

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARATHON COUNTY, WISCONSIN

FOR THE YEAR ENDED

DECEMBER 31, 2010

DEPARTMENT OF FINANCE
KRISTI KORDUS, FINANCE DIRECTOR

MARATHON COUNTY

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MARATHON COUNTY FINANCE DEPARTMENT

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WAUSAU WI 54403

June 24, 2011

*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, 2010. 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 2010 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%20Page/)

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 17, 2012.

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 and 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 development board; agricultural extension services; and the administration of federal, state and county elections. The County has proprietary fund operations for the maintenance and construction of the landfill, highways and insurance programs. This CAFR includes the CWA, North Central Community Services (NCCS), and the Handicapped Children's Education Board (HCEB) as discretely presented component units, since the County is financially accountable for their activities. Included in this CAFR are services for commercial airlines services for Marathon and Portage Counties, nursing home and mental health services for citizens of Marathon, Lincoln and Langlade Counties and special education needs for children in school districts within the County. The Wisconsin Municipal Mutual Insurance Corporation (WMMIC) and any of the school districts or special districts listed in Schedule 10 "Direct and Overlapping Governmental Activities Debt" in the Statistical Section of this CAFR are not included in the CAFR because they have not met the established criteria for inclusion in the reporting entity.

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

ECONOMIC CONDITIONS AND OUTLOOK

Marathon County's economy is very diverse, ranging from; manufacturing, tourism and recreation, health services, transportation and shipping, government, agriculture, and dairy products. Marathon County is the business center of central and northern Wisconsin. Indications show that 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 2010 annual unemployment rate was 8.8%, 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 8.3%.

Building construction in Marathon County in 2010 totaled \$102,932,314, which is less than the 2009 total of \$120,211,021. Overall permit values decreased in 2010. New residential construction and remodeling totaled over \$60 million. Commercial and industrial facilities added \$12.6 million to the tax base in 2010.

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.	<i>AspirusWausau Hospital</i>	<i>3,000</i>
2.	<i>Kolbe & Kolbe Millworks Inc.</i>	<i>1,600</i>
3.	<i>Greenheck Fan Corp.</i>	<i>1,500</i>
4.	<i>Wausau School District</i>	<i>1,325</i>
5.	<i>Footlocker.com/Eastbay</i>	<i>1,241</i>
6.	<i>Wausau Papers</i>	<i>1,055</i>
7.	<i>North Central Health Care</i>	<i>1,000</i>
8.	<i>UMR/Fiserv Health/Wausau Benefits</i>	<i>820</i>
9.	<i>Liberty Mutual</i>	<i>800</i>
10.	<i>Marathon Cheese</i>	<i>798</i>

MAJOR INITIATIVES

In the year 2010 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 Infrastructure Committee's five-year capital project plan. This plan provides a framework for the development and maintenance of infrastructure to meet current and future needs. The Infrastructure Committee has undertaken an aggressive program to repair and replace its highways and bridges. On an annual basis, the Infrastructure Committee plans to repair 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. This new building opened in October 2010.

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 21st Century. The County is partnering with other governmental entities to create a broadband network.

The County is examining alternatives to incarceration for those people convicted of AODA violations. We have received a grant to work on AODA programming for offenders .This should

reduce the inmate population in the jail. On most days the population has exceeded our jail's capacity or we have transported inmates to other County jails.

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 2012 budget process to help fund some much needed capital improvements. The County has been fairly successful over the years keeping its tax rate stable and using fund balance to pay for capital projects. The trend of using fund balance and not raising taxes is expected to continue in the future. If the trend were not to continue, a lower fund balance would be acceptable because all amounts necessary for sound financial position and good business practice are 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 Administrator'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, 2009 disclosed no instances of material weaknesses in internal control systems over compliance 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 2010 was 0.21%. 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 .93% of the total LGIP during 2010.

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

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 2010 return of 0.61%.

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 2010, the average unannualized return at market was .21%.

In late 2010, the County expanded its investments to include DC Everest Area School District Bonds. The bonds are held in a portfolio with Wisconsin Investment Series Cooperative/PMA Financial Network, Inc. For 2010, this portfolio has a time and dollar weighted portfolio yield of 0.75%

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, 2010 were classified in the category of lowest custodial credit risk as defined by the GASB.

The amount of interest earned in 2010 for all Primary Government operations (including the CWA as a discretely presented component unit) was \$1,680,760, a decrease from 2009 of 45.52%. 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 \$87,926 of interest was earned by the County's (other) discretely presented component units. The following chart illustrates investment earnings for the primary government (including CWA as a discretely presented component unit) for all fund types over the last ten years.

Year	Earnings	Increase (Decrease)	%(Decrease) Change
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)
2010	1,680,760	(1,404,513)	(45.52)

**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, 2010 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 \$800,000 in 2004, \$1,000,000 in 2006 and \$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 \$283,709,458 of physical assets and actual cash value coverage on approximately \$10,638,838 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 870,000
For a total amount defeased as of 12/31/10 of \$870,000
 - (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 Aa2 and now the rating is Aa1. The County sought its first double rating in 1998 by requesting a rating from Fitch IBCA, Inc. This rating was confirmed at Aa.
- (2) The County property values are listed (in various forms) in Schedule 5, 7 & 11 in the Statistical Section of this CAFR.
- (3) Information on the County's legal debt margin can be found in Schedule 11 "Legal Debt Margin Information" in the Statistical Section of this CAFR.
- (4) The detail of outstanding notes and bonds can be found in Schedule 9 "Ratios of General Bonded Debt Outstanding" in the Statistical Section of this CAFR.

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

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding 12-31-10
04/01/03	555,000	Central Wisconsin Airport	05/01/13	185,000 (a)
12/01/05	4,105,000	CWA Refunding	10/01/17	2,770,000 (b)
02/01/09	16,770,000	GO Prom Note	12/01/18	11,165,000
12/15/10	2,450,000	Central Wisconsin Airport	12/01/25	2,450,000 (a)
				Subtotal 16,570,000
Less Debt Service Funds on Hand (c)				1,447,277
Total Net Direct Debt				\$15,122,723

- (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*	10/11	09/10
City of Wausau	8.34	\$8.35
State of Wisconsin	.17	.17
Marathon County	5.01	5.18
Wausau School District	10.70	10.39
Northcentral Technical College	1.91	1.91
Gross Tax Rate	26.13	26.00
Less State Credit	(1.51)	(1.52)
Net Tax Rate	24.62	24.48
Ratio of assessed value to equalized value	101.8%	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:*

2010 REVENUE		2010 EXPENDITURES	
Taxes	\$ 48,653,812	General Government	\$ 42,950,409
Sales and misc. taxes	9,688,150	Public Safety	19,354,699
Intergovernmental grants/aid	30,168,526	Transportation	30,745,242
Licenses, Fines and Forfeitures	1,090,355	Health	10,529,415
Charges for services:		Social Services	24,155,954
Public	12,628,508	Leisure and Education	12,889,039
Intergovernmental	19,358,630	Conservation & Economic Development	1,005,094
Miscellaneous Revenue	17,731,909	Debt Service	2,256,170
Transfers	15,127,659	Capital Outlay	4,912,584
		Transfers	5,648,943
TOTALS	\$154,447,549		\$154,447,549

(8) *All of the required financial statements are included in the Financial Section of Marathon County's CAFR.*

(9) *The debt ratios for direct and overlapping debt as it relates to equalized value, per capita and per acre is as follows:*

		General Obligation Direct Debt (a)	General Obligation Underlying Debt	Total Applicable General Obligation Debt
Debt Values		\$11,165,000	\$242,410,893	\$258,980,893
Equalized Value (less TID)	\$9,321,354,200	.12%	2.6%	2.8%
Per capita	136,874	\$80.57	\$1,771.05	\$1892.11
Per acre	1,013,760	\$11.01	\$239.12	\$255.47

(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.

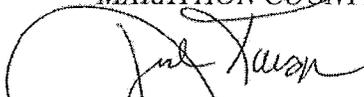
INVITATION AND ACKNOWLEDGMENTS

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 Pam Kolasinski, of the Chamber of Commerce, for her 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 and 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.

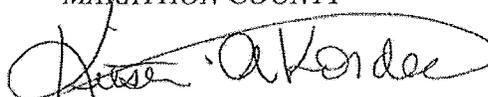
Respectfully submitted,

MARATHON COUNTY



Brad Karger
County Administrator

MARATHON COUNTY



Kristi A. Kordus
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

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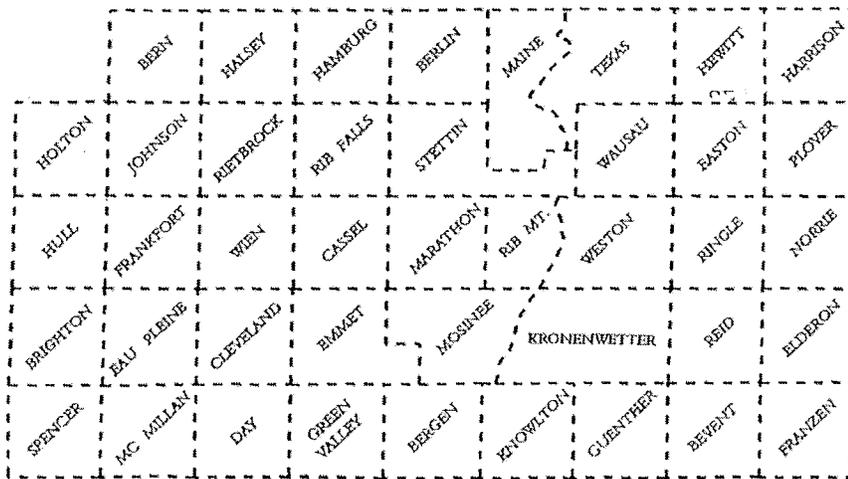
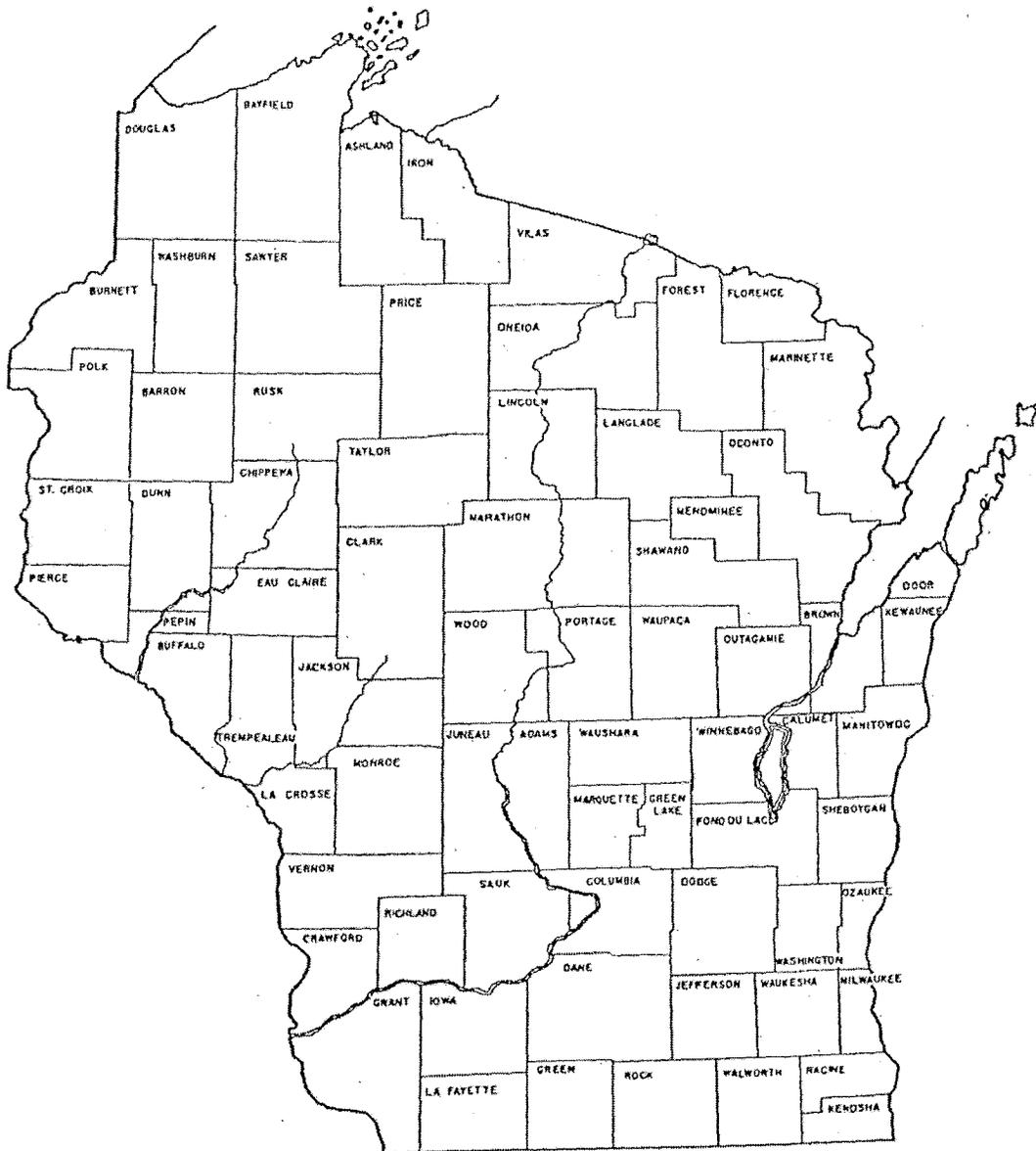
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director



