Number served through SNAC program	-	-	-	-	-	825	796	565	511	720
Child support money collected and disbursed	\$17,000,750	\$19,080,408	\$19,342,978	\$19,077,714	\$19,488,287	\$19,652,157	\$19,196,370	\$19,583,448	\$19,983,464	\$20,611,892
Economic support cases	1,795	1,873	2,023	2,102	2,840	7,622	8,229	8,701	8,802	9,785
Leisure and Education										
Library items checked out	-	-	-	-	-	745,779	812,824	849,425	882,456	943,778
Library number of visitors	-	-	-	-	-	490,925	554,745	580,230	600,497	569,951
Conservation and Development										
Wood removed (cord equivalent)	7,420	9,487	9,487	15,599	8,830	8,520	13,170	19,380	23,780	13,811

Schedule 16
Marathon County
Capital Asset Statistics by Function,
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Number of courtrooms	7	7	7	7	7	7	7	7	7	7
Public Safety										
County buildings maintained	10	10	10	10	10	10	11	11	11	11
Jail capacity/number of beds	279	279	279	279	279	279	279	279	279	279
Sheriff Department vehicles	-	-	-	-	-	-	94	91	90	94
Transportation										
Miles of County highways/roads	617	617	617	617	613	611	618	612	613	613
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	3,376,000
Landfill remaining capacity (cubic yards)	-	-	-	-	1,614,500	1,489,400	1,320,005	1,216,455	1,025,245	780,000
Social Services										
Nutrition centers	6	6	6	6	2	2	2	1	2	2
Leisure and Education										
Libraries - Headquarters	1	1	1	1	1	1	1	1	1	1
Libraries - Branches	8	8	8	7	7	7	8	8	8	8
Volumes books & audio-visual materials	332,317	352,022	364,742	366,526	375,351	373,243	372,052	356,738	339,566	324,678
Number of County parks	19	19	19	19	19	18	18	17	18	18
Number of acres	3,379	3,379	3,379	3,406	3,407	3,407	3,407	3,371	3,407	3,407
Public access beaches	7	7	7	7	4	4	4	5	4	4
Miles of bicycle trails	18	18	18	18	28	28	28	28	28	28
Number of public campgrounds	5	5	5	5	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	14	14	14	14	6	6	6	6	6	6
Indoor ice arenas	3	3	3	3	2	2	2	2	2	2
Miles of snowmobile trails	645	650	750	800	800	800	782	782	782	782
Miles of ATV trails - winter	531	548	692	692	680	690	690	490	690	690
Miles of ATV trails - summer	14	14	19	23	23	24	25	15	25	25
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	10	10	9	9	9	9	9	9
Number of acres	28,044	28,324	28,423	28,662	28,662	28,662	28,662	29,193	29,768	29,768

**Schedule 17
Marathon County
Schedule of Insurance
Fiscal Year Ended December 31, 2008**

Insurer Policy Numbers Effective Dates	Policy Coverage Limits of Liability Deductibles/Retention (1)
<p>Wisconsin Municipal Mutual Insurance Company WI2008CSI3A 01/01/08 to 01/01/09</p>	<p>General Liability/Automobile Liability/Police Professional liability Owned, non-owned and hired auto \$5,000,000 Limit of liability per occurrence/\$15,000,000 Annual aggregate \$400,000 Per occurrence deductible \$1,050,000 Annual aggregate deductible</p> <p>Uninsured Motorist \$25,000-50,000 Limit of liability</p>
<p>Wisconsin Municipal Mutual Insurance Company W12008EO13A 01/01/08 to 01/01/09</p>	<p>Employee Benefit Liability \$5,000,000 Limit of liability per benefit error \$15,000,000 General aggregate \$400,000 Per occurrence deductible \$1,050,000 Annual aggregate deductible</p> <p>All premiums adjusted annually Excludes coverage for pollution liability, nursing homes, Health centers, medical facilities and airport</p>
	<p>Errors and Omission Public Officials Liability Claims Made \$5,000,000 Limit of liability per wrongful act \$15,000,000 General aggregate \$400,000 Per occurrence deductible \$1,050,000 Annual aggregate deductible</p>
<p>Self-Funded & Administered 01/01/08 to 01/01/09</p>	<p>Workers Compensation Employer Liability State Statutes First \$400,000 per claim/occurrence</p>
<p>Wisconsin Municipal Mutual Insurance Company WI2008 WC13XS 01/01/08 to 01/01/09</p>	<p>Specific Excess Workers Compensation \$400,000 Specific retention Limits of Liability Statutory Workers Comp \$1,000,000 Employers Liability \$1,000,000 Workers Comp/Emp Liability Combined</p>

Insurer
Policy Numbers
Effective dates

Local Government
Property Insurance Fund
120038
01/01/08 to 01/01/09

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

Buildings, Personal Property, Inland Marine & Property in the Open

Listed on the statement of values:
Limit \$240,254,975 - Replacement Cost Coverage
Deductible \$5,000

Contractors Equipment

Limit \$14,602,390 Replacement Value
Deductible \$5,000

Automobile Comprehensive

Limit \$10,049,046 Actual Cash Value
Deductible \$500

Business Interruption

(Applies to operations of North Central Health Care Center only)
\$2,999,999
Deductible \$5,000

Monies & Securities

\$850,000 (Applies to Courthouse = 750,000 & Soc Serv = 100,000)
Increased to \$3,000,000
from 7/27/2008 to 08/01/2008 (Courthouse Location only)

