

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**MARATHON COUNTY, WISCONSIN**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2009**

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

# MARATHON COUNTY, WISCONSIN

## Comprehensive Annual Financial Report For the Year Ended December 31, 2009

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**COUNTY OF MARATHON**  
COURTHOUSE 500 FOREST STREET WAUSAU, WISCONSIN 54403-5568

FINANCE DEPARTMENT  
(715) 261-1170

July 27, 2010

*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, 2009. 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 2009 CAFRs are also available on the Internet at:*

*[www.co.marathon.wi.us/Government/Departments&Services/Finance/Information Page/](http://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; 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. The current unemployment rate is 8.7%, and will hopefully improve in the next few years.*

*Wausau area and Marathon County employment figures reflect the tough economic times. Unemployment levels in the Marathon County Standard Metropolitan Statistical Area (SMSA) are slightly above the State of Wisconsin unemployment rate of 8.5%.*

*Building construction in Marathon County in 2009 totaled \$120,211,021, which is less than the 2008 total of \$153,181,403. Overall permit values decreased in 2009. New residential construction and remodeling totaled over \$64 million. Commercial and industrial facilities added \$14 million to the tax base in 2009.*

*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            | 2,700                      |
| 2.  | Kolbe & Kolbe Millworks Inc.      | 1,600                      |
| 3.  | Greenheck Fan Corp.               | 1,500                      |
| 4.  | Wausau School District            | 1,300                      |
| 5.  | Liberty Mutual                    | 1,250                      |
| 6.  | Footlocker.com/Eastbay            | 1,065                      |
| 7.  | Wausau Papers                     | 1,034                      |
| 8.  | North Central Health Care         | 1,000                      |
| 9.  | UMR/Fiserv Health/Wausau Benefits | 820                        |
| 10. | Marathon Cheese                   | 798                        |

## **MAJOR INITIATIVES**

*In the year 2009 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.*

*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 is a partner in a \$.8 million construction project at the University of Wisconsin Marathon County (UWMC). The County and Federal Government have funded a new public center for policy at the UWMC Campus in Wausau.*

*The County is creating a comprehensive digital radio infrastructure network to better serve the law enforcement, public safety and emergency service departments throughout Marathon County. The \$11 million project will allow Marathon County to meet it's FCC digital communication requirements by 2012.*

*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 is working with a consultant to view ways to best situate itself for the future and determine what its infrastructure needs are to be successful in the 21<sup>st</sup> Century. The County is looking at partnering with other governmental entities to create a broadband network.*

*The County is examining alternatives to incarceration for those people convicted of AODA violations. On most days the population has exceeded our jail's capacity or we have transported*

*inmates to other County jails but Marathon County will soon need to evaluate at what point do we need to expand our current adult correctional facility.*

## **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 needs. The low points for the County's cash flow are the end of February and the middle of November.*

*As a policy, the County rolls forward 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.*

### ***General Fund Balance***

*The unreserved undesignated fund balance will be used in the 2011 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 in the future. If the trend were not to continue, a lower fund balance would be acceptable because all amounts necessary for sound financial position and good business practice are 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, 2008 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 2009 was 0.48%. 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 .42% of the total deposits during 2009.*

*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.*

*A small portion of the County's investment portfolio is held 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 2009 return of 1.82%.*

*Further diversification of the County's overall investment portfolio is achieved with the use of a second investment advisor, recommending the purchase of various pooled Adjustable Rate Mortgages. For the 8.25 months of 2009 that funds were invested with this advisor, the average unannualized return at market was .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, 2009 were classified in the category of lowest custodial credit risk as defined by the GASB.*

*The amount of interest earned in 2009 for all Primary Government operations (including the CWA as a discretely presented component unit) was \$3,085,273, a decrease from 2008 of 40.58%. The decrease was the result of continued lower interest rates being applied to investments and reduced investment portfolio holdings. In addition to the earnings of the primary government unit, (including the CWA as a discretely presented unit) another \$199,942 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<br>(Decrease) | %(Decrease)<br>Change |
|------|--------------|------------------------|-----------------------|
| 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)               |
| 2009 | 3,085,273    | (2,107,032)            | (40.58)               |

\*\*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, 2009 the County was self-funded for the following risks: one (1) dental program, automobile collision and workers' compensation.*

*A fund was established in 1984 for dental coverage. Converted into an internal service fund in 1987, it was expanded to include workers' compensation coverage for the Highway Department. In 1992 the County went self-funded for 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. 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 \$265,189,790 of physical assets and actual cash value coverage on approximately \$10,400,924 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.*

- (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:  
2009A Gen Obligation PN – 12/01/16*
  - (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 1,265,000  
For a total amount defeased as of 12/31/09 of \$1,265,000*
  - (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 12-31-09 |
|-------------------------------------|-----------------|---------------------------|----------------|--------------------------------|
| 04/01/03                            | 555,000         | Central Wisconsin Airport | 05/01/13       | 240,000 (a)                    |
| 12/01/05                            | 4,105,000       | CWA Refunding             | 10/01/17       | 3,070,000 (b)                  |
| 02/01/09                            | 16,770,000      | GO Prom Note              | 12/01/18       | 12,360,000                     |
|                                     |                 |                           |                | Subtotal<br>15,670,000         |
| Less Debt Service Funds on Hand (c) |                 |                           |                | 1,388,199                      |
| Total Net Direct Debt               |                 |                           |                | \$14,281,801                   |

- (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 \$28,370.

(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*                                 | 08/09   | 09/10  |
|--|---------|--------|
| City of Wausau                             | \$ 8.13 | \$8.35 |
| State of Wisconsin                         | .18     | .17    |
| Marathon County                            | 5.32    | 5.18   |
| Wausau School District                     | 9.52    | 10.39  |
| Northcentral Technical College             | 1.90    | 1.91   |
| Gross Tax Rate                             | 25.05   | 26.00  |
| Less State Credit                          | (1.55)  | (1.52) |
| Net Tax Rate                               | 23.49   | 24.48  |
| Ratio of assessed value to equalized value | 98.80%  | 99.21% |

\*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:*

| 2009 REVENUE                    |                      | 2009 EXPENDITURES                   |                      |
|---------------------------------|----------------------|-------------------------------------|----------------------|
| Taxes                           | \$ 48,793,927        | General Government                  | \$ 42,581,096        |
| Sales and misc. taxes           | 10,661,150           | Public Safety                       | 18,628,417           |
| Intergovernmental grants/aid    | 30,586,850           | Transportation                      | 33,727,510           |
| Licenses, Fines and Forfeitures | 1,123,060            | Health                              | 8,908,442            |
| Charges for services:           |                      | Social Services                     | 23,739,072           |
| Public                          | 10,446,408           | Leisure and Education               | 12,357,578           |
| Intergovernmental               | 23,320,961           | Conservation & Economic Development | 3,472,908            |
| Miscellaneous Revenue           | 17,908,600           | Debt Service                        | 2,931,832            |
| Transfers                       | 9,901,491            | Capital Outlay                      | 2,778,250            |
|                                 |                      | Transfers                           | 3,617,342            |
| <b>TOTALS</b>                   | <b>\$152,742,447</b> |                                     | <b>\$152,742,447</b> |

(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<br>Obligation<br>Direct Debt (a) | General<br>Obligation<br>Underlying<br>Debt | Total Applicable<br>General<br>Obligation Debt |
|-------------------------------|-----------------|--|---|--|
| Debt Values                   |                 | \$12,360,000                             | \$287,240,269                               | \$299,600,269                                  |
| Equalized Value<br>(less TID) | \$9,417,090,700 | .1%                                      | 3.1%  | 3.2%   |
| Per capita                    | 136,376         | \$90.63                                  | \$2,106.24                                  | \$2,196.87                                     |
| Per acre                      | 1,013,760       | \$12.19                                  | \$283.34                                    | \$295.53                                       |

(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, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

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**

|                      |                   |                      |                     |
|----------------------|-------------------|----------------------|---------------------|
| District No. 1.....  | Jim Rosenberg     | District No. 20..... | Barbara J. Ermeling |
| District No. 2.....  | James R. Seefeldt | District No. 21..... | Kurt Kluck          |
| District No. 3.....  | John Robinson     | District No. 22..... | Roger Zimmerman     |
| District No. 4.....  | Steve Immel       | District No. 23..... | Charles Soukup      |
| District No. 5.....  | Gary Gisselman    | District No. 24..... | Jean Maszk          |
| District No. 6.....  | Joanne S. Leonard | District No. 25..... | Frank Zebro         |
| District No. 7.....  | Kenneth L. Day    | District No. 26..... | John Durham         |
| District No. 8.....  | Karen Kellbach    | District No. 27..... | Alan F. Kraus       |
| District No. 9.....  | Jim Schaefer      | District No. 28..... | Bettye J. Nall      |
| District No. 10..... | David E. Nutting  | District No. 29..... | Robert J. Wiesman   |
| District No. 11..... | Thomas Wohlfahrt  | District No. 30..... | William Gamoke      |
| District No. 12..... | Ed Gale           | District No. 31..... | Jim Luetschwager    |
| District No. 13..... | Vacant            | District No. 32..... | Kurt A. Gibbs       |
| District No. 14..... | Sharon Hunter     | District No. 33..... | John H. Small       |
| District No. 15..... | Gary Wyman        | District No. 34..... | Richard Gumz        |
| District No. 16..... | Ken Fabel         | District No. 35..... | Keith Langenhahn    |
| District No. 17..... | Elroy Zemke       | District No. 36..... | Bill Miller         |
| District No. 18..... | Craig McEwen      | District No. 37..... | Gina Cornell        |
| District No. 19..... | Sharon Jaeger     | District No. 38..... | Laverne Grunewald   |

Chairperson ..... Keith Langenhahn  
Vice Chairperson ..... Ed Gale

## STANDING AND STATUTORY COMMITTEES FOR 2008 - 2010

### **ENVIRONMENTAL RESOURCES COMMITTEE**

Elroy Zemke, Chairman  
James Seefeldt - Vice Chair  
Marilyn Bhend  
Jim Luetschwager  
John Small  
Laverne Grunenwald  
Alan Kraus

### **EXECUTIVE COMMITTEE**

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Ed Gale – Vice Chair  
Gary Wyman  
Barbara Emerling  
Elroy Zemke  
Bettye Nall  
Robert Wiesman  
Jim Rosenberg

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Kurt Gibbs  
Jean Maszk

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Frank Zebro - Vice Chair  
John Robinson  
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John Durham  
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John Small, Vice-Chair  
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Jim Rosenberg  
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Kenneth Day  
Ed Gale  
Jean Maszk  
Craig McEwen  
Gary Gisselman

### **LAND CONSERVATION AND ZONING COMMITTEE**

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Alan Kraus, Vice-Chair  
Ken Fabel  
Kurt Gibbs  
Shawn Bahr (FSA Member)

### **PUBLIC SAFETY COMMITTEE**

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Karen Kellbach, Vice Chair  
Gina Cornell  
Steve Immel  
Jean Maszk  
Jim Schaefer  
Charles Soukup

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Sharon Hunter, Vice-Chair  
Tom Wohlfahrt  
Bettye Nall  
Ken Fabel  
Joanne Leonard  
Kurt Kluck

**SOCIAL SERVICES BOARD**

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Karen Kellbach, Vice-Chair  
Karen Piel  
Joanne Leonard  
Louis Plaisance - Citizen Member

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Craig McEwen, Secretary  
Lori Sheperd, M.D.  
Kevin O'Connell, M.D., Medical Advisor  
John Robinson  
Dennis Weix  
Dean Danner  
Ronelle Moe, M.D.  
Robert Pope, D.V.M.  
Jan Wieman, R.N.

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Jim Luetschwager  
James Seefeldt  
Roger Zimmerman  
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Edward Fenhaus

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CENTER OF CENTRAL WISCONSIN BOARD**

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Joanne Leonard, Vice-Chair  
Sharon Rybacki  
Jim Welch  
Kathleen Clark  
Charlene Orgel  
Mike Martin  
Lance Pliml  
Bill Miller  
Kristi Kordus  
Mike Feirer

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Scott Johnson, Secretary  
Gary Lewis  
Sharon Seubert  
Carol Schulz

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Tim Gierl, Vice- President  
Audrey Ascher  
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Lloyd Goddell  
Kent Olson  
Lisa Peterson  
Phil Mendham  
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Ron Schnyder  
Peter Yang  
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Tari Jahns  
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Jim McNett  
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Greg Koepel  
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Lorraine Beyersdorff  
Kristi Kordus  
Gary Wyman  
Mike Morrissey, Citizen Member  
Todd Toppen, Citizen Member  
Dale Smith, Citizen Member

**VETERANS SERVICE COMMISSION**

Roger Sydow, Chairman  
Bernie Gauerke  
Joseph Voight

## DISCRETELY PRESENTED COMPONENT UNIT COMMITTEES FOR 2008 - 2010

### **CENTRAL WISCONSIN AIRPORT BOARD**

James Krems, Chair, Portage Co.  
Jim Rosenberg, Vice-Chair  
Dale O'Brien, Portage County  
Roger Zimmerman  
Matthew Bootz, Citizen Member  
Jim Schuh, Citizen Member, Portage Co.  
Barb Ermeling

### **CITY-COUNTY INFORMATION TECHNOLOGY COMMISSION**

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Brad Karger  
Jim Tipple, Vice-Chair  
Maryanne Groat - Secretary  
Gary Bezucha  
Brenda Glodowski  
Pat Puyleart, Citizen Member  
Jerry Mourey, Citizen Member

### **NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD**

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Gretchen Thout, Secretary  
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Mary Herzog  
Judy Karpf, Langlade Co.  
Jean Burgener  
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

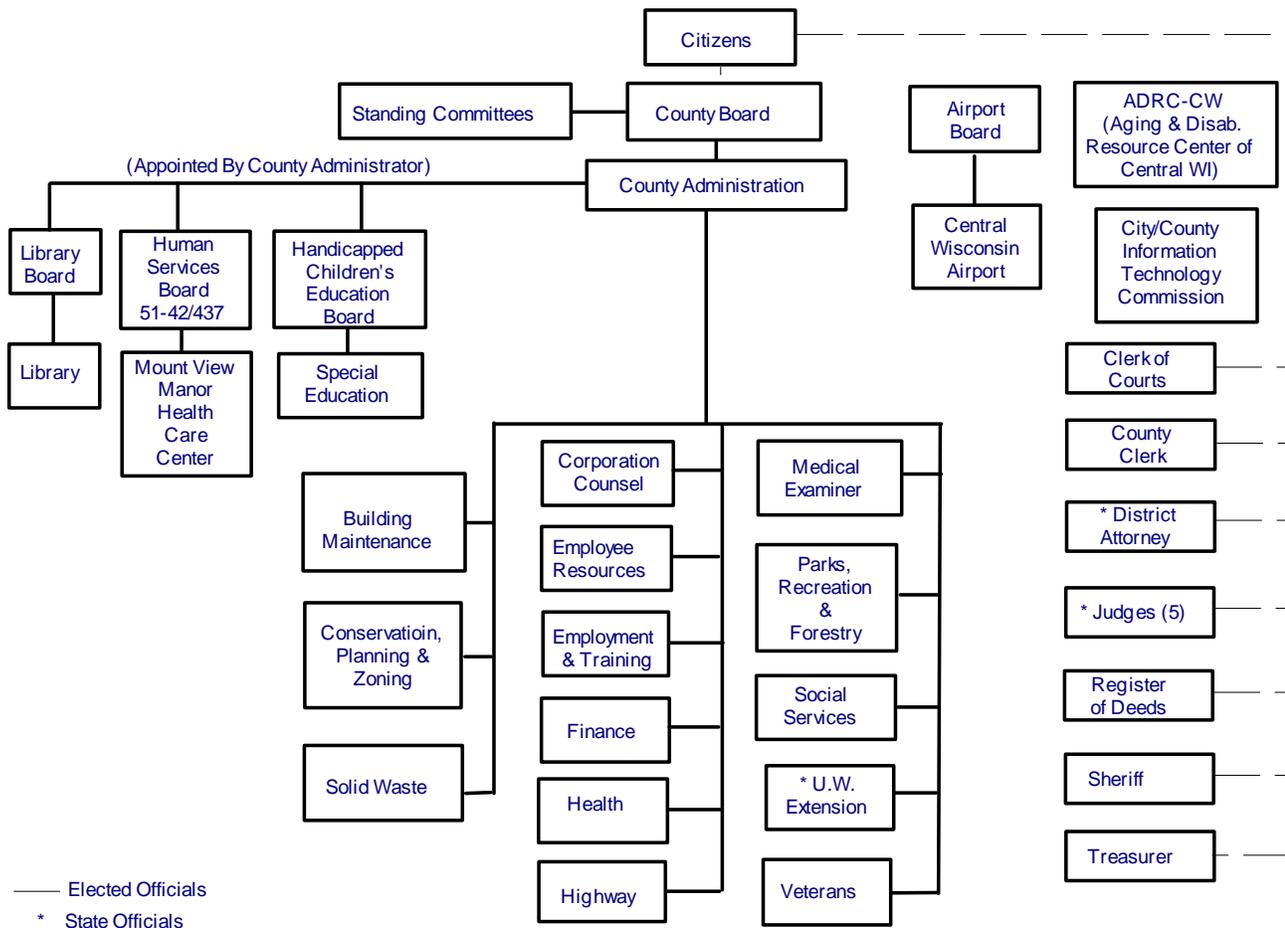
|     |                               |  |
|-----|-------------------------------|--|
|     | Brad Karger .....             | County Administrator                                       |
|     | Linda Weitz .....             | Aging & Disability Resource<br>Center of Central Wisconsin |
|     | Michael Lotter .....          | Building Maintenance                                       |
| *   | Diane Sennholz .....          | Clerk of Courts  |
|     | James Edward Hammer .....     | Conservation, Planning & Zoning                            |
|     | Scott Corbett .....           | Corporation Counsel  |
| *   | Nan Kottke .....              | County Clerk   |
| * • | Ken Heimerman .....           | District Attorney  |
|     | Frank Matel .....             | Employee Resources   |
|     | Kristi Kordus .....           | Finance  |
|     | Joan Theurer .....            | 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 Information Technology Commission |
| Gary Bezucha ..... | North Central Community Services              |

\* Elected    • State Employee

# MARATHON COUNTY ORGANIZATIONAL CHART 2009



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MARATHON COUNTY, WISCONSIN

FINANCIAL STATEMENTS  
For the Year Ended December 31, 2009

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## FINANCIAL SECTION



BAKER TILLY

Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct, PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

## INDEPENDENT AUDITORS' REPORT

To the County Board and the Finance, Property and Facilities 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, 2009, 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 38.3 percent, 85.8 percent, and 33.3 percent, respectively, of the assets, revenues, and net assets 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, 2009, 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 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 considered in assessing the results of our audit.

The management discussion and analysis and schedule of funded status 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 "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Marathon County, Wisconsin. The information has not been audited by us and, accordingly, we express no opinion on such information.



Madison, Wisconsin  
July 27, 2010

## 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, 2009. 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 \$340,481,431 (net assets). Of this amount \$104,922,262 (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 \$4,203,457.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$2,658,483, or 5 percent of total general fund expenditures.
- Marathon County has paid off its current portion of debt service that is funded with tax levy. The County paid the principal of \$4,410,000 on the 2009A GO Note issued in 2009. 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 \$340,481,431 and \$336,277,974 at the end of 2009 and 2008 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 2008 and 2009

|   | <b>2008<br/>Governmental<br/>Activities</b> | <b>2008<br/>Business Type<br/>Activities</b> | <b>2008<br/>Total</b> | <b>2009<br/>Governmental<br/>Activities</b> | <b>2009<br/>Business Type<br/>Activities</b> | <b>2009<br/>Total</b> |
|---|---|--|-----------------------|---|--|-----------------------|
| Current and other assets                        | \$ 129,964,166                              | \$ 62,912,814                                | \$192,876,980         | \$134,514,366                               | \$ 65,932,799                                | \$200,447,165         |
| Capital assets                                  | 216,710,896                                 | 12,808,726                                   | 229,519,622           | 224,381,507                                 | 13,100,521                                   | 237,482,028           |
| <b>Total Assets</b>                             | <b>346,675,062</b>                          | <b>75,721,540</b>                            | <b>422,396,602</b>    | <b>358,895,873</b>                          | <b>79,033,320</b>                            | <b>437,929,193</b>    |
| Other liabilities                               | 54,167,878                                  | 11,228,269                                   | 65,396,147            | 51,647,204                                  | 11,229,431                                   | 62,876,635            |
| Long-term liabilities                           | 7,951,013                                   | 12,771,468                                   | 20,722,481            | 20,783,245                                  | 13,787,882                                   | 34,571,127            |
| <b>Total liabilities</b>                        | <b>62,118,891</b>                           | <b>23,999,737</b>                            | <b>86,118,628</b>     | <b>72,430,449</b>                           | <b>25,017,313</b>                            | <b>97,447,762</b>     |
| Net assets:                                     |   |  |                       |   |  |                       |
| Invested in capital assets, net of related debt | 214,790,257                                 | 12,808,726                                   | 227,598,983           | 219,341,680                                 | 13,093,209                                   | 232,434,889           |
| Restricted                                      | 2,625,708                                   | 2,566,988                                    | 5,192,696             | 1,416,570                                   | 1,707,710                                    | 3,124,280             |
| Unrestricted                                    | 67,140,206                                  | 36,346,089                                   | 103,486,295           | 65,707,174                                  | 39,215,088                                   | 104,922,262           |
| <b>Total net assets</b>                         | <b>\$ 284,556,171</b>                       | <b>\$ 51,721,803</b>                         | <b>\$336,277,974</b>  | <b>\$286,465,424</b>                        | <b>\$54,016,007</b>                          | <b>\$340,481,431</b>  |

An additional portion of Marathon County's net assets, 1 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$104,922,262 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2009 and 2008, 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 \$4,203,457 during the current fiscal year.

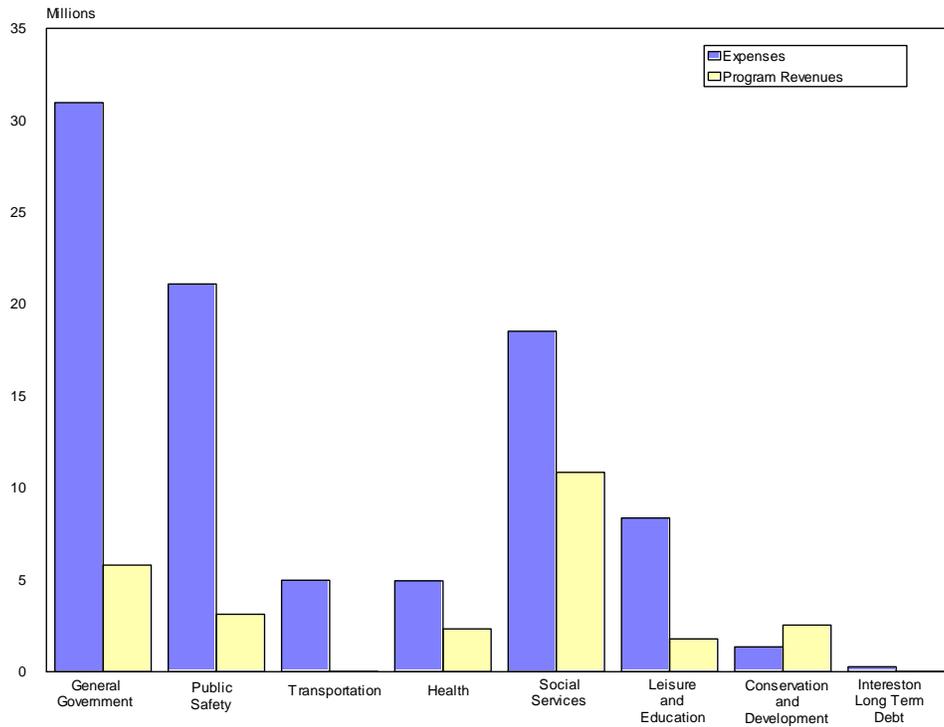
**Governmental activities.** Governmental activities increased Marathon County's net assets by \$1,909,253 thereby accounting for 45 percent of the total growth in the net assets of Marathon County.

### Marathon County's Changes in Net Assets

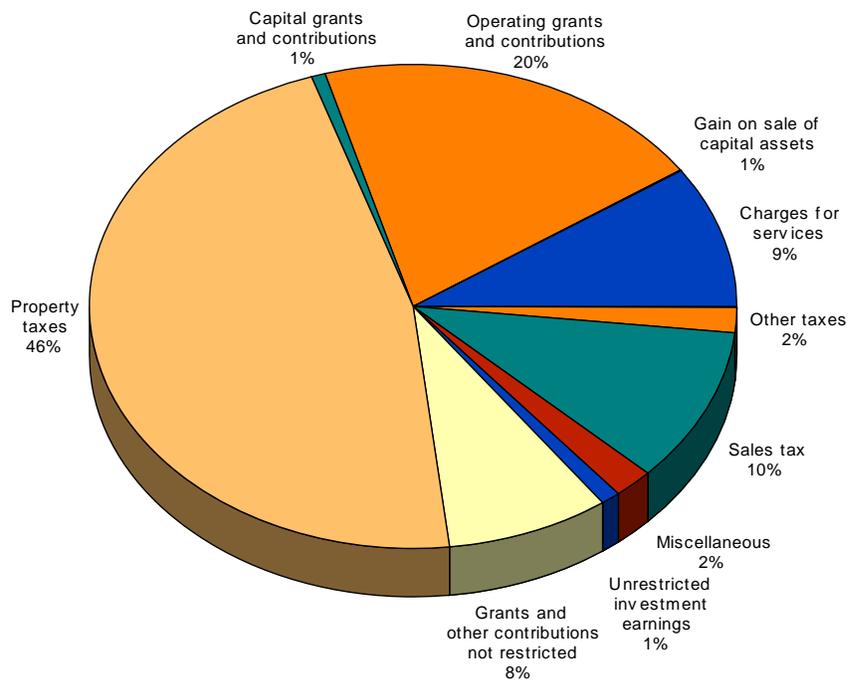
|  | 2008<br>Governmental<br>Activities | 2008<br>Business Type<br>Activities | 2008<br>Total | 2009<br>Governmental<br>Activities | 2009<br>Business Type<br>Activities | 2009<br>Total |
|--|------------------------------------|-------------------------------------|---------------|------------------------------------|-------------------------------------|---------------|
| Revenues:                                  |                                    |                                     |               |                                    |                                     |               |
| Program Revenues                           |                                    |                                     |               |                                    |                                     |               |
| Charges for service                        | 7,045,966                          | 7,866,456                           | 14,912,422    | 8,299,810                          | 6,961,740                           | 15,261,550    |
| Operating grants and contributions         | 20,473,974                         | 873,100                             | 21,347,074    | 15,970,432                         | 1,033,715                           | 17,004,147    |
| Capital grants and contributions           | 863,728                            | 3,132,814                           | 3,996,542     | 621,348                            | 3,189,059                           | 3,810,407     |
| General Revenues                           |                                    |                                     |               |                                    |                                     |               |
| Property taxes                             | 39,723,667                         | 8,409,424                           | 48,133,091    | 40,243,312                         | 8,577,612                           | 48,820,924    |
| Other taxes                                | 12,177,630                         | -                                   | 12,177,630    | 10,644,826                         | -                                   | 10,644,826    |
| Grants not restricted to specific programs | 6,067,914                          | -                                   | 6,067,914     | 7,214,389                          | -                                   | 7,214,389     |
| Other                                      | 5,758,242                          | 2,526,336                           | 8,284,578     | 2,733,721                          | 1,146,943                           | 3,880,664     |
| Total Revenues                             | 92,111,121                         | 22,808,130                          | 114,919,251   | 85,727,838                         | 20,909,069                          | 106,636,907   |
| Expenses:                                  |                                    |                                     |               |                                    |                                     |               |
| General government                         | 28,901,745                         | -                                   | 28,901,745    | 30,953,544                         | -                                   | 30,953,544    |
| Public safety                              | 20,144,675                         | -                                   | 20,144,675    | 21,087,056                         | -                                   | 21,087,056    |
| Transportation                             | 5,831,047                          | -                                   | 5,831,047     | 4,973,010                          | -                                   | 4,973,010     |
| Health                                     | 4,609,679                          | -                                   | 4,609,679     | 4,945,381                          | -                                   | 4,945,381     |
| Social services                            | 24,691,433                         | -                                   | 24,691,433    | 18,525,375                         | -                                   | 18,525,375    |
| Leisure and education                      | 8,624,175                          | -                                   | 8,624,175     | 8,364,884                          | -                                   | 8,364,884     |
| Conservation and development               | 997,139                            | -                                   | 997,139       | 1,351,199                          | -                                   | 1,351,199     |
| Interest on long term debt                 | 54,011                             | -                                   | 54,011        | 271,706                            | -                                   | 271,706       |
| Landfill                                   | -                                  | 3,989,716                           | 3,989,716     | -                                  | 3,468,201                           | 3,468,201     |
| Highway                                    | -                                  | 9,394,576                           | 9,394,576     | -                                  | 8,493,094                           | 8,493,094     |
| Total expenses                             | 93,853,904                         | 13,384,292                          | 107,238,196   | 90,472,155                         | 11,961,295                          | 102,433,450   |
| Increase in net assets before transfers    | (1,742,783)                        | 9,423,838                           | 7,681,055     | (4,744,317)                        | 8,947,774                           | 4,203,457     |
| Transfers                                  | 5,756,201                          | (5,756,201)                         | -             | 6,653,570                          | (6,653,570)                         | -             |
| Increase in net assets                     | 4,013,418                          | 3,667,637                           | 7,681,055     | 1,909,253                          | 2,294,204                           | 4,203,457     |
| Net assets-January 1                       | 280,542,753                        | 48,054,166                          | 328,596,919   | 284,556,171                        | 51,721,803                          | 336,277,974   |
| Net assets-December 31                     | 284,556,171                        | 51,721,803                          | 336,277,974   | 286,465,424                        | 54,016,007                          | 340,481,431   |

Property taxes were \$48,820,924 for 2009 and \$48,133,091 for 2008. 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 2009 is for Central Wisconsin Airport improvements and County Capital 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 \$2,294,204. Key elements of this increase are as follows:

Operating expenses for business type activities decreased by \$1,395,224 or 10%.