HISTORY OF MARATHON COUNTY

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

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

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

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

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

Tom Schleif, Former Director
Marathon County Historical Museum

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April 20, 2010 to April 17, 2012

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

Primary Government

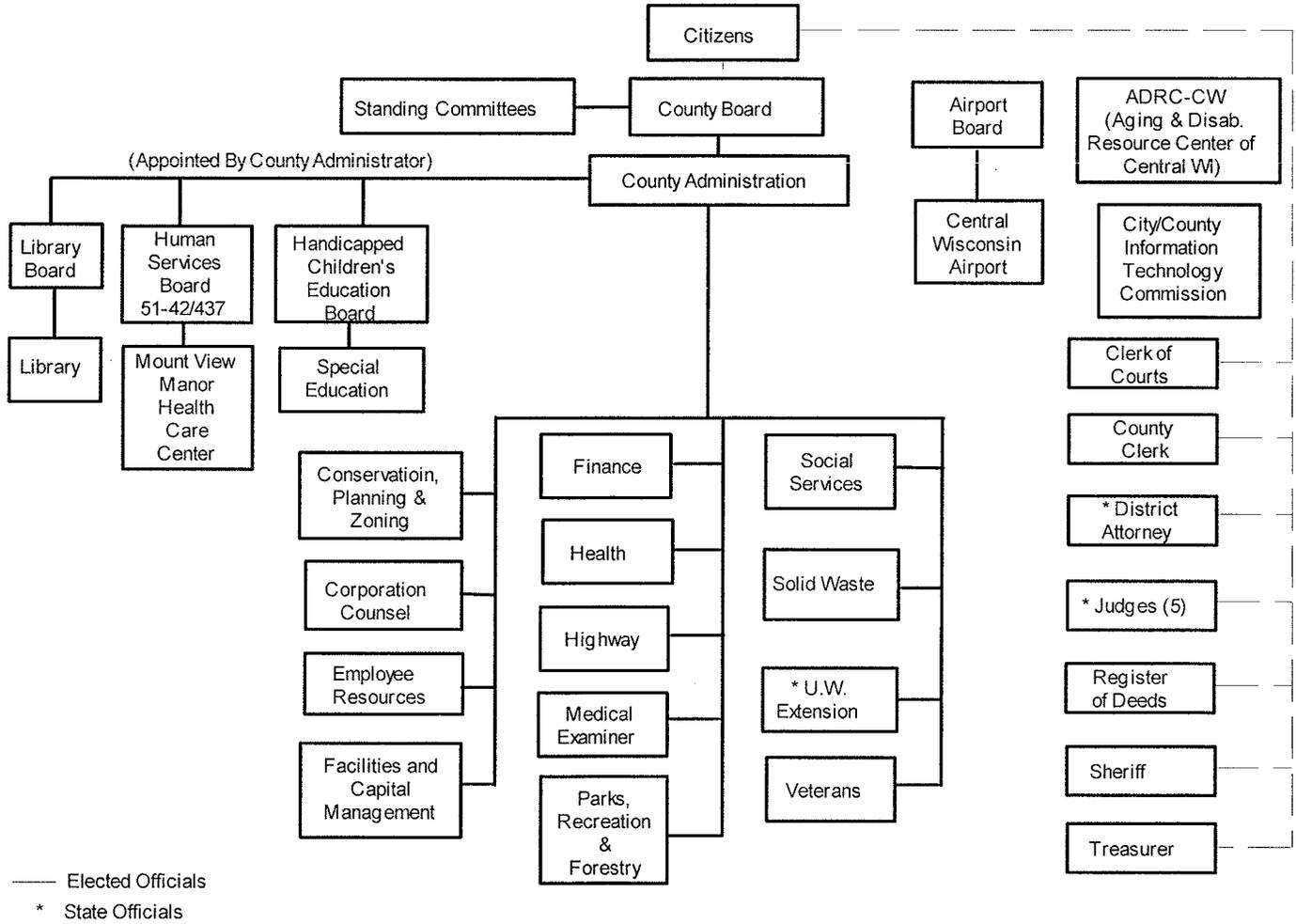
	Brad Karger	County Administrator
	Linda Weitz.....	Aging & Disability Resource Center of Central Wisconsin
	Michael Lotter	Facilities & Capital Management
*	Diane Sennholz	Clerk of Courts
	James Bergner	Conservation, Planning & Zoning
	Scott Corbett.....	Corporation Counsel
*	Nan Kottke.....	County Clerk
*•	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 2010



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MARATHON COUNTY, WISCONSIN

FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

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FINANCIAL SECTION

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, 2010, 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 36.85 percent, 83.74 percent, and 33.93 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, 2010, 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.

Baker Tilly Vuckow Krause LLP

Madison, Wisconsin
June 24, 2011

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, 2010. 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 \$351,158,871 (net assets). Of this amount \$108,212,647 (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 \$10,667,440.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$3,592,674 or 6 percent of total general fund expenditures.
- Marathon County has paid the 2010 portion of debt service that is funded with tax levy. The County paid the principal of \$1,295,000 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 four 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 which are considered to be major funds. The debt service fund is considered to be a non-major fund.

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 56-120 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 \$351,158,871 and \$340,481,431 at the end of 2010 and 2009 respectively.

By far the largest portion of Marathon County's net assets, 67 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 2010 and 2009

	2010 Governmental Activities	2010 Business Type Activities	2010 Total	2009 Governmental Activities	2009 Business Type Activities	2009 Total
Current and other assets	\$ 129,778,006	\$ 68,135,412	\$197,913,418	\$134,514,366	\$ 65,932,799	\$200,447,165
Capital assets	230,940,097	13,849,677	244,789,774	224,381,507	13,100,521	237,482,028
Total Assets	360,718,103	81,985,089	442,703,192	358,895,873	79,033,320	437,929,193
Other liabilities	49,395,221	11,348,734	60,743,955	51,647,204	11,229,431	62,876,635
Long-term liabilities	20,317,604	10,482,762	30,800,366	20,783,245	13,787,882	34,571,127
Total liabilities	69,712,825	21,831,496	91,544,321	72,430,449	25,017,313	97,447,762
Net assets:						
Invested in capital assets, net of related debt	222,273,031	13,849,677	236,122,708	219,341,680	13,093,209	232,434,889
Restricted	1,738,845	5,084,671	6,823,516	1,416,570	1,707,710	3,124,280
Unrestricted	66,993,402	41,219,245	108,212,647	65,707,174	39,215,088	104,922,262
Total net assets	\$ 291,005,278	\$ 60,153,593	\$351,158,871	\$286,465,424	\$54,016,007	\$340,481,431

An additional portion of Marathon County's net assets, 2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$108,212,647 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2010 and 2009, 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 \$10,667,440 during the current fiscal year.

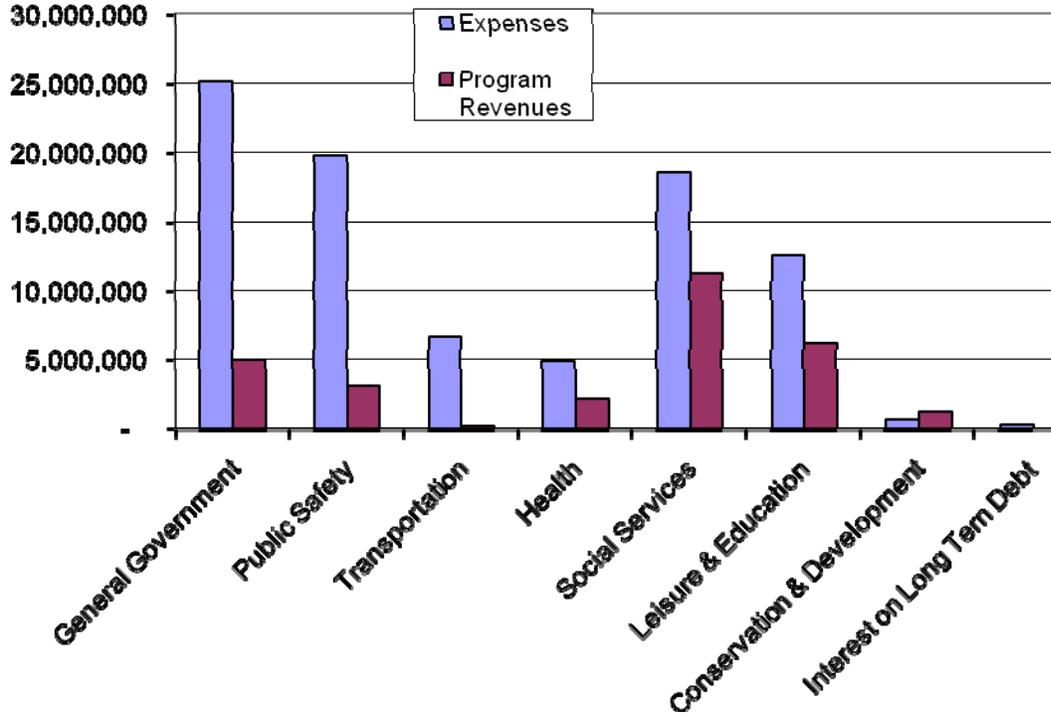
Governmental activities. Governmental activities increased Marathon County's net assets by \$4,539,854 thereby accounting for 43 percent of the total growth in the net assets of Marathon County.