Pier & Wharf

\$83,141
Deductible \$1,000

Personal Property replacement cost coverage

Property in the open within 1,000 feet of listed property
Limited to \$1,000 any one item up to \$10,000 maximum

Leased Property Improvements destroyed
by covered peril are covered if replaced or repaired within
a reasonable time; if not repaired or replaced, original
cost new less specified fraction

Cost of Debris Removal: covered

Pollution limitation: \$50,000 annually, however
\$10,000 maximum applies for covered expenses
incurred in each annual policy period for removal of
pollutants/contaminants from land or water at
described premises caused by a covered peril

Lawn, Trees & Shrubs within 100 feet of
insured buildings
limited to \$500 per tree or shrub
and \$1,000 for lawn up to a
maximum of \$5,000 per occurrence
including debris removal

Personal Property in Transit up to \$2,500 limit

Insurer
Policy Numbers
Effective dates

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

Local Government Property
Insurance Fund
120038
01/01/08 to 01/01/09

Valuable Records - No dollar limit; covered on or off premises excluding losses caused by errors and omissions or negligence in processing or copying.

Personal Property of Others while on our property per occurrence, and not covered by other insurance, limit of \$10,000

Employees Personal Property \$500 any one employee up to \$10,000 per occurrence maximum if not covered by other insurance

Extra Expenses automatically covered to maintain normal operations \$5,000,000 per occurrence

Acquired Property or Being Constructed if over \$500,000 and value is reported within 90 days

Old Republic Surety Company
MSA-1174312
01/01/08 to 01/01/09

Public Employee Blanket
Position Bond
\$350,000 Limit of liability per employee
Deductible \$10,000
Forgery \$5,000 Limit of Liability
Deductible \$0

Old Republic Surety Company
MFA-1049619
01/01/08 to 01/01/09

Public Official schedule Position Bond
Limits vary by officials who are required by law to be individually bonded

Hartford Steam Boiler
Inspection & Insurance Co.
FBP4910023
01/01/08 to 01/01/09

Boiler & Machinery
\$25,000,000 Equipment Limit
\$10,000 Deductible

Self Funded

Pollution Legal Liability
Marathon County Landfill
\$2,000,000 Limit of liability
per claim and in aggregate
Claims-made

Global Aerospace Inc
General Liability
Central WI Joint Airport Board
13000091
01/01/08 to 01/01/09

Occurrence
Airport General Liab
General Aggregate-\$25,000,000
Products/Completed Oper Aggr-\$25,000,000
Personal & Advertising Injury-\$5,000,000
Each Occurrence-\$25,000,000
Fire Damage (any one fire) - \$100,000
Medical Expense (any one person) - \$5,000

Hangarkeepers Liability \$25,000,000 Each Loss
Hangarkeepers Liability \$25,000,000 Each Aircraft

Self-Funded & Administered
Automobile Collision:
01/01/08 to 01/01/09

Actual Cash Value Coverage

Insurer
Policy Numbers
Effective dates

**Travelers Prop-Casualty Group
Of America**
Inland Marine Policy
Marathon County Highway Dept
QT6606280M404
05/01/08 to 05/01/09

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

Leased or Rented Contractors Equipment
\$400,000 per item / \$1,000,000 maximum
Deductible: \$10,000
(Applies to Marathon County Highway Dept only)

**Self-Funded Health/
Administered by**
Allied Benefits
01/01/08 to 01/01/09

Health Benefit Plan PPO
\$2,000,000 Per person life time benefit
95% of most covered medical expense in network/85% out of network
80% of medical supplies and equipment in network/70% out of network
\$300 Single / \$900 Family
Prescription Drugs:
0% Co-insurance generics; 15% Co-insurance brands w/\$25
maximum out of pocket per prescription/\$650 annual
out of pocket maximum

Unimerica Insurance Co.
01/01/07 to 01/01/08

Excess Loss Insurance
Medical & Prescription Drug Coverage
Specific Deductible per person: \$225,000/Annual Aggregate
Deductible \$11,479,244
(300,000 laser for one individual)
Maximum Aggregate Benefit: \$1,000,000

Dental Insurance
Insurer: Anthem Blue Cross Blue Shield
Grp # 00165201
01/01/08 to 01/01/09

DentalBlue
HMO-Dentacare 100 Plan
Unlimited
No deductible
100% Coverage usual and customary most procedures

**Self-Funded Dental/
Administered by**
Delta Dental of Wisconsin
Grp # 92896
07/01/08 to 07/01/09

Delta Dental of Wisconsin
\$25 Deductible per calendar year
\$75 Deductible maximum per family
100% Diagnostic and preventive*
80% Ancillary, direct filling restorations, oral
surgery, endodontics, and periodontics
50% Indirect filling restorations
\$500 Maximum payment amount-per person, per calendar year

Income Continuation Insurance
Prudential Financial
Grp #24162 Marathon County

The Prudential Insurance Company of America
Long Term Disability
Offers 70% of your monthly Retirement earnings for the first \$0 - \$1,500
you earn per month and 65% for earnings over \$1,500 per month.
Maximum benefit is \$3,000 per month
Minimum is \$50 per month if you qualify
180, 150, 120, 90, 60, & 30 day elimination period available

- (1) This information represents details contained in our insurance policy and is not to be used to determine coverage.
- (2) All coverage questions should be directed to the Risk Manager.

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