Most of the decrease in expenses comes from a decrease in:

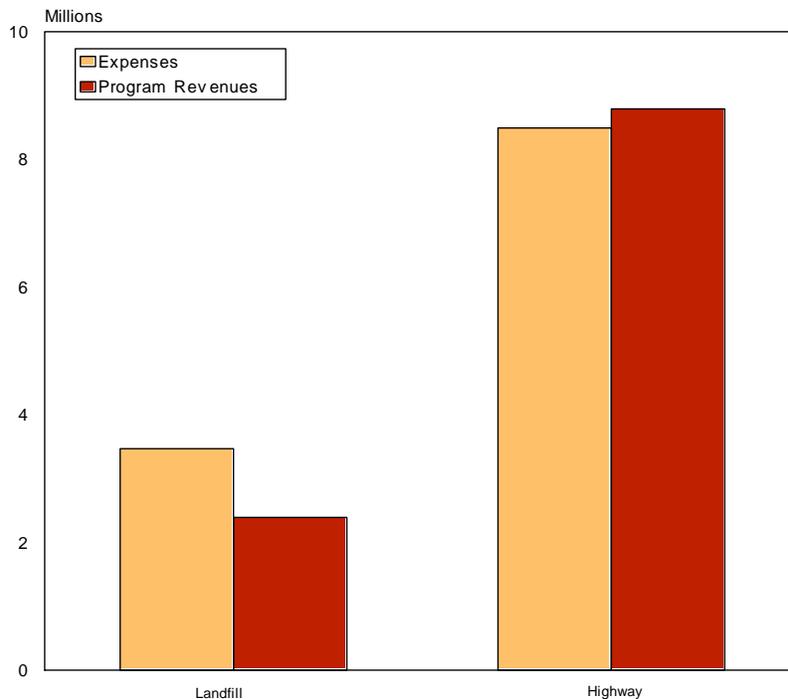
- Construction and maintenance of \$235,899 (12%)
- Contractual services of \$73,577 (18%)
- Other operating expense fees of \$28,425 (33%)
- Depreciation decreased by \$306,599 (17%)
- Materials and supplies of \$198,788 (22%)

The nonoperating expenses increased by \$260,031 for infrastructure construction for governmental activities

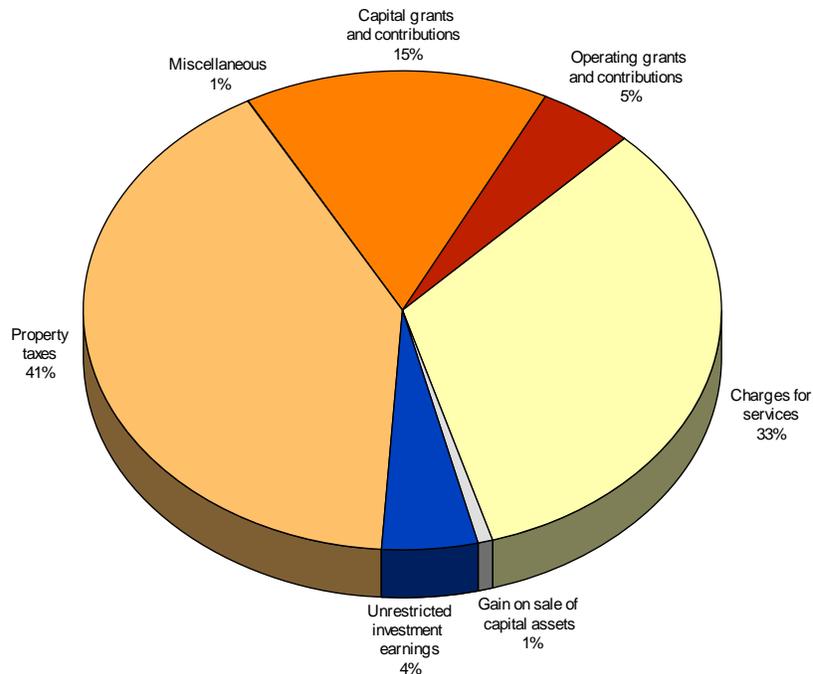
Operating revenues for business type activities decreased by \$904,716 or 12% as follows:

- Intergovernmental charges for services decreased by \$497,085 (10%)
- Public charges for services increased by \$394,841 (14%)
- Other revenues for business type activities decreased by \$12,790 (63%)
- Intergovernmental grants and aids increased by \$216,860 (5%)
- Property Tax revenues increased \$168,188 (2%)
- Decrease in interest income of \$1,180,406 (55%)
- Other income increased \$1,038 (16%)
- Capital contributions from government activities accounted for \$60,000

### 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 \$66,829,836, an increase of \$7,363,324 in comparison with the prior year. Approximately 15 percent of this total amount, \$10,141,180, 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 \$17,888,925 is made up of the following: 1) \$45,931 for inventories and prepaids, 2) \$1,416,570 to pay debt service, 3) \$12,888,072 for capital improvements, 4) \$3,502,624 for delinquent taxes for other governmental entities and, 5) \$35,728 for a variety of other restricted purposes.

The designated fund balance for the governmental funds totaled \$38,799,731. This fund balance is not available for spending and has been committed to the following: 1) \$6,415,942 for subsequent years budget, 2) \$18,790,216 for working capital and 3) \$5,687,615 for improvements, 4) \$2,221,291 for carryforwards 5) \$5,618,888 for compensated absences and 6) \$65,779 for ADRC.

The general fund is the chief operating fund of Marathon County. The undesignated fund balance of the general fund was \$2,658,483 and \$4,148,520 for 2009 and 2008 respectively while the total fund balance reached \$44,041,940 and \$42,856,576 for 2009 and 2008 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 5 percent of total general fund expenditures in 2009 and 7 percent in 2008. Total fund balance represents 72 and 76 percent of that same amount in 2009 and 2008 respectively.

The fund balance of Marathon County's general fund increased by \$1,185,364 during the current fiscal year. Key factors in this change are as follows:

- A decrease in sales tax revenues of \$1,502,911
- Property taxes increased \$933,868
- Revenues from public charges for services of the general fund decreased by \$237,608
- Intergovernmental grants and aids increased \$2,090,298
- Miscellaneous Revenues of the General Fund decreased by \$1,949,254
- General Government expenditures increased \$1,527,841 (6%)
- Public Safety expenditures increased \$276,481. 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 \$396,833
- Leisure & Education expenditures decreased \$97,966 (less than 1%)
- Conservation expenditures increased \$428,871

The debt service fund has a total fund balance of \$1,416,570, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$1,209,139. As of December 31, 2009, the County had \$12,360,000 in general obligation debt that is supported by tax levy dollars.

The fund balance for the Capital Improvement Fund increased by \$6,847,364. This includes bond proceeds for construction of County capital projects and County-wide communication equipment.

The Highway Road Improvement Fund has a fund balance of \$1,490,769. The projects being completed in the Highway Road Improvement Fund include new sections to the County Highway system.

**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 \$6,169,024, and those for the highway operations amounted to \$33,046,064. The total decrease in net assets for the landfill fund was \$810,124. The net assets of the highway fund increased by \$3,104,328. 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 \$6,602,179, which is an increase in appropriations and can be briefly summarized as follows:

\$ 2,124,065 increases in general government activities, which includes:

- \$536,317 increase financial administration
- \$237,240 for legal services
- \$275,000 for judicial expenditures
- \$626,570 increase Conservation, Planning & Zoning

\$ 1,703,222 increases allocated to the public safety

\$ 1,342,846 increases allocated to the health

\$ 13,346 increases allocated for social services

\$ 546,921 increases allocated for leisure and education

\$ 755,664 increases allocated for conservation and economic development

\$ 116,115 increases allocated for capital outlay

Of this increase, a major portion of this increase \$3,696,660 was to be funded out of increases in intergovernmental grants and aids. Taxes increased \$700,289. 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 budget and the final amended general fund budget for the fiscal year ended December 31, 2009 was \$6,602,179 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 \$6,934,487 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 2010.

The final amended general fund budget projected fiscal year expenditures of \$65,730,640. The actual general fund expenditures for the fiscal year ended December 31, 2009 were \$58,795,153.

### **Capital Asset and Debt Administration**

Marathon County's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to \$223,237,774 (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 \$4,361,209 or 2 percent.

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

- Road construction was on going on the County highway system in Weston and Kronenwetter.
- 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        | 28,152,126              | -                        | 28,152,126         |
| Land                           | 32,868,766              | 523,038                  | 33,391,804         |
| Buildings                      | 63,556,948              | 6,698,400                | 70,255,348         |
| Improvements                   | 8,097,844               | 19,148,470               | 27,246,314         |
| Equipment                      | 18,447,946              | 14,286,603               | 32,734,549         |
| Infrastructure                 | 175,512,200             | -                        | 175,512,200        |
| Library Collection             | 4,338,100               | -                        | 4,338,100          |
| Subtotal                       | 330,973,930             | 40,656,511               | 371,630,441        |
| Less: Accumulated Depreciation | (106,592,423)           | (27,555,990)             | (134,148,413)      |
| <b>TOTAL</b>                   | <b>224,381,507</b>      | <b>13,100,521</b>        | <b>237,482,028</b> |

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 \$12,360,000 in bonded debt outstanding paid by tax levy revenues. However, the amount of \$3,310,000 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 2009

|                           |                     |
|---------------------------|---------------------|
| Central Wisconsin Airport | \$3,310,000         |
| General                   | \$12,360,000        |
| <b>TOTAL</b>              | <b>\$15,670,000</b> |

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 2009A 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 \$502,357,740, 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 2009 was 8.7 percent. This compares favorably to the state's average unemployment rate of 8.5 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing Marathon County's budget for the 2010 fiscal year.

The unreserved, undesignated fund balance in the general fund at the end of 2009 was \$2,658,483. Marathon County has appropriated this amount to fund the 2011 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, 2009

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 | Component Units      |                     |
|---|----------------------------|-----------------------------|-----------------------|----------------------|---------------------|
|   |                            |                             |                       | Major                | Non-Major           |
| <b>Assets:</b>  |                            |                             |                       |                      |                     |
| Cash and cash equivalents                               | \$ 73,839,789              | \$ 39,022,278               | \$ 112,862,067        | \$ 4,040,920         | \$ 1,780,354        |
| Investments   | -                          | -                           | -                     | 5,875,000            | -                   |
| Taxes receivable  | 45,616,851                 | 8,668,697                   | 54,285,548            | -                    | -                   |
| Accounts receivable                                     | 1,522,711                  | 490,841                     | 2,013,552             | 6,865,872            | 5,531               |
| Contracts receivable                                    | -                          | 610,495                     | 610,495               | -                    | -                   |
| Accrued interest receivable                             | 489,106                    | -                           | 489,106               | -                    | 1,747               |
| Penalties and interest receivable                       | 244,453                    | -                           | 244,453               | -                    | -                   |
| Internal balances                                       | (894)                      | 894                         | -                     | -                    | -                   |
| Due from other governments                              | 3,027,181                  | 1,159,647                   | 4,186,828             | 422,000              | 140,987             |
| Due from discretely presented component unit            | 2,499                      | 104                         | 2,603                 | -                    | -                   |
| Prepaid items   | 28,997                     | -                           | 28,997                | 77,323               | 39,077              |
| Inventories   | 16,934                     | 1,328,249                   | 1,345,183             | 346,688              | -                   |
| <b>Restricted assets</b>                                |                            |                             |                       |                      |                     |
| Cash and cash equivalents                               | 8,100,812                  | 2,066,906                   | 10,167,718            | 1,049,102            | 45,000              |
| Investments   | -                          | 12,501,456                  | 12,501,456            | 381,487              | -                   |
| Accrued interest receivable                             | -                          | 83,232                      | 83,232                | -                    | -                   |
| Deposit in Wisconsin Municipal Mutual Insurance Company | 1,519,000                  | -                           | 1,519,000             | -                    | -                   |
| Deferred charges  | 106,927                    | -                           | 106,927               | 29,158               | -                   |
| <b>Capital assets:</b>                                  |                            |                             |                       |                      |                     |
| Capital Assets not depreciated                          | 61,020,892                 | 523,038                     | 61,543,930            | 3,315,060            | -                   |
| Capital Assets, net of accumulated depreciation         | 163,360,615                | 12,577,483                  | 175,938,098           | 39,172,854           | 219,617             |
| <b>Total assets</b>                                     | <b>\$ 358,895,873</b>      | <b>\$ 79,033,320</b>        | <b>\$ 437,929,193</b> | <b>\$ 61,575,464</b> | <b>\$ 2,232,313</b> |
| <b>Liabilities:</b>                                     |                            |                             |                       |                      |                     |
| Accounts payable  | \$ 4,652,642               | \$ 815,045                  | \$ 5,467,687          | \$ 1,625,084         | \$ 619,909          |
| Accrued items   | 676,481                    | 93,208                      | 769,689               | 794,021              | -                   |
| Special deposits  | 620,074                    | -                           | 620,074               | 381,487              | -                   |
| Accrued interest payable                                | 38,815                     | -                           | 38,815                | 34,674               | -                   |
| Accrued liability - claims payable                      | 3,019,527                  | -                           | 3,019,527             | 720,000              | -                   |
| Due to other governments                                | 1,232,762                  | 1,463,503                   | 2,696,265             | 540,447              | -                   |
| Due to primary government                               | -                          | -                           | -                     | 2,603                | -                   |
| Unearned revenues                                       | 40,075,855                 | 8,835,915                   | 48,911,770            | 1,583,688            | 12,606              |
| Advance from primary government                         | -                          | -                           | -                     | -                    | -                   |
| Compensated absences                                    | -                          | -                           | -                     | 1,634,505            | -                   |
| <b>Non-current liabilities:</b>                         |                            |                             |                       |                      |                     |
| Due within one year:                                    |                            |                             |                       |                      |                     |
| Current portion of long-term obligations                | 1,331,048                  | 21,760                      | 1,352,808             | 355,000              | 4,502               |
| <b>Non-current liabilities:</b>                         |                            |                             |                       |                      |                     |
| Due in more than one year:                              |                            |                             |                       |                      |                     |
| Premium on note payable                                 | 1,072,165                  | -                           | 1,072,165             | -                    | -                   |
| General obligation notes payable                        | 11,165,000                 | -                           | 11,165,000            | 2,955,000            | -                   |
| Non-current portion-forest crop loan payable            | 1,838,942                  | -                           | 1,838,942             | -                    | -                   |
| Landfill closure & long-term care payable               | -                          | 12,819,059                  | 12,819,059            | -                    | -                   |
| Compensated absences                                    | 4,804,340                  | 707,940                     | 5,512,280             | 128,770              | 81,164              |
| Net OPEB obligation                                     | 1,902,798                  | 260,883                     | 2,163,681             | 64,329               | -                   |
| <b>Total liabilities</b>                                | <b>72,430,449</b>          | <b>25,017,313</b>           | <b>97,447,762</b>     | <b>10,819,608</b>    | <b>718,181</b>      |
| <b>Net Assets</b>                                       |                            |                             |                       |                      |                     |
| Invested in capital assets, net of related debt         | 219,341,680                | 13,093,209                  | 232,434,889           | 39,177,914           | 219,617             |
| <b>Restricted</b>                                       |                            |                             |                       |                      |                     |
| Debt service  | 1,416,570                  | -                           | 1,416,570             | -                    | -                   |
| Landfill long-term care costs                           | -                          | 1,707,710                   | 1,707,710             | -                    | -                   |
| Passenger facility charges                              | -                          | -                           | -                     | 1,719,944            | -                   |
| Employee benefit  | -                          | -                           | -                     | -                    | 45,000              |
| <b>Unrestricted</b>                                     |                            |                             |                       |                      |                     |
| <b>Total Net Assets</b>                                 | <b>\$ 286,465,424</b>      | <b>\$ 54,016,007</b>        | <b>\$ 340,481,431</b> | <b>\$ 50,755,856</b> | <b>\$ 1,514,132</b> |

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, 2009

Program Revenues

|   | Expenses             | Charges for<br>Services | Operating Grants<br>and Contributions | Capital Grants<br>and Contributions | Governmental<br>Activities | Business-type<br>Activities | Total                 | Major Component<br>Units | Non-Major<br>Component Units |
|---|----------------------|-------------------------|---------------------------------------|-------------------------------------|----------------------------|-----------------------------|-----------------------|--------------------------|------------------------------|
| Primary government:   |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| Governmental activities                                     |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| General government  | \$ 30,953,544        | \$ 4,086,920            | \$ 1,377,784                          | \$ -                                | \$ (25,488,840)            | \$ -                        | \$ (25,488,840)       | \$ -                     | \$ -                         |
| Public safety   | 21,087,056           | 1,422,591               | 732,405                               | 604,975                             | (18,327,085)               | -                           | (18,327,085)          | -                        | -                            |
| Transportation  | 4,973,010            | -                       | -                                     | -                                   | (4,973,010)                | -                           | (4,973,010)           | -                        | -                            |
| Health  | 4,945,381            | 590,671                 | 1,715,439                             | -                                   | (2,639,271)                | -                           | (2,639,271)           | -                        | -                            |
| Social services   | 18,525,375           | 998,231                 | 9,279,701                             | -                                   | (8,247,443)                | -                           | (8,247,443)           | -                        | -                            |
| Leisure and education                                       | 8,364,884            | 1,082,422               | 545,284                               | 16,373                              | (6,720,805)                | -                           | (6,720,805)           | -                        | -                            |
| Conservation and development                                | 1,351,199            | 118,975                 | 2,319,819                             | -                                   | 1,087,595                  | -                           | 1,087,595             | -                        | -                            |
| Interest on long term debt                                  | 271,706              | -                       | -                                     | -                                   | (271,706)                  | -                           | (271,706)             | -                        | -                            |
| Total governmental activities                               | <u>90,472,155</u>    | <u>8,299,810</u>        | <u>15,970,432</u>                     | <u>621,348</u>                      | <u>(65,580,565)</u>        | <u>-</u>                    | <u>(65,580,565)</u>   | <u>-</u>                 | <u>-</u>                     |
| Business-type activities                                    |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| Landfill  | 3,468,201            | 2,367,684               | 24,895                                | -                                   | -                          | (1,075,622)                 | (1,075,622)           | -                        | -                            |
| Highway   | 8,493,094            | 4,594,056               | 1,008,820                             | 3,189,059                           | -                          | 298,841                     | 298,841               | -                        | -                            |
| Total business-type activities                              | <u>11,961,295</u>    | <u>6,961,740</u>        | <u>1,033,715</u>                      | <u>3,189,059</u>                    | <u>-</u>                   | <u>(776,781)</u>            | <u>(776,781)</u>      | <u>-</u>                 | <u>-</u>                     |
| Total primary government                                    | <u>102,433,450</u>   | <u>15,261,550</u>       | <u>17,004,147</u>                     | <u>3,810,407</u>                    | <u>(65,580,565)</u>        | <u>(776,781)</u>            | <u>(66,357,346)</u>   | <u>-</u>                 | <u>-</u>                     |
| Component units:  |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| Governmental-type   |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| Handicapped Children Education Boarc                        | 5,506,978            | 3,507,916               | 803,527                               | -                                   | -                          | -                           | -                     | -                        | (1,195,535)                  |
| Business-type   |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| Central Wisconsin Airpor                                    | 4,502,111            | 2,550,168               | -                                     | 1,147,298                           | -                          | -                           | -                     | (804,645)                | -                            |
| North Central Community Services                            | 59,826,044           | 47,212,250              | 11,448,150                            | 363,593                             | -                          | -                           | -                     | (802,051)                | -                            |
| Total business-type component units                         | <u>\$ 64,328,155</u> | <u>\$ 49,762,418</u>    | <u>\$ 11,448,150</u>                  | <u>\$ 1,510,891</u>                 | <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ -</u>           | <u>\$ (1,606,696)</u>    | <u>\$ -</u>                  |
| General revenues  |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| Taxes   |                      |                         |                                       |                                     |                            |                             |                       |                          |                              |
| Property taxes  |                      |                         |                                       |                                     | 40,243,312                 | 8,577,612                   | 48,820,924            | -                        | -                            |
| Sales taxes   |                      |                         |                                       |                                     | 9,205,424                  | -                           | 9,205,424             | -                        | -                            |
| Other taxes   |                      |                         |                                       |                                     | 1,439,402                  | -                           | 1,439,402             | -                        | -                            |
| Grants and contributions not restricted to specific program |                      |                         |                                       |                                     | 7,214,389                  | -                           | 7,214,389             | -                        | 1,031,030                    |
| Unrestricted investment earnings                            |                      |                         |                                       |                                     | 1,322,366                  | 979,824                     | 2,302,190             | 241,917                  | 35,014                       |
| Gain on sale of capital asset                               |                      |                         |                                       |                                     | 45,988                     | -                           | 45,988                | -                        | -                            |
| Miscellaneous   |                      |                         |                                       |                                     | 1,365,367                  | 167,119                     | 1,532,486             | 637,098                  | 35,292                       |
| Transfers   |                      |                         |                                       |                                     | 6,653,570                  | (6,653,570)                 | -                     | -                        | -                            |
| Total general revenues, special items and transfers         |                      |                         |                                       |                                     | <u>67,489,818</u>          | <u>3,070,985</u>            | <u>70,560,803</u>     | <u>879,015</u>           | <u>1,101,336</u>             |
| Change in net asset   |                      |                         |                                       |                                     | 1,909,253                  | 2,294,204                   | 4,203,457             | (727,681)                | (94,199)                     |
| Net assets - beginning                                      |                      |                         |                                       |                                     | 284,556,171                | 51,721,803                  | 336,277,974           | 51,483,537               | 1,608,331                    |
| Net assets - ending   |                      |                         |                                       |                                     | <u>\$ 286,465,424</u>      | <u>\$ 54,016,007</u>        | <u>\$ 340,481,431</u> | <u>\$ 50,755,856</u>     | <u>\$ 1,514,132</u>          |

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

**MARATHON COUNTY, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2009

|  | General              | Social<br>Improvement | Capital<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-----------------------|------------------------|--------------------------------|--------------------------------|
| <b>Assets:</b>                                   |                      |                       |                        |                                |                                |
| Cash and cash equivalents                        | \$ 32,637,517        | \$ 2,848,925          | \$ 19,164,053          | \$ 2,082,346                   | \$ 56,732,841                  |
| Taxes receivable                                 | 35,533,526           | 8,422,550             | -                      | 1,660,775                      | 45,616,851                     |
| Accounts receivable                              | 1,338,834            | 58,899                | -                      | -                              | 1,397,733                      |
| Accrued interest receivable                      | 489,106              | -                     | -                      | -                              | 489,106                        |
| Penalties and interest receivable                | 244,453              | -                     | -                      | -                              | 244,453                        |
| Due from other governments                       | 2,178,136            | 849,045               | -                      | -                              | 3,027,181                      |
| Due from other funds                             | 3,912                | -                     | -                      | -                              | 3,912                          |
| Due from discretely presented component unit     | 2,499                | -                     | -                      | -                              | 2,499                          |
| Prepaid items                                    | -                    | 28,997                | -                      | -                              | 28,997                         |
| Inventories                                      | 16,934               | -                     | -                      | -                              | 16,934                         |
| <b>Restricted assets:</b>                        |                      |                       |                        |                                |                                |
| Cash and cash equivalents                        | 6,920,796            | 354,704               | -                      | 825,312                        | 8,100,812                      |
| <b>Total assets</b>                              | <b>\$ 79,365,713</b> | <b>\$ 12,563,120</b>  | <b>\$ 19,164,053</b>   | <b>\$ 4,568,433</b>            | <b>\$ 115,661,319</b>          |
| <b>Liabilities and Fund Balance:</b>             |                      |                       |                        |                                |                                |
| Accounts payable                                 | \$ 1,627,710         | \$ 750,241            | \$ 1,825,208           | \$ 319                         | \$ 4,203,478                   |
| Accrued items                                    | 513,136              | 98,104                | -                      | -                              | 611,240                        |
| Special deposits                                 | 271,635              | 348,439               | -                      | -                              | 620,074                        |
| Due to other governments                         | 1,232,550            | 212                   | -                      | -                              | 1,232,762                      |
| Due to other funds                               | 984                  | 3,822                 | -                      | -                              | 4,806                          |
| Deferred revenues                                | 31,677,758           | 8,820,590             | -                      | 1,660,775                      | 42,159,123                     |
| <b>Total liabilities</b>                         | <b>\$ 35,323,773</b> | <b>\$ 10,021,408</b>  | <b>\$ 1,825,208</b>    | <b>\$ 1,661,094</b>            | <b>\$ 48,831,483</b>           |
| <b>Fund Balances:</b>                            |                      |                       |                        |                                |                                |
| <b>Fund balances:</b>                            |                      |                       |                        |                                |                                |
| <b>Reserved:</b>                                 |                      |                       |                        |                                |                                |
| Reserved for delinquent taxes                    | \$ 3,502,624         | \$ -                  | \$ -                   | \$ -                           | \$ 3,502,624                   |
| Reserved for inventory and prepaid items         | 16,934               | 28,997                | -                      | -                              | 45,931                         |
| Reserved for long-term receivables               | 35,728               | -                     | -                      | -                              | 35,728                         |
| Reserved for encumbrances                        | -                    | -                     | 12,888,072             | -                              | 12,888,072                     |
| Reserved for debt service                        | -                    | -                     | -                      | 1,416,570                      | 1,416,570                      |
| <b>Unreserved and designated, reported in:</b>   |                      |                       |                        |                                |                                |
| General fund                                     | 37,828,171           | -                     | -                      | -                              | 37,828,171                     |
| Social improvement fund                          | -                    | 971,560               | -                      | -                              | 971,560                        |
| <b>Unreserved and undesignated, reported in:</b> |                      |                       |                        |                                |                                |
| General fund                                     | 2,658,483            | -                     | -                      | -                              | 2,658,483                      |
| Special revenue fund                             | -                    | 1,541,155             | -                      | -                              | 1,541,155                      |
| Capital projects fund                            | -                    | -                     | 4,450,773              | 1,490,769                      | 5,941,542                      |
| <b>Total fund balance</b>                        | <b>44,041,940</b>    | <b>2,541,712</b>      | <b>17,338,845</b>      | <b>2,907,339</b>               | <b>66,829,836</b>              |
| <b>Total liabilities and fund balances</b>       | <b>\$ 79,365,713</b> | <b>\$ 12,563,120</b>  | <b>\$ 19,164,053</b>   | <b>\$ 4,568,433</b>            |                                |

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)  | 224,381,507           |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds  | 2,083,954             |
| Internal service funds are used by management to charge costs of insurance coverage to individual funds. The assets and liabilities of the internal service funds are included in government activities in the statement of net assets | 15,169,687            |
| 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.  | (21,999,560)          |
| <b>Net assets of government activities</b>   | <b>\$ 286,465,424</b> |

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, 2009

|  | General            | Social<br>Improvement | Capital<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------|-----------------------|------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>   |                    |                       |                        |                                |                                |
| Taxes  | \$ 40,186,382      | \$ 8,124,672          | \$ -                   | \$ 2,338,469                   | \$ 50,649,523                  |
| Intergovernmental grants and aids                            | 13,991,476         | 10,766,904            | -                      | -                              | 24,758,380                     |
| Licenses and permits   | 259,138            | -                     | -                      | -                              | 259,138                        |
| Fines and forfeitures  | 758,343            | -                     | -                      | -                              | 758,343                        |
| Public charges for services                                  | 4,096,864          | 648,895               | -                      | 58,094                         | 4,803,853                      |
| Intergovernmental charges for services                       | 1,215,014          | -                     | -                      | -                              | 1,215,014                      |
| Miscellaneous revenue  | 809,217            | 182,576               | 398,644                | 142,492                        | 1,532,929                      |
| <b>Total revenues</b>  | <b>61,316,434</b>  | <b>19,723,047</b>     | <b>398,644</b>         | <b>2,539,055</b>               | <b>83,977,180</b>              |
| <b>Expenditures:</b>   |                    |                       |                        |                                |                                |
| <b>Current:</b>  |                    |                       |                        |                                |                                |
| General government   | 25,126,067         | -                     | -                      | -                              | 25,126,067                     |
| Public safety  | 19,267,926         | -                     | -                      | -                              | 19,267,926                     |
| Health   | 4,938,759          | -                     | -                      | -                              | 4,938,759                      |
| Social services  | 229,237            | 18,313,784            | -                      | -                              | 18,543,021                     |
| Leisure activities and education                             | 7,331,865          | -                     | -                      | -                              | 7,331,865                      |
| Conservation and economic development                        | 1,438,353          | -                     | -                      | -                              | 1,438,353                      |
| Capital outlay   | 462,946            | -                     | 12,551,149             | 1,490                          | 13,015,585                     |
| Debt service:  |                    |                       |                        |                                | -                              |
| Principal  | -                  | -                     | -                      | 4,468,304                      | 4,468,304                      |
| Interest and paying agent fees                               | -                  | -                     | -                      | 480,221                        | 480,221                        |
| <b>Total expenditures</b>                                    | <b>58,795,153</b>  | <b>18,313,784</b>     | <b>12,551,149</b>      | <b>4,950,015</b>               | <b>94,610,101</b>              |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>2,521,281</b>   | <b>1,409,263</b>      | <b>(12,152,505)</b>    | <b>(2,410,960)</b>             | <b>(10,632,921)</b>            |
| <b>Other financing sources (uses):</b>                       |                    |                       |                        |                                |                                |
| <b>Transfers in:</b>   |                    |                       |                        |                                |                                |
| General Fund   | -                  | 120,000               | 2,113,295              | -                              | 2,233,295                      |
| Social Improvement Fund                                      | 47,884             | -                     | 952,390                | -                              | 1,000,274                      |
| Capital Improvement Fund                                     | 794,851            | -                     | -                      | -                              | 794,851                        |
| Sales of capital assets                                      | 40,035             | -                     | 19,035                 | -                              | 59,070                         |
| General obligation debt issued                               | -                  | -                     | 16,770,000             | -                              | 16,770,000                     |
| State loan program debt issued                               | 14,608             | -                     | -                      | -                              | 14,608                         |
| Debt premium   | -                  | -                     | -                      | 1,212,567                      | 1,212,567                      |
| <b>Transfers out:</b>  |                    |                       |                        |                                |                                |
| General Fund   | -                  | (47,884)              | (794,851)              | -                              | (842,735)                      |
| Social Improvement Fund                                      | (120,000)          | -                     | -                      | -                              | (120,000)                      |
| Capital Improvement Fund                                     | (2,113,295)        | (952,390)             | -                      | -                              | (3,065,685)                    |
| County Highway Fund  | -                  | -                     | (60,000)               | -                              | (60,000)                       |
| <b>Total other financing sources (uses)</b>                  | <b>(1,335,917)</b> | <b>(880,274)</b>      | <b>18,999,869</b>      | <b>1,212,567</b>               | <b>17,996,245</b>              |
| <b>Net change in fund balance</b>                            | <b>1,185,364</b>   | <b>528,989</b>        | <b>6,847,364</b>       | <b>(1,198,393)</b>             | <b>7,363,324</b>               |
| Fund balances, January 1                                     | 42,856,576         | 2,012,723             | 10,491,481             | 4,105,732                      | 59,466,512                     |
| Fund balances, December 31                                   | \$ 44,041,940      | \$ 2,541,712          | \$ 17,338,845          | \$ 2,907,339                   | \$ 66,829,836                  |

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, 2009

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

Net change in fund balance-total governmental funds \$ 7,363,324

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:

|  |             |
|--|-------------|
| Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements including infrastructure assets | 17,974,294  |
| Less: Depreciation is reported in the government-wide statements   | (8,723,540) |
| Deletion of capital assets, net of accumulated depreciation  | (1,520,143) |

Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds (1,143,420)

The issuance of long-term debt (e. g. bonds, leases) provides current financial resources to government 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. (12,316,304)

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. (782,553)

The net revenues of certain activities in the internal service funds is reported with government activities 1,057,595