Marathon County's Changes in Net Assets

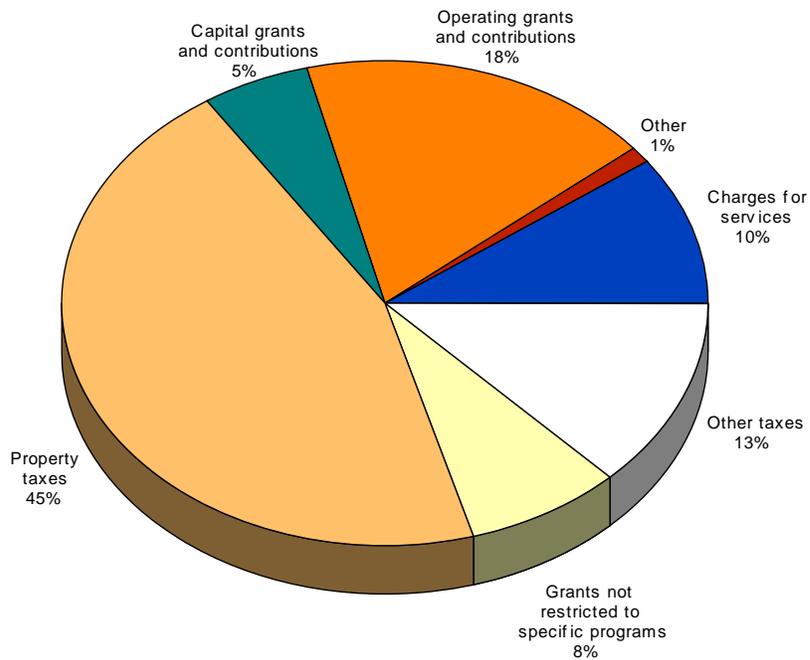
	2010 Governmental Activities	2010 Business Type Activities	2010 Total	2009 Governmental Activities	2009 Business Type Activities	2009 Total
Revenues:						
Program Revenues						
Charges for service	8,787,269	7,023,879	15,811,148	8,299,810	6,961,740	15,261,550
Operating grants and contributions	15,791,246	724,406	16,515,652	15,970,432	1,033,715	17,004,147
Capital grants and contributions	4,840,498	3,384,634	8,225,132	621,348	3,189,059	3,810,407
General Revenues						
Property taxes	40,027,787	8,668,697	48,696,484	40,243,312	8,577,612	48,820,924
Other taxes	11,284,746	-	11,284,746	10,644,826	-	10,644,826
Grants not restricted to specific programs	7,055,434	-	7,055,434	7,214,389	-	7,214,389
Other	974,398	772,326	1,746,724	2,733,721	1,146,943	3,880,664
Total Revenues	88,761,378	20,573,942	109,335,320	85,727,838	20,909,069	106,636,907
Expenses:						
General government	25,130,946	-	25,130,946	30,953,544	-	30,953,544
Public safety	19,789,195	-	19,789,195	21,087,056	-	21,087,056
Transportation	6,751,433	-	6,751,433	4,973,010	-	4,973,010
Health	4,844,464	-	4,844,464	4,945,381	-	4,945,381
Social services	18,563,013	-	18,563,013	18,525,375	-	18,525,375
Leisure and education	12,571,466	-	12,571,466	8,364,884	-	8,364,884
Conservation and development	758,621	-	758,621	1,351,199	-	1,351,199
Interest on long term debt	326,604	-	326,604	271,706	-	271,706
Landfill	-	(638,528)	(638,528)	-	3,468,201	3,468,201
Highway	-	10,560,666	10,560,666	-	8,493,094	8,493,094
Total expenses	88,735,742	9,922,138	98,657,880	90,472,155	11,961,295	102,433,450
Increase in net assets before transfers	25,636	10,651,804	10,677,440	(4,744,317)	8,947,774	4,203,457
Transfers	4,514,218	(4,514,218)	-	6,653,570	(6,653,570)	-
Increase in net assets	4,539,854	6,137,586	10,677,440	1,909,253	2,294,204	4,203,457
Net assets-January 1	286,465,424	54,016,007	340,481,431	284,556,171	51,721,803	336,277,974
Net assets-December 31	291,005,278	60,153,593	351,158,871	286,465,424	54,016,007	340,481,431

Property taxes were \$48,696,484 for 2010 and \$48,820,924 for 2009. 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 2010 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 issues are 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 \$6,137,586. Key elements of this increase are as follows:

Operating expenses for business type activities decreased by \$2,039,157 or 17%.

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

- Landfill closure and long-term care \$4,372,720

Increases in other areas for operating expense are as follows:

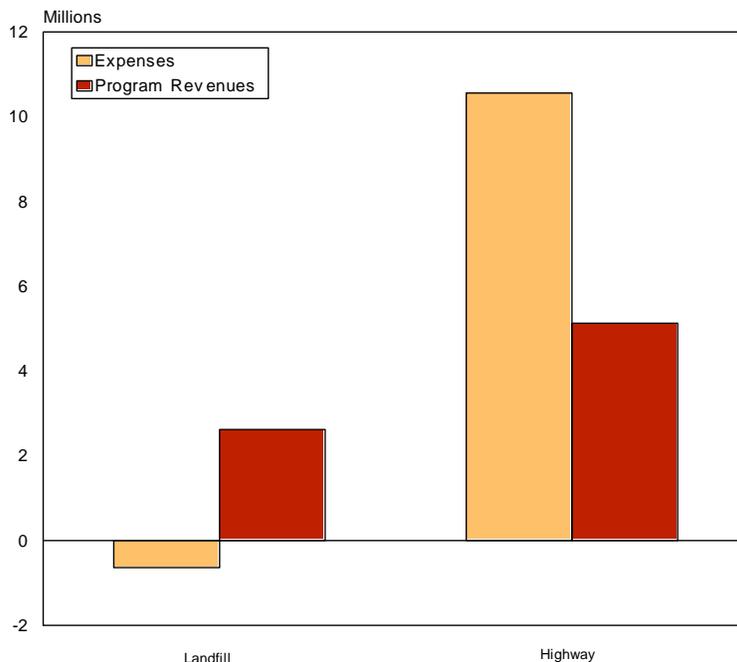
- Salaries and benefits of \$1,021,841 (37%)
- Construction and maintenance of \$612,652 (35%)
- Contractual services of \$363,766 (21%)
- Depreciation increased by \$54,791 (4%)
- Materials and supplies of \$299,772 (33%)

The nonoperating expenses decreased by \$1,491,003 for infrastructure construction for governmental activities and other expenses.

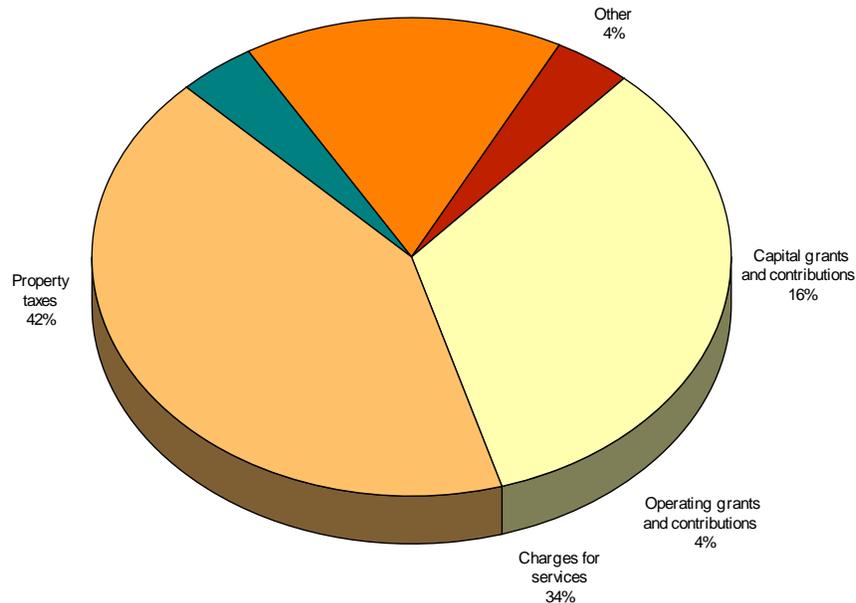
Operating revenues for business type activities increased by \$62,139 or 1% as follows:

- Intergovernmental charges for services decreased by \$172,535 (4%)
- Public charges for services increased by \$231,267 (10%)
- Total nonoperating revenues for business type activities decreased by \$592,841 (6%)
- Intergovernmental grants and aids decreased by \$309,309 (30%)
- Property Tax revenues increased \$91,085 (1%)
- Decrease in interest income of \$369,188 (38%)
- Other revenues decreased \$5,429 (3%)

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 \$63,300,115, a decrease of \$3,529,721 in comparison with the prior year. Approximately 25 percent of this total amount, \$15,515,982, 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 \$9,704,425 is made up of the following: 1) \$10,000 for inventories and prepaids, 2) \$1,475,647 to pay debt service, 3) \$3,586,521 for capital improvements, 4) \$4,324,523 for delinquent taxes for other governmental entities and, 5) \$307,734 for a variety of other restricted purposes.

The designated fund balance for the governmental funds totaled \$38,079,708. This fund balance is not available for spending and has been committed to the following: 1) \$6,328,286 for subsequent years budget, 2) \$19,334,963 for working capital and 3) \$5,548,119 for improvements, 4) \$976,206 for carryforwards 5) \$5,826,355 for compensated absences and 6) \$65,779 for ADRC/Soc Services.

The general fund is the chief operating fund of Marathon County. The undesignated fund balance of the general fund was \$3,592,674 and \$2,658,483 for 2010 and 2009 respectively while the total fund balance reached \$44,766,570 and \$44,041,940 for 2010 and 2009 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 6 percent of total general fund expenditures in 2010 and 5 percent in 2009. Total fund balance represents 77 and 72 percent of that same amount in 2010 and 2009 respectively.

The fund balance of Marathon County's general fund increased by \$724,630 during the current fiscal year. Key factors in this change are as follows:

- A increase in sales tax revenues of \$344,448
- Property taxes increased \$154,240
- Revenues from public charges for services of the general fund increased by \$277,857
- Intergovernmental grants and aids decreased \$1,664,190
- Miscellaneous Revenues of the General Fund increased by \$396,735
- General Government expenditures decreased \$85,096
- Public Safety expenditures increased \$634,377
- Health expenditures decreased \$129,228
- Leisure & Education expenditures decreased \$15,533
- Conservation expenditures decreased \$799,283

The debt service fund has a total fund balance of \$1,475,647, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$59,077. As of December 31, 2010, the County had \$11,165,000 in general obligation debt that is supported by tax levy dollars.