Change in net assets of governmental activities \$ 1,909,253

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, 2009

|  | 2009               |                    |                    |                               |
|--|--------------------|--------------------|--------------------|-------------------------------|
|  | Budgeted Amounts   |                    | Actual             | Variance<br>with Final Budget |
|  | Original           | Final              |                    |                               |
| <b>Revenues:</b>                                     |                    |                    |                    |                               |
| Taxes  | \$ 40,414,324      | \$ 40,552,668      | \$ 40,186,382      | \$ (366,286)                  |
| Intergovernmental grants and aids                    | 10,527,369         | 14,224,029         | 13,991,476         | (232,553)                     |
| Licenses and permits                                 | 281,660            | 281,660            | 259,138            | (22,522)                      |
| Fines and forfeitures                                | 831,400            | 831,400            | 758,343            | (73,057)                      |
| Public charges for services                          | 4,443,258          | 4,472,006          | 4,096,864          | (375,142)                     |
| Intergovernmental charges for services               | 1,262,419          | 1,267,719          | 1,215,014          | (52,705)                      |
| Miscellaneous revenue                                | 1,514,249          | 1,653,092          | 809,217            | (843,875)                     |
| <b>Total revenues</b>                                | <b>59,274,679</b>  | <b>63,282,574</b>  | <b>61,316,434</b>  | <b>(1,966,140)</b>            |
| <b>Expenditures:</b>                                 |                    |                    |                    |                               |
| <b>Current:</b>                                      |                    |                    |                    |                               |
| General government                                   | 26,477,191         | 28,167,707         | 25,126,067         | 3,041,640                     |
| Public safety  | 18,468,417         | 20,171,639         | 19,267,926         | 903,713                       |
| Health   | 4,684,642          | 6,027,488          | 4,938,759          | 1,088,729                     |
| Social services                                      | 231,173            | 244,519            | 229,237            | 15,282                        |
| Leisure activities and education                     | 7,789,028          | 8,335,949          | 7,331,865          | 1,004,084                     |
| Conservation and economic development                | 1,252,010          | 2,007,674          | 1,438,353          | 569,321                       |
| Capital outlay                                       | 225,000            | 774,664            | 462,946            | 311,718                       |
| <b>Total expenditures</b>                            | <b>59,127,461</b>  | <b>65,729,640</b>  | <b>58,795,153</b>  | <b>6,934,487</b>              |
| <br>   |                    |                    |                    |                               |
| Excess (deficiency) of revenues<br>over expenditures | 146,218            | (2,448,066)        | 2,521,281          | 4,969,347                     |
| <br>   |                    |                    |                    |                               |
| <b>Other financing sources (uses):</b>               |                    |                    |                    |                               |
| <b>Transfers in:</b>                                 |                    |                    |                    |                               |
| Social Improvement Fund                              | -                  | -                  | 47,884             | 47,884                        |
| Capital Improvement Fund                             | 167,892            | 329,309            | 794,851            | 465,542                       |
| Sales of capital assets                              | 26,500             | 35,067             | 40,035             | 4,968                         |
| State loan program debt issued                       | 14,884             | 14,884             | 14,608             | (276)                         |
| <b>Transfers out:</b>                                |                    |                    |                    |                               |
| Social Improvement Fund                              | (120,000)          | (120,000)          | (120,000)          | -                             |
| Capital Improvement Fund                             | (1,678,391)        | (2,004,963)        | (2,113,295)        | (108,332)                     |
| <b>Total other financing sources (uses)</b>          | <b>(1,589,115)</b> | <b>(1,745,703)</b> | <b>(1,335,917)</b> | <b>409,786</b>                |
| <br>   |                    |                    |                    |                               |
| Net change in fund balance                           | (1,442,897)        | (4,193,769)        | 1,185,364          | 5,379,133                     |
| <br>   |                    |                    |                    |                               |
| Fund balances, January 1                             | 42,856,576         | 42,856,576         | 42,856,576         | -                             |
| <br>   |                    |                    |                    |                               |
| Fund balances, December 31                           | \$ 41,413,679      | \$ 38,662,807      | \$ 44,041,940      | \$ 5,379,133                  |

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, 2009

|  | 2009             |              |              |                               |
|--|------------------|--------------|--------------|-------------------------------|
|  | Budgeted Amounts |              | Actual       | Variance<br>with Final Budget |
|  | Original         | Final        |              |                               |
| Revenues:  |                  |              |              |                               |
| General property taxes                               | \$ 8,124,672     | \$ 8,124,672 | \$ 8,124,672 | \$ -                          |
| Intergovernmental grants and aids:                   |                  |              |              |                               |
| Federal grants                                       | 418,548          | 521,449      | 1,158,818    | 637,369                       |
| State grants:  |                  |              |              |                               |
| Provided services and administration                 | 4,031,440        | 4,231,288    | 3,794,551    | (436,737)                     |
| Special services                                     | 3,867,397        | 4,275,351    | 4,643,612    | 368,261                       |
| Other revenues                                       | 1,754,544        | 1,754,544    | 849,131      | (905,413)                     |
| Local government grants                              | 518,579          | 567,322      | 320,792      | (246,530)                     |
| Total intergovernmental grants and aids              | 10,590,508       | 11,349,954   | 10,766,904   | (583,050)                     |
| Public charges for services:                         |                  |              |              |                               |
| General government                                   | 5,300            | 5,300        | 7,450        | 2,150                         |
| Public safety  | 9,500            | 9,500        | 14,063       | 4,563                         |
| Social services                                      | 576,500          | 692,323      | 627,382      | (64,941)                      |
| Total public charges for service                     | 591,300          | 707,123      | 648,895      | (58,228)                      |
| Miscellaneous revenue:                               |                  |              |              |                               |
| Interest income                                      | 337,300          | 337,300      | 177,966      | (159,334)                     |
| Other revenues                                       | 239,347          | 239,347      | 4,610        | (234,737)                     |
| Total miscellaneous revenue                          | 576,647          | 576,647      | 182,576      | (394,071)                     |
| Total revenues                                       | 19,883,127       | 20,758,396   | 19,723,047   | (1,035,349)                   |
| Expenditures:  |                  |              |              |                               |
| Social services:                                     |                  |              |              |                               |
| Personal services                                    | 9,131,895        | 9,546,830    | 8,073,818    | 1,473,012                     |
| Contractual services                                 | 909,829          | 963,733      | 1,085,157    | (121,424)                     |
| Materials and supplies                               | 294,589          | 305,453      | 267,179      | 38,274                        |
| Fixed charges  | 336,412          | 353,595      | 331,071      | 22,524                        |
| Grants and contributions                             | 9,615,834        | 10,126,052   | 8,556,559    | 1,569,493                     |
| Total expenditures                                   | 20,288,559       | 21,295,663   | 18,313,784   | 2,981,879                     |
| Excess (deficiency) of revenues<br>over expenditures | (405,432)        | (537,267)    | 1,409,263    | 1,946,530                     |
| Other financing sources (uses):                      |                  |              |              |                               |
| Transfers in:  |                  |              |              |                               |
| General Fund   | 120,000          | 120,000      | 120,000      | -                             |
| Transfers out:                                       |                  |              |              |                               |
| General Fund   | -                | -            | (47,884)     | (47,884)                      |
| Capital Improvement Fund                             | (952,390)        | (952,390)    | (952,390)    | -                             |
| Total other financing sources (uses)                 | (832,390)        | (832,390)    | (880,274)    | (47,884)                      |
| Net change in fund balance                           | (1,237,822)      | (1,369,657)  | 528,989      | 1,898,646                     |
| Fund balances, January 1                             | 2,012,723        | 2,012,723    | 2,012,723    | -                             |
| Fund balances, December 31                           | \$ 774,901       | \$ 643,066   | \$ 2,541,712 | \$ 1,898,646                  |

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, 2009

|   | Business Type Activities - Enterprise Funds |                      |                      | Governmental<br>Activities- Internal<br>Service |
|---|---|----------------------|----------------------|---|
|   | Landfill                                    | County Highway       | Total                |   |
| <b>Assets</b>   |   |                      |                      |   |
| <b>Current assets:</b>                                  |   |                      |                      |   |
| Cash and cash equivalents                               | \$ 6,817,869                                | \$ 32,204,409        | \$ 39,022,278        | \$ 17,106,948                                   |
| Taxes receivable  | -   | 8,668,697            | 8,668,697            | -   |
| Accounts receivable                                     | 484,331                                     | 6,509                | 490,840              | 124,980   |
| Contracts receivable                                    | 610,495                                     | -                    | 610,495              | -   |
| Due from other governments                              | -   | 1,159,647            | 1,159,647            | -   |
| Due from other funds                                    | 1,300                                       | -                    | 1,300                | -   |
| Due from discretely presented component unit            | -   | 104                  | 104                  | -   |
| Inventories   | 73,240                                      | 1,255,009            | 1,328,249            | -   |
| Total current assets                                    | <u>7,987,235</u>                            | <u>43,294,375</u>    | <u>51,281,610</u>    | <u>17,231,928</u>                               |
| <b>Noncurrent assets:</b>                               |   |                      |                      |   |
| Restricted cash   | 2,066,906                                   | -                    | 2,066,906            | -   |
| Restricted investments                                  | 12,501,456                                  | -                    | 12,501,456           | -   |
| Accrued interest receivable                             | 83,232                                      | -                    | 83,232               | -   |
| Deposit in Wisconsin Municipal Mutual Insurance Company | -   | -                    | -                    | 1,519,000                                       |
| <b>Capital assets:</b>                                  |   |                      |                      |   |
| Land  | 268,534                                     | 254,504              | 523,038              | -   |
| Buildings   | 1,330,780                                   | 5,367,620            | 6,698,400            | -   |
| Improvements  | 19,148,470                                  | -                    | 19,148,470           | -   |
| Equipment   | 366,743                                     | 13,919,860           | 14,286,603           | 58,466  |
| Less: accumulated depreciation                          | (16,291,330)                                | (11,264,660)         | (27,555,990)         | (58,466)  |
| Total capital assets (Net of accumulated depreciation)  | <u>4,823,197</u>                            | <u>8,277,324</u>     | <u>13,100,521</u>    | <u>-</u>  |
| Total noncurrent assets                                 | <u>19,474,791</u>                           | <u>8,277,324</u>     | <u>27,752,115</u>    | <u>1,519,000</u>                                |
| Total assets  | <u>\$ 27,462,026</u>                        | <u>\$ 51,571,699</u> | <u>\$ 79,033,725</u> | <u>\$ 18,750,928</u>                            |
| <b>Liabilities and Net Assets</b>                       |   |                      |                      |   |
| <b>Current liabilities:</b>                             |   |                      |                      |   |
| Accounts payable  | 428,100                                     | 386,944              | 815,044              | 449,166   |
| Accrued items   | 12,237                                      | 80,971               | 93,208               | 65,241  |
| Due to other governments                                | 1,463,503                                   | -                    | 1,463,503            | -   |
| Due to other funds                                      | 53  | 353                  | 406                  | -   |
| Unearned revenue  | -   | 8,835,915            | 8,835,915            | 686   |
| Current portion of long-term obligations                | 7,312                                       | 14,448               | 21,760               | -   |
| Total current liabilities                               | <u>1,911,205</u>                            | <u>9,318,631</u>     | <u>11,229,836</u>    | <u>515,093</u>                                  |
| <b>Long-term liabilities:</b>                           |   |                      |                      |   |
| Landfill closure & long-term care payable               | 12,819,059                                  | -                    | 12,819,059           | -   |
| Accrued liability - claims payable                      | -   | -                    | -                    | 3,019,527                                       |
| Compensated absences                                    | 30,989                                      | 676,951              | 707,940              | 46,621  |
| Net OPEB obligation                                     | 8,154                                       | 252,729              | 260,883              | -   |
| Total long-term liabilities                             | <u>12,858,202</u>                           | <u>929,680</u>       | <u>13,787,882</u>    | <u>3,066,148</u>                                |
| Total liabilities                                       | <u>14,769,407</u>                           | <u>10,248,311</u>    | <u>25,017,718</u>    | <u>3,581,241</u>                                |
| <b>Net Assets</b>                                       |   |                      |                      |   |
| Invested in Capital Assets                              | 4,815,885                                   | 8,277,324            | 13,093,209           | -   |
| Restricted  |   |                      |                      |   |
| Restricted for long-term care costs                     | 1,707,710                                   | -                    | 1,707,710            | -   |
| Unrestricted  | 6,169,024                                   | 33,046,064           | 39,215,088           | 15,169,687                                      |
| Total Net Assets  | <u>\$ 12,692,619</u>                        | <u>\$ 41,323,388</u> | <u>\$ 54,016,007</u> | <u>\$ 15,169,687</u>                            |

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, 2009

|   | <u>Business Type Activities - Enterprise Funds</u> |                           |                      | Governmental<br>Activities-<br>Internal Service |
|---|--|---------------------------|----------------------|---|
|   | <u>Landfill</u>                                    | <u>County<br/>Highway</u> | <u>Total</u>         |   |
| Operating revenues:   |  |                           |                      |   |
| Licenses and permits  | \$ -   | \$ 7,370                  | \$ 7,370             | \$ -  |
| Public charges for services                                     | 2,367,684  | -                         | 2,367,684            | 30,557  |
| Intergovernmental charges for services                          | -  | 4,586,686                 | 4,586,686            | 13,267,548                                      |
| Total operating revenues  | <u>2,367,684</u>                                   | <u>4,594,056</u>          | <u>6,961,740</u>     | <u>13,298,105</u>                               |
| Operating expenses:   |  |                           |                      |   |
| Salaries and benefits   | 300,397  | 2,435,670                 | 2,736,067            | 278,449   |
| Contractual services  | 1,597,967  | 101,211                   | 1,699,178            | 363,604   |
| Materials and supplies  | 87,575   | 601,251                   | 688,826              | 18,104  |
| Construction and maintenance                                    | 2,221  | 1,736,133                 | 1,738,354            | -   |
| Landfill closure & long term care                               | 892,462  | -                         | 892,462              | -   |
| Building and equipment rent                                     | -  | 2,453,855                 | 2,453,855            | -   |
| Insurance and claims  | -  | -                         | -                    | 13,067,338                                      |
| Loss and loss adjustment expense                                | -  | -                         | -                    | (920,975)                                       |
| Insurance and administration costs                              | 13,097   | 162,780                   | 175,877              | 21,961  |
| Depreciation  | 487,217  | 995,267                   | 1,482,484            | -   |
| Other operating expenses  | 56,965   | -                         | 56,965               | -   |
| Total operating expenses  | <u>3,437,901</u>                                   | <u>8,486,167</u>          | <u>11,924,068</u>    | <u>12,828,481</u>                               |
| Operating income (loss)   | <u>(1,070,217)</u>                                 | <u>(3,892,111)</u>        | <u>(4,962,328)</u>   | <u>469,624</u>                                  |
| Nonoperating revenues and (expenses):                           |  |                           |                      |   |
| General property taxes  | -  | 8,577,612                 | 8,577,612            | -   |
| Intergovernmental grants and aids                               | 24,895   | 1,008,820                 | 1,033,715            | -   |
| Investment income   | 257,856  | 721,968                   | 979,824              | 430,908   |
| Insurance recoveries  | -  | 159,480                   | 159,480              | 35,988  |
| Infrastructure construction expense for governmental activities | -  | (6,713,571)               | (6,713,571)          | -   |
| Other income (expense)  | 7,642  | (3)                       | 7,639                | 121,075   |
| Other expenses  | (30,300)   | (6,926)                   | (37,226)             | -   |
| Total nonoperating revenues and (expenses), net                 | <u>260,093</u>                                     | <u>3,747,380</u>          | <u>4,007,473</u>     | <u>587,971</u>                                  |
| Income (loss) before capital contributions<br>and transfers     | (810,124)  | (144,731)                 | (954,855)            | 1,057,595                                       |
| Capital contributions   | -  | 3,189,059                 | 3,189,059            | -   |
| Transfer in - Capital Improvement Fund                          | -  | 60,000                    | 60,000               | -   |
| Change in Net Assets  | (810,124)  | 3,104,328                 | 2,294,204            | 1,057,595                                       |
| Net Assets, January 1   | <u>13,502,743</u>                                  | <u>38,219,060</u>         | <u>51,721,803</u>    | <u>14,112,092</u>                               |
| Net Assets, December 31   | <u>\$ 12,692,619</u>                               | <u>\$ 41,323,388</u>      | <u>\$ 54,016,007</u> | <u>\$ 15,169,687</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, 2009

|   | Business-Type Activities-Enterprise Funds |                      |                      | Governmental<br>Activities-<br>Internal<br>Service |
|---|---|----------------------|----------------------|--|
|   | County                                    |                      |                      |  |
|   | Landfill                                  | Highway              | Total                |  |
| <b>Cash flows from operating activities:</b>                |   |                      |                      |  |
| Cash received from the sale of goods and services           | \$ -                                      | \$ 4,428,815         | \$ 4,428,815         | \$ -   |
| Collections from landfill disposal services                 | 3,844,372                                 | -                    | 3,844,372            | -  |
| Collections from departments and other insurance purchasers | -   | -                    | -                    | 13,929,964   |
| Cash paid to employees for services                         | (300,648)                                 | (6,304,448)          | (6,605,096)          | (278,081)  |
| Cash paid to suppliers for goods and services               | (4,667,562)                               | (7,910,987)          | (12,578,549)         | (14,385,391)                                       |
| Cash paid to other departments for reimbursement            | (13,097)                                  | (173,620)            | (186,717)            | -  |
| Net cash provided (used) by operating activities            | <u>(1,136,935)</u>                        | <u>(9,960,240)</u>   | <u>(11,097,175)</u>  | <u>(733,508)</u>                                   |
| <b>Cash flows from noncapital financing activities:</b>     |   |                      |                      |  |
| General property taxes                                      | -   | 8,577,612            | 8,577,612            | -  |
| Cash received from government grants                        | -   | 4,197,879            | 4,197,879            | -  |
| Net cash provided by noncapital financing activities        | <u>-</u>                                  | <u>12,775,491</u>    | <u>12,775,491</u>    | <u>-</u>   |
| <b>Cash flows from capital financing activities:</b>        |   |                      |                      |  |
| Payments for capital acquisitions                           | -   | (982,227)            | (982,227)            | -  |
| Contributed capital received                                | -   | 60,000               | 60,000               | -  |
| Cash paid from restricted assets                            | 965,254                                   | -                    | 965,254              | -  |
| Net cash used by capital financing activities               | <u>965,254</u>                            | <u>(922,227)</u>     | <u>43,027</u>        | <u>-</u>   |
| <b>Cash flows from investing activities:</b>                |   |                      |                      |  |
| Increase in short-term investments                          | 409,749                                   | -                    | 409,749              | -  |
| Interest received on investments                            | 257,856                                   | 721,968              | 979,824              | 430,908  |
| Net cash provided by investing activities                   | <u>667,605</u>                            | <u>721,968</u>       | <u>1,389,573</u>     | <u>430,908</u>                                     |
| <br>Net increase in cash and cash equivalents               | 495,924                                   | 2,614,992            | 3,110,916            | (302,600)  |
| Cash and cash equivalents, January 1                        | <u>8,388,851</u>                          | <u>29,589,417</u>    | <u>37,978,268</u>    | <u>17,409,548</u>                                  |
| Cash and cash equivalents, December 31                      | <u>\$ 8,884,775</u>                       | <u>\$ 32,204,409</u> | <u>\$ 41,089,184</u> | <u>\$ 17,106,948</u>                               |

**MARATHON COUNTY, WISCONSIN**

Statement of Cash Flows -  
Proprietary Funds

Year ended December 31, 2009

|   | Business-Type Activities-Enterprise Funds |                       |                        | Governmental<br>Activities-<br>Internal<br>Service |
|---|---|-----------------------|------------------------|--|
|   | Landfill                                  | County<br>Highway     | Total                  |  |
| Reconciliation of operating income (loss) to net cash provided<br>(used) by operating activities:       |   |                       |                        |  |
| Operating (loss)  | \$ (1,070,217)                            | \$ (3,892,111)        | \$ (4,962,328)         | \$ 469,624   |
| Adjustments to reconcile operating (loss) to net cash<br>provided (used) by operating activities:       |   |                       |                        |  |
| Depreciation expense  | 487,217                                   | 995,267               | 1,482,484              | -  |
| Insurance recoveries  | -   | 159,480               | 159,480                | 35,988   |
| Other income  | 7,642                                     | 567                   | 8,209                  | 121,075  |
| Infrastructure construction expense for governmental activities   | -   | (6,713,571)           | (6,713,571)            | -  |
| Interest expense  | -   | -                     | -                      | -  |
| Other expense   | (30,300)                                  | -                     | (30,300)               | -  |
| Effects of (increase) decrease in operating assets and increase<br>(decrease) in operating liabilities: |   |                       |                        |  |
| Taxes receivable  | -   | (91,085)              | (91,085)               | -  |
| Accounts receivable   | (60,990)                                  | (6,067)               | (67,057)               | 74,192   |
| Contracts receivable  | 53,111                                    | -                     | 53,111                 | -  |
| Due from other governments  | -   | 49,749                | 49,749                 | -  |
| Due from other funds  | (1,230)                                   | 565                   | (665)                  | -  |
| Due from discretely presented component unit  | -   | 15                    | 15                     | -  |
| Prepaid items   | -   | -                     | -                      | 63,391   |
| Inventories   | 45  | (238,602)             | (238,557)              | -  |
| Advance to discretely presented component unit  | -   | 6,250                 | 6,250                  | -  |
| Accounts payable  | 5,079                                     | (348,172)             | (343,093)              | (512,798)  |
| Accrued expenses  | (11,174)                                  | (206,909)             | (218,083)              | (4,104)  |
| Due to other governments  | 361,225                                   | -                     | 361,225                | -  |
| Due to other funds  | (453)                                     | 268                   | (185)                  | -  |
| Unearned revenues   | -   | 192,800               | 192,800                | (62,705)   |
| Clay payable  | 7,312                                     | -                     | 7,312                  | -  |
| Landfill closure & long-term care payable   | (892,462)                                 | -                     | (892,462)              | -  |
| Accrued liabilities - claims payable  | -   | -                     | -                      | (920,975)  |
| Compensated absences  | 3,839                                     | 46,213                | 50,052                 | 2,804  |
| Net other post employment benefits obligation   | 4,421                                     | 85,103                | 89,524                 | -  |
| Net cash provided (used) by operating activities  | <u>\$ (1,136,935)</u>                     | <u>\$ (9,960,240)</u> | <u>\$ (11,097,175)</u> | <u>\$ (733,508)</u>                                |
| Non-cash investing, capital and non-capital financing activities:                                       |   |                       |                        |  |
| Fair value adjustment - investments   | \$ 45,847                                 | \$ -                  | \$ 45,847              | \$ -   |
| Reconciliation of cash and cash equivalents:  |   |                       |                        |  |
| Cash and cash equivalents   | \$ 6,817,869                              | \$ 32,204,409         | \$ 39,022,278          | \$ 17,106,948                                      |
| Cash and cash equivalents - restricted assets   | 2,066,906                                 | -                     | 2,066,906              | -  |
| Cash and cash equivalents, December 31  | <u>\$ 8,884,775</u>                       | <u>\$ 32,204,409</u>  | <u>\$ 41,089,184</u>   | <u>\$ 17,106,948</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, 2009

|  | <u>Agency Funds</u> |
|--|---------------------|
| <b>Assets</b>                          |                     |
| Cash and cash equivalents              | \$ 1,748,092        |
| Accounts receivable                    | 174,284             |
| Due from other governments             | 622,369             |
| Total assets                           | <u>\$ 2,544,745</u> |
| <b>Liabilities</b>                     |                     |
| Accounts payable                       | \$ 314,358          |
| Due to other governments               | 125,543             |
| Due to participants                    | 254,556             |
| Other accrued liabilities and deposits | 1,850,288           |
| Total liabilities                      | <u>\$ 2,544,745</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, 2009

|   | Central Wisconsin<br>Airport | North Central<br>Community<br>Service | Major Discretely<br>Presented<br>Component Units<br>Total |
|---|------------------------------|---------------------------------------|---|
| <b>Assets</b>                                   |                              |                                       |   |
| Current assets:                                 |                              |                                       |   |
| Cash and cash equivalents                       | \$ 3,280,222                 | \$ 760,698                            | \$ 4,040,920  |
| Investments                                     | -                            | 5,875,000                             | 5,875,000   |
| Accounts receivable                             | 159,763                      | 6,706,109                             | 6,865,872   |
| Due from other governments                      | -                            | 422,000                               | 422,000   |
| Prepaid items                                   | -                            | 77,323                                | 77,323  |
| Inventories                                     | -                            | 346,688                               | 346,688   |
| Total current assets                            | <u>3,439,985</u>             | <u>14,187,818</u>                     | <u>17,627,803</u>   |
| Noncurrent assets:                              |                              |                                       |   |
| Restricted assets:                              |                              |                                       |   |
| Cash and cash equivalents                       | 1,049,102                    | -                                     | 1,049,102   |
| Investments                                     | -                            | 381,487                               | 381,487   |
| Deferred charges                                | 29,158                       | -                                     | 29,158  |
| Capital assets:                                 |                              |                                       |   |
| Land  | 614,983                      | 973,078                               | 1,588,061   |
| Buildings                                       | 12,449,032                   | 19,328,116                            | 31,777,148  |
| Improvements                                    | 41,960,744                   | -                                     | 41,960,744  |
| Equipment                                       | 7,358,310                    | 13,770,531                            | 21,128,841  |
| Construction in progress                        | 1,318,808                    | 1,329,969                             | 2,648,777   |
| Total capital assets                            | <u>63,701,877</u>            | <u>35,401,694</u>                     | <u>99,103,571</u>   |
| Total accumulated depreciation and depletion    | <u>(31,059,227)</u>          | <u>(25,556,430)</u>                   | <u>(56,615,657)</u>                                       |
| Net capital assets                              | <u>32,642,650</u>            | <u>9,845,264</u>                      | <u>42,487,914</u>   |
| Total non-current assets                        | <u>33,720,910</u>            | <u>10,226,751</u>                     | <u>43,947,661</u>   |
| Total assets                                    | <u>\$ 37,160,895</u>         | <u>\$ 24,414,569</u>                  | <u>\$ 61,575,464</u>                                      |
| <b>Liabilities and Net Assets</b>               |                              |                                       |   |
| Current liabilities:                            |                              |                                       |   |
| Accounts payable                                | 204,445                      | 1,420,639                             | 1,625,084   |
| Accrued items                                   | 33,333                       | 760,688                               | 794,021   |
| Special deposits                                | -                            | 381,487                               | 381,487   |
| Interest payable                                | 34,674                       | -                                     | 34,674  |
| Accrued liability - claims payable              | -                            | 720,000                               | 720,000   |
| Due to other governments                        | 57,539                       | 482,908                               | 540,447   |
| Due to primary government                       | 2,603                        | -                                     | 2,603   |
| Deferred revenues                               | -                            | 1,583,688                             | 1,583,688   |
| Compensated absences                            | -                            | 1,634,505                             | 1,634,505   |
| Current portion of long-term obligations        | 355,000                      | -                                     | 355,000   |
| Total current liabilities                       | <u>687,594</u>               | <u>6,983,915</u>                      | <u>7,671,509</u>  |
| Long-term liabilities:                          |                              |                                       |   |
| General obligation notes payable                | 2,955,000                    | -                                     | 2,955,000   |
| Compensated absences                            | 128,770                      | -                                     | 128,770   |
| Net OPEB obligation                             | 64,329                       | -                                     | 64,329  |
| Total long-term liabilities                     | <u>3,148,099</u>             | <u>-</u>                              | <u>3,148,099</u>  |
| Total liabilities                               | <u>3,835,693</u>             | <u>6,983,915</u>                      | <u>10,819,608</u>   |
| <b>Net Assets</b>                               |                              |                                       |   |
| Invested in Capital Assets, net of related debt | 29,332,650                   | 9,845,264                             | 39,177,914  |
| Restricted                                      |                              |                                       |   |
| Passenger facility charges                      | 1,719,944                    | -                                     | 1,719,944   |
| Unrestricted                                    | 2,272,608                    | 7,585,390                             | 9,857,998   |
| Total Net Assets                                | <u>\$ 33,325,202</u>         | <u>\$ 17,430,654</u>                  | <u>\$ 50,755,856</u>                                      |

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

**MARATHON COUNTY, WISCONSIN**  
Statement of Activities  
Major Discretely Presented Component Units  
December 31, 2009

|                                    | <u>Central Wisconsin<br/>Airport</u> | <u>North Central<br/>Community<br/>Service</u> | <u>Major Discretely<br/>Presented<br/>Component Units<br/>Total</u> |
|------------------------------------|--------------------------------------|--|---|
| Expenses:                          |                                      |  |   |
| Transportation                     |                                      |  |   |
| Airport                            | \$ 4,502,111                         | \$ -   | \$ 4,502,111  |
| Social Services                    |                                      |  |   |
| North Central Community Services   | -                                    | 59,826,044                                     | 59,826,044  |
| Total Expenses                     | <u>4,502,111</u>                     | <u>59,826,044</u>                              | <u>64,328,155</u>   |
| Program Revenues:                  |                                      |  |   |
| Charges for service                | 2,550,166                            | 47,212,250                                     | 49,762,416  |
| Operating grants and contributions | -                                    | 11,448,150                                     | 11,448,150  |
| Capital grants and contributions   | <u>1,147,298</u>                     | <u>363,593</u>                                 | <u>1,510,891</u>  |
| Total Program Revenues             | <u>3,697,466</u>                     | <u>59,023,993</u>                              | <u>62,721,459</u>   |
| Net income (expense)               | (804,645)                            | (802,051)                                      | (1,606,696)   |
| General Revenues:                  |                                      |  |   |
| Unrestricted investment earnings   | 76,989                               | 164,928  | 241,917   |
| Miscellaneous                      | <u>614,403</u>                       | <u>22,695</u>                                  | <u>637,098</u>  |
| Total general revenues             | <u>691,392</u>                       | <u>187,623</u>                                 | <u>879,015</u>  |
| Change in net assets               | (113,253)                            | (614,428)                                      | (727,681)   |
| Net assets - beginning             | <u>33,438,455</u>                    | <u>18,045,082</u>                              | <u>51,483,537</u>   |
| Net assets - ending                | <u>\$ 33,325,202</u>                 | <u>\$ 17,430,654</u>                           | <u>\$ 50,755,856</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, 2009**

**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 2009 (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, 2009 and the HCEB's most recent fiscal year ended June 30, 2009 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.

ADRC-CW accounts for the activities of the ADRC-CW. The Clerk of Courts and Sheriff Adult Inmate funds account for activities associated with these funds.

#### 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 unearned 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.

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, 2009, 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 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

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 2009 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$75,000 with an actual cost of \$250,954. There were twenty-four (24) 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 GASB, 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 debt service - in the Debt Service Fund the amount represents funds available for future payment of principal and interest or obligations of the County.
3. Reserved for encumbrances - represents the commitments related to unperformed contracts for goods and services that will be fulfilled in a subsequent period.
4. 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.
5. Reserved for prepaid items - represents amounts equal to prepaid items of governmental fund types as these amounts do not constitute available spendable resources.
6. Reserved for inventories - represents amounts equal to inventories of governmental fund types as these amounts do not constitute available spendable resources.
7. 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.
8. 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.
9. Designated for capital improvements - represents the amount of fund equity to be used in the 2010 operating year to purchase items or continue projects originally appropriated in previous years as determined by the County Board budget ordinance.
10. Designated for compensated absences - represents action by the County Board to begin setting aside current resources to fund future requirements.
11. Designated for subsequent years budget - represents the amount of fund balance to be used for the 2010 operating budget to continue programs and contracts
12. 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.

13. 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.
14. 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 \$21,999,560 difference, which includes \$46,621 in compensated absences from Internal Service Funds, are as follows:

|   |                     |
|---|---------------------|
| GO Notes Payable  | \$ 12,360,000       |
| Forest Crop Loan  | 1,876,942           |
| Compensated Absences (net of \$46,621 reported in the<br>Internal Service Funds)  | 4,855,767           |
| Net OPEB Obligation   | 1,902,798           |
| Debt Issuance Cost  | (106,927)           |
| Premium on Note Payable   | 1,072,165           |
| Accrued Interest  | <u>38,815</u>       |
| Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at<br><i>net assets-governmental activities</i> | <u>\$21,999,560</u> |

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 \$7,730,611 difference are as follows:

|   |                     |
|---|---------------------|
| Capital Assets additions prior to depreciation  | \$17,974,294        |
| Depreciation Expense (less: ISF depreciation expense of \$0)  | (8,723,540)         |
| Deletions, Net of Accumulated Depreciation  | <u>(1,520,143)</u>  |
| Net Adjustment to increase <i>net changes in fund balances-total governmental funds</i><br>to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 7,730,611</u> |

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 \$12,316,304 difference are as follows:

|  |                       |
|--|-----------------------|
| Debt issued or incurred:   |                       |
| GO Notes Payable   | \$16,770,000          |
| 14,608 Forest crop loan  |                       |
| Principal repayments:  |                       |
| General obligation debt  | ( 4,410,000)          |
| 58,304 Forest crop loan  | (                     |
| Net adjustment to decrease <i>net changes in fund balance – total governmental funds</i> |                       |
| to arrive at <i>changes in net assets of governmental activities</i>                     | <u>\$(12,316,304)</u> |

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 \$782,553 difference are as follows:

|  |                   |
|--|-------------------|
| Compensated absences (net of \$2,803 in the Internal Service Funds)                          | \$ 39,694         |
| Net OPEB Obligation  | 597,117           |
| Accrued interest payable   | 38,815            |
| Amortization of issuance costs/paying agent fees   | <u>106,927</u>    |
| Net adjusted balance to decrease <i>net changes in fund balance–total governmental funds</i> |                   |
| to arrive at <i>changes in net assets of governmental activities</i>                         | <u>\$ 782,553</u> |

**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 2009 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 2% for the 2008 levy collected in 2009 and 3% for the 2009 levy collected in 2010. Changes in debt service from one year to the next are generally exempt from this limit.

D. Deficit balances

Generally accepted accounting principals require disclosure of individual funds that have deficit balances at year end. As of December 31, 2009, 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, 2009 are as follows:

Primary Government:

|  |                  |
|--|------------------|
| Per statement of net assets              |                  |
| Unrestricted cash and investments        | \$112,862,067    |
| Restricted cash and investments          | 22,669,174       |
| Per statement of net assets              |                  |
| Fiduciary Funds                          |                  |
| Agency unrestricted cash and investments | <u>1,748,092</u> |
| Subtotal                                 | 137,279,333      |

CWA as a Discretely Presented Component Units:

|  |                      |
|--|----------------------|
| Cash and investments                     | 3,280,222            |
| Cash and investments - restricted        | <u>1,049,102</u>     |
| Total Primary government, CWA and Agency | <u>\$141,608,657</u> |

Discretely Presented Component Units

|                            |                             |
|----------------------------|-----------------------------|
| (including NCCS and HCEB)  | 8,842,539                   |
| Total per Reporting Entity | <u><u>\$148,703,104</u></u> |

At year-end 2009, 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           | \$ 5,147,930         | \$ 3,855,738                 | Custodial credit                           |
| U S Treasury Bonds & Notes                 | 28,805,381           | 29,019,613                   | Custodial credit and Interest rate         |
| US Agencies-Implicitly guaranteed          | 42,117,595           | 42,305,319                   | Custodial credit, Interest rate and credit |
| US Agencies-ARMs                           | 4,969,344            | 4,832,135                    | Custodial credit, Interest rate and credit |
| Corporate Notes                            | 6,999,577            | 7,107,004                    | Custodial credit, Interest rate and credit |
| Corporate Notes – FDIC Insured             | 6,249,796            | 6,411,597                    | Custodial credit, interest rate and credit |
| Commercial Paper                           | 3,255,246            | 3,255,397                    | Custodial credit, Interest rate and credit |
| Banker Bank CD program                     | 7,300,000            | 7,300,000                    | Custodial credit                           |
| Money Market Mutual Funds                  | 13,065,455           | 13,065,455                   | Credit and interest rate                   |
| LGIP and other qualifying investment pools | 23,698,333           | 23,698,333                   | Credit and interest rate                   |
| <b>Total</b>                               | <b>\$141,608,657</b> | <b>\$140,850,591</b>         |  |

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. In addition, through June 30, 2010, M & I Bank is participating in the FDIC's Transaction Account Guarantee Program. Under that program, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee (TAG) Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

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, 2009, 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 |
|--------------------------------|----|---|

As of December 31, 2009 for NCCS and June 30, 2009 for HCEB the total bank balance was exposed to custodial credit risk as follows:

|                                       |    |           |
|---------------------------------------|----|-----------|
| Uninsured and uncollateralized – HCEB | \$ | 0         |
| Uninsured and uncollateralized – NCCS | \$ | 3,779,161 |

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, 2009, 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 | \$86,519,468 |
|--|--------------|

Details of this amount are as follows:

|   |                  |
|---|------------------|
| US Treasures Bonds and Notes            | \$29,019,613     |
| US Agencies – Implicitly Guaranteed     | 42,305,319       |
| US Agencies – Adjustable Rate Mortgages | 4,832,135        |
| Corporate Notes                         | 7,107,004        |
| Commercial Paper                        | <u>3,255,397</u> |
| Total                                   | \$86,519,468     |

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, 2009, the County's investments were rated as follows:

| Investment Type                                | Standard & Poors |
|--|------------------|
| Commercial Paper CBA Delaware Finance          | A-1+             |
| Commercial Paper General Electric Capital Corp | A-1+             |
| Corporate Note Atlantic Richfield Co Corp      | AA               |
| Corporate Note Bank of America Corp            | A                |
| Corporate Note Chevron Corp                    | AA               |
| Corporate Note Citigroup Inc                   | A                |
| Corporate Note General Electric Capital Corp   | AA+              |
| Corporate Note JP Morgan Chase & Co            | A+               |
| Corporate Note Wells Fargo & Co                | AA-              |
| Corporate Note (FDIC) Citibank                 | AAA              |
| Corporate Note (FDIC) Citigroup Funding        | AAA              |
| Corporate Note (FDIC) John Deere Capital Corp  | AAA              |
| Corporate Note (FDIC) Morgan Stanley           | 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+             |
| Federal Agency Adjustable Rate Mortgages       | AAA              |
| Money Market Mutual Funds                      | AAA*             |

\*Money Market Mutual Funds are rated AAA by Fitch.

The County also had investments in the following external pool:

Local Government Investment Pool: not rated

### 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 state that 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             | \$ 29,019,613  | \$ 3,905,446       | \$ 6,198,746      | \$ 14,583,328    | \$ 4,332,093         |
| US Agencies-Implicitly guaranteed         | 42,305,319     | 12,220,219         | 8,856,770         | 13,705,188       | 7,523,142            |
| US Agencies – ARM's                       | 4,832,135      | -                  | -                 | -                | 4,832,135            |
| Corporate Notes                           | 7,107,004      | 2,004,508          | 1,641,164         | -                | 3,461,332            |
| Corporate Notes – FDIC Insured            | 6,411,597      | -                  | -                 | 5,381,121        | 1,030,476            |
| Commercial Paper                          | 3,255,397      | 3,255,397          | -                 | -                | -                    |
| Money Market Mutual Funds                 | 13,065,455     | 13,065,455         | -                 | -                | -                    |
| LGIP and other qualified investment pools | 23,698,333     | 23,698,333         | -                 | -                | -                    |
| Totals                                    | \$ 129,694,853 | \$ 58,149,358      | \$ 16,696,680     | \$ 33,669,637    | \$21,179,178         |

## 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. Such amounts are recorded as property taxes receivable and deferred revenues in the accompanying financial statements. (The aggregate levy of \$48,653,812 will be recognized as revenue during 2010.)

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 20<sup>th</sup>. 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 2009 and prior years as follows:

| Year of Settlement     | County Tax Levied | County Purchased | Balance December 31, 2009 |
|------------------------|-------------------|------------------|---------------------------|
| 1999                   | 2,325             | 7,188            | 9,513                     |
| 2000                   | 3,418             | 10,325           | 13,743                    |
| 2001                   | 3,257             | 9,933            | 13,190                    |
| 2002                   | 2,533             | 7,621            | 10,154                    |
| 2003                   | 2,739             | 8,254            | 10,993                    |
| 2004                   | 4,938             | 14,694           | 19,632                    |
| 2005                   | 14,833            | 45,219           | 60,052                    |
| 2006                   | 32,837            | 99,647           | 132,484                   |
| 2007                   | 121,144           | 371,355          | 492,499                   |
| 2008                   | 324,665           | 982,364          | 1,307,029                 |
| 2009                   | 810,093           | 2,587,184        | 3,397,277                 |
| TOTAL TAX CERTIFICATES | 1,322,782         | 4,143,784        | 5,466,566                 |
| TAX DEEDS              |                   |                  | 165,170                   |
| CURRENT TAXES          |                   |                  | 48,653,812                |
| TOTAL TAXES RECEIVABLE |                   |                  | \$54,285,548              |

Delinquent taxes collected within the sixty day period subsequent to year end aggregated \$204,748 and \$641,161 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 \$202,322 for park services performed.

The State of Wisconsin has a two month lag for the remittance of sales tax in the amount of \$1,424,002. 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 \$25,237,276 include \$6,920,796 held for special deposits and impressed cash accounts not legally available to the County to finance current operations. \$354,704 is included in the Social Improvement Fund in a special trust for Community Options Programming. Restricted assets of \$14,568,362 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. \$1,049,102 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 \$825,312 is unspent construction proceeds.

Capital Asset activity for the year ended December 31, 2009

| Governmental Activities                       | Balance<br>January 1, 2009 | Additional 2009     | Deletions 2009      | Balance<br>December 31, 2009 |
|---|----------------------------|---------------------|---------------------|------------------------------|
| Construction in progress                      | \$ 17,183,597              | \$ 10,973,181       | \$ 4,652            | \$ 28,152,126                |
| Land  | 32,774,235                 | 94,531              | -                   | 32,868,766                   |
| Subtotal-Capital Assets not being depreciated | 49,957,832                 | 11,067,712          | 4,652               | 61,020,892                   |
| Buildings                                     | 63,419,269                 | 137,679             | -                   | 63,556,948                   |
| Improvements                                  | 8,022,717                  | 75,127              | -                   | 8,097,844                    |
| Equipment                                     | 17,663,231                 | 1,429,776           | 645,061             | 18,447,946                   |
| Infrastructure                                | 174,549,900                | 4,872,300           | 3,910,000           | 175,512,200                  |
| Library Collection                            | 4,303,100                  | 391,700             | 356,700             | 4,338,100                    |
| Subtotal-Capital Assets being depreciated     | 267,958,217                | 6,906,582           | 4,911,761           | 269,953,038                  |
| Less: Accumulated Depreciation                | 101,205,153                | 8,783,540           | 3,396,270           | 106,592,423                  |
| <b>TOTAL</b>                                  | <b>\$ 216,710,896</b>      | <b>\$ 9,190,754</b> | <b>\$ 1,520,143</b> | <b>\$ 224,381,507</b>        |

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

Construction in process consists of the following:

|                                  |                      |
|----------------------------------|----------------------|
| Courthouse remodeling            | \$ 11,308,595        |
| UWMC Remodeling                  | 5,362,828            |
| 72nd Ave storage facility        | 1,782,588            |
| River Walk/Pedestrian Bridge     | 1,557,430            |
| Rib Mountain Tower               | 5,626,624            |
| Social Services Building Remodel | 21,090               |
| County Highway Road and Bridges  | 2,492,970            |
|                                  | <u>\$ 28,152,126</u> |

Depreciation expense was charged to functions as follows:

**Governmental Activities**

|   |                     |
|---|---------------------|
| General Government                                      | \$ 1,737,472        |
| Public Safety   | 725,531             |
| Transportation  | 4,971,520           |
| Health  | 15,244              |
| Social Services   | 44,907              |
| Leisure and Education                                   | 1,288,866           |
| Conservation and Economic Development                   | -                   |
| <b>Total Government Activities Depreciation Expense</b> | <b>\$ 8,783,540</b> |

The following is a breakdown of accumulated depreciation by asset class for December 31, 2009:

| Governmental Activities  | Balance<br>January 1, 2009 | Additional 2009     | Deletions 2009      | Balance<br>December 31, 2009 |
|--------------------------|----------------------------|---------------------|---------------------|------------------------------|
| Accumulated Depreciation |                            |                     |                     |                              |
| Buildings                | \$ 33,642,820              | \$ 1,937,090        | \$ -                | \$ 35,579,910                |
| Improvements             | 3,196,142                  | 392,254             | -                   | 3,588,396                    |
| Equipment                | 14,030,125                 | 1,123,776           | 643,670             | 14,510,231                   |
| Infrastructure           | 48,074,766                 | 4,971,520           | 2,395,900           | 50,650,386                   |
| Library Collection       | 2,261,300                  | 358,900             | 356,700             | 2,263,500                    |
| <b>TOTAL</b>             | <b>\$ 101,205,153</b>      | <b>\$ 8,783,540</b> | <b>\$ 3,396,270</b> | <b>\$ 106,592,423</b>        |

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

Capital assets for business-type activity at December 31, 2009 is as follows:

| <b>Business-type activities</b>               | <b>Balance<br/>January 1, 2009</b> | <b>Additions<br/>2009</b> | <b>Deletions<br/>2009</b> | <b>Balance<br/>December 31, 2009</b> |
|---|------------------------------------|---------------------------|---------------------------|--------------------------------------|
| Land  | \$ 523,038                         | \$ -                      | \$ -                      | \$ 523,038                           |
| Subtotal-Capital assets not being depreciated | 523,038                            | -                         | -                         | 523,038                              |
| Buildings                                     | 6,612,213                          | 86,187                    | -                         | 6,698,400                            |
| Improvements                                  | 18,420,444                         | 728,026                   | -                         | 19,148,470                           |
| Equipment                                     | 13,926,550                         | 1,090,679                 | 730,626                   | 14,286,603                           |
| Subtotal-Capital assets being depreciated     | 38,959,207                         | 1,904,892                 | 730,626                   | 40,133,473                           |
| Less:Accumulated Depreciation                 | (26,673,519)                       | (1,482,484)               | (600,013)                 | (27,555,990)                         |
| <b>TOTAL</b>                                  | <b>\$ 12,808,726</b>               | <b>\$ 422,408</b>         | <b>\$ 130,613</b>         | <b>\$ 13,100,521</b>                 |

Depreciation expense was charged to functions as follows:

|   |              |
|---|--------------|
| Landfill  | \$ 487,217   |
| Highway   | 995,267      |
| Total Business-type Activities Depreciation Expense | \$ 1,482,484 |

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

| <b>Business-type activities</b> | <b>Balance<br/>January 1, 2009</b> | <b>Additions<br/>2009</b> | <b>Deletions<br/>2009</b> | <b>Balance<br/>December 31, 2009</b> |
|---------------------------------|------------------------------------|---------------------------|---------------------------|--------------------------------------|
| Depletion Allowance             | \$ 9,679                           | -                         | -                         | 9,679                                |
| Buildings                       | 4,206,639                          | 243,065                   | -                         | 4,449,704                            |
| Improvements                    | 14,429,848                         | 445,558                   | -                         | 14,875,406                           |
| Equipment                       | 8,027,353                          | 793,861                   | 600,013                   | 8,221,201                            |
| <b>TOTAL</b>                    | <b>\$ 26,673,519</b>               | <b>1,482,484</b>          | <b>600,013</b>            | <b>27,555,990</b>                    |

Capital assets for discretely presented component units at December 31, 2009 is as follows:

| <b>Discretely Presented<br/>Component Units</b> | <b>Business-Type</b> |                  | <b>Total Business-type<br/>Discretely presented<br/>Component Units</b> | <b>Non-Major<br/>Component Units-<br/>HCEB</b> |
|---|----------------------|------------------|---|--|
|   | <b>CWA</b>           | <b>NCCS</b>      |   |  |
| Construction in Progress                        | \$ 1,318,808         | 1,329,969        | 2,648,777   | -  |
| Land  | 614,983              | 51,300           | 666,283   | -  |
| Subtotal-Capital assets not being depreciated   | 1,933,791            | 1,381,269        | 3,315,060   | -  |
| Land Improvements                               | -                    | 921,778          | 921,778   | -  |
| Buildings                                       | 12,449,032           | 19,328,116       | 31,777,148  | 263,376  |
| Improvements                                    | 41,960,744           | -                | 41,960,744  | -  |
| Equipment                                       | 7,358,310            | 13,770,531       | 21,128,841  | -  |
| Subtotal-Capital assets being depreciated       | 61,768,086           | 34,020,425       | 95,788,511  | 263,376  |
| Less:Accumulated Depreciation                   | (31,059,227)         | (25,556,430)     | (56,615,657)  | (43,759)                                       |
| <b>TOTAL</b>                                    | <b>\$ 32,642,650</b> | <b>9,845,264</b> | <b>42,487,914</b>   | <b>219,617</b>                                 |

Construction in progress consisted of the following:

**CWA**

|           |                     |
|-----------|---------------------|
| AIP-36    | \$ 159,198          |
| AIP-37    | 365,630             |
| AIP-38    | 793,980             |
| TOTAL-CWA | <u>\$ 1,318,808</u> |

**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                  | 255,711             |
| ADRC Accessibility Project           | 73,143              |
| TOTAL-NCHC                           | <u>\$ 1,329,969</u> |

TOTAL

\$ 2,648,777

## 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, 2009:

| Receivable Fund                               | Payable Fund                            | Amount          |
|---|---|-----------------|
| General Fund                                  | Special Revenue-Social Improvement Fund | \$ 3,822        |
|   | Enterprise-Landfill                     | 53              |
|   | Enterprise-Highway                      | 37              |
| Enterprise Fund-Landfill                      | General Fund                            | 984             |
|   | Enterprise-Highway                      | 316             |
| Total –Fund Financial Statements              |   | <b>5,212</b>    |
| Less: Fund Eliminations                       |   | (4,318)         |
| Total Government-wide Financial Statements    |   | <b>\$ 894</b>   |
|   |   |                 |
| General Fund:                                 | Discretely presented component unit     | 2,499           |
| Enterprise-Highway Fund:                      | Discretely presented component unit     | 104             |
|   |   |                 |
| Total-Government Wide Statement of Net Assets |   | <b>\$ 2,603</b> |

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 2009

| <b>Funds Transferred to:</b>   | <b>Funds Transferred from:</b> | <b>Amount</b> | <b>Principal Purpose</b>                            |
|--|--------------------------------|---------------|---|
| General  | Social Improvement             | \$ 47,884     | Fund Employee Retiree Benefits                      |
| County Highway Fund  | Capital Improvement            | 60,000        | Fund Capital Projects                               |
| General  | Capital Improvement            | 794,851       | Close out finished capital projects to General Fund |
| Capital Improvement  | General                        | 2,113,295     | Fund capital projects                               |
| Capital Improvement  | Social Improvement             | 952,390       | Fund capital projects                               |
| Social Improvement   | General Fund                   | 120,000       | Fund social service programs                        |
| Subtotal-Fund Financial Statements   |                                | 4,088,420     |   |
| Less: Fund Eliminations  |                                | (4,028,420)   |   |
| Subtotal   |                                | 60,000        |   |
| Infrastructure costs assigned by the highway fund to governmental activities |                                | 6,713,570     |   |
| Total Transfers Government-Wide Statement of Net Activities                  |                                | \$ 6,653,570  |   |

#### 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 \$9,709,563. The carrying amount of the leased space at CWA is \$5,046,572. The difference between the two figures is the accumulated depreciation of \$4,662,991. The following is a schedule by years of future minimum lease receipts for noncancelable operating leases as of December 31, 2009.

Year ended December 31:

|                                     | <b>Forestry Department</b> | <b>Discretely Presented Component Units</b> | <b>Total</b>     |
|-------------------------------------|----------------------------|---|------------------|
| 2010                                | \$ 1,881                   | \$ 473,371                                  | \$ 475,252       |
| 2011                                | 897                        | 182,484                                     | 183,381          |
| 2012                                | 897                        | 118,405                                     | 119,302          |
| 2013                                | 897                        | 64,748                                      | 65,645           |
| 2014                                | 897                        | 39,352                                      | 40,249           |
| 2015 & Thereafter                   | 44,858                     | 0   | 44,858           |
| <b>TOTAL MINIMUM LEASE RECEIPTS</b> | <b>\$ 50,327</b>           | <b>\$878,360</b>                            | <b>\$928,687</b> |

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 2009. Total rental expense on all operating leases amounted to \$350,662 in 2009.

H. Long-term Debt

During the year ended December 31, 2009, the following changes occurred in long term liabilities reported for Governmental Activities:

|                                    | Balance<br>January 1,<br>2009 | Additions           | Reductions         | Balance<br>December 31,<br>2009 | Due Within<br>One Year |
|------------------------------------|-------------------------------|---------------------|--------------------|---------------------------------|------------------------|
| Compensated Absences               | \$ 4,859,891                  | \$ 139,695          | \$ 97,198          | \$ 4,902,388                    | \$ 98,048              |
| Net OPEB Obligation                | 1,305,681                     | 881,794             | 284,677            | 1,902,798                       | -                      |
| General Obligation bonds and notes | -                             | 16,770,000          | 4,410,000          | 12,360,000                      | 1,195,000              |
| Forest crop loan                   | 1,920,639                     | 14,608              | 58,305             | 1,876,942                       | 38,000                 |
| Premium on GO note                 | -                             | 1,212,567           | 140,402            | 1,072,165                       | -                      |
| <b>TOTAL</b>                       | <b>\$8,086,211</b>            | <b>\$19,018,664</b> | <b>\$4,990,582</b> | <b>\$22,114,293</b>             | <b>\$1,331,048</b>     |

Compensated absences include \$46,621 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 \$722,388 and \$1,763,275 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, 2009 the following changes occurred in long-term liabilities reported in the business-type activities:

|                      | Balance<br>January 1,<br>2009 | Additions         | Reductions       | Balance<br>December 31,<br>2009 | Due Within<br>One Year |
|----------------------|-------------------------------|-------------------|------------------|---------------------------------|------------------------|
| Clay payable         | 14,623                        | -                 | 7,311            | 7,312                           | 7,312                  |
| Compensated Absences | \$672,336                     | \$ 63,499         | \$ 13,447        | \$ 722,388                      | \$14,448               |
| Net OPEB Obligation  | 171,359                       | 147,829           | 58,305           | 260,883                         | -                      |
| <b>TOTAL</b>         | <b>\$858,318</b>              | <b>\$ 211,328</b> | <b>\$ 79,063</b> | <b>\$ 990,583</b>               | <b>\$ 21,760</b>       |

During the year ended December 31, 2009 the following changes occurred in general obligation debt reported for CWA, a discretely presented component unit:

| CWA  | Balance<br>January 1,<br>2009 | Additions           | Reductions          | Balance<br>December 31,<br>2009 | Due Within<br>One Year |
|--|-------------------------------|---------------------|---------------------|---------------------------------|------------------------|
| General Obligation notes-<br>Marathon County | \$3,650,000                   | \$ -                | \$ 340,000          | \$3,310,000                     | \$ 355,000             |
| Compensated Absences-<br>CWA                 | 116,330                       | 35,706              | 23,266              | 128,770                         | -                      |
| NCCS   | 1,876,037                     | 1,634,505           | 1,876,037           | 1,634,505                       | 1,634,505              |
| Net OPEB Obligation                          | 43,329                        | 28,017              | 7,017               | 64,329                          | -                      |
| <b>TOTAL</b>                                 | <b>\$5,685,696</b>            | <b>\$ 1,698,228</b> | <b>\$ 2,246,320</b> | <b>\$5,137,604</b>              | <b>\$ 1,989,505</b>    |

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, 2009 is as follows:

|              | Date Issued | Maturity   | Rate        | Original Balance    | Current Balance     |
|--------------|-------------|------------|-------------|---------------------|---------------------|
| 2003A        | 06/01/2003  | 05/01/2013 | 1.20%-3.30% | 555,000             | \$ 240,000          |
| 2005B        | 12/01/2005  | 10/01/2017 | 4.0%-4.5%   | 4,105,000           | 3,070,000           |
| 2009A        | 02/01/2009  | 12/01/2018 | 2.5%-5.0%   | 16,770,000          | 12,360,000          |
| <b>TOTAL</b> |             |            |             | <b>\$21,430,000</b> | <b>\$15,670,000</b> |

Annual debt service requirements to maturity are as follows at December 31, 2009:

| Year         | Principal         | Interest         | Reporting Entity Total |
|--------------|-------------------|------------------|------------------------|
| 2010         | 1,550,000         | 606,170          | 2,156,170              |
| 2011         | 1,615,000         | 562,540          | 2,177,540              |
| 2012         | 1,675,000         | 516,900          | 2,191,900              |
| 2013         | 1,740,000         | 468,973          | 2,208,973              |
| 2014         | 1,745,000         | 418,725          | 2,163,725              |
| 2015-2018    | 7,345,000         | 889,475          | 8,234,475              |
| <b>TOTAL</b> | <b>15,670,000</b> | <b>3,462,783</b> | <b>19,132,783</b>      |

#### Prior Years Defeasance of Debt

At December 31, 2009 a total of \$1,265,000 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>  |
|------------------|----------------|
| 2010             | \$ 395,000     |
| 2011             | 420,000        |
| 2012             | <u>450,000</u> |
| Total            | \$1,265,000    |

#### 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. 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 \$4.82 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 2009 the Landfill used and have requested the DNR approved \$184,155 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.

The \$12.8 million reported as Landfill closure and long term care payable at the December 31, 2009 reporting date represents the following:

|                          | <b>Balance<br/>January 1, 2009</b> | <b>Additions</b>   | <b>Deletions</b> | <b>Balance<br/>December 31, 2009</b> |
|--------------------------|------------------------------------|--------------------|------------------|--------------------------------------|
| Cell A<br>Long-Term Care | \$ 4,259,660                       | \$ 300,867         | \$184,155        | \$ 4,376,372                         |
| Cell B Closure           | 2,953,690                          | 385,205            | -                | 3,338,895                            |
| Cell B<br>Long-Term Care | 4,713,247                          | 390,545            | -                | 5,103,792                            |
| <b>TOTALS</b>            | <b>\$11,926,597</b>                | <b>\$1,076,617</b> | <b>\$184,155</b> | <b>\$12,819,059</b>                  |

The \$3.34 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 2,756,000 cubic yards used as of December 31, 2009, or 82% of the capacity. These amounts are based on current 2009 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 \$175,214.

## K. Governmental Activities Net Assets

Governmental activities net assets reported on the government wide statement of net assets at December 31, 2009 includes the following:

### **GOVERNMENTAL ACTIVITIES**

|   |                       |
|---|-----------------------|
| Invested in capital assets, net of related debt   |                       |
| Construction in progress  | \$ 28,152,126         |
| Land  | 32,868,766            |
| Other capital assets, net of accumulated depreciation   | 163,360,615           |
| Less: related long-term debt outstanding and unamortized debt premium (excluding unspent note proceeds) | ( 5,039,827)          |
| Total Invested in Capital Assets  | <u>\$ 219,341,680</u> |
| Restricted  |                       |
| General debt service  | \$ 1,416,570          |
| Unrestricted  | <u>\$ 65,707,174</u>  |
| Total Governmental Activities Net Assets  | <u>\$286,465,424</u>  |

Governmental fund balances reported on the fund financial statements at December 31, 2009 include the following:

|  |                      |
|--|----------------------|
| <b>Reserved</b>                                  |                      |
| Major Funds                                      |                      |
| General Fund                                     |                      |
| Delinquent taxes for other governmental entities | \$ 3,502,624         |
| Inventories                                      | 16,934               |
| Long-term receivables                            | 35,728               |
| Total  | <u>\$ 3,555,286</u>  |
| Social Improvement Fund                          |                      |
| Prepaid items                                    | \$ 28,997            |
| Capital Improvement Fund                         |                      |
| Encumbrances                                     | <u>\$ 12,888,072</u> |
| Total Reserve Major Funds                        | <u>\$ 16,472,355</u> |
| Other Governmental Funds                         |                      |
| General Debt Service Funds                       |                      |
| Reserved for Debt Service                        | <u>\$ 1,416,570</u>  |
| Total Reserved                                   | <u>\$ 17,888,925</u> |
| <b>Unreserved –Designated</b>                    |                      |
| Major Funds                                      |                      |
| General Fund                                     |                      |
| Capital Improvements                             | \$ 5,687,615         |
| Subsequent Years Budget                          | 5,444,383            |
| Carryforwards                                    | 2,221,291            |
| Compensated absences                             | 5,618,887            |
| Working capital                                  | 18,790,216           |
| ADRC-CW  | 65,779               |
| Total  | <u>\$ 37,828,171</u> |
| Social Improvement Fund                          |                      |
| Carryforwards                                    | \$ 6,916             |
| Subsequent Years Budget                          | 964,644              |
| Total  | <u>\$ 971,560</u>    |
| Total Designated                                 | <u>\$ 38,799,731</u> |

|                                  |                      |
|----------------------------------|----------------------|
| <b>Undesignated</b>              |                      |
| Major Funds                      |                      |
| General Fund                     | \$ 2,658,483         |
| Special Revenue Fund             | 1,541,155            |
| Capital Improvement Fund         | 4,450,773            |
| Total Undesignated Major Funds   | <u>\$ 8,650,411</u>  |
| Other Governmental Funds         | \$ 1,490,769         |
| Total Undesignated               | <u>\$ 10,141,180</u> |
| Total governmental fund balances | <u>\$ 66,829,836</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 5.9% of their salary, 3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% 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, 2009 was \$35,019,493; the employer's total payroll was \$36,357,669. The total required contribution for the year ended December 31, 2009 was \$4,000,356 which consisted of \$1,983,386 which represents the employer share and \$2,016,970 which represents the employee share. Total contributions for the years ended December 31, 2008 and 2007 were \$3,891,746 and \$3,765,884 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, 2009 was \$2,895,833. The total required contribution for the year ended June 30, 2009 was \$303,955. The contributions for 2008 and 2007 were \$288,896 and \$274,116 respectively and were the required amounts. The payroll for the NCCS employees covered by the system for the year ended December 31, 2009 was \$27,137,574; the employer's total payroll was \$29,234,418. The total required contribution for the year ended December 31, 2009 was \$2,944,754 which consists of 4.5% of payroll from the employer and 5.9% of payroll from employees. The contributions for 2008 and 2007 were \$3,029,520 and \$2,955,179 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.

#### 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, 2009, the date of the latest actuarial valuation:

|   |            |
|---|------------|
| Retirees and beneficiaries receiving benefits                         | 43         |
| Terminated plan members entitled to but not yet<br>Receiving benefits | -          |
| Active plan member  | <u>707</u> |
| Total   | <u>750</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 2009 total member contributions were \$388,517.