The fund balance for the Capital Improvement Fund decreased by \$3,120,274. This includes bond proceeds for construction of County capital projects and County-wide communication equipment.

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 \$5,414,498, and those for the highway operations amounted to \$35,804,747. The total increase in net assets for the landfill fund was \$3,421,141. The net assets of the highway fund increased by \$2,716,445. 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

The difference between the original expenditure budget and the final amended budget was \$4,911,139 which is an increase in appropriations and can be briefly summarized as follows:

There was a total increase in general government activities of \$229,218. In total the increases were allocated as follows:

\$ 2,543,915 increases allocated to the public safety

\$ 1,234,961 increases allocated for health
\$ 13,728 increases allocated for social services
\$ 469,069 increases allocated for leisure and education
\$ 232,344 increases allocated for conservation and economic development
\$ 187,904 increases allocated for capital outlay

Of this increase, a major portion of this increase \$1,532,693 was to be funded out of increases in intergovernmental grants and aids. Taxes increased \$9,443. 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, 2010 was \$4,911,139 increase; primarily due to an increase in public safety and health and capital outlay as the County obtained forest land. The County also received additional grant dollars for new and regional program initiatives.

Actual expenditures were \$6,719,619 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 2011.

The final amended general fund budget projected fiscal year expenditures of \$64,826,600. The actual general fund expenditures for the fiscal year ended December 31, 2010 were \$58,106,981.

Capital Asset and Debt Administration

Marathon County's investment in capital assets for its governmental and business-type activities as of December 31, 2010, amounts to \$230,940,097 and \$13,849,677 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, culverts, bridges and construction in process. The total increase in Marathon County's investment in capital assets for the current fiscal year was \$7,307,746 or 3 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.
- Grand opening of the UW Marathon County Theater and Center for Public Policy in October.

Marathon County's Capital Assets

Governmental Activities	Governmental Activities	Business-type Activities	Total
Construction in process	24,608,627	-	24,608,627
Land	33,205,287	523,038	33,738,325
Buildings	75,084,230	6,867,492	81,951,722
Improvements	9,758,925	20,372,110	30,131,035
Equipment	20,453,349	14,624,077	35,077,426
Infrastructure	176,330,300	-	176,330,400
Library Collection	4,353,000	-	4,353,000
Subtotal	343,793,818	42,386,717	386,180,535
Less: Accumulated Depreciation	(112,853,721)	(28,537,040)	(141,390,761)
TOTAL	230,940,097	13,849,677	244,789,774

Additional information on Marathon County's capital assets can be found in Note I.V.D on pages 81-83 of this report.

Long-term debt. At the end of the current fiscal year, Marathon County had \$11,165,000 in bonded debt outstanding paid by tax levy revenues. However, the amount of \$5,405,000 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 2010

Central Wisconsin Airport	\$5,405,000
General	\$11,165,000
TOTAL	\$16,570,000

Marathon County's total debt increased during the current fiscal year. Marathon County maintains a Moody's Rating of Aa1 for a general obligation debt. The 2010A general obligation notes have been rated Aa1 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 \$492,203,910 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 I.V.F on pages 85-87 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Marathon County in 2010 was 8.8 percent. This is comparable to the state's average unemployment rate of 8.3 percent.

These factors were considered in preparing Marathon County's budget for the 2011 fiscal year.

The unreserved, undesignated fund balance in the general fund at the end of 2010 was \$3,592,674. Marathon County has appropriated this amount to fund the 2012 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, 2010

	Primary Government			Component Units	
	Governmental	Business-type	Total	Major	Non-Major
	Activities	Activities			
ASSETS					
Cash and cash equivalents	\$ 69,714,128	\$ 41,343,384	\$ 111,057,512	\$ 5,368,693	\$ 2,014,015
Investments	-	-	-	6,375,000	-
Receivables (net)					
Taxes receivable	46,548,466	8,441,401	54,989,867	-	-
Accounts receivable	1,053,965	352,353	1,406,318	5,940,485	112,258
Contracts receivable	-	558,631	558,631	-	-
Accrued interest receivable	439,480	-	439,480	-	1,747
Penalties and interest receivable	278,609	-	278,609	-	-
Loan receivable	7,000	-	7,000	-	-
Internal balances	7,112	(7,112)	-	-	-
Due from other governments	2,629,513	1,305,440	3,934,953	76,141	227,255
Due from discretely presented component unit	-	980	980	-	-
Prepaid items	-	-	-	137,239	39,868
Inventories	10,000	1,526,225	1,536,225	282,364	-
Restricted Assets					
Cash and cash equivalents	986,527	1,277,120	2,263,647	4,836,498	45,000
Investments	-	13,311,900	13,311,900	262,097	-
Accrued interest receivable	-	25,090	25,090	-	-
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-	-
Other assets					
Designated investments	6,492,554	-	6,492,554	-	-
Deferred charges	91,652	-	91,652	55,268	-
Capital Assets					
Capital assets not depreciated	57,813,914	523,038	58,336,952	3,498,716	-
Capital assets, net of accumulated depreciation	173,126,183	13,326,639	186,452,822	37,956,221	211,109
Total Assets	<u>360,718,103</u>	<u>81,985,089</u>	<u>442,703,192</u>	<u>64,788,722</u>	<u>2,651,252</u>
LIABILITIES					
Accounts payable	2,662,023	1,197,263	3,859,286	1,532,410	703,883
Accrued items	810,859	100,032	910,891	919,062	-
Special deposits	-	-	-	262,097	-
Accrued interest payable	37,535	-	37,535	34,642	-
Accrued liability - claims payable	2,799,890	-	2,799,890	610,000	-
Due to other governments	1,322,242	1,553,160	2,875,402	795,723	-
Due to primary government	-	-	-	980	-
Unearned revenues	39,752,634	8,475,166	48,227,800	1,185,626	12,606
Liabilities payable from restricted assets					
Special deposits	341,834	-	341,834	-	-
Unearned revenue	336,029	-	336,029	-	-
Non-current Liabilities					
Due within one year					
Current portion of general obligation notes payable	1,230,000	7,312	1,237,312	1,511,686	-
Current portion of compensated absences	102,175	15,801	117,976	530,000	5,057
Due in more than one year:					
Premium on note payable	918,998	-	918,998	-	-
General obligation notes payable	9,935,000	-	9,935,000	4,875,000	-
Forest crop loan payable	1,884,940	-	1,884,940	-	-
Landfill closure and long-term care payable	-	9,338,801	9,338,801	-	-
Compensated absences	5,006,570	792,421	5,798,991	143,977	84,319
Other postemployment benefits obligation	2,572,096	351,540	2,923,636	85,594	19,846
Total Liabilities	<u>69,712,825</u>	<u>21,831,496</u>	<u>91,544,321</u>	<u>12,486,797</u>	<u>825,711</u>
NET ASSETS					
Invested in capital assets, net of related debt	222,273,031	13,849,677	236,122,708	38,555,205	211,109
Restricted for					
Debt service	1,438,111	-	1,438,111	-	-
Restricted fees	300,734	-	300,734	-	-
Landfill long-term care costs	-	5,084,671	5,084,671	-	-
Passenger facility charges	-	-	-	1,898,291	-
Employee benefits	-	-	-	-	45,000
Unrestricted	<u>66,993,402</u>	<u>41,219,245</u>	<u>108,212,647</u>	<u>11,848,429</u>	<u>1,569,432</u>
TOTAL NET ASSETS	<u>\$ 291,005,278</u>	<u>\$ 60,153,593</u>	<u>\$ 351,158,871</u>	<u>\$ 52,301,925</u>	<u>\$ 1,825,541</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets								
	Program Revenues				Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Major Component Units	Non-Major Component Unit
Primary Government									
Governmental Activities									
General government	\$ 25,130,946	\$ 3,850,977	\$ 1,070,085	\$ -	\$ (20,209,884)	\$ -	\$ (20,209,884)	\$ -	\$ -
Public safety	19,789,195	1,945,728	1,212,538	-	(16,630,929)	-	(16,630,929)	-	-
Transportation	6,751,433	-	235,124	-	(6,516,309)	-	(6,516,309)	-	-
Health	4,844,464	633,544	1,599,394	-	(2,611,526)	-	(2,611,526)	-	-
Social services	18,563,013	937,401	10,364,636	-	(7,260,976)	-	(7,260,976)	-	-
Leisure and education	12,571,466	860,296	588,060	4,840,498	(6,282,612)	-	(6,282,612)	-	-
Conservation and development	758,621	559,323	721,409	-	522,111	-	522,111	-	-
Interest on long term debt	326,604	-	-	-	(326,604)	-	(326,604)	-	-
Total Governmental Activities	88,735,742	8,787,269	15,791,246	4,840,498	(59,316,729)	-	(59,316,729)	-	-
Business-type Activities									
Landfill	(638,528)	2,598,951	20,355	-	-	3,257,834	3,257,834	-	-
Highway	10,560,666	4,424,928	704,051	3,384,634	-	(2,047,053)	(2,047,053)	-	-
Total Business-type Activities	9,922,138	7,023,879	724,406	3,384,634	-	1,210,781	1,210,781	-	-
Total Primary Government	\$ 98,657,880	\$ 15,811,148	\$ 16,515,652	\$ 8,225,132	\$ (59,316,729)	\$ 1,210,781	\$ (58,105,948)	\$ -	\$ -
Component Units									
Governmental-type									
Handicapped Children Education Board	\$ 5,397,470	\$ 3,649,907	\$ 778,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (969,287)
Business-type									
Central Wisconsin Airport	4,621,999	2,728,465	-	2,422,892	-	-	-	529,358	-
North Central Community Services	55,400,695	45,289,923	10,893,228	74,086	-	-	-	856,542	-
Total Business-type Component Units	\$ 60,022,694	\$ 48,018,388	\$ 10,893,228	\$ 2,496,978	\$ -	\$ -	\$ -	\$ 1,385,900	\$ (969,287)
General Revenues									
Taxes									
Property taxes					\$ 40,027,787	\$ 8,668,697	\$ 48,696,484	\$ -	\$ -
Sales taxes					9,549,872	-	9,549,872	-	-
Other taxes					1,734,874	-	1,734,874	-	-
Grants and contributions not restricted to specific programs					7,055,434	-	7,055,434	-	1,150,090
Unrestricted investment earnings					848,020	610,636	1,458,656	107,802	17,088
Gain on sale of capital assets					50,482	-	50,482	9,292	-
Miscellaneous					75,896	161,690	237,586	43,075	113,518
Transfers					4,514,218	(4,514,218)	-	-	-
Total General Revenues and Transfers					63,856,583	4,926,805	68,783,388	160,169	1,280,696
Change in net assets					4,539,854	6,137,586	10,677,440	1,546,069	311,409
NET ASSETS, Beginning					286,465,424	54,016,007	340,481,431	50,755,856	1,514,132
NET ASSETS, ENDING					\$ 291,005,278	\$ 60,153,593	\$ 351,158,871	\$ 52,301,925	\$ 1,825,541