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            | \$1,051,333        |
| Interest on net OPEB Obligation         | 60,815             |
| Adjustment to Required Contribution     | (82,897)           |
| Contributions made                      | <u>(321,610)</u>   |
| Increase in net OPEB obligation         | \$ 771,456         |
| Net OPEB Obligation – Beginning of Year | <u>1,520,369</u>   |
| Net OPEB Obligation – End of Year       | <u>\$2,228,010</u> |



as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 27 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:

| <b>YEAR</b> | <b>Protective with Social Security</b> | <b>General Employee Male Rates</b> | <b>General Employee Female Rate</b> |
|-------------|--|------------------------------------|-------------------------------------|
| 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: 10% 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 90% 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: 60% 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**

Spouse same age as participants.

## 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, 2009. 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, 2009 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 5.72%. 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 2009 claims liability of \$1,304,701 reported in the fund at December 31, 2009 is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Included in this liability is an amount of \$100,000 which is the estimated catastrophic load. The County does not allocate overhead costs or other non-incremental costs to the claims liabilities. The amount has been fully funded. Changes in the fund's claim liability amount for 2008 and 2009 are as follows:

|      | <b>Liability<br/>January 1</b> | <b>Current Year Claims and<br/>Changes in Estimates</b> | <b>Claim<br/>Payments</b> | <b>Liability<br/>December 31</b> |
|------|--------------------------------|---|---------------------------|----------------------------------|
| 2008 | 1,761,343                      | 306,022   | (885,168)                 | 1,182,197                        |
| 2009 | 1,182,197                      | 1,067,972   | (945,468)                 | 1,304,701                        |

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. \$3,249,869 was designated for that reserve at year end, and is included in unreserved net assets of the internal service fund.

## 2. Employee Benefit Insurance Plan

### Primary Government

The County (including the CWA as a discretely presented component unit) maintains its health insurance through the Group Health Trust (GHT) of the Wisconsin County's Association. GHT is the plan sponsor for the County health plan. The number of employees covered is approximately 704. Employees are offered a choice of 2 dental plans, a capitated DMO program, and a self funded program. The claims liability for the dental plan is \$5,000 for dental reported in the fund at December 31, 2009, is based on the requirements of GASB.

Changes in the fund's claim liability amount for 2008 and 2009 are as follows:

|      | <b>Health<br/>Liability January 1</b> | <b>Current Year Claims and<br/>Changes in Estimates</b> | <b>Claim<br/>Payments</b> | <b>Liability<br/>December 31</b> |
|------|---------------------------------------|---|---------------------------|----------------------------------|
| 2008 | 839,609                               | 9,162,077   | (9,105,938)               | 895,748                          |
| 2009 | 895,748                               | (895,748)   | -                         | -                                |

|      | Dental Liability January 1 | Current Year Claims and Changes in Estimates | Claim Payments | Liability December 31 |
|------|----------------------------|--|----------------|-----------------------|
| 2008 | 5,000                      | 181,327                                      | (182,239)      | 4,088                 |
| 2009 | 4,088                      | 140,043                                      | (139,131)      | 5,000                 |

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 \$1,709,826 reported in the fund at December 31, 2009 is also based on the requirements of GASB.

Changes in the fund's claim liability amount for 2008 and 2009 are as follows:

|      | Worker's Comp Liability January 1 | Current Year Claims and Changes in Estimates | Claim Payments | Liability December 31 |
|------|-----------------------------------|--|----------------|-----------------------|
| 2008 | \$ 2,258,279                      | (206,738)                                    | (193,072)      | 1,858,469             |
| 2009 | \$ 1,858,469                      | 1,956  | (150,599)      | 1,709,826             |

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, 2009 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 2009. In addition to this amount and as a substitute to paying traditional insurance premiums, an amount of \$0 was set aside for 2008. 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 \$2,441,870 as of December 31, 2009. 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:

|  | <b>2009</b>         |
|--|---------------------|
| Uninsured, unguaranteed, or uncollateralized | \$ 3,779,161        |
| <b>Bank Balances</b>                         | <b>\$ 7,444,177</b> |

#### 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, 2009, NCCS's investments, consisting of certificates of deposit, maturing in less than one year were \$5,375,000 and in one to two years were \$500,000.

*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:

|  | <b>2009</b>                   |                         |                     |
|--|-------------------------------|-------------------------|---------------------|
|  | <b>51.42/.437<br/>Program</b> | <b>Nursing<br/>Home</b> | <b>Total</b>        |
| Patient accounts receivable              | \$ 5,564,614                  | \$ 2,500,781            | \$ 8,065,395        |
| Less:                                    |                               |                         |                     |
| Allowance for doubtful accounts          | 1,003,831                     | 16,814                  | 1,020,645           |
| Contractual adjustments                  | 1,279,017                     | 43,941                  | 1,322,958           |
| <b>Patient accounts receivable - Net</b> | <b>\$ 3,281,766</b>           | <b>\$ 2,440,026</b>     | <b>\$ 5,721,792</b> |

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:

|                          | <b>2009</b> |
|--------------------------|-------------|
| Medicare                 | 31%         |
| Medicaid                 | 26%         |
| Other third-party payors | 30%         |
| Patients                 | 13%         |
| <b>Totals</b>            | <b>100%</b> |

## Charity Care

The amount of charges forgone for services and supplies furnished under NCCS's charity care policy aggregate approximately \$3,315,000 for NCCS's 51.42/437 program for 2009.

## Self-Funded Insurance

Effective January 1, 2009, 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.

|                                      | <u>2008</u> | <u>2009</u> |
|--------------------------------------|-------------|-------------|
| Unpaid claims liability at beginning | \$ -        | \$ 685,000  |
| Claims expense                       | 5,757,442   | 7,164,473   |
| Claim payments                       | (5,072,442) | (7,154,473) |
| Unpaid claims liability at end       | \$ 685,000  | \$ 695,000  |

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.

|                                      | <u>2008</u> | <u>2009</u> |
|--------------------------------------|-------------|-------------|
| Unpaid claims liability at beginning | \$ 25,000   | \$ 25,000   |
| Claims expense                       | 252,222     | 356,006     |
| Claim payments                       | (252,222)   | (356,006)   |
| 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 2009 of \$3,516,879 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, 2009. The future amounts payable under the agreement consist of the following:

|       |              |
|-------|--------------|
| 2010  | \$ 2,893,060 |
| 2011  | 2,269,140    |
| 2012  | 1,645,220    |
| 2013  | 937,740      |
| Total | \$ 7,745,160 |

#### 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 \$9,418,267 in 2009 from the counties, and the nursing home received \$2,393,476 from Marathon County to assist in meeting operating costs and for additions and improvements to capital assets.

Land and buildings at a cost of \$24,597,562 in 2009, 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, 2009, 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, 2010.

## 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, 2009:

| Project                            | Encumbrance         |
|------------------------------------|---------------------|
| Rib Mountain Tower                 | 8,691,640           |
| Marathon County Courthouse-Remodel | 63,470              |
| Soc Serv Roof/HVAC                 | 41,764              |
| UWMC                               | 4,057,943           |
| WI River Bicycle/Ped Bridge        | 33,255              |
| <b>TOTAL</b>                       | <b>\$12,888,072</b> |

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 \$7,312 as a contract payable.

#### F. Related Organizations/Jointly Governed Organizations

##### City-County Information Technology Commission

The CCITC is a joint function with Marathon County, the City of Wausau and NCCS to provide for the implementation and operation of a data and management information service. The CCITC is governed by a eight-member Board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County Chairman of the Board of Supervisors, County Administrator, NCCS CEO and Finance Director. To ensure a balance of influence on the Board of Commissioners, two members are appointed at large from within the County. These members must have a professional background in data processing services. The Board of Commissioners has the authority to fix cost sharing charges for members in an amount sufficient to provide the funds required by the budget. Funding for services is recovered through three sources. The City, County and NCCS split the operating costs not recovered through outside user fees 23/54/23 respectively. Capital is paid for on a 33/33/33 basis unless otherwise shown to benefit only one owner. Marathon County's share of the CCITC costs for 2009 was \$1,218,506. The County has an equity interest in the joint venture but it is not material to the financial statements.

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

City-County Information Technology 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, 2010 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 2009 appropriation for NCWRPC was \$26,000.

### G. Subsequent Event

In May, 2010 Marathon County's Bond rating was upgraded from Aa2 to Aa1 by Moody's Investor Service, Inc.

## REQUIRED SUPPLEMENTAL INFORMATION

## Marathon County

### Other Post Employment Benefits Plan Schedule of Funded Status For the Year Ended December 31, 2009

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability (AAL) –<br/>Frozen Entry<br/>Age</u> | <u>Unfunded<br/>AAL<br/>(UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL as a<br/>Percentage<br/>of Covered<br/>Payroll</u> |
|---|--|---|------------------------------------|-------------------------|----------------------------|--|
| 12/31/07                                | \$ -                                     | \$8,766,000   | 8,766,000                          | 0%                      | 28,105,617                 | 31.19%   |
| 12/31/09                                | \$ -                                     | \$9,791,950   | 9,791,950                          | 0%                      | 32,071,992                 | 30.53%   |

See Independent Auditors' Report

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**MARATHON COUNTY, WISCONSIN**

GENERAL FUND

Schedule of Revenues - Budget and Actual

Year ended December 31, 2009

2009

|   | Budgeted Amounts  |                   | Actual            | Variance with final budget |
|---|-------------------|-------------------|-------------------|----------------------------|
|   | Original          | Final             |                   |                            |
| Revenues:                                   |                   |                   |                   |                            |
| Taxes:                                      |                   |                   |                   |                            |
| General property taxes                      | \$ 29,776,174     | \$ 29,776,174     | \$ 29,541,556     | \$ (234,618)               |
| Forest crop taxes                           | 25,000            | 25,000            | 72,588            | 47,588                     |
| Transfer tax                                | 283,000           | 283,000           | 185,337           | (97,663)                   |
| Sales tax                                   | 10,000,150        | 10,000,150        | 9,205,424         | (794,726)                  |
| Interest on delinquent taxes                | 220,000           | 358,344           | 791,975           | 433,631                    |
| Penalties on delinquent taxes               | 110,000           | 110,000           | 389,502           | 279,502                    |
| Total taxes                                 | <u>40,414,324</u> | <u>40,552,668</u> | <u>40,186,382</u> | <u>(366,286)</u>           |
| Intergovernmental grants and aids:          |                   |                   |                   |                            |
| Wisconsin shared revenue                    | 5,706,035         | 5,706,035         | 6,856,224         | 1,150,189                  |
| Exempt computer aid                         | 275,000           | 275,000           | 358,165           | 83,165                     |
| Environmental Impact Fee                    | -                 | -                 | 84,306            | 84,306                     |
| Federal grants                              | 256,286           | 1,783,455         | 1,621,348         | (162,107)                  |
| State grants                                | 4,229,298         | 6,388,211         | 4,965,421         | (1,422,790)                |
| Local government grants                     | 60,750            | 71,328            | 106,012           | 34,684                     |
| Total intergovernmental grants and aids     | <u>10,527,369</u> | <u>14,224,029</u> | <u>13,991,476</u> | <u>(232,553)</u>           |
| Licenses and permits:                       |                   |                   |                   |                            |
| Licenses                                    | 48,660            | 48,660            | 39,158            | (9,502)                    |
| Permits                                     | 233,000           | 233,000           | 219,980           | (13,020)                   |
| Total licenses and permits                  | <u>281,660</u>    | <u>281,660</u>    | <u>259,138</u>    | <u>(22,522)</u>            |
| Fines and forfeitures:                      |                   |                   |                   |                            |
| County ordinance fines and forfeitures      | 354,800           | 354,800           | 283,523           | (71,277)                   |
| County share of state fines and forfeitures | 476,600           | 476,600           | 474,820           | (1,780)                    |
| Total fines and forfeitures                 | <u>831,400</u>    | <u>831,400</u>    | <u>758,343</u>    | <u>(73,057)</u>            |
| Public charges for services:                |                   |                   |                   |                            |
| General government:                         |                   |                   |                   |                            |
| Recording fees                              | 305,990           | 305,990           | 349,157           | 43,167                     |
| Certified copies                            | 50,000            | 50,000            | 68,251            | 18,251                     |
| Land record fees                            | 225,000           | 225,000           | 163,330           | (61,670)                   |
| Court fees and costs                        | 624,000           | 624,000           | 673,090           | 49,090                     |
| Other charges                               | 307,215           | 307,215           | 269,230           | (37,985)                   |
| Total general government                    | <u>1,512,205</u>  | <u>1,512,205</u>  | <u>1,523,058</u>  | <u>10,853</u>              |
| Public safety:                              |                   |                   |                   |                            |
| Board of Prisoners                          | 574,000           | 574,000           | 331,148           | (242,852)                  |
| Processing Fees                             | 200,000           | 200,000           | 194,336           | (5,664)                    |
| Other charges                               | 352,384           | 356,431           | 248,811           | (107,620)                  |
| Total public safety                         | <u>1,126,384</u>  | <u>1,130,431</u>  | <u>774,295</u>    | <u>(356,136)</u>           |

**MARATHON COUNTY, WISCONSIN**

GENERAL FUND

Schedule of Revenues - Budget and Actual

Year ended December 31, 2009

2009

|  | Budgeted Amounts     |                      | Actual               | Variance with final budget |
|--|----------------------|----------------------|----------------------|----------------------------|
|  | Original             | Final                |                      |                            |
| Revenues (continued):                            |                      |                      |                      |                            |
| Health:  |                      |                      |                      |                            |
| General health                                   | \$ 46,690            | \$ 28,350            | \$ 27,653            | \$ (697)                   |
| Lab contract work                                | 98,168               | 98,168               | 78,854               | (19,314)                   |
| Environmental permits                            | 338,483              | 358,483              | 381,163              | 22,680                     |
| Other charges                                    | 152,965              | 157,319              | 101,898              | (55,421)                   |
| Total health                                     | <u>636,306</u>       | <u>642,320</u>       | <u>589,568</u>       | <u>(52,752)</u>            |
| Social services                                  | 5,000                | 5,000                | 5,404                | 404                        |
| Library  | 83,500               | 102,187              | 175,191              | 73,004                     |
| Recreation and public areas:                     |                      |                      |                      |                            |
| Camping fees                                     | 107,000              | 107,000              | 81,379               | (25,621)                   |
| Park concessions                                 | 16,000               | 16,000               | 6,098                | (9,902)                    |
| Shelter rental and forfeitures                   | 28,500               | 28,500               | 24,387               | (4,113)                    |
| Fairgrounds building rents                       | 120,900              | 120,900              | 101,713              | (19,187)                   |
| Organized hockey rents                           | 217,600              | 217,600              | 217,206              | (394)                      |
| Cross country fees                               | 66,063               | 66,063               | 65,028               | (1,035)                    |
| Other charges                                    | 171,450              | 171,450              | 148,822              | (22,628)                   |
| Total recreation and public areas                | <u>727,513</u>       | <u>727,513</u>       | <u>644,633</u>       | <u>(82,880)</u>            |
| Education  | 25,095               | 25,095               | 43,031               | 17,936                     |
| Conservation:                                    |                      |                      |                      |                            |
| Forest resources                                 | 291,000              | 291,000              | 251,741              | (39,259)                   |
| Agricultural resources                           | 36,255               | 36,255               | 89,943               | 53,688                     |
| Total conservation                               | <u>327,255</u>       | <u>327,255</u>       | <u>341,684</u>       | <u>14,429</u>              |
| Total public charges for services                | <u>4,443,258</u>     | <u>4,472,006</u>     | <u>4,096,864</u>     | <u>(375,142)</u>           |
| Intergovernmental charges for services:          |                      |                      |                      |                            |
| State and federal                                | 229,632              | 229,632              | 221,477              | (8,155)                    |
| Local districts:                                 |                      |                      |                      |                            |
| General government                               | 54,655               | 54,655               | 30,895               | (23,760)                   |
| Register of Deeds services                       | 45,000               | 45,000               | 72,888               | 27,888                     |
| Postage  | 70,000               | 70,000               | 71,450               | 1,450                      |
| Telephone  | 25,000               | 25,000               | 27,918               | 2,918                      |
| Sheriff's services                               | 273,303              | 273,303              | 310,861              | 37,558                     |
| Health   | 13,000               | 13,000               | 1,013                | (11,987)                   |
| Other charges                                    | 190,539              | 195,839              | 222,051              | 26,212                     |
| Local departments                                | 361,290              | 361,290              | 256,461              | (104,829)                  |
| Total intergovernmental charges for services     | <u>1,262,419</u>     | <u>1,267,719</u>     | <u>1,215,014</u>     | <u>(52,705)</u>            |
| Miscellaneous revenue:                           |                      |                      |                      |                            |
| Interest income                                  | 551,900              | 551,900              | 775,533              | 223,633                    |
| Decrease in the fair market value of investments | -                    | -                    | (901,548)            | (901,548)                  |
| Donations  | 204,384              | 280,905              | 258,588              | (22,317)                   |
| Rental income                                    | 510,725              | 510,725              | 494,977              | (15,748)                   |
| Other revenues                                   | 247,240              | 309,562              | 181,667              | (127,895)                  |
| Total miscellaneous revenue                      | <u>1,514,249</u>     | <u>1,653,092</u>     | <u>809,217</u>       | <u>(843,875)</u>           |
| Total revenues                                   | <u>\$ 59,274,679</u> | <u>\$ 63,282,574</u> | <u>\$ 61,316,434</u> | <u>\$ (1,966,140)</u>      |

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2009

2009

|                                | Budgeted Amounts  |                   | Actual            | Variance with final budget |
|--------------------------------|-------------------|-------------------|-------------------|----------------------------|
|                                | Original          | Final             |                   |                            |
| Expenditures:                  |                   |                   |                   |                            |
| General government:            |                   |                   |                   |                            |
| Legislative:                   |                   |                   |                   |                            |
| Personal services              | \$ 274,370        | \$ 274,370        | \$ 271,984        | \$ 2,386                   |
| Contractual Services           | 11,250            | 11,250            | 8,326             | 2,924                      |
| Materials and supplies         | 95,974            | 95,974            | 86,789            | 9,185                      |
| Total legislative              | <u>381,594</u>    | <u>381,594</u>    | <u>367,099</u>    | <u>14,495</u>              |
| Judicial:                      |                   |                   |                   |                            |
| Personal services              | 2,435,320         | 2,435,320         | 2,421,705         | 13,615                     |
| Contractual Services           | 657,000           | 932,000           | 898,314           | 33,686                     |
| Materials and supplies         | 102,260           | 102,260           | 100,037           | 2,223                      |
| Fixed charges                  | 5,211             | 5,211             | 815               | 4,396                      |
| Grants and contributions       | 250               | 250               | -                 | 250                        |
| Total judicial                 | <u>3,200,041</u>  | <u>3,475,041</u>  | <u>3,420,871</u>  | <u>54,170</u>              |
| Executive:                     |                   |                   |                   |                            |
| Personal services              | 392,742           | 397,002           | 391,911           | 5,091                      |
| Contractual Services           | 126,943           | 123,683           | 94,140            | 29,543                     |
| Materials and supplies         | 20,210            | 29,142            | 25,975            | 3,167                      |
| Grants and contributions       | 51,500            | 51,500            | 51,200            | 300                        |
| Total executive                | <u>591,395</u>    | <u>601,327</u>    | <u>563,226</u>    | <u>38,101</u>              |
| General administration:        |                   |                   |                   |                            |
| Personal services              | 633,707           | 644,057           | 657,773           | (13,716)                   |
| Contractual Services           | 281,014           | 275,964           | 233,465           | 42,499                     |
| Materials and supplies         | 326,156           | 326,313           | 308,636           | 17,677                     |
| Grants and contributions       | 50,000            | 50,000            | -                 | 50,000                     |
| Total general administration   | <u>1,290,877</u>  | <u>1,296,334</u>  | <u>1,199,874</u>  | <u>96,460</u>              |
| Financial administration:      |                   |                   |                   |                            |
| Personal services              | 902,756           | 926,119           | 884,964           | 41,155                     |
| Contractual Services           | 220,440           | 220,440           | 90,909            | 129,531                    |
| Materials and supplies         | 47,955            | 47,955            | 40,710            | 7,245                      |
| Fixed charges                  | 427,672           | 566,016           | 566,016           | -                          |
| Grants and contributions       | 11,340,121        | 11,714,731        | 11,450,250        | 264,481                    |
| Total financial administration | <u>12,938,944</u> | <u>13,475,261</u> | <u>13,032,849</u> | <u>442,412</u>             |

**MARATHON COUNTY, WISCONSIN**

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2009

|                                    | 2009              |                   |                   |                               |
|------------------------------------|-------------------|-------------------|-------------------|-------------------------------|
|                                    | Budgeted Amounts  |                   | Actual            | Variance with<br>final budget |
|                                    | Original          | Final             |                   |                               |
| Legal:                             |                   |                   |                   |                               |
| Personal services                  | \$ 1,339,155      | \$ 1,430,822      | \$ 1,313,818      | \$ 117,004                    |
| Contractual Services               | 159,306           | 293,873           | 188,205           | 105,668                       |
| Materials and supplies             | 67,972            | 78,978            | 73,195            | 5,783                         |
| Fixed charges                      | 300               | 300               | -                 | 300                           |
| Total legal                        | <u>1,566,733</u>  | <u>1,803,973</u>  | <u>1,575,218</u>  | <u>228,755</u>                |
| Property records and control:      |                   |                   |                   |                               |
| Personal services                  | 675,208           | 675,208           | 656,710           | 18,498                        |
| Contractual Services               | 60,900            | 60,900            | 8,869             | 52,031                        |
| Materials and supplies             | 28,703            | 28,703            | 19,761            | 8,942                         |
| Fixed charges                      | 900               | 900               | -                 | 900                           |
| Total property records and control | <u>765,711</u>    | <u>765,711</u>    | <u>685,340</u>    | <u>80,371</u>                 |
| County planning and zoning:        |                   |                   |                   |                               |
| Personal services                  | 1,630,133         | 1,674,577         | 1,575,709         | 98,868                        |
| Contractual Services               | 781,892           | 925,837           | 411,395           | 514,442                       |
| Materials and supplies             | 82,859            | 126,185           | 91,816            | 34,369                        |
| Fixed charges                      | 5,750             | 5,750             | 5,600             | 150                           |
| Grants and contributions           | 85,101            | 53,658            | 53,557            | 101                           |
| Capital outlay                     | 757,332           | 1,183,630         | 32,866            | 1,150,764                     |
| Total county planning and zoning   | <u>3,343,067</u>  | <u>3,969,637</u>  | <u>2,170,943</u>  | <u>1,798,694</u>              |
| Building maintenance:              |                   |                   |                   |                               |
| Personal services                  | 1,276,072         | 1,276,072         | 1,231,015         | 45,057                        |
| Contractual Services               | 983,365           | 983,365           | 769,933           | 213,432                       |
| Materials and supplies             | 131,695           | 131,695           | 103,318           | 28,377                        |
| Fixed charges                      | 7,697             | 7,697             | 6,381             | 1,316                         |
| Total building maintenance         | <u>2,398,829</u>  | <u>2,398,829</u>  | <u>2,110,647</u>  | <u>288,182</u>                |
| Total general government           | <u>26,477,191</u> | <u>28,167,707</u> | <u>25,126,067</u> | <u>3,041,640</u>              |

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2009

|                              | 2009              |                   |                   |                            |
|------------------------------|-------------------|-------------------|-------------------|----------------------------|
|                              | Budgeted Amounts  |                   | Actual            | Variance with final budget |
|                              | Original          | Final             |                   |                            |
| <b>Public Safety:</b>        |                   |                   |                   |                            |
| <b>Sheriff:</b>              |                   |                   |                   |                            |
| Personal services            | \$ 9,458,554      | \$ 9,453,558      | \$ 9,363,978      | \$ 89,580                  |
| Contractual Services         | 355,660           | 378,160           | 353,395           | 24,765                     |
| Materials and supplies       | 593,214           | 1,130,628         | 683,631           | 446,997                    |
| Fixed charges                | 84,584            | 84,584            | 84,134            | 450                        |
| Grants and contributions     | 10,193            | 45,801            | 79,359            | (33,558)                   |
| Capital outlay               | 299,000           | 543,535           | 496,140           | 47,395                     |
| Total sheriff                | <u>10,801,205</u> | <u>11,636,266</u> | <u>11,060,637</u> | <u>575,629</u>             |
| <b>Emergency Services:</b>   |                   |                   |                   |                            |
| Personal services            | 179,602           | 229,960           | 158,191           | 71,769                     |
| Contractual Services         | 4,795             | 30,748            | 23,683            | 7,065                      |
| Materials and supplies       | 49,804            | 84,991            | 60,551            | 24,440                     |
| Fixed charges                | 3,520             | 3,520             | 2,816             | 704                        |
| Grants and contributions     | -                 | 33,500            | 34,818            | (1,318)                    |
| Capital outlay               | -                 | 520,240           | 459,490           | 60,750                     |
| Total emergency services     | <u>237,721</u>    | <u>902,959</u>    | <u>739,549</u>    | <u>163,410</u>             |
| <b>Adult corrections:</b>    |                   |                   |                   |                            |
| Personal services            | 3,445,094         | 3,457,538         | 3,459,998         | (2,460)                    |
| Contractual Services         | 2,218,493         | 2,303,343         | 2,259,600         | 43,743                     |
| Materials and supplies       | 144,341           | 239,043           | 144,994           | 94,049                     |
| Fixed charges                | 1,408             | 1,408             | 1,408             | -                          |
| Total adult corrections      | <u>5,809,336</u>  | <u>6,001,332</u>  | <u>5,866,000</u>  | <u>135,332</u>             |
| <b>Juvenile corrections:</b> |                   |                   |                   |                            |
| Personal services            | 1,033,132         | 1,033,132         | 1,050,920         | (17,788)                   |
| Contractual Services         | 57,525            | 55,025            | 47,516            | 7,509                      |
| Materials and supplies       | 16,884            | 16,884            | 8,495             | 8,389                      |
| Fixed charges                | 2,112             | 2,112             | 2,112             | -                          |
| Total juvenile corrections   | <u>1,109,653</u>  | <u>1,107,153</u>  | <u>1,109,043</u>  | <u>(1,890)</u>             |
| <b>Shelter home:</b>         |                   |                   |                   |                            |
| Personal services            | 475,547           | 475,547           | 468,393           | 7,154                      |
| Contractual Services         | 20,806            | 23,306            | 19,080            | 4,226                      |
| Materials and supplies       | 13,899            | 13,899            | 5,224             | 8,675                      |
| Fixed charges                | 250               | 250               | -                 | 250                        |
| Capital outlay               | -                 | 10,927            | -                 | 10,927                     |
| Total shelter home           | <u>510,502</u>    | <u>523,929</u>    | <u>492,697</u>    | <u>31,232</u>              |
| Total public safety          | <u>18,468,417</u> | <u>20,171,639</u> | <u>19,267,926</u> | <u>903,713</u>             |

**MARATHON COUNTY, WISCONSIN**

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2009

|  | 2009             |                  |                  |                               |
|--|------------------|------------------|------------------|-------------------------------|
|  | Budgeted Amounts |                  | Actual           | Variance with<br>final budget |
|  | Original         | Final            |                  |                               |
| <b>Health:</b>                           |                  |                  |                  |                               |
| Personal services                        | \$ 3,305,190     | \$ 3,959,479     | \$ 3,315,508     | \$ 643,971                    |
| Contractual Services                     | 1,072,714        | 1,574,768        | 1,325,785        | 248,983                       |
| Materials and supplies                   | 237,238          | 417,741          | 291,493          | 126,248                       |
| Grants and contributions                 | 69,500           | 75,500           | 5,973            | 69,527                        |
| Total health                             | <u>4,684,642</u> | <u>6,027,488</u> | <u>4,938,759</u> | <u>1,088,729</u>              |
| <b>Social services:</b>                  |                  |                  |                  |                               |
| <b>Veterans:</b>                         |                  |                  |                  |                               |
| Personal services                        | 212,897          | 212,897          | 211,655          | 1,242                         |
| Contractual Services                     | 3,300            | 3,300            | 3,196            | 104                           |
| Materials and supplies                   | 11,576           | 11,576           | 10,191           | 1,385                         |
| Fixed charges                            | 200              | 200              | -                | 200                           |
| Grants and contributions                 | 3,200            | 16,546           | 4,195            | 12,351                        |
| Total veterans                           | <u>231,173</u>   | <u>244,519</u>   | <u>229,237</u>   | <u>15,282</u>                 |
| Total social services                    | <u>231,173</u>   | <u>244,519</u>   | <u>229,237</u>   | <u>15,282</u>                 |
| <b>Leisure activities and education:</b> |                  |                  |                  |                               |
| <b>Library:</b>                          |                  |                  |                  |                               |
| Personal services                        | 2,923,154        | 2,923,154        | 2,679,031        | 244,123                       |
| Contractual Services                     | 216,329          | 258,829          | 234,648          | 24,181                        |
| Materials and supplies                   | 504,302          | 631,877          | 536,014          | 95,863                        |
| Fixed charges                            | 67,635           | 69,223           | 64,625           | 4,598                         |
| Total library                            | <u>3,711,420</u> | <u>3,883,083</u> | <u>3,514,318</u> | <u>368,765</u>                |
| <b>Public areas:</b>                     |                  |                  |                  |                               |
| Personal services                        | 2,098,310        | 2,057,358        | 2,061,261        | (3,903)                       |
| Contractual Services                     | 747,566          | 1,045,556        | 783,066          | 262,490                       |
| Materials and supplies                   | 376,452          | 385,019          | 334,700          | 50,319                        |
| Fixed charges                            | 145,108          | 145,108          | 53,648           | 91,460                        |
| Grants and contributions                 | 26,085           | 26,085           | 27,453           | (1,368)                       |
| Capital outlay                           | 268,604          | 268,948          | 85,231           | 183,717                       |
| Total public areas                       | <u>3,662,125</u> | <u>3,928,074</u> | <u>3,345,359</u> | <u>582,715</u>                |
| <b>University extension program:</b>     |                  |                  |                  |                               |
| Personal services                        | 142,838          | 146,457          | 146,104          | 353                           |
| Contractual Services                     | 224,020          | 301,164          | 237,087          | 64,077                        |
| Materials and supplies                   | 48,625           | 77,171           | 88,997           | (11,826)                      |
| Total university extension program       | <u>415,483</u>   | <u>524,792</u>   | <u>472,188</u>   | <u>52,604</u>                 |
| Total leisure activities and education   | <u>7,789,028</u> | <u>8,335,949</u> | <u>7,331,865</u> | <u>1,004,084</u>              |

**MARATHON COUNTY, WISCONSIN**

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2009

|   | 2009                 |                      |                      |                               |
|---|----------------------|----------------------|----------------------|-------------------------------|
|   | Budgeted Amounts     |                      | Actual               | Variance with<br>final budget |
|   | Original             | Final                |                      |                               |
| <b>Conservation and economic development:</b> |                      |                      |                      |                               |
| Forest resources:                             |                      |                      |                      |                               |
| Personal services                             | \$ -                 | \$ 53,427            | \$ 53,427            | \$ -                          |
| Contractual Services                          | 57,247               | 62,374               | 14,081               | 48,293                        |
| Materials and supplies                        | 7,290                | 7,290                | -                    | 7,290                         |
| Fixed charges                                 | 3,898                | 3,898                | 598                  | 3,300                         |
| Capital outlay                                | 239,027              | 240,503              | -                    | 240,503                       |
| Total forest resources                        | <u>307,462</u>       | <u>367,492</u>       | <u>68,106</u>        | <u>299,386</u>                |
| Agricultural resources:                       |                      |                      |                      |                               |
| Personal services                             | 285,899              | 293,399              | 197,763              | 95,636                        |
| Contractual Services                          | 48,445               | 89,831               | 54,266               | 35,565                        |
| Materials and supplies                        | 15,415               | 59,659               | 19,044               | 40,615                        |
| Grants and contributions                      | 594,789              | 1,197,293            | 1,099,174            | 98,119                        |
| Total agricultural resources                  | <u>944,548</u>       | <u>1,640,182</u>     | <u>1,370,247</u>     | <u>269,935</u>                |
| Total conservation and economic development   | <u>1,252,010</u>     | <u>2,007,674</u>     | <u>1,438,353</u>     | <u>569,321</u>                |
| Capital outlay:                               |                      |                      |                      |                               |
| Capital projects:                             |                      |                      |                      |                               |
| Personal services                             | -                    | 13,755               | 5,777                | 7,978                         |
| Contractual Services                          | 125,000              | 632,396              | 350,017              | 282,379                       |
| Capital outlay                                | 100,000              | 128,513              | 107,152              | 21,361                        |
| Total capital outlay                          | <u>225,000</u>       | <u>774,664</u>       | <u>462,946</u>       | <u>311,718</u>                |
| <br>  |                      |                      |                      |                               |
| Total expenditures                            | <u>\$ 59,127,461</u> | <u>\$ 65,729,640</u> | <u>\$ 58,795,153</u> | <u>\$ 6,934,487</u>           |

**MARATHON COUNTY, WISCONSIN**

Balance Sheet  
Non-major Governmental Funds

December 31, 2009

|  | <u>Debt Service</u>        | <u>Highway Road<br/>Improvements</u> | <u>Total Non-major<br/>Governmental<br/>Funds</u> |
|--|----------------------------|--------------------------------------|---|
| <b>Assets:</b>                             |                            |                                      |   |
| Cash and cash equivalents                  | \$ 1,416,770               | \$ 665,576                           | \$ 2,082,346                                      |
| Taxes receivable                           | 1,660,775                  | -                                    | 1,660,775   |
| Restricted cash and cash equivalents       | -                          | 825,312                              | 825,312   |
| <b>Total assets</b>                        | <b><u>\$ 3,077,545</u></b> | <b><u>\$ 1,490,888</u></b>           | <b><u>\$ 4,568,433</u></b>                        |
| <br>                                       |                            |                                      |   |
| <b>Liabilities and Fund Balance</b>        |                            |                                      |   |
| Accounts payable                           | \$ 200                     | \$ 119                               | \$ 319  |
| Deferred revenues                          | 1,660,775                  | -                                    | 1,660,775   |
| <b>Total liabilities</b>                   | <b><u>\$ 1,660,975</u></b> | <b><u>\$ 119</u></b>                 | <b><u>\$ 1,661,094</u></b>                        |
| <br>                                       |                            |                                      |   |
| <b>Fund balances:</b>                      |                            |                                      |   |
| <b>Reserved:</b>                           |                            |                                      |   |
| Reserved for debt service                  | \$ 1,416,570               | \$ -                                 | \$ 1,416,570                                      |
| <b>Unreserved:</b>                         |                            |                                      |   |
| Undesignated                               | -                          | 1,490,769                            | 1,490,769   |
| <b>Total fund balance</b>                  | <b><u>1,416,570</u></b>    | <b><u>1,490,769</u></b>              | <b><u>2,907,339</u></b>                           |
| <b>Total liabilities and fund balances</b> | <b><u>\$ 3,077,545</u></b> | <b><u>\$ 1,490,888</u></b>           | <b><u>\$ 4,568,433</u></b>                        |

**MARATHON COUNTY, WISCONSIN**

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

Year ended December 31, 2009

|  | <u>Debt Service</u> | <u>Highway Road<br/>Improvements</u> | <u>Total Non-major<br/>Governmental<br/>Funds</u> |
|--|---------------------|--------------------------------------|---|
| Revenues:  |                     |                                      |   |
| Taxes  | \$ 2,338,469        | \$ -                                 | \$ 2,338,469                                      |
| Public charges for services                          | 58,094              | -                                    | 58,094  |
| Miscellaneous revenues                               | 130,256             | 12,236                               | 142,492   |
| Total revenues                                       | <u>2,526,819</u>    | <u>12,236</u>                        | <u>2,539,055</u>                                  |
| Expenditures:  |                     |                                      |   |
| Current:   |                     |                                      |   |
| Capital outlay                                       | -                   | 1,490                                | 1,490   |
| Debt service:  |                     |                                      |   |
| Principal  | 4,468,304           | -                                    | 4,468,304   |
| Interest and paying agent fees                       | 480,221             | -                                    | 480,221   |
| Total expenditures                                   | <u>4,948,525</u>    | <u>1,490</u>                         | <u>4,950,015</u>                                  |
| Excess (deficiency) of<br>revenues over expenditures | (2,421,706)         | 10,746                               | (2,410,960)                                       |
| Other financing sources:                             |                     |                                      |   |
| Debt premium   | 1,212,567           | -                                    | 1,212,567   |
| Total other financing sources                        | <u>1,212,567</u>    | <u>-</u>                             | <u>1,212,567</u>                                  |
| Net change in fund balance                           | (1,209,139)         | 10,746                               | (1,198,393)                                       |
| Fund balances, January 1                             | <u>2,625,709</u>    | <u>1,480,023</u>                     | <u>4,105,732</u>                                  |
| Fund balances, December 31                           | <u>\$ 1,416,570</u> | <u>\$ 1,490,769</u>                  | <u>\$ 2,907,339</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, 2009

|  | 2009             |                       |                      |                               |
|--|------------------|-----------------------|----------------------|-------------------------------|
|  | Budgeted Amounts |                       | Actual               | Variance<br>with Final Budget |
|  | Original         | Final                 |                      |                               |
| Revenues:  |                  |                       |                      |                               |
| Other local government grants                        | -                | 5,068,000             | -                    | (5,068,000)                   |
| Miscellaneous revenues:                              |                  |                       |                      |                               |
| Interest income                                      | 33,531           | 234,133               | 275,894              | 41,761                        |
| Rental income  | 116,830          | 116,830               | 121,130              | 4,300                         |
| Other revenues                                       | -                | -                     | 1,620                | 1,620                         |
| Total revenues                                       | <u>150,361</u>   | <u>5,418,963</u>      | <u>398,644</u>       | <u>(5,020,319)</u>            |
| Expenditures:  |                  |                       |                      |                               |
| Personal service                                     | -                | -                     | 410                  | (410)                         |
| Contractual services                                 | -                | 621,677               | 317,421              | 304,256                       |
| Capital outlay                                       | 2,553,250        | 33,651,995            | 12,233,318           | 21,418,677                    |
| Total expenditures                                   | <u>2,553,250</u> | <u>34,273,672</u>     | <u>12,551,149</u>    | <u>21,722,523</u>             |
| Excess (deficiency) of<br>revenues over expenditures | (2,402,889)      | (28,854,709)          | (12,152,505)         | 16,702,204                    |
| Other financing sources (uses):                      |                  |                       |                      |                               |
| Transfers in:  |                  |                       |                      |                               |
| General Fund   | 1,678,391        | 2,004,963             | 2,113,295            | 108,332                       |
| Social Services Fund                                 | 952,390          | 952,390               | 952,390              | -                             |
| Sale of capital assets                               | -                | 32,000                | 19,035               | (12,965)                      |
| General obligation debt issued                       | -                | 16,575,167            | 16,770,000           | 194,833                       |
| Transfers out:                                       |                  |                       |                      |                               |
| General Fund   | (167,892)        | (329,309)             | (794,851)            | (465,542)                     |
| County Highway Fund                                  | (60,000)         | (60,000)              | (60,000)             | -                             |
| Total other financing sources (uses)                 | <u>2,402,889</u> | <u>19,175,211</u>     | <u>18,999,869</u>    | <u>(175,342)</u>              |
| Net change in fund balance                           | -                | (9,679,498)           | 6,847,364            | 16,526,862                    |
| Fund balances, January 1                             | <u>-</u>         | <u>-</u>              | <u>10,491,481</u>    | <u>10,491,481</u>             |
| Fund balances, December 31                           | <u>\$ -</u>      | <u>\$ (9,679,498)</u> | <u>\$ 17,338,845</u> | <u>\$ 27,018,343</u>          |

**MARATHON COUNTY, WISCONSIN**

**DEBT SERVICE FUND**

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

Year ended December 31, 2009

|  | 2009                |                   |                     |                               |
|--|---------------------|-------------------|---------------------|-------------------------------|
|  | Budgeted Amounts    |                   | Actual              | Variance<br>with Final Budget |
|  | Original            | Final             |                     |                               |
| Revenues:  |                     |                   |                     |                               |
| Taxes  | \$ 2,338,469        | \$ 2,338,469      | \$ 2,338,469        | \$ -                          |
| Public charges for services                          | 100,000             | 100,000           | 58,094              | (41,906)                      |
| Miscellaneous revenues                               | -                   | -                 | 130,256             | 130,256                       |
| Total revenues                                       | <u>2,438,469</u>    | <u>2,438,469</u>  | <u>2,526,819</u>    | <u>88,350</u>                 |
| Expenditures:  |                     |                   |                     |                               |
| Debt service:  |                     |                   |                     |                               |
| Principal  | 2,438,469           | 4,510,000         | 4,468,304           | 41,696                        |
| Interest   | -                   | 480,021           | 480,021             | -                             |
| Paying agent fees                                    | -                   | -                 | 200                 | (200)                         |
| Total expenditures                                   | <u>2,438,469</u>    | <u>4,990,021</u>  | <u>4,948,525</u>    | <u>41,496</u>                 |
| Excess (deficiency) of<br>revenues over expenditures | -                   | (2,551,552)       | (2,421,706)         | 129,846                       |
| Other financing sources:                             |                     |                   |                     |                               |
| Debt premium   | -                   | 131,428           | 1,212,567           | 1,081,139                     |
| Total other financing sources                        | <u>-</u>            | <u>131,428</u>    | <u>1,212,567</u>    | <u>1,081,139</u>              |
| Net change in fund balance                           | -                   | (2,420,124)       | (1,209,139)         | 1,210,985                     |
| Fund balances, January 1                             | <u>2,625,709</u>    | <u>2,625,709</u>  | <u>2,625,709</u>    | <u>-</u>                      |
| Fund balances, December 31                           | <u>\$ 2,625,709</u> | <u>\$ 205,585</u> | <u>\$ 1,416,570</u> | <u>\$ 1,210,985</u>           |

**MARATHON COUNTY, WISCONSIN**

HIGHWAY ROAD IMPROVEMENT FUND

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

Year ended December 31, 2009

|  | 2009                |                   |                     |                               |
|--|---------------------|-------------------|---------------------|-------------------------------|
|  | Budgeted Amounts    |                   | Actual              | Variance<br>with Final Budget |
|  | Original            | Final             |                     |                               |
| Revenues:  |                     |                   |                     |                               |
| Interest income                                      | \$ -                | \$ 35,000         | \$ 2,235            | \$ (32,765)                   |
| Property sales                                       | -                   | -                 | 10,000              | 10,000                        |
| Other miscellaneous revenues                         | -                   | -                 | 1                   | 1                             |
| Total revenues                                       | <u>-</u>            | <u>35,000</u>     | <u>12,236</u>       | <u>(22,764)</u>               |
| Expenditures:  |                     |                   |                     |                               |
| Contractual services                                 | -                   | 35,000            | 1,490               | 33,510                        |
| Material and supplies                                | -                   | 826,672           | -                   | 826,672                       |
| Total expenditures                                   | <u>-</u>            | <u>861,672</u>    | <u>1,490</u>        | <u>860,182</u>                |
| Excess (deficiency) of<br>revenues over expenditures | -                   | (826,672)         | 10,746              | 837,418                       |
| Fund balances, January 1                             | <u>1,480,023</u>    | <u>1,480,023</u>  | <u>1,480,023</u>    | <u>-</u>                      |
| Fund balances, December 31                           | <u>\$ 1,480,023</u> | <u>\$ 653,351</u> | <u>\$ 1,490,769</u> | <u>\$ 837,418</u>             |

**MARATHON COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
Combining Statement of Net Assets  
December 31, 2009

|   | Property Casualty<br>Insurance | Employee<br>Benefits Insurance | Totals        |
|---|--------------------------------|--------------------------------|---------------|
| <b>Assets</b>   |                                |                                |               |
| Current assets:   |                                |                                |               |
| Cash and cash equivalents                               | \$ 5,720,105                   | \$ 11,386,843                  | \$ 17,106,948 |
| Accounts receivable                                     | 108,545                        | 16,435                         | 124,980       |
| Total current assets                                    | 5,828,650                      | 11,403,278                     | 17,231,928    |
| Noncurrent assets:                                      |                                |                                |               |
| Deposit in Wisconsin Municipal Mutual Insurance Company | 1,519,000                      | -                              | 1,519,000     |
| Capital assets:   |                                |                                |               |
| Equipment   | 53,868                         | 4,598                          | 58,466        |
| Less: accumulated depreciation                          | (53,868)                       | (4,598)                        | (58,466)      |
| Net capital assets                                      | -                              | -                              | -             |
| Total non-current assets                                | 1,519,000                      | -                              | 1,519,000     |
| Total assets  | \$ 7,347,650                   | \$ 11,403,278                  | \$ 18,750,928 |
| <b>Liabilities and Net Assets</b>                       |                                |                                |               |
| Current liabilities:                                    |                                |                                |               |
| Accounts payable  | \$ 419,788                     | \$ 29,378                      | \$ 449,166    |
| Accrued items   | 1,071                          | 64,170                         | 65,241        |
| Unearned revenue  | 686                            | -                              | 686           |
| Total current liabilities                               | 421,545                        | 93,548                         | 515,093       |
| Long-term liabilities:                                  |                                |                                |               |
| Accrued liability - claims payable                      | 1,304,701                      | 1,714,826                      | 3,019,527     |
| Compensated absences                                    | 12,816                         | 33,805                         | 46,621        |
| Total long-term liabilities                             | 1,317,517                      | 1,748,631                      | 3,066,148     |
| Total liabilities                                       | 1,739,062                      | 1,842,179                      | 3,581,241     |
| <b>Net Assets</b>                                       |                                |                                |               |
| Unrestricted  | 5,608,588                      | 9,561,099                      | 15,169,687    |
| Total Net Assets  | \$ 5,608,588                   | \$ 9,561,099                   | \$ 15,169,687 |

**MARATHON COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year ended December 31, 2009

|  | Property Casualty<br>Insurance | Employee<br>Benefits Insurance | Totals        |
|--|--------------------------------|--------------------------------|---------------|
| Operating revenues:                    |                                |                                |               |
| Public charges for services            | \$ 30,557                      | \$ -                           | \$ 30,557     |
| Intergovernmental charges for services | 875,591                        | 12,391,957                     | 13,267,548    |
| Total operating revenues               | 906,148                        | 12,391,957                     | 13,298,105    |
| Operating expenses:                    |                                |                                |               |
| Salaries and benefits                  | 87,516                         | 190,933                        | 278,449       |
| Contractual services                   | 1,070                          | 362,534                        | 363,604       |
| Materials and supplies                 | 2,415                          | 15,689                         | 18,104        |
| Insurance and claims                   | 945,468                        | 12,121,870                     | 13,067,338    |
| Loss and loss adjustment expense       | 122,504                        | (1,043,479)                    | (920,975)     |
| Insurance and administration costs     | -                              | 21,961                         | 21,961        |
| Total operating expenses               | 1,158,973                      | 11,669,508                     | 12,828,481    |
| Operating income (loss)                | (252,825)                      | 722,449                        | 469,624       |
| Nonoperating revenues                  |                                |                                |               |
| Investment income                      | 201,590                        | 229,318                        | 430,908       |
| Insurance recoveries                   | 26,993                         | 8,995                          | 35,988        |
| Other income                           | 217                            | 120,857                        | 121,074       |
| Total nonoperating revenues, net       | 228,800                        | 359,170                        | 587,970       |
| Increase (decrease) in net assets      | (24,025)                       | 1,081,619                      | 1,057,594     |
| Net Assets, January 1                  | 5,632,613                      | 8,479,480                      | 14,112,093    |
| Net Assets, December 31                | \$ 5,608,588                   | \$ 9,561,099                   | \$ 15,169,687 |

**MARATHON COUNTY, WISCONSIN**

INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

Year ended December 31, 2009

|  | Property<br>Casualty<br>Insurance | Employee<br>Benefits<br>Insurance | Totals               |
|--|-----------------------------------|-----------------------------------|----------------------|
| Cash flows from operating activities:  |                                   |                                   |                      |
| Collections from departments and other insurance purchasers  | \$ 996,973                        | \$ 12,932,991                     | \$ 13,929,964        |
| Cash paid to employees for services  | (89,052)                          | (189,029)                         | (278,081)            |
| Cash paid to suppliers for goods and services  | (933,901)                         | (13,451,490)                      | (14,385,391)         |
| Net cash provided (used) by operating activities   | <u>(25,980)</u>                   | <u>(707,528)</u>                  | <u>(733,508)</u>     |
| Cash flows from investing activities:  |                                   |                                   |                      |
| Interest received on investments   | 201,590                           | 229,318                           | 430,908              |
| Net cash provided by investing activities  | <u>201,590</u>                    | <u>229,318</u>                    | <u>430,908</u>       |
| Net increase/(decrease) in cash and cash equivalents   | 175,610                           | (478,210)                         | (302,600)            |
| Cash and cash equivalents, January 1   | <u>5,544,495</u>                  | <u>11,865,053</u>                 | <u>17,409,548</u>    |
| Cash and cash equivalents, December 31   | <u>\$ 5,720,105</u>               | <u>\$ 11,386,843</u>              | <u>\$ 17,106,948</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities:       |                                   |                                   |                      |
| Operating income (loss)  | \$ (252,825)                      | \$ 722,449                        | \$ 469,624           |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:       |                                   |                                   |                      |
| Insurance recoveries   | 26,993                            | 8,995                             | 35,988               |
| Other income   | 217                               | 120,858                           | 121,075              |
| Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities: |                                   |                                   |                      |
| Accounts receivable  | 62,930                            | 11,262                            | 74,192               |
| Prepaid items  | -                                 | 63,391                            | 63,391               |
| Accounts payable   | 14,593                            | (527,391)                         | (512,798)            |
| Accrued expenses   | (2,099)                           | (2,005)                           | (4,104)              |
| Unearned revenues  | 686                               | (63,391)                          | (62,705)             |
| Accrued liabilities - claims payable   | 122,504                           | (1,043,479)                       | (920,975)            |
| Compensated absences   | 1,021                             | 1,783                             | 2,804                |
| Net cash provided (used) by operating activities   | <u>\$ (25,980)</u>                | <u>\$ (707,528)</u>               | <u>\$ (733,508)</u>  |

**MARATHON COUNTY, WISCONSIN**

FIDUCIARY FUNDS

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

Year ended December 31, 2009

|  | Balance<br>January 1, 2009 | Additions        | Deductions       | Balance<br>December 31, 2009 |
|--|----------------------------|------------------|------------------|------------------------------|
| <b>ADRC-CW</b>                         |                            |                  |                  |                              |
| <b>Assets</b>                          |                            |                  |                  |                              |
| Cash and cash equivalents              | \$ 246,193                 | -                | 246,193          | -                            |
| Account receivable                     | 371,569                    | 72,214           | 371,569          | 72,214                       |
| Due from other governments             | 48,570                     | 622,369          | 48,570           | 622,369                      |
| <b>Total assets</b>                    | <b>\$ 666,332</b>          | <b>694,583</b>   | <b>666,332</b>   | <b>694,583</b>               |
| <b>Liabilities:</b>                    |                            |                  |                  |                              |
| Accounts payable                       | \$ 320,093                 | 314,358          | 320,093          | 314,358                      |
| Due to other governments               | 207,284                    | 125,543          | 207,284          | 125,543                      |
| Due to participants                    | 138,558                    | 254,556          | 138,558          | 254,556                      |
| Other accrued liabilities and deposits | 397                        | 126              | 397              | 126                          |
| <b>Total Liabilities</b>               | <b>\$ 666,332</b>          | <b>694,583</b>   | <b>666,332</b>   | <b>694,583</b>               |
| <b>Clerk of Courts</b>                 |                            |                  |                  |                              |
| <b>Assets</b>                          |                            |                  |                  |                              |
| Cash and cash equivalents              | \$ 1,550,837               | 1,722,674        | 1,550,837        | 1,722,674                    |
| Account receivable                     | -                          | 102,070          | -                | 102,070                      |
| <b>Total assets</b>                    | <b>\$ 1,550,837</b>        | <b>1,824,744</b> | <b>1,550,837</b> | <b>1,824,744</b>             |
| <b>Liabilities:</b>                    |                            |                  |                  |                              |
| Other accrued liabilities and deposits | \$ 1,550,837               | 1,824,744        | 1,550,837        | 1,824,744                    |
| <b>Sheriff Adult Inmate</b>            |                            |                  |                  |                              |
| <b>Assets</b>                          |                            |                  |                  |                              |
| Cash and cash equivalents              | \$ 52,061                  | 25,418           | 52,061           | 25,418                       |
| <b>Liabilities:</b>                    |                            |                  |                  |                              |
| Other accrued liabilities and deposits | \$ 52,061                  | 25,418           | 52,061           | 25,418                       |
| <b>Total all agency funds</b>          |                            |                  |                  |                              |
| <b>Assets</b>                          |                            |                  |                  |                              |
| Cash and cash equivalents              | \$ 1,849,091               | 1,748,092        | 1,849,091        | 1,748,092                    |
| Account receivable                     | 371,569                    | 174,284          | 371,569          | 174,284                      |
| Due from other governments             | 48,570                     | 622,369          | 48,570           | 622,369                      |
| <b>Total assets</b>                    | <b>\$ 2,269,230</b>        | <b>2,544,745</b> | <b>2,269,230</b> | <b>2,544,745</b>             |
| <b>Liabilities:</b>                    |                            |                  |                  |                              |
| Accounts payable                       | 320,093                    | 314,358          | 320,093          | 314,358                      |
| Due to other governments               | 207,284                    | 125,543          | 207,284          | 125,543                      |
| Due to participants                    | 138,558                    | 254,556          | 138,558          | 254,556                      |
| Other accrued liabilities and deposits | 1,603,295                  | 1,850,288        | 1,603,295        | 1,850,288                    |
| <b>Total Liabilities</b>               | <b>\$ 2,269,230</b>        | <b>2,544,745</b> | <b>2,269,230</b> | <b>2,544,745</b>             |

**MARATHON COUNTY, WISCONSIN**

**CENTRAL WISCONSIN AIRPORT**

Statement of Net Assets

December 31, 2009

|   | Central Wisconsin<br>Airport |
|---|------------------------------|
| Assets  |                              |
| Current assets:                                 |                              |
| Cash and cash equivalents                       | \$ 3,280,222                 |
| Accounts receivable                             | 159,763                      |
| Total current assets                            | <u>3,439,985</u>             |
| Noncurrent assets:                              |                              |
| Restricted cash and cash equivalents            | 1,049,102                    |
| Deferred charges                                | 29,158                       |
| Capital assets:                                 |                              |
| Land  | 614,983                      |
| Buildings                                       | 12,449,032                   |
| Improvements                                    | 41,960,744                   |
| Equipment                                       | 7,358,310                    |
| Construction in process                         | 1,318,808                    |
| Total capital assets                            | <u>63,701,877</u>            |
| Less: accumulated depreciation and depletion    | <u>(31,059,227)</u>          |
| Net capital assets                              | <u>32,642,650</u>            |
| Total non-current assets                        | <u>33,720,910</u>            |
| Total assets                                    | <u>\$ 37,160,895</u>         |
| Liabilities and Net Assets                      |                              |
| Current liabilities:                            |                              |
| Accounts payable                                | \$ 204,445                   |
| Accrued expenses                                | 33,333                       |
| Interest payable                                | 34,674                       |
| Due to other governments                        | 57,539                       |
| Current portion of long-term obligations        | 355,000                      |
| Total current liabilities                       | <u>687,594</u>               |
| Long-term liabilities:                          |                              |
| General obligation notes payable                | 2,955,000                    |
| Compensated absences                            | 128,770                      |
| Net OPEB obligation                             | 64,329                       |
| Total long-term liabilities                     | <u>3,148,099</u>             |
| Total liabilities                               | <u>3,835,693</u>             |
| Net Assets                                      |                              |
| Invested in Capital Assets, net of related debt | 29,332,650                   |
| Restricted                                      |                              |
| Restricted for Passenger Facility Charges       | 1,719,944                    |
| Unrestricted                                    | 2,272,608                    |
| Total Net Assets                                | <u>\$ 33,325,202</u>         |

**MARATHON COUNTY, WISCONSIN**  
**CENTRAL WISCONSIN AIRPORT**  
Statement of Revenues, Expenses and Changes in Net Assets  
Year ended December 31, 2009

|   | <u>Central Wisconsin<br/>Airport</u> |
|---|--------------------------------------|
| Operating revenues:                             |                                      |
| Public charges for services                     | \$ 2,550,168                         |
| Total operating revenues                        | <u>2,550,168</u>                     |
| Operating expenses:                             |                                      |
| Salaries and benefits                           | 1,458,992                            |
| Contractual services                            | 365,045                              |
| Materials and supplies                          | 422,497                              |
| Insurance                                       | 66,708                               |
| Depreciation                                    | 2,034,714                            |
| Total operating expenses                        | <u>4,347,956</u>                     |
| Operating income (loss)                         | <u>(1,797,788)</u>                   |
| Nonoperating revenues and (expenses):           |                                      |
| Investment income                               | 76,989                               |
| Passenger facility charges                      | 584,937                              |
| Other income                                    | 29,466                               |
| Interest expense                                | <u>(154,155)</u>                     |
| Total nonoperating revenues and (expenses), net | <u>537,237</u>                       |
| Increase (decrease) in net assets               | (1,260,551)                          |
| Capital Contributions                           | <u>1,147,298</u>                     |
| Increase (decrease) in net assets               | (113,253)                            |
| Net Assets, January 1                           | <u>33,438,455</u>                    |
| Net Assets, December 31                         | <u>\$ 33,325,202</u>                 |

**MARATHON COUNTY, WISCONSIN**

CENTRAL WISCONSIN AIRPORT

Statement of Cash Flows

Year ended December 31, 2009

|  | <u>Central Wisconsin Airport</u> |
|--|----------------------------------|
| Cash flows from operating activities:  |                                  |
| Cash received from the sale of goods and services  | \$ 2,625,602                     |
| Cash paid to employees for services  | (1,253,372)                      |
| Cash paid to suppliers for goods and services  | (992,691)                        |
| Cash paid to other departments for reimbursement   | (41,353)                         |
| Net cash provided by operating activities  | <u>338,186</u>                   |
| Cash flows from capital financing activities:  |                                  |
| Passenger facility charges   | 584,937                          |
| Payments for capital acquisitions  | (220,966)                        |
| Payments of principal on debt obligations  | (340,000)                        |
| Payments of interest on debt obligations   | (153,363)                        |
| Net cash (used) by capital financing activities  | <u>(129,392)</u>                 |
| Cash flows from investing activities:  |                                  |
| Interest received on investments   | 76,989                           |
| Net cash provided by investing activities  | <u>76,989</u>                    |
| Net increase in cash and cash equivalents  | 285,783                          |
| Cash and cash equivalents, January 1   | <u>4,043,541</u>                 |
| Cash and cash equivalents, December 31   | <u>\$ 4,329,324</u>              |
| Reconciliation of operating loss to net cash provided by operating activities:                       |                                  |
| Operating loss   | \$ (1,797,788)                   |
| Adjustments to reconcile operating loss to net cash provided by operating activities:                |                                  |
| Depreciation expense   | 2,034,714                        |
| Other income   | 1,468                            |
| Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities: |                                  |
| Accounts receivable  | (24,026)                         |
| Prepaid Items  | 38,375                           |
| Accounts payable   | 114,780                          |
| Accrued expenses   | (45,720)                         |
| Interest payable   | (3,097)                          |
| Due to other governments   | (20,238)                         |
| Due to primary government  | 27                               |
| Advance from primary government  | 6,250                            |
| Compensated absences   | 12,441                           |
| Net OPEB obligation  | 21,000                           |
| Net cash provided by operating activities  | <u>\$ 338,186</u>                |
| Reconciliation of cash and cash equivalents:   |                                  |
| Cash and cash equivalents  | \$ 3,280,222                     |
| Cash and cash equivalents - restricted assets  | 1,049,102                        |
| Cash and cash equivalents, December 31   | <u>\$ 4,329,324</u>              |

**MARATHON COUNTY, WISCONSIN**  
**HANDICAPPED CHILDREN EDUCATION BOARD**

Balance Sheet

June 30, 2009

|                                      | <u>General<br/>Fund</u> | <u>Federal<br/>Handicapped<br/>Education Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------|-------------------------|---|---|
| <b>Assets</b>                        |                         |   |   |
| Assets:                              |                         |   |   |
| Cash and cash equivalents            | \$ 1,320,076            | \$ 460,278  | \$ 1,780,354                            |
| Accounts receivable                  | 3,824                   | 1,707   | 5,531                                   |
| Due from other governments           | -                       | 140,987   | 140,987                                 |
| Accrued interest receivable          | 1,747                   | -   | 1,747                                   |
| Prepaid items                        | 39,077                  | -   | 39,077                                  |
| Restricted cash and investments      | 45,000                  | -   | 45,000                                  |
| Total assets                         | <u>\$ 1,409,724</u>     | <u>602,972</u>                                    | <u>2,012,696</u>                        |
| <b>Liabilities and Fund Balances</b> |                         |   |   |
| Liabilities:                         |                         |   |   |
| Accounts payable                     | \$ 2,059                | 2,864   | 4,923                                   |
| Due to other governments             | 6,411                   | 284,485   | 290,896                                 |
| Accrued expenditures                 | 8,467                   | 315,623   | 324,090                                 |
| Deferred revenue                     | 12,606                  | -   | 12,606                                  |
| Total liabilities                    | <u>29,543</u>           | <u>602,972</u>                                    | <u>632,515</u>                          |
| Fund balances:                       |                         |   |   |
| Reserved:                            |                         |   |   |
| Reserved for compensated absences    | 45,000                  | -   | 45,000                                  |
| Reserved for prepaid items           | 39,077                  | -   | 39,077                                  |
| Unreserved:                          |                         |   |   |
| Undesignated                         | 1,296,104               | -   | 1,296,104                               |
| Total fund balances                  | <u>1,380,181</u>        | <u>-</u>  | <u>1,380,181</u>                        |
| Total liabilities and fund balances  | <u>\$ 1,409,724</u>     | <u>\$ 602,972</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. 219,617

Employee compensated absences, are not due and payable in the current period and, therefore are not reported in the funds. (85,666)