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

BALANCE SHEET- GOVERNMENTAL FUNDS
December 31, 2010

	General	Social Improvement	Capital Improvement	Other Governmental Fund Debt Service Fund	Total Governmental
ASSETS					
Cash and cash equivalents	\$ 32,209,063	\$ 3,638,875	\$ 14,754,942	\$ 1,475,647	\$ 52,078,527
Receivables					
Taxes receivable	36,381,727	8,500,839	-	1,665,900	46,548,466
Accounts receivable	893,398	32,154	-	-	925,552
Accrued interest receivable	439,480	-	-	-	439,480
Penalties and interest receivable	278,609	-	-	-	278,609
Loan receivable	7,000	-	-	-	7,000
Due from other governments	2,300,904	328,609	-	-	2,629,513
Due from other funds	12,320	-	-	-	12,320
Inventories	10,000	-	-	-	10,000
Other assets					
Designated investments	6,492,554				6,492,554
Restricted Assets					
Cash and cash equivalents	636,030	350,497	-	-	986,527
Total Assets	<u>\$ 79,661,085</u>	<u>\$ 12,850,974</u>	<u>\$ 14,754,942</u>	<u>\$ 3,141,547</u>	<u>\$ 110,408,548</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,249,771	\$ 804,713	\$ 536,371	\$ -	\$ 2,590,855
Accrued items	629,490	121,433	-	-	750,923
Due to other governments	1,312,917	9,325	-	-	1,322,242
Due to other funds	-	5,208	-	-	5,208
Deferred revenues	31,368,534	8,726,908	-	1,665,900	41,761,342
Liabilities payable from restricted assets					
Special deposits	333,803	8,031	-	-	341,834
Unearned revenue	-	336,029	-	-	336,029
Total Liabilities	<u>34,894,515</u>	<u>10,011,647</u>	<u>536,371</u>	<u>1,665,900</u>	<u>47,108,433</u>
Fund Balances					
Reserved for					
Delinquent taxes	4,324,523	-	-	-	4,324,523
Inventories	10,000	-	-	-	10,000
Long-term receivables	7,000	-	-	-	7,000
Restricted fees	300,734	-	-	-	300,734
Encumbrances	-	-	3,586,521	-	3,586,521
Debt service	-	-	-	1,475,647	1,475,647
Unreserved and designated, reported in					
General fund	36,531,639	-	-	-	36,531,639
Special revenue fund		1,548,069	-	-	1,548,069
Unreserved and undesignated, reported in					
General fund	3,592,674	-	-	-	3,592,674
Special revenue fund	-	1,291,258	-	-	1,291,258
Capital projects fund	-	-	10,632,050	-	10,632,050
Total Fund Balances	<u>44,766,570</u>	<u>2,839,327</u>	<u>14,218,571</u>	<u>1,475,647</u>	<u>63,300,115</u>
Total Liabilities and Fund Balances	<u>\$ 79,661,085</u>	<u>\$ 12,850,974</u>	<u>\$ 14,754,942</u>	<u>\$ 3,141,547</u>	

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).	230,940,097
Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See note IV.B.	2,008,708
Internal service funds are reported in the statement of net assets as governmental funds	16,294,456
Some liabilities, including long-term are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A.	<u>(21,538,098)</u>
NET ASSETS OF THE GOVERNMENTAL ACTIVITIES	<u>\$ 291,005,278</u>

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Year Ended December 31, 2010

	General	Social Improvement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 40,980,542	\$ 8,422,550	\$ -	\$ 1,660,775	\$ 51,063,867
Intergovernmental grants and aids	12,327,286	10,097,552	4,840,498	-	27,265,336
Licenses and permits	265,715	-	-	-	265,715
Fines and forfeitures	728,840	-	-	-	728,840
Public charges for services	4,374,721	721,048	-	105,220	5,200,989
Intergovernmental charges for services	1,226,970	-	-	-	1,226,970
Miscellaneous revenue	1,205,952	85,009	159,303	42,235	1,492,499
Total Revenues	<u>61,110,026</u>	<u>19,326,159</u>	<u>4,999,801</u>	<u>1,808,230</u>	<u>87,244,216</u>
EXPENDITURES					
Current					
General government	25,040,971	-	-	-	25,040,971
Public safety	19,902,303	-	-	-	19,902,303
Health	4,809,531	-	-	-	4,809,531
Social services	214,109	18,493,521	-	-	18,707,630
Leisure activities and education	7,316,332	-	-	-	7,316,332
Conservation and economic development	639,070	-	-	-	639,070
Capital Outlay	184,665	-	11,000,760	825,711	12,011,136
Debt Service					
Principal	-	-	-	1,282,860	1,282,860
Interest and paying agent fees	-	-	-	465,775	465,775
Total Expenditures	<u>58,106,981</u>	<u>18,493,521</u>	<u>11,000,760</u>	<u>2,574,346</u>	<u>90,175,608</u>
Excess (deficiency) of revenues over expenditures	<u>3,003,045</u>	<u>832,638</u>	<u>(6,000,959)</u>	<u>(766,116)</u>	<u>(2,931,392)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	320,000	4,434,489	-	4,754,489
Social Improvement Fund	104,601	-	750,422	-	855,023
Capital Improvement Fund	2,247,336	-	-	-	2,247,336
Sales of capital assets	28,279	-	23,110	-	51,389
State loan program debt issued	95,858	-	-	-	95,858
Transfers out					
General Fund	-	(104,601)	(2,247,336)	-	(2,351,937)
Social Improvement Fund	(320,000)	-	-	-	(320,000)
Capital Improvement Fund	(4,434,489)	(750,422)	-	-	(5,184,911)
County Highway Fund	-	-	(80,000)	(665,576)	(745,576)
Total Other Financing Sources (Uses)	<u>(2,278,415)</u>	<u>(535,023)</u>	<u>2,880,685</u>	<u>(665,576)</u>	<u>(598,329)</u>
Net change in fund balance	724,630	297,615	(3,120,274)	(1,431,692)	(3,529,721)
FUND BALANCE, Beginning	<u>44,041,940</u>	<u>2,541,712</u>	<u>17,338,845</u>	<u>2,907,339</u>	<u>66,829,836</u>
FUND BALANCE, ENDING	<u>\$ 44,766,570</u>	<u>\$ 2,839,327</u>	<u>\$ 14,218,571</u>	<u>\$ 1,475,647</u>	<u>\$ 63,300,115</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2010

Net change in fund balance - total governmental funds	\$ (3,529,721)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense reported in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements including infrastructure assets	12,011,136
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Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements, and some items are included in capital outlay, but are not capitalized.	515,028
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Depreciation is reported in the government-wide statements	(9,231,360)
--	-------------

Infrastructure financed by the highway fund	5,259,794
---	-----------

Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net assets.	(1,996,008)
--	-------------

Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(75,245)
--	----------

Debt proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net assets.

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets

Debt issued	(95,858)
-------------	----------

Principal repaid	1,282,860
------------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences - less internal service funds	(195,414)
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Other postemployment benefits	(669,298)
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Accrued interest on debt	1,279
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Premium on debt issue	153,167
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Debt issuance costs	(15,275)
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Internal service funds are used by management to charge the costs of insurance to individual funds. The decrease in net assets of the internal service funds is reported with governmental activities.

	<u>1,124,769</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>4,539,854</u>
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See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 39,589,940	\$ 39,599,383	\$ 40,980,542	\$ 1,381,159
Intergovernmental grants and aids	11,974,087	13,506,780	12,327,286	(1,179,494)
Licenses and permits	317,115	317,115	265,715	(51,400)
Fines and forfeitures	765,240	765,240	728,840	(36,400)
Public charges for services	4,596,108	4,647,489	4,374,721	(272,768)
Intergovernmental charges for services	1,357,563	1,374,616	1,226,970	(147,646)
Miscellaneous revenue	1,329,350	1,490,817	1,205,952	(284,865)
Total Revenues	<u>59,929,403</u>	<u>61,701,440</u>	<u>61,110,026</u>	<u>(591,414)</u>
EXPENDITURES				
Current				
General government	26,550,552	26,779,770	25,040,971	1,738,799
Public safety	19,194,699	21,738,614	19,902,303	1,836,311
Health	4,647,915	5,882,876	4,809,531	1,073,345
Social services	240,112	253,840	214,109	39,731
Leisure activities and education	8,092,089	8,561,158	7,316,332	1,244,826
Conservation and economic development	1,005,094	1,237,438	639,070	598,368
Capital Outlay	185,000	372,904	184,665	188,239
Total Expenditures	<u>59,915,461</u>	<u>64,826,600</u>	<u>58,106,981</u>	<u>6,719,619</u>
Excess (deficiency) of revenues over expenditures	<u>13,942</u>	<u>(3,125,160)</u>	<u>3,003,045</u>	<u>6,128,205</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Social Improvement Fund	-	-	104,601	104,601
Capital Improvement Fund	171,357	479,522	2,247,335	1,767,813
Sales of capital assets	30,800	33,065	28,280	(4,785)
State loan program debt issued	14,608	95,858	95,858	-
Transfers out				
Social Improvement Fund	(120,000)	(320,000)	(320,000)	-
Capital Improvement Fund	(4,148,519)	(4,434,489)	(4,434,489)	-
Total Other Financing Sources (Uses)	<u>(4,051,754)</u>	<u>(4,146,044)</u>	<u>(2,278,415)</u>	<u>1,867,629</u>
Net change in fund balance	<u>(4,037,812)</u>	<u>(7,271,204)</u>	<u>724,630</u>	<u>7,995,834</u>
FUND BALANCES - BEGINNING OF YEAR	<u>44,041,940</u>	<u>44,041,940</u>	<u>44,041,940</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 40,004,128</u>	<u>\$ 36,770,736</u>	<u>\$ 44,766,570</u>	<u>\$ 7,995,834</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - SOCIAL IMPROVEMENT FUND
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 8,422,550	\$ 8,422,550	\$ 8,422,550	\$ -
Intergovernmental Grants and Aids				
Federal grants	663,836	663,836	1,321,634	657,798
State grants:				
Provided services and administration	4,362,128	4,362,128	4,013,071	(349,057)
Special services	4,200,148	4,200,148	4,572,670	372,522
Other revenues	495,302	495,302	133,991	(361,311)
Local government grants	59,716	59,716	56,186	(3,530)
Total Intergovernmental Grants and Aids	9,781,130	9,781,130	10,097,552	316,422
Public Charges for Services				
General government	6,800	6,800	6,092	(708)
Public safety	20,000	20,000	14,644	(5,356)
Social services	592,000	592,000	700,312	108,312
Total Public Charges for Services	618,800	618,800	721,048	102,248
Miscellaneous Revenue				
Interest income	207,500	207,500	85,009	(122,491)
Other revenues	129,460	129,460	-	(129,460)
Total Miscellaneous Revenue	336,960	336,960	85,009	(251,951)
Total Revenues	19,159,440	19,159,440	19,326,159	166,719
EXPENDITURES				
Social Services				
Personal services	8,238,587	8,238,587	8,030,993	207,594
Contractual services	1,011,541	1,011,541	868,073	143,468
Materials and supplies	272,083	272,083	225,990	46,093
Fixed charges	280,864	280,864	283,123	(2,259)
Grants and contributions	9,766,365	9,766,365	9,085,342	681,023
Total Expenditures	19,569,440	19,569,440	18,493,521	1,075,919
Excess (deficiency) of revenues over expenditures	(410,000)	(410,000)	832,638	1,242,638
OTHER FINANCING SOURCES (USES)				
Transfers in				
General Fund	320,000	320,000	320,000	-
Transfers out				
General Fund	-	-	(104,601)	(104,601)
Capital Improvement Fund	(750,422)	(750,422)	(750,422)	-
Total Other Financing Sources (Uses)	(430,422)	(430,422)	(535,023)	(104,601)
Net change in fund balance	(840,422)	(840,422)	297,615	1,138,037
FUND BALANCES - BEGINNING OF YEAR	2,541,712	2,541,712	2,541,712	-
FUND BALANCES - END OF YEAR	\$ 1,701,290	\$ 1,701,290	\$ 2,839,327	\$ 1,138,037