Net Assets of the Government Activities \$ 1,514,132

**MARATHON COUNTY, WISCONSIN**

HANDICAPPED CHILDREN EDUCATION BOARD

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

Year ended June 30, 2009

|  | <u>General Fund</u> | <u>Federal Handicapped<br/>Education Fund</u> | <u>Total Governmental<br/>Funds</u> |
|--|---------------------|---|-------------------------------------|
| Revenues:  |                     |   |                                     |
| Local Sources  | \$ 68,320           | \$ -  | \$ 68,320                           |
| Interdistrict payments within Wisconsin  | 3,498,064           | 9,852   | 3,507,916                           |
| Intermediate sources   | -                   | 1,986   | 1,986                               |
| State sources  | -                   | 1,031,030                                     | 1,031,030                           |
| Federal sources  | -                   | 803,527                                       | 803,527                             |
| Total revenues   | <u>3,566,384</u>    | <u>1,846,395</u>                              | <u>5,412,779</u>                    |
| Expenditures:  |                     |   |                                     |
| Leisure activities and education:  |                     |   |                                     |
| Instruction  | -                   | 3,432,542                                     | 3,432,542                           |
| Support services   | 378,341             | 1,721,267                                     | 2,099,608                           |
| Total expenditures   | <u>378,341</u>      | <u>5,153,809</u>                              | <u>5,532,150</u>                    |
| Excess of revenue over (under) expenditures  | <u>3,188,043</u>    | <u>(3,307,414)</u>                            | <u>(119,371)</u>                    |
| Other Financing Sources (Uses)   |                     |   |                                     |
| Transfer in  | -                   | 3,307,414                                     | 3,307,414                           |
| Transfer out   | (3,307,414)         | -   | (3,307,414)                         |
| Total other financing sources (uses)   | <u>(3,307,414)</u>  | <u>3,307,414</u>                              | <u>-</u>                            |
| Change in Fund Balance   | (119,371)           | -   | (119,371)                           |
| Fund balances, July 1  | <u>1,499,552</u>    | <u>-</u>                                      | <u>1,499,552</u>                    |
| Fund balances, June 30   | <u>\$ 1,380,181</u> | <u>\$ -</u>                                   | <u>\$ 1,380,181</u>                 |
| Net changes in Fund Balances-Total Government funds  |                     | \$  | (119,371)                           |
| 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. |                     |   | (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   |                     |   | (363)                               |
| OPEB obligation  |                     |   | <u>34,042</u>                       |
| Change in Net Assets of Governmental Activities  |                     | \$  | <u>(94,199)</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.

| <b><u>Contents</u></b>  | <b><u>Page</u></b> |
|---|--------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.  | <b>123-129</b>     |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.   | <b>130-134</b>     |
| <b>Debt Capacity</b><br>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.   | <b>135-138</b>     |
| <b>Demographic and Economic Information</b><br>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. | <b>139-140</b>     |
| <b>Operating Information</b><br>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.                    | <b>141-147</b>     |

**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 Eight 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>          | <u>2009</u>          |
| <b>Governmental activities</b>                   |                      |                      |                      |                      |                      |                      |                      |                      |
| 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        | \$219,341,680        |
| Restricted                                       | \$4,693,262          | \$2,515,507          | \$152,608            | \$229,476            | \$387,026            | \$509,144            | \$2,625,708          | \$1,416,570          |
| Unrestricted                                     | \$49,684,080         | \$52,472,205         | \$58,975,801         | \$59,432,990         | \$63,427,871         | \$64,983,169         | \$67,140,206         | \$65,707,174         |
| <b>Total governmental activities net assets</b>  | <b>\$200,609,037</b> | <b>\$230,268,886</b> | <b>\$260,594,008</b> | <b>\$269,759,396</b> | <b>\$275,979,137</b> | <b>\$280,542,753</b> | <b>\$284,556,171</b> | <b>\$286,465,424</b> |
| <b>Business-type activities</b>                  |                      |                      |                      |                      |                      |                      |                      |                      |
| 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         | \$13,093,209         |
| Restricted                                       | \$1,604,174          | \$1,535,079          | \$1,731,677          | \$3,587,880          | \$3,628,758          | \$2,922,567          | \$2,566,988          | \$1,707,710          |
| Unrestricted                                     | \$15,124,560         | \$18,727,749         | \$23,805,571         | \$24,505,698         | \$26,268,781         | \$31,633,098         | \$36,346,089         | \$39,215,088         |
| <b>Total business-type activities net assets</b> | <b>\$33,124,200</b>  | <b>\$33,555,357</b>  | <b>\$38,358,440</b>  | <b>\$41,208,900</b>  | <b>\$42,764,081</b>  | <b>\$48,054,166</b>  | <b>\$51,721,803</b>  | <b>\$54,016,007</b>  |
| <b>Primary government</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |
| 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        | \$232,434,889        |
| Restricted                                       | \$6,297,436          | \$4,050,586          | \$1,884,285          | \$3,817,356          | \$4,015,784          | \$3,431,711          | \$5,192,696          | \$3,124,280          |
| Unrestricted                                     | \$64,808,640         | \$71,199,954         | \$82,781,372         | \$83,938,688         | \$89,696,652         | \$96,616,267         | \$103,486,295        | \$104,922,262        |
| <b>Total primary government net assets</b>       | <b>\$233,733,237</b> | <b>\$263,824,243</b> | <b>\$298,952,448</b> | <b>\$310,968,296</b> | <b>\$318,743,218</b> | <b>\$328,596,919</b> | <b>\$336,277,974</b> | <b>\$340,481,431</b> |

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 Eight 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>           | <u>2009</u>           |
| <b>Expenses</b>                         |                      |                      |                      |                       |                       |                       |                       |                       |
| 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         | \$ 30,953,544         |
| Public Safety                           | 13,707,484           | 13,771,458           | 14,921,423           | 15,486,511            | 18,276,774            | 18,436,524            | 20,144,675            | 21,087,056            |
| Transportation                          | -                    | 815,400              | 929,306              | 1,355,601             | 4,948,200             | 4,927,325             | 5,831,047             | 4,973,010             |
| Health                                  | 3,532,435            | 3,763,245            | 3,606,169            | 3,937,860             | 4,154,269             | 4,386,361             | 4,609,679             | 4,945,381             |
| Social Services                         | 23,528,262           | 23,850,711           | 24,016,721           | 25,148,953            | 26,330,535            | 25,317,481            | 24,691,433            | 18,525,375            |
| Leisure and Education                   | 6,250,024            | 6,391,862            | 6,646,879            | 6,738,676             | 6,273,082             | 6,700,634             | 8,624,175             | 8,364,884             |
| Conservation and Development            | 1,874,657            | 1,338,256            | 1,393,004            | 1,496,596             | 2,454,458             | 1,476,149             | 997,139               | 1,351,199             |
| Interest on Long Term Debt              | 358,634              | 118,574              | 104,096              | 59,955                | 32,838                | 60,238                | 54,011                | 271,706               |
| 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>     | <u>90,472,155</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             | 3,468,201             |
| Highway                                 | 12,761,840           | 11,253,896           | 11,350,649           | 16,728,511            | 8,801,947             | 8,831,170             | 9,394,576             | 8,493,094             |
| 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>     | <u>11,961,295</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> | <u>\$ 102,433,450</u> |
| <b>Program Revenues</b>                 |                      |                      |                      |                       |                       |                       |                       |                       |
| 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             | 4,086,920             |
| Public Safety                           | 1,143,058            | 1,315,801            | 1,380,784            | 1,540,650             | 1,650,751             | 1,644,100             | 1,667,040             | 1,422,591             |
| Transportation                          | -                    | -                    | 4,178                | 10,790                | -                     | -                     | -                     | -                     |
| Health                                  | 375,189              | 400,796              | 408,699              | 427,583               | 538,533               | 589,739               | 561,468               | 590,671               |
| Social Services                         | 724,225              | 858,631              | 822,505              | 804,538               | 935,676               | 861,928               | 868,342               | 998,231               |
| Leisure and Education                   | 659,875              | 883,190              | 958,447              | 1,144,312             | 1,329,621             | 1,478,208             | 1,236,038             | 1,082,422             |
| Conservation and Development            | 256,297              | 19,761               | 20,759               | 21,756                | 18,229                | 59,406                | 166,211               | 118,975               |
| 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             | 1,377,784             |
| Public Safety                           | 615,836              | 473,204              | 598,809              | 273,315               | 415,553               | 407,213               | 227,057               | 732,405               |
| Transportation                          | -                    | -                    | -                    | -                     | -                     | -                     | -                     | -                     |
| Health                                  | 922,157              | 1,139,360            | 1,126,546            | 1,032,103             | 1,178,836             | 1,234,714             | 1,245,938             | 1,715,439             |
| Social Services                         | 14,036,528           | 14,150,449           | 15,090,598           | 15,616,222            | 16,086,431            | 16,219,243            | 13,713,523            | 9,279,701             |
| Leisure and Education                   | 442,463              | 564,841              | 500,781              | 59,066                | 458,978               | 527,562               | 660,026               | 545,284               |
| Conservation and Development            | 3,310,838            | 2,939,495            | 3,382,767            | 3,197,065             | 2,475,071             | 2,704,552             | 2,868,672             | 2,319,819             |

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

|  | Fiscal Year            |                        |                        |                        |                        |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | 2002                   | 2003                   | 2004                   | 2005                   | 2006                   | 2007                   | 2008                   | 2009                   |
| <b>Capital grants and contributions:</b>                     |                        |                        |                        |                        |                        |                        |                        |                        |
| General Government   | -                      | -                      | -                      | 1,630,947              | -                      | 875,946                | -                      | -                      |
| Public Safety  | -                      | 428,287                | 593,454                | 554,233                | 274,081                | 154,683                | 682,557                | 604,975                |
| 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                | 16,373                 |
| Conservation and Development                                 | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| <b>Total governmental activities program revenues</b>        | <b>33,281,383</b>      | <b>44,035,429</b>      | <b>56,610,210</b>      | <b>35,944,715</b>      | <b>30,821,603</b>      | <b>32,141,180</b>      | <b>28,383,668</b>      | <b>24,891,590</b>      |
| <b>Business-type activities:</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Charges for services:</b>                                 |                        |                        |                        |                        |                        |                        |                        |                        |
| Landfill   | 2,078,437              | 1,758,144              | 1,769,291              | 1,803,249              | 1,494,878              | 2,008,419              | 2,685,025              | 2,367,684              |
| Highway  | 3,585,291              | 3,422,954              | 4,692,796              | 3,741,802              | 4,259,403              | 5,199,263              | 5,181,431              | 4,594,056              |
| <b>Operating grants and contributions:</b>                   |                        |                        |                        |                        |                        |                        |                        |                        |
| Landfill   | 14,093                 | 21,712                 | 10,216                 | 1,000                  | 38,485                 | 22,370                 | -                      | 24,895                 |
| Highway  | 3,342,093              | 911,691                | 70,274                 | 5,516,802              | 2,750,810              | 1,512,713              | 873,100                | 1,008,820              |
| <b>Capital grants and contributions:</b>                     |                        |                        |                        |                        |                        |                        |                        |                        |
| Landfill   | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Highway  | 2,530,675              | 2,849,817              | 3,288,934              | -                      | 2,153,430              | 2,913,491              | 3,132,814              | 3,189,059              |
| <b>Total business-type activities program revenues</b>       | <b>11,550,589</b>      | <b>8,964,318</b>       | <b>9,831,511</b>       | <b>11,062,853</b>      | <b>10,697,006</b>      | <b>11,656,256</b>      | <b>11,872,370</b>      | <b>11,184,514</b>      |
| <b>Total primary government program revenues</b>             | <b>\$ 44,831,972</b>   | <b>\$ 52,999,747</b>   | <b>\$ 66,441,721</b>   | <b>\$ 47,007,568</b>   | <b>\$ 41,518,609</b>   | <b>\$ 43,797,436</b>   | <b>\$ 40,256,038</b>   | <b>\$ 36,076,104</b>   |
| <br>   |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Net (Expense) Revenue</b>                                 |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                      | (32,788,857)           | (23,985,978)           | (18,559,955)           | (45,289,146)           | (61,285,941)           | (63,517,420)           | (65,470,236)           | (65,580,565)           |
| Business-type activities                                     | (4,050,466)            | (4,921,125)            | (4,556,077)            | (8,190,227)            | (615,961)              | 51,920                 | (1,511,922)            | (776,781)              |
| <b>Total primary governmental net expense</b>                | <b>\$ (36,839,323)</b> | <b>\$ (28,907,103)</b> | <b>\$ (23,116,032)</b> | <b>\$ (53,479,373)</b> | <b>\$ (61,901,902)</b> | <b>\$ (63,465,500)</b> | <b>\$ (66,982,158)</b> | <b>\$ (66,357,346)</b> |
| <br>   |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>General Revenues and Other Changes in Net Assets</b>      |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Governmental Activities:</b>                              |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Taxes:</b>  |                        |                        |                        |                        |                        |                        |                        |                        |
| Property Taxes   | 33,373,230             | 32,424,631             | 33,160,825             | 34,267,591             | 36,226,907             | 38,579,214             | 39,723,667             | 40,243,312             |
| Sales Taxes  | 9,785,132              | 9,942,370              | 10,640,547             | 11,316,392             | 10,841,250             | 10,550,263             | 10,708,417             | 9,205,424              |
| Other Taxes  | 1,221,319              | 1,418,865              | 1,457,232              | 1,367,699              | 1,326,458              | 1,477,826              | 1,469,213              | 1,439,402              |
| Grants and contributions not restricted to specific programs | -                      | -                      | -                      | 5,853,529              | 5,989,625              | 6,435,348              | 6,067,914              | 7,214,389              |
| Unrestricted investment earnings                             | 1,857,501              | 1,093,619              | 909,249                | 2,228,061              | 2,258,334              | 3,708,820              | 3,938,127              | 1,322,366              |
| Miscellaneous  | 1,937,174              | 2,837,160              | 1,420,924              | 1,290,367              | 2,862,843              | 1,638,968              | 1,779,811              | 1,365,367              |
| Gain on sale of capital assets                               | -                      | -                      | -                      | -                      | 32,633                 | 46,827                 | 40,304                 | 45,988                 |
| Transfers  | (3,200,690)            | 4,414,834              | (800,000)              | (1,869,105)            | 7,967,632              | 5,643,770              | 5,756,201              | 6,653,570              |
| <b>Total general revenues and transfers</b>                  | <b>44,973,666</b>      | <b>52,131,479</b>      | <b>46,788,777</b>      | <b>54,454,534</b>      | <b>67,505,682</b>      | <b>68,081,036</b>      | <b>69,483,654</b>      | <b>67,489,818</b>      |
| <b>Change in net assets</b>                                  | <b>\$ 12,184,809</b>   | <b>\$ 28,145,501</b>   | <b>\$ 28,228,822</b>   | <b>\$ 9,165,388</b>    | <b>\$ 6,219,741</b>    | <b>\$ 4,563,616</b>    | <b>\$ 4,013,418</b>    | <b>\$ 1,909,253</b>    |

Schedule 2  
Marathon County  
Changes in Net Assets, Last Eight 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>           | <u>2009</u>           |
| <b>Business-type activities:</b>                             |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Taxes:</b>  |                       |                       |                       |                       |                       |                       |                       |                       |
| Property Taxes   | 6,163,799             | 7,283,173             | 7,650,953             | 7,974,383             | 8,145,306             | 8,252,009             | 8,409,424             | 8,577,612             |
| 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             | 979,824               |
| Miscellaneous  | 146,881               | 128,729               | 214,968               | 169,726               | 132,461               | 120,164               | 6,601                 | 167,119               |
| Gain on sale of capital assets                               | -                     | -                     | -                     | -                     | -                     | -                     | 359,505               | -                     |
| <b>Transfers</b>   | <u>3,200,690</u>      | <u>(4,414,834)</u>    | <u>800,000</u>        | <u>1,869,105</u>      | <u>(7,967,632)</u>    | <u>(5,643,770)</u>    | <u>(5,756,201)</u>    | <u>(6,653,570)</u>    |
| 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>      | <u>3,070,985</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>   | <u>\$ 2,294,204</u>   |
| <b>Net Assets</b>  |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                      | 200,609,037           | 230,268,886           | 260,594,008           | 269,759,396           | 275,979,137           | 280,542,753           | 284,556,171           | 286,465,424           |
| 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>     | <u>54,016,007</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> | <u>\$ 340,481,431</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 Eight 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>          | <u>2009</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         | \$ 3,555,286         |
| Unreserved                         |                      |                      |                      |                      |                      |                      |                      |                      |
| Designated                         | 15,156,145           | 27,446,740           | 26,768,987           | 29,503,168           | 32,262,464           | 36,383,254           | 35,893,312           | 37,828,171           |
| Undesignated                       | 8,531,158            | 6,578,225            | 6,292,423            | 2,897,000            | 4,295,879            | 1,830,635            | 4,148,520            | 2,658,483            |
| 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> | <u>\$ 44,041,940</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           | 14,333,639           |
| 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            | 971,560              |
| 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              | 1,541,155            |
| Capital Improvement Fund           | -                    | -                    | -                    | -                    | -                    | -                    | (298,348)            | 4,450,773            |
| Highway Road Improvement Fund      | -                    | (3,727,952)          | -                    | -                    | -                    | -                    | 1,480,023            | 1,490,769            |
| 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> | <u>\$ 22,787,896</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 2009.

Schedule 4  
Marathon County  
Changes in Fund Balances, Governmental Funds,  
Last Eight 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>          | <u>2009</u>            |
| Revenues:  |                      |                       |                      |                      |                      |                       |                      |                        |
| Taxes  | \$ 42,876,341        | \$ 43,942,891         | \$ 45,297,126        | \$ 47,438,940        | \$ 48,886,962        | \$ 49,864,783         | \$ 51,927,415        | \$ 50,649,523          |
| 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           | 24,758,380             |
| Licenses and permits                                 | 244,147              | 254,655               | 249,345              | 260,415              | 238,314              | 243,927               | 214,061              | 259,138                |
| Fines and forfeitures                                | 720,562              | 729,036               | 735,636              | 774,035              | 742,897              | 751,188               | 723,624              | 758,343                |
| 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            | 4,803,853              |
| Intergovernmental charges for services               | 382,190              | 404,771               | 462,721              | 517,006              | 572,236              | 642,690               | 1,151,057            | 1,215,014              |
| Miscellaneous revenues                               | 3,710,052            | 3,348,853             | 2,081,304            | 2,760,926            | 4,420,192            | 4,673,221             | 3,966,585            | 1,532,929              |
| 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> | <u>\$ 83,977,180</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        | \$ 25,126,067          |
| Public safety  | 13,007,817           | 14,106,604            | 15,478,415           | 16,531,522           | 16,784,952           | 16,958,015            | 18,991,445           | 19,267,926             |
| Health   | 3,499,673            | 3,721,693             | 3,640,156            | 3,970,046            | 4,140,633            | 4,300,305             | 4,541,926            | 4,938,759              |
| Social services                                      | 23,325,610           | 23,770,911            | 24,171,797           | 24,974,256           | 25,754,586           | 25,092,581            | 24,678,716           | 18,543,021             |
| 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            | 7,331,865              |
| 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            | 1,438,353              |
| Capital outlay                                       | 4,133,431            | 23,220,742            | 10,890,708           | 9,303,544            | 6,683,586            | 8,625,927             | 6,532,085            | 13,015,585             |
| Debt service:  |                      |                       |                      |                      |                      |                       |                      |                        |
| Principal  | 11,013,284           | 4,956,583             | 3,847,244            | 3,409,097            | 2,744,303            | 3,367,666             | 1,161,276            | 4,468,304              |
| Interest and paying agent fees                       | 426,631              | 110,303               | 102,170              | 73,826               | 49,358               | 59,810                | 40,512               | 480,221                |
| 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> | <u>\$ 94,610,101</u>   |
| Excess (deficiency) of<br>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>  | <u>\$ (10,632,921)</u> |

Schedule 4  
Marathon County  
Changes in Fund Balances, Governmental Funds,  
Last Eight 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>          | <u>2009</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         | \$ 2,233,295         |
| Social Improvement Fund                                 | 1,410,188            | 103,374              | 163,340              | 476,018              | 1,198,658            | 644,587              | 885,509              | 1,000,274            |
| Capital Improvement Fund                                | 5,197,433            | 1,366,223            | 9,933,342            | 548,109              | 697,948              | 1,035,550            | 1,630,336            | 794,851              |
| 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               | 59,070               |
| 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            | -                    | 16,770,000           |
| State loan program debt issued                          | 163,510              | 380,750              | 14,055               | 14,055               | 2,593                | 514,055              | 14,608               | 14,608               |
| Premium on bond/note payable                            | 26,115               | -                    | 47,183               | 1,539                | -                    | -                    | -                    | 1,212,567            |
| Transfers out:  |                      |                      |                      |                      |                      |                      |                      |                      |
| General Fund  | (899,937)            | (37,181)             | (1,237,149)          | (614,605)            | (647,947)            | (1,037,532)          | (1,630,336)          | (842,735)            |
| Social Improvement Fund                                 | -                    | (42,037)             | (90,000)             | -                    | -                    | (6,000)              | (176,936)            | (120,000)            |
| 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)          | (3,065,685)          |
| Highway Road Improvement Fund                           | -                    | -                    | (8,696,315)          | -                    | (50,000)             | -                    | -                    | -                    |
| County Highway Fund                                     | (3,200,690)          | (800,000)            | (800,000)            | -                    | -                    | (403,309)            | (697,338)            | (60,000)             |
| 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>  | <u>\$ 17,996,245</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            | 7,363,324            |
| 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> | <u>\$ 59,466,512</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> | <u>\$ 66,829,836</u> |
| Debt service as a percentage of noncapital expenditures | 17.6%                | 7.4%                 | 5.5%                 | 4.6%                 | 3.4%                 | 4.3%                 | 1.5%                 | 6.4%                 |

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         |                   |                |                |                       |
| 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  | 5.1665                |
| 2009        | 6,340,619,500        | 2,002,006,200       | 406,500,800            | 1,005,495,200 | 292,533,100       | 10,047,154,800 | 9,417,090,700  | 5.1665                |

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 equalized value)

| NET TAX RATE - YEAR LEVIED (1) (A) (B) (C) |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| DISTRICT                                   | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  |
| <b>TOWN</b>                                |       |       |       |       |       |       |       |       |       |       |
| BERGEN                                     | 21.95 | 19.36 | 17.97 | 16.12 | 16.84 | 16.07 | 16.20 | 16.27 | 15.69 | 16.28 |
| BERLIN                                     | 20.44 | 20.04 | 20.45 | 19.97 | 21.11 | 18.96 | 16.51 | 16.81 | 16.05 | 17.30 |
| BERN                                       | 18.78 | 18.36 | 19.34 | 17.42 | 17.90 | 16.64 | 14.68 | 22.32 | 21.81 | 17.58 |
| BEVENT                                     | 20.36 | 18.67 | 18.24 | 18.13 | 18.08 | 17.28 | 16.30 | 17.23 | 17.40 | 18.29 |
| BRIGHTON                                   | 22.55 | 20.61 | 20.89 | 20.75 | 19.19 | 18.36 | 17.52 | 24.20 | 23.70 | 25.28 |
| CASSEL                                     | 17.62 | 17.48 | 17.43 | 16.16 | 16.42 | 18.23 | 15.91 | 18.24 | 18.11 | 19.39 |
| CLEVELAND                                  | 18.11 | 18.29 | 17.42 | 17.81 | 17.40 | 18.09 | 16.88 | 18.21 | 19.26 | 19.91 |
| DAY  | 17.84 | 17.72 | 17.50 | 17.89 | 18.66 | 17.50 | 16.76 | 15.89 | 16.87 | 17.76 |
| EASTON                                     | 20.76 | 19.92 | 20.60 | 19.25 | 18.90 | 18.92 | 17.80 | 19.26 | 20.43 | 18.88 |
| EAU PLEINE                                 | 16.55 | 15.72 | 16.49 | 16.22 | 16.13 | 15.36 | 13.41 | 15.93 | 16.43 | 16.42 |
| ELDERON                                    | 17.36 | 16.05 | 16.19 | 16.30 | 16.91 | 16.30 | 14.52 | 14.02 | 14.40 | 16.28 |
| EMMET                                      | 20.69 | 19.48 | 17.75 | 26.69 | 16.59 | 17.99 | 15.72 | 18.25 | 18.02 | 19.70 |
| FRANKFORT                                  | 20.89 | 19.74 | 20.21 | 20.19 | 18.47 | 18.04 | 16.36 | 22.25 | 21.83 | 22.08 |
| FRANZEN                                    | 20.22 | 18.87 | 17.97 | 18.64 | 18.48 | 18.61 | 16.03 | 20.51 | 20.45 | 24.14 |
| GREEN VALLEY                               | 21.25 | 20.99 | 19.25 | 18.26 | 18.42 | 17.70 | 16.54 | 17.24 | 17.43 | 17.79 |
| GUENTHER                                   | 21.25 | 20.42 | 18.36 | 18.01 | 18.79 | 17.76 | 16.81 | 24.74 | 18.15 | 18.38 |
| HALSEY                                     | 18.68 | 18.27 | 19.28 | 17.37 | 18.93 | 16.93 | 17.21 | 22.05 | 21.94 | 17.90 |
| HAMBURG                                    | 20.32 | 19.80 | 20.76 | 19.32 | 19.74 | 19.41 | 16.87 | 23.17 | 23.27 | 23.21 |
| HARRISON                                   | 18.34 | 17.82 | 17.41 | 17.35 | 16.94 | 16.46 | 15.86 | 19.26 | 18.78 | 15.40 |
| HEWITT                                     | 22.20 | 21.29 | 20.86 | 20.77 | 22.44 | 20.44 | 19.26 | 26.04 | 24.62 | 21.29 |
| HOLTON                                     | 20.90 | 18.89 | 19.20 | 19.04 | 17.47 | 16.30 | 15.42 | 16.71 | 16.18 | 16.78 |
| HULL                                       | 21.24 | 19.50 | 19.63 | 19.59 | 19.31 | 17.31 | 16.47 | 20.89 | 20.29 | 20.35 |
| JOHNSON                                    | 17.87 | 17.80 | 19.03 | 16.66 | 18.38 | 16.38 | 14.89 | 20.35 | 20.35 | 17.33 |
| KNOWLTON                                   | 19.97 | 18.93 | 17.37 | 15.72 | 16.51 | 15.85 | 15.00 | 15.31 | 16.35 | 16.95 |
| KRONENWETTER (D)                           | 23.05 | 21.88 | 20.06 | 19.98 |       |       |       |       |       |       |
| MAINE                                      | 20.19 | 20.18 | 19.95 | 19.65 | 19.84 | 19.28 | 18.76 | 20.37 | 20.37 | 21.83 |
| MARATHON                                   | 17.34 | 16.80 | 17.97 | 16.40 | 15.83 | 18.27 | 15.93 | 22.38 | 16.15 | 18.09 |
| MCMILLIAN                                  | 22.93 | 21.52 | 21.98 | 21.92 | 19.43 | 20.14 | 18.89 | 22.20 | 16.44 | 17.62 |
| MOSINEE                                    | 21.45 | 19.91 | 18.26 | 16.47 | 17.06 | 18.52 | 16.32 | 16.37 | 16.33 | 17.81 |
| NORRIE                                     | 16.46 | 1.73  | 17.85 | 17.06 | 16.96 | 16.71 | 13.96 | 20.52 | 20.06 | 16.96 |
| PLOVER                                     | 21.07 | 20.13 | 18.89 | 19.64 | 20.19 | 19.36 | 16.75 | 22.23 | 22.08 | 18.46 |
| REID                                       | 21.32 | 19.93 | 18.29 | 17.44 | 17.08 | 17.43 | 15.38 | 19.70 | 20.16 | 19.18 |
| RIB FALLS                                  | 19.05 | 18.50 | 19.48 | 18.94 | 18.93 | 18.29 | 15.69 | 17.18 | 16.75 | 17.27 |
| RIB MOUNTAIN                               | 21.68 | 21.33 | 21.16 | 20.17 | 21.14 | 19.79 | 18.93 | 20.01 | 19.02 | 20.40 |
| RIETBROCK                                  | 19.26 | 18.69 | 19.96 | 18.09 | 19.73 | 17.38 | 17.90 | 20.82 | 20.89 | 21.26 |
| RINGLE                                     | 17.61 | 17.44 | 17.83 | 16.95 | 16.76 | 16.73 | 15.78 | 19.15 | 15.33 | 15.43 |
| SPENCER                                    | 21.53 | 19.51 | 18.65 | 18.86 | 15.94 | 17.74 | 16.59 | 19.46 | 18.89 | 20.12 |
| STETTIN                                    | 19.20 | 19.99 | 21.87 | 20.18 | 21.13 | 20.07 | 17.69 | 23.55 | 17.66 | 18.79 |
| TEXAS                                      | 19.89 | 19.72 | 19.52 | 19.25 | 19.92 | 18.34 | 17.89 | 22.32 | 21.12 | 22.16 |
| WAUSAU                                     | 20.15 | 20.41 | 20.20 | 19.77 | 20.40 | 19.01 | 16.88 | 20.85 | 20.20 | 20.46 |
| WESTON                                     | 19.85 | 17.64 | 17.32 | 16.55 | 16.15 | 16.20 | 15.33 | 22.16 | 15.52 | 15.85 |
| WIEN                                       | 19.24 | 18.69 | 19.61 | 18.14 | 19.13 | 17.07 | 17.58 | 22.04 | 22.59 | 23.69 |

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

| NET TAX RATE - YEAR LEVIED (1) (A) (B) (C) |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| DISTRICT                                   | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  |
| <b>VILLAGE</b>                             |       |       |       |       |       |       |       |       |       |       |
| ATHENS                                     | 24.93 | 25.33 | 26.67 | 23.48 | 24.25 | 22.14 | 22.73 | 27.04 | 26.88 | 23.27 |
| BIRNAMWOOD                                 | 18.63 | 17.99 | 17.98 | 18.46 | 18.94 | 18.12 | 16.28 | 18.25 | 17.90 | 18.63 |
| BROKAW                                     | 23.40 | 23.83 | 22.63 | 22.43 | 27.52 | 23.68 | 21.93 | 23.01 | 23.15 | 24.84 |
| DORCHESTER                                 | 24.01 | 23.78 | 24.51 | 24.65 | 23.09 | 21.47 | 21.14 | 25.80 | 22.16 | 24.32 |
| EDGAR                                      | 21.31 | 21.38 | 20.15 | 19.79 | 19.94 | 20.36 | 19.15 | 18.43 | 18.68 | 19.27 |
| ELDERON                                    | 18.64 | 17.37 | 17.63 | 17.47 | 18.03 | 17.23 | 15.40 | 18.63 | 19.05 | 15.83 |
| FENWOOD                                    | 19.02 | 18.78 | 16.88 | 16.85 | 17.05 | 17.02 | 15.22 | 14.08 | 13.83 | 15.52 |
| HATLEY                                     | 17.45 | 16.90 | 17.27 | 16.66 | 16.55 | 17.00 | 16.75 | 16.70 | 17.98 | 17.52 |
| KRONENWETTER (D)                           | N/A   | N/A   | N/A   | 19.18 | 18.98 | 19.28 | 16.96 | 19.21 | 19.64 | 19.25 |
| MARATHON                                   | 21.12 | 20.41 | 21.66 | 20.40 | 20.14 | 23.04 | 20.52 | 25.52 | 26.43 | 21.72 |
| ROTHSCHILD                                 | 22.96 | 22.59 | 23.14 | 22.25 | 21.71 | 21.82 | 20.74 | 25.56 | 25.52 | 25.37 |
| SPENCER                                    | 25.85 | 24.68 | 23.95 | 24.22 | 21.56 | 23.21 | 21.62 | 25.87 | 24.49 | 25.78 |
| STRATFORD                                  | 20.88 | 19.88 | 20.27 | 19.87 | 18.84 | 19.09 | 18.58 | 18.34 | 18.77 | 19.61 |
| UNITY                                      | 23.29 | 21.59 | 20.62 | 21.11 | 19.42 | 17.99 | 17.71 | 20.73 | 20.95 | 19.51 |
| WESTON                                     | 21.56 | 21.15 | 21.72 | 20.89 | 20.79 | 20.95 | 20.76 | 19.87 | 20.89 | 20.42 |
| <b>CITY</b>                                |       |       |       |       |       |       |       |       |       |       |
| ABBOTSFORD                                 | 23.67 | 24.60 | 25.87 | 24.14 | 22.41 | 20.88 | 20.12 | 20.17 | 21.11 | 21.03 |
| COLBY                                      | 26.13 | 24.83 | 24.66 | 24.66 | 22.87 | 22.21 | 22.16 | 25.01 | 24.98 | 23.69 |
| MARSHFIELD                                 | 26.67 | 24.48 | 23.67 | 24.32 | 23.60 | 23.18 | 22.36 | 23.02 | 23.94 | 24.89 |
| MOSINEE                                    | 26.01 | 24.66 | 22.83 | 20.92 | 21.31 | 20.27 | 19.32 | 22.80 | 23.42 | 23.46 |
| SCHOFIELD                                  | 24.05 | 22.84 | 23.33 | 22.34 | 22.14 | 22.11 | 21.14 | 24.52 | 25.19 | 25.45 |
| WAUSAU                                     | 26.87 | 26.50 | 26.37 | 25.93 | 26.47 | 25.06 | 23.80 | 23.21 | 23.49 | 24.67 |