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental
	Landfill	County Highway	Total	Activities- Internal Service
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,314,889	\$ 35,028,495	\$ 41,343,384	\$ 17,635,601
Taxes receivable	-	8,441,401	8,441,401	-
Accounts receivable	352,122	231	352,353	128,413
Contracts receivable	558,631	-	558,631	-
Due from other governments	-	1,305,440	1,305,440	-
Due from other funds	97	-	97	-
Due from discretely presented component unit	-	980	980	-
Inventories	73,240	1,452,985	1,526,225	-
Total Current Assets	7,298,979	46,229,532	53,528,511	17,764,014
NONCURRENT ASSETS				
Restricted cash	1,277,120	-	1,277,120	-
Restricted investments	13,311,900	-	13,311,900	-
Accrued interest receivable	25,090	-	25,090	-
Deposit in Wisconsin Municipal Mutual Insurance Company	-	-	-	1,519,000
Total Noncurrent Assets	14,614,110	-	14,614,110	1,519,000
CAPITAL ASSETS				
Land	268,534	254,504	523,038	-
Buildings	1,420,544	5,446,949	6,867,493	-
Improvements	20,372,110	-	20,372,110	-
Equipment	366,743	14,257,333	14,624,076	58,466
Total Capital Assets	22,427,931	19,958,786	42,386,717	58,466
Less: Accumulated depreciation	(16,813,340)	(11,723,700)	(28,537,040)	(58,466)
Net Capital Assets	5,614,591	8,235,086	13,849,677	-
Total Assets	27,527,680	54,464,618	81,992,298	19,283,014
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	453,785	743,478	1,197,263	71,168
Accrued items	5,882	94,150	100,032	59,936
Due to other governments	1,553,160	-	1,553,160	-
Due to other funds	7,034	175	7,209	-
Unearned revenue	-	8,475,166	8,475,166	-
Current portion of compensated absences	706	15,095	15,801	1,151
Current portion of clay payable	7,312	-	7,312	-
Total Current Liabilities	2,027,879	9,328,064	11,355,943	132,255
LONG-TERM LIABILITIES				
Landfill closure and long-term care payable	9,338,801	-	9,338,801	-
Accrued liability - claims payable	-	-	-	2,799,890
Compensated absences	34,609	757,812	792,421	56,413
Other postemployment benefits obligation	12,631	338,909	351,540	-
Total Long-term Liabilities	9,386,041	1,096,721	10,482,762	2,856,303
Total Liabilities	11,413,920	10,424,785	21,838,705	2,988,558
NET ASSETS				
Invested in capital assets	5,614,591	8,235,086	13,849,677	-
Restricted for landfill long-term care	5,084,671	-	5,084,671	-
Unrestricted	5,414,498	35,804,747	41,219,245	16,294,456
TOTAL NET ASSETS	\$ 16,113,760	\$ 44,039,833	\$ 60,153,593	\$ 16,294,456

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service
	County		Total	
	Landfill	Highway		
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 10,777	\$ 10,777	\$ -
Public charges for services	2,598,951	-	2,598,951	31,926
Intergovernmental charges for services	-	4,414,151	4,414,151	-
Interdepartmental charges for services	-	-	-	14,439,481
Total Operating Revenues	<u>2,598,951</u>	<u>4,424,928</u>	<u>7,023,879</u>	<u>14,471,407</u>
OPERATING EXPENSES				
Salaries and benefits	364,434	3,393,474	3,757,908	293,248
Contractual services	1,819,866	243,078	2,062,944	257,687
Materials and supplies	72,299	846,299	918,598	11,180
Construction and maintenance	3,253	2,347,753	2,351,006	-
Landfill closure & long term care	(3,480,258)	-	(3,480,258)	-
Building and equipment rent	24,925	2,538,101	2,563,026	-
Insurance and claims	-	-	-	13,408,694
Loss and loss adjustment expense	-	-	-	(219,637)
Insurance and administration costs	19,018	176,696	195,714	22,127
Depreciation	522,010	1,015,265	1,537,275	-
Other operating expenses	15,925	-	15,925	-
Total Operating Expenses	<u>(638,528)</u>	<u>10,560,666</u>	<u>9,922,138</u>	<u>13,773,299</u>
Operating Income (Loss)	<u>3,237,479</u>	<u>(6,135,738)</u>	<u>(2,898,259)</u>	<u>698,108</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	-	8,668,697	8,668,697	-
Intergovernmental grants and aids	20,355	704,051	724,406	-
Investment income	154,767	455,869	610,636	287,543
Donations	-	-	-	5,870
Insurance recoveries	-	-	-	21,023
Infrastructure construction expense for governmental activities	-	(5,259,794)	(5,259,794)	-
Other income	8,540	153,150	161,690	112,225
Total Nonoperating Revenues (Expenses), Net	<u>183,662</u>	<u>4,721,973</u>	<u>4,905,635</u>	<u>426,661</u>
Income (loss) before contributions and transfers	3,421,141	(1,413,765)	2,007,376	1,124,769
Capital contributions	-	3,384,634	3,384,634	-
Transfers in	-	745,576	745,576	-
Change in Net Assets	3,421,141	2,716,445	6,137,586	1,124,769
NET ASSETS - BEGINNING OF YEAR	<u>12,692,619</u>	<u>41,323,388</u>	<u>54,016,007</u>	<u>15,169,687</u>
NET ASSETS - END OF YEAR	<u>\$ 16,113,760</u>	<u>\$ 44,039,833</u>	<u>\$ 60,153,593</u>	<u>\$ 16,294,456</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2010

	Business-type Activities-Enterprise Funds			Governmental
	County			Activities-
	Landfill	Highway	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from the sale of goods and services	\$ -	\$ 4,304,234	\$ 4,304,234	\$ -
Collections from landfill disposal services	2,792,767	-	2,792,767	-
Collections from departments and other insurance purchasers	-	-	-	14,606,406
Cash paid to employees for services	(364,434)	(4,500,553)	(4,864,987)	(293,248)
Cash paid to suppliers for goods and services	(1,830,515)	(9,965,395)	(11,795,910)	(14,072,048)
Net Cash Provided (Used) by Operating Activities	597,818	(10,161,714)	(9,563,896)	241,110
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General property taxes	-	8,668,697	8,668,697	-
Cash received from government grants	20,355	704,051	724,406	-
Net Cash Provided by Noncapital Financing Activities	20,355	9,372,748	9,393,103	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Payments for capital acquisitions	(1,313,404)	(1,072,068)	(2,385,472)	-
Contributed capital received	-	3,384,634	3,384,634	-
Cash received from other departments for capital projects	-	745,576	745,576	-
Salvage on capital assets	-	99,041	99,041	-
Net Cash Provided (Used) by Capital Financing Activities	(1,313,404)	3,157,183	1,843,779	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase/decrease in short-term investments	(810,444)	-	(810,444)	-
Interest received on investments	212,909	455,869	668,778	287,543
Net Cash Provided (Used) by Investing Activities	(597,535)	455,869	(141,666)	287,543
Net Increase (Decrease) in Cash and Cash Equivalents	(1,292,766)	2,824,086	1,531,320	528,653
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,884,775	32,204,409	41,089,184	17,106,948
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,592,009	\$ 35,028,495	\$ 42,620,504	\$ 17,635,601

	Business-type Activities-Enterprise Funds			Governmental
	County		Total	Activities-
	Landfill	Highway		Internal Service
RECONCILIATION OF OPERATING (INCOME) LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 3,237,479	\$ (6,135,738)	\$ (2,898,259)	\$ 698,108
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	522,010	1,015,265	1,537,275	-
Insurance recoveries	-	-	-	8,077
Donations	-	-	-	5,870
Other income	8,540	153,150	161,690	125,171
Infrastructure construction expense for governmental activities	-	(5,259,794)	(5,259,794)	-
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities				
Taxes receivable	-	227,296	227,296	-
Accounts receivable	132,209	6,278	138,487	(3,433)
Contracts receivable	51,864	-	51,864	-
Due from other governments	-	(145,793)	(145,793)	-
Due from other funds	1,203	-	1,203	-
Due from discretely presented component unit	-	(876)	(876)	-
Inventories	-	(197,976)	(197,976)	-
Accounts payable	25,685	356,534	382,219	(377,998)
Accrued expenses	(6,355)	13,179	6,824	(5,305)
Due to other governments	89,657	-	89,657	-
Due to other funds	6,981	(178)	6,803	-
Unearned revenues	-	(360,749)	(360,749)	(686)
Landfill closure & long-term care payable	(3,480,258)	-	(3,480,258)	-
Accrued liabilities - claims payable	-	-	-	(219,637)
Compensated absences	4,326	81,508	85,834	10,943
Other postemployment benefits obligation	4,477	86,180	90,657	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 597,818</u>	<u>\$ (10,161,714)</u>	<u>\$ (9,563,896)</u>	<u>\$ 241,110</u>
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES				
Fair value adjustment - investments	<u>\$ 8,156</u>	<u>\$ -</u>	<u>\$ 8,156</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	\$ 6,314,889	\$ 35,028,495	\$ 41,343,384	\$ 17,635,601
Cash and cash equivalents - restricted assets	<u>1,277,120</u>	<u>-</u>	<u>1,277,120</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,592,009</u>	<u>\$ 35,028,495</u>	<u>\$ 42,620,504</u>	<u>\$ 17,635,601</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,030,958
Accounts receivable	62,065
Due from other governments	<u>601,145</u>
TOTAL ASSETS	<u>\$ 1,694,168</u>
LIABILITIES	
Accounts payable	\$ 382,668
Due to other governments	23,526
Due to participants	256,944
Other accrued liabilities and deposits	<u>1,031,030</u>
TOTAL LIABILITIES	<u>\$ 1,694,168</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF NET ASSETS
MAJOR DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2010

	Major Discretely Presented Component Units		
	North Central Health Care	Central Wisconsin Airport	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,995,172	\$ 2,373,521	\$ 5,368,693
Investments	6,375,000	-	6,375,000
Patient accounts receivable	4,424,577	-	4,424,577
Accounts receivable	1,336,376	179,532	1,515,908
Due from other governments	76,141	-	76,141
Prepaid items	137,239	-	137,239
Inventories	282,364	-	282,364
Total Current Assets	<u>15,626,869</u>	<u>2,553,053</u>	<u>18,179,922</u>
NONCURRENT ASSETS			
Restricted Assets			
Cash and cash equivalents	-	4,836,498	4,836,498
Investments	262,097	-	262,097
Total Noncurrent Assets	<u>262,097</u>	<u>4,836,498</u>	<u>5,098,595</u>
Deferred charges	-	55,268	55,268
CAPITAL ASSETS			
Land	51,300	614,983	666,283
Buildings	20,012,515	12,668,058	32,680,573
Improvements	1,086,402	41,960,744	43,047,146
Equipment	14,815,477	7,576,044	22,391,521
Construction in progress	49,767	2,782,666	2,832,433
Total Capital Assets	36,015,461	65,602,495	101,617,956
Total Accumulated Depreciation and Depletion	<u>(27,054,471)</u>	<u>(33,108,548)</u>	<u>(60,163,019)</u>
Net Capital Assets	<u>8,960,990</u>	<u>32,493,947</u>	<u>41,454,937</u>
Total Assets	<u>24,849,956</u>	<u>39,938,766</u>	<u>64,788,722</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	1,374,300	158,110	1,532,410
Accrued items	827,471	91,591	919,062
Special deposits	262,097	-	262,097
Interest payable	-	34,642	34,642
Accrued liability - claims payable	610,000	-	610,000
Due to other governments	714,388	81,335	795,723
Due to primary government	-	980	980
Unearned revenues	1,185,626	-	1,185,626
Current portion of compensated absences	1,508,748	2,938	1,511,686
Current portion of long-term obligations	-	530,000	530,000
Total Current Liabilities	<u>6,482,630</u>	<u>899,596</u>	<u>7,382,226</u>
LONG-TERM LIABILITIES			
General obligation notes payable	-	4,875,000	4,875,000
Compensated absences	-	143,977	143,977
Net OPEB obligation	-	85,594	85,594
Total Long-Term Liabilities	-	<u>5,104,571</u>	<u>5,104,571</u>
Total Liabilities	<u>6,482,630</u>	<u>6,004,167</u>	<u>12,486,797</u>
NET ASSETS			
Invested in capital assets, net of related debt	8,960,990	29,594,215	38,555,205
Restricted			
Passenger facility charges	-	1,898,291	1,898,291
Unrestricted	<u>9,406,336</u>	<u>2,442,093</u>	<u>11,848,429</u>
TOTAL NET ASSETS	<u>\$ 18,367,326</u>	<u>\$ 33,934,599</u>	<u>\$ 52,301,925</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS MAJOR DISCRETELY PRESENTED COMPONENT UNITS December 31, 2010

	North Central Health Care	Central Wisconsin Airport	Discretely Presented Component Units Total
EXPENSES			
Transportation			
Airport	\$ -	\$ 4,621,999	\$ 4,621,999
Social Services			
North Central Community Services	55,400,695	-	55,400,695
Total Expenses	55,400,695	4,621,999	60,022,694
PROGRAM REVENUES			
Charges for service	45,289,923	2,728,465	48,018,388
Operating grants and contributions	10,893,228	-	10,893,228
Capital grants and contributions	74,086	2,422,892	2,496,978
Total Program Revenues	56,257,237	5,151,357	61,408,594
Net Income (Expense)	856,542	529,358	1,385,900
GENERAL REVENUES			
Unrestricted investment earnings	70,838	36,964	107,802
Gain on sale of capital assets	9,292	-	9,292
Miscellaneous	-	43,075	43,075
Total General Revenues	80,130	80,039	160,169
Change in net assets	936,672	609,397	1,546,069
NET ASSETS, Beginning	17,430,654	33,325,202	50,755,856
NET ASSETS, ENDING	\$ 18,367,326	\$ 33,934,599	\$ 52,301,925

See accompanying notes to financial statements.

MARATHON COUNTY

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MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

This report includes all of the funds of the 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 for 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. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the primary government.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

North Central Health Care

The government-wide financial statements include the North Central Health Care (NCHC) as a component unit. NCHC is a legally separate organization operated jointly by Marathon, Lincoln, and Langlade counties. The board of NCHC is appointed by the respective counties' boards. Wisconsin Statutes provide for circumstances whereby the County can impose its will on NCHC and also create a financial benefit or burden on the County. See Note IV.L. As a component unit, NCHC's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 13, 2010. Separately issued financial statements of North Central Health Care may be obtained from NCHC's office.

Central Wisconsin Airport

The government-wide financial statements include the Central Wisconsin Airport (CWA) as a component unit. The CWA is a legally separate organization operated jointly by Marathon and Portage counties. The board of the CWA is appointed by the respective counties. Wisconsin Statutes provide for circumstances whereby the County can impose its will on the CWA, and also create a potential financial benefit to or burden on the County. See Note IV.L. As a component unit, the CWA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2010. The CWA does not issue separate financial statements.

Handicapped Children Education Board

The government-wide financial statements include the Handicapped Children Education Board (HCEB) as a component unit. The HCEB is a legally separate organization. The board is made up of six members, one from each participating school district. Wisconsin Statutes provide for circumstances whereby the County can impose its will on HCEB, and also create a financial benefit or burden on the County. See Note IV.L. As a component unit, HCEB's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended June 30, 2010. Separately issued financial statements of the Handicapped Children Education Board may be obtained from the Board's office.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2007, the GASB issued statement No. 51 - *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and reporting requirements for intangible assets to reduce inconsistencies among governments, thereby enhancing the comparability of such assets among state and local governments.

The County made the decision to implement this standard effective January 1, 2010, however there was no material effect on the financial statements.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Fund Financial Statements (cont.)

The County reports the following major governmental funds:

General Fund - accounts for the County's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Social Improvement Fund - accounts for resources legally restricted to supporting expenditures for various community service programs..

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

The County reports the following major enterprise funds:

Landfill Fund - accounts for operations of the County operated landfill

County Highway Fund - accounts for operations of the highway systems

The County reports the following nonmajor governmental funds:

Debt Service Fund - used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Debt Service

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Highway Road Improvement

In addition, the County reports the following fund types:

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 governmental units, on a cost-reimbursement basis.

Property Casualty
Employee Benefits Insurance

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Fund Financial Statements (cont.)

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

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

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 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. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance 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 general rule are charges between the County's landfill and county highway funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Fund Financial Statements (cont.)

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

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

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled 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.

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

The County reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance 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 County Highway funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

All Financial Statements

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

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

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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. At December 31, 2010, some of the county's investments were not rated Aa or higher.

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2010, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. They are not legally available for appropriation until the ensuing year. In addition to property taxes for the County, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund statement of fiduciary net assets.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar - 2010 tax roll:

Lien date and levy date	December 2010
Tax bills mailed	December 2010
Payment in full, or	January 31, 2011
First installment due	January 31, 2011
Second installment due	July 31, 2011
Personal property taxes in full	January 31, 2011
Tax sale - 2010 delinquent real estate taxes	October 2013

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

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

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

The County has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the County monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2010, the County has accrued two months of the subsequent year's collections as receivable.

Accounts receivable in the governmental funds are reported at gross with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such an allowance would not be material.

3. Inventories and Prepaid Items

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Inventories and Prepaid Items (cont.)

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

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

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

Buildings	20 - 50 Years
Improvements	2 - 20 Years
Machinery and Equipment	3 - 10 Years
Infrastructure	5 - 75 Years

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

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

6. Other Assets

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

7. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2010, are determined on the basis of current salary rates and include salary related payments.

In addition to pension benefits provided through the Wisconsin Retirement System described in Note V.A., the County provides certain health care and life insurance benefits as provided for by union contracts or management ordinance. Retired employees who qualify are allowed to convert a maximum of 50% of their accumulated sick leave balance at the time of retirement into monetary value and draw down on the amount to pay the costs of health care and life insurance premiums. The expenditure/expense associated with these benefits are provided. The 2010 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$215,543 with an actual cost of \$233,115. There were nineteen (19) employees eligible for benefits as of year end.

8. Long-Term Obligations/Conduit Debt

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest 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 premiums/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.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. 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 unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definitions 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 resources first, then unrestricted resources as they are needed.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

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 spending resources.
8. Reserved 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 2011 operating year to purchase items or continue projects originally appropriated in previous years as determined by the County Board budget ordinance.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

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 year's budget - represents the amount of fund balance to be used for the 2011 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 carryforwards - represents the amount of unspent funds set aside to be used for programs in subsequent years.

11. 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)(are) 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% 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, but by predetermined calendar time periods. Severance share payments will not exceed the balance due.

For forest lands withdrawn from the program, the County reimburses that 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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT 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 statement of net assets. The details of this reconciliation include the following items.

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net assets.

Bonds and notes payable	\$	11,165,000
Forest crop loan		1,884,940
Compensated absences		5,108,745
Other postemployment benefits obligation		2,572,096
Less: Internal service fund long-term liabilities		(57,564)
Accrued interest		37,535
Debt issuance costs		(91,652)
Premium on debt issue		<u>918,998</u>
Combined Adjustment for Long-Term Liabilities	\$	<u><u>21,538,098</u></u>

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$969,290. Budgets are adopted at the agency level of expenditure.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

A. BUDGETARY INFORMATION (cont.)

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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

A. BUDGETARY INFORMATION (cont.)

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 appropriated in the following year's budget and are recorded as expenditures when purchased in the following year. All remaining encumbrances lapse at year-end.

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

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2010, no individual funds held a deficit balance.

C. LIMITATIONS ON 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 issues
- > 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 2010 tax levy rate is within the limitation contained in State law.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

D. LIMITATIONS ON THE COUNTY'S TAX LEVY

As part of Wisconsin's Act 28 (2009), legislation was passed that limits the County's future tax levies. Generally the County is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the County's equalized value due to new construction or 3% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

NOTE IV - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as cash and investments.