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 2009        |      |  | Fiscal Year 2000        |      |  |
|----------------------------------|-------------------------|------|--|-------------------------|------|--|
|                                  | Equalized Value         | Rank | Percentage of Total County Taxable Equalized Value | Equalized Value         | Rank | Percentage of Total County Taxable Equalized Value |
| Marshfield Clinic                | \$46,681,700            | 1    | 0.4646%  | \$22,004,000            | 4    | 0.3705%  |
| Employers Insurance of Wausau    | \$43,327,000            | 2    | 0.4312%  | \$62,799,000            | 1    | 1.0573%  |
| Wausau-Mosinee Paper Corporation | \$35,788,200            | 3    | 0.3562%  | \$43,748,200            | 2    | 0.7365%  |
| Apogee Wausau Group              | \$32,039,900            | 4    | 0.3189%  | --                      | -    | --   |
| Aspirus Wausau Hospitals         | \$28,848,100            | 5    | 0.2871%  | --                      | -    | --   |
| Walmart                          | \$26,075,500            | 6    | 0.2595%  | --                      | -    | --   |
| Menards Inc                      | \$24,459,400            | 7    | 0.2434%  | --                      | -    | --   |
| Greenheck Fan Corp               | \$24,092,600            | 8    | 0.2398%  | \$22,846,000            | 3    | 0.3846%  |
| Saint Claires Hospital           | \$22,046,100            | 9    | 0.2194%  | --                      | -    | --   |
| Wausau Joint Venture             | \$21,892,500            | 10   | 0.2179%  | \$17,306,800            | 7    | 0.2914%  |
| Creske Corporation               | --                      | -    | --   | \$21,239,400            | 5    | 0.3576%  |
| Marathon Cheese Company          | --                      | -    | --   | \$20,723,000            | 6    | 0.3489%  |
| Ghidorzi                         | --                      | -    | --   | \$15,293,200            | 8    | 0.2575%  |
| SNE/DeMatteo Corporation         | --                      | -    | --   | \$14,221,000            | 9    | 0.2394%  |
| Domtar / Weyerhaeuser            | --                      | -    | --   | \$12,425,600            | 10   | 0.2092%  |
| <b>TOTAL</b>                     | <b>\$305,251,000.00</b> |      | <b>3.0382%</b>                                     | <b>\$252,606,200.00</b> |      | <b>4.2528%</b>                                     |

Source: City County Data Communication Center

NOTE (A) Total equalized value for 2009 of \$10,047,154,800 includes the increment value of tax increment districts (TID)  
(B) Total equalized value for 2000 of \$5,939,781,200 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, 2009 (C) |                       |                    |
|-----------|-----------------|----------------|--------------------------------------|-------------------|--------------------|--|-----------------------|--------------------|
|           |                 |                | Amount Collected                     | Amount Delinquent | Percent Delinquent | Amount Collected                       | Amount Delinquent (D) | Percent Delinquent |
| 1998      | 1999            | 30,856,382     | 30,534,426                           | 321,956           | 1.0434%            | 30,854,057                             | 2,325                 | 0.0075%            |
| 1999      | 2000            | 33,363,392     | 32,979,833                           | 383,559           | 1.1496%            | 33,359,974                             | 3,418                 | 0.0102%            |
| 2000      | 2001            | 35,660,957     | 35,103,411                           | 557,546           | 1.5635%            | 35,657,700                             | 3,257                 | 0.0091%            |
| 2001      | 2002            | 38,149,579     | 37,644,343                           | 505,236           | 1.3244%            | 38,147,046                             | 2,533                 | 0.0066%            |
| 2002      | 2003            | 39,846,548     | 39,375,609                           | 470,939           | 1.1819%            | 39,843,809                             | 2,739                 | 0.0069%            |
| 2003      | 2004            | 40,850,300     | 40,416,211                           | 434,089           | 1.0626%            | 40,845,362                             | 4,938                 | 0.0121%            |
| 2004      | 2005            | 42,730,820     | 42,268,706                           | 462,114           | 1.0815%            | 42,715,987                             | 14,833                | 0.0347%            |
| 2005      | 2006            | 44,360,284     | 43,918,046                           | 442,238           | 0.9969%            | 44,327,447                             | 32,837                | 0.0740%            |
| 2006      | 2007            | 46,326,948     | 45,688,305                           | 638,643           | 1.3786%            | 46,205,804                             | 121,144               | 0.2615%            |
| 2007      | 2008            | 48,093,638     | 47,406,556                           | 687,082           | 1.4286%            | 47,768,973                             | 324,665               | 0.6751%            |
| 2008 (B)  | 2009            | 48,793,927     | 47,983,834                           | 810,093           | 1.6602%            | 47,983,834                             | 810,093               | 1.6602%            |

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 2010 is \$48,653,812

(C) Totals do not include uncollected amounts due on tax deed parcels of \$165,170

(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 <sup>(b)</sup> | Percentage of Actual Value <sup>(a)</sup> of Taxable Property | Per Capita <sup>(b)</sup> |
|-------------|---------------------------------|--|--------------|--|---|---------------------------|
|             | General Obligation Bonds        | Less: Amounts Restricted to Repaying Principal | Total        |  |   |                           |
| 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                     |
| 2009        | \$15,670,000                    | (\$1,388,199)                                  | \$14,281,801 | 0.31%  | 0.14%   | 427.04                    |

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, 2009

| <u>Governmental Unit</u> | <u>Net General<br/>Obligation Debt</u> | <u>Percentage<br/>Applicable to<br/>Marathon County</u> | <u>Net General Obligation<br/>Debt Applicable<br/>To Marathon County</u> |
|--------------------------|--|---|--|
| <b>TOWN:</b>             |  |   |  |
| BERGEN                   | \$ 231,521                             | 100.00 %  | \$ 231,521   |
| BEVENT                   | 92,758                                 | 100.00  | 92,758   |
| CLEVELAND                | 195,878                                | 100.00  | 195,878  |
| DAY                      | 414,986                                | 100.00  | 414,986  |
| EASTON                   | 86,053                                 | 100.00  | 86,053   |
| GREEN VALLEY             | 205,302                                | 100.00  | 205,302  |
| GUENTHER                 | 89,660                                 | 100.00  | 89,660   |
| HEWITT                   | 121,021                                | 100.00  | 121,021  |
| HULL                     | 151,960                                | 100.00  | 151,960  |
| JOHNSON                  | 50,000                                 | 100.00  | 50,000   |
| KNOWLTON                 | 619,558                                | 100.00  | 619,558  |
| MAINE                    | 500,802                                | 100.00  | 500,802  |
| PLOVER                   | 80,000                                 | 100.00  | 80,000   |
| RIB MOUNTAIN             | 5,488,179                              | 100.00  | 5,488,179  |
| RINGLE                   | 51,038                                 | 100.00  | 51,038   |
| TEXAS                    | 129,516                                | 100.00  | 129,516  |
| <b>TOWN TOTAL</b>        | <u>8,508,232</u>                       |   | <u>8,508,232</u>   |
| <b>VILLAGE:</b>          |  |   |  |
| ATHENS                   | 236,000                                | 100.00  | 236,000  |
| BROKAW                   | 889,161                                | 100.00  | 889,161  |
| DORCHESTER               | 650,206                                | 100.00  | 650,206  |
| EDGAR                    | 720,485                                | 100.00  | 720,485  |
| FENWOOD                  | 118,735                                | 100.00  | 118,735  |
| HATLEY                   | 633,314                                | 100.00  | 633,314  |
| KRONENWETTER             | 16,503,659                             | 100.00  | 16,503,659   |
| MARATHON                 | 4,193,797                              | 100.00  | 4,193,797  |
| ROTHSCHILD               | 6,959,323                              | 100.00  | 6,959,323  |
| SPENCER                  | 1,449,975                              | 100.00  | 1,449,975  |
| STRATFORD                | 1,701,003                              | 100.00  | 1,701,003  |
| WESTON                   | 16,949,593                             | 100.00  | 16,949,593   |
| <b>VILLAGE TOTAL</b>     | <u>51,005,251</u>                      |   | <u>51,005,251</u>  |

Schedule 10  
Marathon County  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2009

| <u>Governmental Unit</u>                                | <u>Net General<br/>Obligation Debt</u> | <u>Percentage<br/>Applicable to<br/>Marathon County</u> | <u>Net General Obligation<br/>Debt Applicable<br/>To Marathon County</u> |
|---|--|---|--|
| <b>CITY:</b>  |  |   |  |
| ABBOTSFORD  | 4,386,589                              | 45.78   | 2,008,180  |
| COLBY   | 1,241,618                              | 24.20   | 300,472  |
| MARSHFIELD  | 27,009,776                             | 7.93  | 2,141,875  |
| MOSINEE   | 4,684,061                              | 100.00  | 4,684,061  |
| SCHOFIELD   | 2,205,000                              | 100.00  | 2,205,000  |
| WAUSAU  | 47,924,512                             | 100.00  | 47,924,512   |
| <b>CITY TOTAL</b>                                       | <u>87,451,556</u>                      |   | <u>59,264,100</u>  |
| <b>SCHOOL:</b>  |  |   |  |
| ABBOTSFORD  | 10,355,513                             | 46.78   | 4,844,309  |
| ANTIGO  | 4,698,996                              | 4.60  | 216,154  |
| ATHENS  | 420,518                                | 100.00  | 420,518  |
| AUBURNDALE  | 4,999,100                              | 3.21  | 160,590  |
| COLBY   | 4,030,000                              | 44.71   | 1,801,664  |
| D.C. EVEREST  | 42,905,000                             | 100.00  | 42,905,000   |
| EDGAR   | 1,514,486                              | 100.00  | 1,514,486  |
| MARATHON  | 6,839,465                              | 100.00  | 6,839,465  |
| MARSHFIELD  | 23,162,017                             | 15.25   | 3,532,208  |
| MERRILL   | 15,730,308                             | 4.00  | 629,212  |
| MOSINEE   | 11,127,237                             | 100.00  | 11,127,237   |
| ROSHOLT   | 2,855,000                              | 24.45   | 698,154  |
| SPENCER   | 1,487,613                              | 86.45   | 1,286,044  |
| STRATFORD   | 2,946,392                              | 100.00  | 2,946,392  |
| WAUSAU  | 60,605,000                             | 100.00  | 60,605,000   |
| MID-STATE TECH COLLEGE                                  | 21,705,000                             | 2.42  | 525,261  |
| NORTHCENTRAL TECH                                       | 19,940,000                             | 58.31   | 11,627,014   |
| <b>SCHOOL TOTAL</b>                                     | <u>235,321,645</u>                     |   | <u>151,678,708</u>   |
| <b>SPECIAL DISTRICTS:</b>                               |  |   |  |
| RIB MTN METRO SEWAGE                                    | 1,113,978                              | 100.00  | 1,113,978  |
| <b>SPECIAL DISTRICTS TOTAL</b>                          | <u>1,113,978</u>                       |   | <u>1,113,978</u>   |
| <b>TOTAL APPLICABLE<br/>UNDERLYING DEBT</b>             | <u>383,400,662</u>                     |   | <u>271,570,269</u>   |
| <b>DIRECT DEBT</b>                                      |  |   |  |
| <u>MARATHON COUNTY (A)</u>                              | <u>15,670,000</u>                      | <u>100.00</u>   | <u>15,670,000</u>  |
| <b>TOTAL DEBT<br/>APPLICABLE TO<br/>MARATHON COUNTY</b> | <u>\$ 399,070,662</u>                  |   | <u>\$ 287,240,269</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)

|   | <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>      | <u>2009</u>      |
|---|------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|
| Equalized Value of Property (A)                                       | \$5,939,781      | \$6,490,877      | \$6,799,168      | \$7,152,373      | \$7,640,172      | \$8,147,381        | \$8,951,412      | \$9,495,029      | \$10,081,570     | \$10,047,155     |
| Debt Limit, 5% of Equalized Value<br>(Wisconsin statutory limitation) | \$296,989        | \$324,544        | \$339,958        | \$357,619        | \$382,009        | \$407,369          | \$447,570        | \$474,751        | \$504,078        | \$502,358        |
| Amount of debt applicable to debt limitation:                         |                  |                  |                  |                  |                  |                    |                  |                  |                  |                  |
| General obligation promissory notes (B)                               | \$15,834         | \$10,197         | \$9,151          | \$5,145          | \$6,910          | \$4,560            | \$4,950          | \$5,050          | \$3,650          | \$15,670         |
| Less: Amount available for debt service                               | <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>   | <u>\$1,388</u>   |
| Total amount of debt applicable to debt margin                        | \$15,684         | \$10,159         | \$9,083          | \$5,068          | \$6,788          | \$4,367            | \$4,640          | \$4,568          | \$1,052          | \$14,282         |
| Legal Debt Margin-(debt capacity)                                     | <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> | <u>\$488,076</u> |
| Percent of Debt capacity used   | 5.28%            | 3.13%            | 2.67%            | 1.42%            | 1.78%            | 1.07%              | 1.04%            | 0.96%            | 0.21%            | 2.84%            |

NOTES: (A) Equalized values include the increment value of tax increment districts (TID)

(B) Amount includes Marathon County's portion of the debt for CWA as general obligation debt, even though payments are expected to be paid from the respective revenue sources

(C) Debt service less amount available for Forest Aid Loan of \$28,370

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> |
|-------------|-----------------------|------------------------|---------------------------------------|-------------------------------------|--------------------------------------|------------------------------|
| 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                          |
| 2009        | 136,376               | \$4,560,958,944        | \$33,444                              | 19,978                              | 2,344                                | 8.7                          |

- 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 Five Years Ago

| <u>Employer</u>                   | <u>2009</u>      |             |  | <u>2004</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           | 2,700            | 1           | 3.98%  | 2,325            | 1           | 3.33%  |
| Kolbe & Kolbe Millworks, Inc.     | 1,600            | 2           | 2.36%  | 1,830            | 2           | 2.62%  |
| Greenheck Fan Corp.               | 1,500            | 3           | 2.21%  | 1,403            | 3           | 2.01%  |
| Wausau School District            | 1,300            | 4           | 1.92%  | 1,325            | 5           | 1.89%  |
| Liberty Mutual                    | 1,250            | 5           | 1.84%  | 1,400            | 4           | 2.00%  |
| Footlocker.com/Eastbay            | 1,065            | 6           | 1.57%  | 1,300            | 6           | 1.86%  |
| Wausau Papers                     | 1,034            | 7           | 1.53%  | 1,139            | 8           | 1.63%  |
| North Central Health Care         | 1,000            | 8           | 1.48%  |                  |             |  |
| UMR/Fiserv Health/Wausau Benefits | 820              | 9           | 1.21%  |                  |             |  |
| Marathon Cheese                   | 798              | 10          | 1.18%  | 1,300            | 7           | 1.86%  |

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

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

| <b>Function / Program</b>           | <b><u>2000</u></b>   | <b><u>2001</u></b>   | <b><u>2002</u></b>   | <b><u>2003</u></b>   | <b><u>2004</u></b>   | <b><u>2005</u></b>   | <b><u>2006</u></b>   | <b><u>2007</u></b>   | <b><u>2008</u></b>   | <b><u>2009</u></b>   |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Government                  | 143.98               | 144.68               | 154.55               | 151.30               | 149.50               | 151.50               | 151.55               | 151.55               | 152.55               | 156.45               |
| Public Safety                       | 176.50               | 176.50               | 177.50               | 174.50               | 174.00               | 174.00               | 173.00               | 172.00               | 178.00               | 179.00               |
| Transportation                      | 109.50               | 109.50               | 110.10               | 102.10               | 102.10               | 102.10               | 101.10               | 100.10               | 100.10               | 101.10               |
| Health                              | 40.75                | 42.25                | 42.85                | 41.65                | 44.45                | 45.95                | 47.70                | 47.70                | 47.70                | 51.20                |
| Social Services                     | 136.91               | 139.91               | 147.47               | 143.22               | 146.76               | 149.41               | 147.91               | 170.88               | 170.88               | 164.27               |
| Leisure Activities & Education      | 247.03               | 246.06               | 213.90               | 208.03               | 201.10               | 200.55               | 199.07               | 191.80               | 190.80               | 187.00               |
| Conservation & Economic Development | 39.75                | 40.00                | 28.00                | 31.00                | 19.00                | 19.00                | 18.00                | 19.00                | 19.00                | 0.00                 |
| <b>Total</b>                        | <b><u>894.42</u></b> | <b><u>898.90</u></b> | <b><u>874.37</u></b> | <b><u>851.80</u></b> | <b><u>836.91</u></b> | <b><u>842.51</u></b> | <b><u>838.33</u></b> | <b><u>853.03</u></b> | <b><u>859.03</u></b> | <b><u>839.02</u></b> |

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  |              |              |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2000         | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         |
| <b>General Government</b>                   |              |              |              |              |              |              |              |              |              |              |
| Court cases filed                           | 22,594       | 22,146       | 22,957       | 22,864       | 24,240       | 23,446       | 22,268       | 23,652       | 25,170       | 25,716       |
| Traffic citations processed                 | 11,022       | 11,276       | 9,845        | 10,031       | 13,703       | 13,002       | 12,356       | 12,983       | 13,454       | 13,204       |
| Marriage licenses processed                 | 878          | 849          | 786          | 870          | 825          | 847          | 858          | 815          | 812          | 705          |
| Divorces granted                            | 429          | 462          | 413          | 427          | 825          | 410          | 373          | 434          | 455          | 458          |
| Traffic and criminal fines collected        | \$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  | \$3,756,218  |
| Total coroner cases                         | 458          | 532          | 491          | 531          | 512          | 509          | 501          | 586          | 612          | 590          |
| <b>Public Safety</b>                        |              |              |              |              |              |              |              |              |              |              |
| Hazardous materials incidents investigated  | 21           | 18           | 13           | 7            | 7            | 8            | 6            | 6            | 4            | 15           |
| <b>Transportation</b>                       |              |              |              |              |              |              |              |              |              |              |
| Cost of road maintenance per lane mile      | -            | -            | -            | -            | -            | \$3,495      | \$3,830      | \$4,045      | \$5,602      | \$4,743      |
| <b>Health</b>                               |              |              |              |              |              |              |              |              |              |              |
| Public health nurse home visits             | -            | -            | 2,358        | 2,172        | 2,381        | 2,983        | 1,682        | 2,267        | 2,312        | 2,675        |
| Laboratory tests                            | 18,741       | 17,501       | 17,868       | 15,755       | 14,325       | 14,105       | 14,519       | 15,094       | 13,570       | 13,316       |
| Licenses issued for public facilities       | 807          | 689          | 796          | 779          | 902          | 914          | 957          | 956          | 1,009        | 960          |
| Number of immunizations given               | -            | -            | 3,127        | 2,661        | 3,617        | 3,414        | 2,680        | 3,562        | 4,756        | 3,852        |
| <b>Social Services</b>                      |              |              |              |              |              |              |              |              |              |              |
| Number served at nutrition centers          | 1,320        | 1,284        | 486          | 735          | 300          | 273          | 169          | 228          | 186          | 181          |
| Number of volunteers                        | 125          | 126          | 30           | 64           | 28           | 56           | 71           | 31           | 26           | 26           |
| Volunteer hours                             | 12,434       | 14,899       | 12,675       | 7,845        | 6,288        | 4,956        | 4,424        | 3,759        | 3,453        | 3,328        |
| Number served home delivered meals          | -            | -            | -            | -            | 464          | 451          | 448          | 415          | 412          | 427          |
| Number served through SNAC program          | -            | -            | -            | -            | 825          | 796          | 565          | 511          | 720          | 516          |
| Child support money collected and disbursed | \$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 | \$20,864,289 |
| Economic support cases                      | 1,873        | 2,023        | 2,102        | 2,840        | 7,622        | 8,229        | 8,701        | 8,802        | 9,785        | 10,350       |
| <b>Leisure and Education</b>                |              |              |              |              |              |              |              |              |              |              |
| Library items checked out                   | -            | -            | -            | -            | 745,779      | 812,824      | 849,425      | 882,456      | 943,778      | 1,041,169    |
| Library number of visitors                  | -            | -            | -            | -            | 490,925      | 554,745      | 580,230      | 600,497      | 569,951      | 614,073      |
| <b>Conservation and Development</b>         |              |              |              |              |              |              |              |              |              |              |
| Wood removed (cord equivalent)              | 9,487        | 9,487        | 15,599       | 8,830        | 8,520        | 13,170       | 19,380       | 23,780       | 13,811       | 9,759        |

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

| Function/Program  | Fiscal Year |             |             |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | <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> | <u>2009</u> |
| <b>General Government</b>                               |             |             |             |             |             |             |             |             |             |             |
| Number of courtrooms                                    | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           |
| <b>Public Safety</b>                                    |             |             |             |             |             |             |             |             |             |             |
| County buildings maintained                             | 10          | 10          | 10          | 10          | 10          | 11          | 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          | 91          |
| <b>Transportation</b>                                   |             |             |             |             |             |             |             |             |             |             |
| Miles of County highways/roads                          | 617         | 617         | 617         | 613         | 611         | 618         | 612         | 613         | 613         | 613         |
| County sponsored airports                               | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| <b>Health</b>   |             |             |             |             |             |             |             |             |             |             |
| Landfill total capacity (cubic yards)                   | -           | -           | -           | 3,376,000   | 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     | 620,000     |
| <b>Social Services</b>                                  |             |             |             |             |             |             |             |             |             |             |
| Nutrition centers                                       | 6           | 6           | 6           | 2           | 2           | 2           | 1           | 2           | 2           | 2           |
| <b>Leisure and Education</b>                            |             |             |             |             |             |             |             |             |             |             |
| Libraries - Headquarters                                | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Libraries - Branches                                    | 8           | 8           | 7           | 7           | 7           | 8           | 8           | 8           | 8           | 8           |
| Volumes books & audio-visual materials                  | 352,022     | 364,742     | 366,526     | 375,351     | 373,243     | 372,052     | 356,738     | 339,566     | 324,678     | 335,028     |
| Number of County parks                                  | 19          | 19          | 19          | 19          | 18          | 18          | 17          | 18          | 18          | 18          |
| Number of acres   | 3,379       | 3,379       | 3,406       | 3,407       | 3,407       | 3,407       | 3,371       | 3,407       | 3,407       | 3,407       |
| Public access beaches                                   | 7           | 7           | 7           | 4           | 4           | 4           | 5           | 4           | 4           | 4           |
| Miles of bicycle trails                                 | 18          | 18          | 18          | 28          | 28          | 28          | 28          | 28          | 28          | 28          |
| Number of public campgrounds                            | 5           | 5           | 5           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Number of shooting ranges                               | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Number of softball complexes                            | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Number of lakes and rivers with<br>public boat launches | 14          | 14          | 14          | 6           | 6           | 6           | 6           | 6           | 6           | 12          |
| Indoor ice arenas                                       | 3           | 3           | 3           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Miles of snowmobile trails                              | 650         | 750         | 800         | 800         | 800         | 782         | 782         | 782         | 782         | 782         |
| Miles of ATV trails - winter                            | 548         | 692         | 692         | 680         | 690         | 690         | 490         | 690         | 690         | 690         |
| Miles of ATV trails - summer                            | 14          | 19          | 23          | 23          | 24          | 25          | 15          | 25          | 25          | 20          |
| Miles of cross country ski trails                       | 31          | 31          | 31          | 31          | 31          | 31          | 31          | 31          | 31          | 31          |
| <b>Conservation and Development</b>                     |             |             |             |             |             |             |             |             |             |             |
| Number of County forest units                           | 9           | 10          | 10          | 9           | 9           | 9           | 9           | 9           | 9           | 9           |
| Number of acres   | 28,324      | 28,423      | 28,662      | 28,662      | 28,662      | 28,662      | 29,193      | 29,768      | 29,768      | 29,768      |

**Schedule 17  
Marathon County  
Schedule of Insurance  
Fiscal Year Ended December 31, 2009**

| <b>Insurer<br/>Policy Numbers<br/>Effective Dates</b>   | <b>Policy Coverage<br/>Limits of Liability<br/>Deductibles/Retention (1)</b>  |
|---|---|
| <p><b>Wisconsin Municipal Mutual<br/>Insurance Company<br/>WI2008CSI3A<br/>01/01/09 to 01/01/10</b></p>   | <p><b>General Liability/Automobile Liability/Police<br/>Professional liability</b><br/>Owned, non-owned and hired auto<br/>\$5,000,000 Limit of liability per occurrence/\$15,000,000 Annual aggregate<br/>\$400,000 Per occurrence deductible<br/>\$1,050,000 Annual aggregate deductible<br/><b>Uninsured Motorist</b><br/>\$25,000-50,000 Limit of liability</p>         |
| <p><b>Wisconsin Municipal Mutual<br/>Insurance Company<br/>W12008EO13A<br/>01/01/09 to 01/01/10</b></p>   | <p><b>Employee Benefit Liability</b><br/>\$5,000,000 Limit of liability per benefit error<br/>\$15,000,000 General aggregate<br/>\$400,000 Per occurrence deductible<br/>\$1,050,000 Annual aggregate deductible</p> <p>All premiums adjusted annually<br/>Excludes coverage for pollution liability, nursing homes,<br/>Health centers, medical facilities and airport</p> |
|   | <p><b>Errors and Omission<br/>Public Officials Liability<br/>Claims Made</b><br/>\$5,000,000 Limit of liability per wrongful act<br/>\$15,000,000 General aggregate<br/>\$400,000 Per occurrence deductible<br/>\$1,050,000 Annual aggregate deductible</p>   |
| <p><b>Self-Funded &amp; Administered<br/>01/01/09 to 01/01/10</b></p>                                     | <p><b>Workers Compensation</b><br/>Employer Liability<br/>State Statutes<br/>First \$400,000 per claim/occurrence</p>   |
| <p><b>Wisconsin Municipal<br/>Mutual Insurance Company<br/>WI2008 WC13XS<br/>01/01/09 to 01/01/10</b></p> | <p><b>Specific Excess Workers Compensation</b><br/>\$400,000 Specific retention<br/>Limits of Liability<br/>Statutory Workers Comp<br/>\$1,000,000 Employers Liability<br/>\$1,000,000 Workers Comp/Emp Liability Combined</p>  |

**Insurer**  
**Policy Numbers**  
**Effective dates**

**Local Government**  
**Property Insurance Fund**  
**120038**  
**01/01/09 to 01/01/10**

**Policy Coverage**  
**Limits of Liability**  
**Deductibles/Retention (1)**

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

Listed on the statement of values:  
Limit \$250,878,875 - Replacement Cost Coverage  
Deductible \$5,000

**Contractors Equipment**

Limit \$14,310,915 Replacement Value  
Deductible \$5,000

**Automobile Comprehensive**

Limit \$10,400,924 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 7/27/2009 to 08/01/2009 (Courthouse Location only)

**Pier & Wharf**

\$78,552  
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 compared to duration of remaining lease

**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

**Insurer**  
**Policy Numbers**  
**Effective dates**

**Policy Coverage**  
**Limits of Liability**  
**Deductibles/Retention (1)**

**Local Government Property**  
**Insurance Fund**  
**120038**  
**01/01/10 to 01/01/10**

**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**  
**01/01/09 to 01/01/10**

**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**  
**01/01/09 to 01/01/10**

**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**  
**01/01/09 to 01/01/10**

**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**  
**01/01/09 to 01/01/10**

Occurrence  
Airport General Liab  
General Aggregate-Not Applicable  
Products/Completed Oper Aggr-\$30,000,000  
Personal & Advertising Injury-\$5,000,000  
Each Occurrence-\$30,000,000  
Fire Damage (any one fire) - \$30,000,000  
Medical Expense (any one person) - \$5,000  
  
Hangarkeepers Liability \$30,000,000 Each Loss  
Hangarkeepers Liability \$30,000,000 Each Aircraft

**Self-Funded & Administered**  
**Automobile Collision:**  
**01/01/09 to 01/01/10**

Actual Cash Value Coverage

**Insurer**  
**Policy Numbers**  
**Effective dates**

**Travelers Prop-Casualty Group  
Of America**  
**Inland Marine Policy**  
**Marathon County Highway Dept**  
**QT6606280M404**  
**05/01/09 to 05/01/10**

**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)

**Health Insurance**  
**Insurer: Group Health Trust**  
**01/01/09 to 01/01/10**

**Health Benefit Plan PPO**  
\$2,000,000 Per person life time benefit  
95% of most covered medical expenses in network/85% out of network  
(for period 01/01/09 to 04/04/09)  
90% of most covered medical expenses in network/80% out of network  
(for period 04/05/09 to 01/01/2010)  
80% of medical supplies & equipment in network/70% out of network  
\$300 Single / \$900 Family annual deductible  
Prescription Drugs:  
0% Co-insurance generics; 15% Co-insurance brand w/\$25 maximum out of pocket per prescription/\$650 annual out of pocket maximum  
(for period 01/01/2009 to 04/04/2009)  
0% co-insurance generics; 15% co-insurance preferred brand; 15% co-insurance non-preferred brand plus \$15 co-pay/\$650 annual out of pocket maximum (for period 04/05/2009 to 01/01/2010)

**Dental Insurance**  
**Insurer: Anthem Blue Cross Blue Shield**  
**Grp # 00165201**  
**01/01/09 to 01/01/10**

**Delta Dental of WI**  
PPO Plan  
\$2,000 Maximum annual benefit per person per calendar year  
\$25 Single / \$75 Family Deductible  
100% Coverage usual and customary most procedures

**Self-Funded Dental/  
Administered by**  
**Delta Dental of Wisconsin**  
**Grp # 92896**  
**07/01/09 to 07/01/10**

**Delta Dental of WI**  
\$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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