The County's (including Central Wisconsin Airport as a component unit) deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 1,669,011	\$ 1,377,072	Custodial credit
US Treasuries	19,332,621	20,560,037	Custodial credit, interest rate
US agencies - implicitly guaranteed	50,941,202	51,037,175	Custodial credit, interest rate, credit
US agencies - ARMS	4,801,103	3,635,552	Custodial credit, interest rate, credit
Corporate notes	8,198,924	8,283,397	Custodial credit, interest rate, credit
Certificates of deposits	6,200,000	6,206,875	Custodial
Commercial paper	8,952,818	8,953,578	Custodial credit, interest rate, credit
Banker Bank CD program	5,500,000	5,500,000	Custodial credit
Money market mutual funds	8,924,428	8,924,428	Credit, interest rate
State and local bonds	3,205,770	3,207,296	Custodial credit, credit, interest rate
Corporate notes (FDIC)	6,254,298	6,321,820	Custodial credit, interest rate, credit
LGIP	<u>17,386,415</u>	<u>17,386,415</u>	Credit, interest rate
Total Deposits and Investments	<u>\$141,366,590</u>	<u>\$141,393,645</u>	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net assets	
Unrestricted cash and investments	\$111,057,512
Restricted cash and investments	15,575,547
Designated investments	6,492,554
Per statement of net assets - fiduciary funds	
Agency funds	1,030,958
Per statement of net assets - major discretely presented component unit (CWA)	
Unrestricted cash and investments	2,373,521
Restricted cash and investments	<u>4,836,498</u>
 Total Deposits and Investments	 <u>\$141,366,590</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The County maintains collateral agreements with its banks. At December 31, 2010, the banks had pledged various government securities in the amount of \$1,000,000 to secure the County's deposits.

In addition, through June 30, 2011, M&I 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.

Custodial Credit Risk

Deposits

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments

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

US Treasuries

Neither insured nor registered and held by counterparty's trust department or agent and not in the County's name \$ 20,560,037

US Agencies - implicitly guaranteed

Neither insured nor registered and held by counterparty's trust department or agent and not in the County's name \$ 51,037,175

US Agencies - adjustable rate mortgages

Neither insured nor registered and held by counterparty's trust department or agent and not in the County's name \$ 3,635,552

Corporate Notes

Neither insured nor registered and held by counterparty's trust department or agent and not in the County's name \$ 8,283,397

Commercial Paper

Neither insured nor registered and held by counterparty's trust department or agent and not in the County's name \$ 8,953,578

State and Local Bonds

Neither insured nor registered and held by counterparty's trust department or agent and not in the County's name \$ 3,207,296

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

As of December 31, 2010, the County's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Fitch Ratings</u>	<u>Moody's Investors Services</u>
Commercial Paper	A-1+, A-1 AA, AA-, AA+	n/a	P-1 A1, Aa1, Aa2,
Corporate notes	A+	n/a	Aa3
Federal agency bond/note	AAA	n/a	Aaa
Federal agency discount note	A-1+	n/a	P-1
Federal agency adjustable rate mortgages	AAA	n/a	Aaa
State and local bonds	n/a	n/a	Aa2
Corporate notes (FDIC)	AAA	n/a	Aaa
Money market mutual funds	n/a	AAA	n/a

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

Local Government Investment Pool

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

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

As of December 31, 2010, the County's investments were as follows:

Investment Type	Fair Value	Maturity (In Months)			
		Less than 6 months	6-12 months	13-24 months	Greater than 24 months
US treasuries	\$ 20,560,037	\$ 9,068,020	\$ 3,363,216	\$ 1,856,361	\$ 6,272,440
US agencies - implicitly guaranteed	51,037,175	8,420,407	26,784,236	2,001,656	13,830,876
US agencies - ARMS	3,635,552	-	-	-	3,635,552
Corporate notes	8,283,397	-	1,468,745	773,900	6,040,752
Corporate notes - FDIC insured	6,321,820	1,005,787	5,316,033	-	-
Commercial paper	8,953,578	8,953,578	-	-	-
State and local bonds	3,207,296	-	3,207,296	-	-
Money market mutual funds	8,924,428	8,924,428	-	-	-
External investment pool	17,386,415	17,386,415	-	-	-
Totals	<u>\$128,309,698</u>	<u>\$ 53,758,635</u>	<u>\$ 40,139,526</u>	<u>\$ 4,631,917</u>	<u>\$ 29,779,620</u>

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

B. RECEIVABLES

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

B. RECEIVABLES (cont.)

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

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 39,750,019	\$ 39,750,019
Delinquent property taxes receivable	1,531,869	-	1,531,869
Other receivables	254,943	2,615	257,558
Grant drawdowns	221,896	336,029	557,925
Total Deferred/Unearned Revenue for Governmental Funds	\$ 2,008,708	\$ 40,088,663	\$ 42,097,371

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 the 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 2010 and prior years as follows:

Year of Settlement	County Tax Levied	County Purchased	Balance December 31, 2010
2010	\$ 913,410	\$ 3,022,724	\$ 3,936,134
2009	417,129	1,332,180	1,749,309
2008	158,323	479,050	637,373
2007	40,721	124,826	165,547
2006	13,308	40,383	53,691
2005	4,936	15,047	19,983
2004	2,563	7,626	10,189
2003	2,378	7,166	9,544
2002	2,310	6,947	9,257
2001	1,520	4,637	6,157
2000	1,097	3,316	4,413
Total Tax Certificates	\$ 1,557,695	\$ 5,043,902	6,601,597
Tax deeds			196,850
Current taxes			48,191,420
Total Taxes Receivable			\$ 54,989,867

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

B. RECEIVABLES (cont.)

Delinquent taxes collected within the sixty day period subsequent to year end aggregated \$222,675 and \$719,379 for delinquent taxes levied and purchased by the County, respectively.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Special Deposits and Impressed Cash Accounts

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

Community Options Programming

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

Landfill Long-term Care and Closure Costs

Used to finance the County's landfill long-term care and closure costs.

Wisconsin Mutual Municipal Insurance Company (WMMIC)

Accounts for the County's initial investment in the WMMIC.

Following is a list of restricted assets at December 31, 2010:

Restricted Assets	
Special Deposits and impressed cash accounts	\$ 644,061
Community Options Programming	342,466
Landfill long-term care and closure costs	14,589,020
Wisconsin Mutual Municipal Insurance Company	1,519,000
Accrued interest receivable	<u>25,090</u>
Total Restricted Assets	<u>\$ 17,119,637</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 32,868,766	\$ 336,521	\$ -	\$ 33,205,287
Construction in progress	<u>28,152,126</u>	<u>9,410,861</u>	<u>12,954,360</u>	<u>24,608,627</u>
Total Capital Assets Not Being Depreciated	<u>61,020,892</u>	<u>9,747,382</u>	<u>12,954,360</u>	<u>57,813,914</u>
Capital assets being depreciated				
Buildings	63,556,948	11,527,282	-	75,084,230
Improvements	8,097,844	1,661,081	-	9,758,925
Equipment	18,447,946	2,389,973	384,570	20,453,349
Infrastructure	175,512,200	5,001,500	4,183,300	176,330,400
Library collection	<u>4,338,100</u>	<u>413,100</u>	<u>398,200</u>	<u>4,353,000</u>
Total Capital Assets Being Depreciated	<u>269,953,038</u>	<u>20,992,936</u>	<u>4,966,070</u>	<u>285,979,904</u>
Total Capital Assets	<u>330,973,930</u>	<u>30,740,318</u>	<u>17,920,430</u>	<u>343,793,818</u>
Less: Accumulated depreciation for				
Buildings	(35,579,910)	(2,410,045)	-	(37,989,955)
Improvements	(3,588,396)	(402,237)	-	(3,990,633)
Equipment	(14,510,231)	(1,153,558)	382,562	(15,281,227)
Infrastructure	(50,650,386)	(4,918,720)	2,189,800	(53,379,306)
Library collection	<u>(2,263,500)</u>	<u>(346,800)</u>	<u>397,700</u>	<u>(2,212,600)</u>
Total Accumulated Depreciation	<u>(106,592,423)</u>	<u>(9,231,360)</u>	<u>2,970,062</u>	<u>(112,853,721)</u>
Net Capital Assets Being Depreciated	<u>163,360,615</u>	<u>11,761,576</u>	<u>1,996,008</u>	<u>173,126,183</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 224,381,507</u>	<u>\$ 21,508,958</u>	<u>\$ 14,950,368</u>	<u>\$ 230,940,097</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 2,207,123
Public safety	756,096
Transportation	4,918,720
Health	9,237
Social services	47,497
Leisure and education	<u>1,292,687</u>
Total Governmental Activities Depreciation Expense	<u>\$ 9,231,360</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 523,038	\$ -	\$ -	\$ 523,038
Total Capital Assets Not Being depreciation	<u>523,038</u>	<u>-</u>	<u>-</u>	<u>523,038</u>
Capital assets being depreciated				
Buildings	6,698,400	169,092	-	6,867,492
Improvements	19,148,470	1,223,640	-	20,372,110
Equipment	<u>14,286,603</u>	<u>992,740</u>	<u>655,266</u>	<u>14,624,077</u>
Total Capital Assets Being depreciated	<u>40,133,473</u>	<u>2,385,472</u>	<u>655,266</u>	<u>41,863,679</u>
Total Capital Assets	<u>40,656,511</u>	<u>2,385,472</u>	<u>655,266</u>	<u>42,386,717</u>
Less: Accumulated depreciation for				
Buildings	(4,449,704)	(238,684)	-	(4,688,388)
Improvements	(14,875,406)	(492,704)	-	(15,368,110)
Equipment	(8,221,201)	(802,293)	552,631	(8,470,863)
Depletion allowance	<u>(9,679)</u>	<u>-</u>	<u>-</u>	<u>(9,679)</u>
Total Accumulated depreciation	<u>(27,555,990)</u>	<u>(1,533,681)</u>	<u>552,631</u>	<u>(28,537,040)</u>
Net Capital Assets Being Depreciated	<u>12,577,483</u>	<u>851,791</u>	<u>102,635</u>	<u>13,326,639</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 13,100,521</u>	<u>\$ 851,791</u>	<u>\$ 102,635</u>	<u>\$ 13,849,677</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Landfill	\$	522,010
Highway		<u>1,015,265</u>
 Total Business-type Activities Depreciation Expense	 \$	 <u><u>1,537,275</u></u>

Depreciation expense is different from additions because of joint metering, salvage cost of removal internal allocations, and cost associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General fund	Social improvement fund	\$ 5,208
General fund	Landfill fund	7,034
General fund	Highway fund	78
Landfill fund	Highway fund	<u>97</u>
 Total - Fund Financial Statements		 12,417
Less: Fund eliminations		<u>(5,305)</u>
 Total Internal Balances - Government-Wide Statement of Net Assets		 \$ <u><u>7,112</u></u>

All amounts are due within one year.

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

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Capital improvement fund	\$ 2,247,336	Close out finished capital projects
General fund	Social improvement fund	104,601	Fund employee retiree benefits
Social improvement fund	General fund	320,000	Fund social service programs
Capital improvement fund	General fund	4,434,489	Fund capital projects
Capital improvement fund	Social improvement fund	750,422	Fund capital projects
Highway fund	Capital improvement fund	80,000	Fund capital projects
Highway fund	Highway road improvement fund	<u>665,576</u>	Close out fund
Total - Fund Financial Statements		<u>8,602,424</u>	
Less: Fund eliminations		(4,088,206)	
Infrastructure costs assigned by the highway fund to governmental activities		<u>5,259,794</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 4,514,218</u>	

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 5,259,794
Business-type Activities	Governmental Activities	<u>(745,576)</u>
Total Government-wide Financial Statements		<u>\$ 4,514,218</u>

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

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 12,360,000	\$ -	\$ 1,195,000	\$ 11,165,000	\$ 1,230,000
Forest crop loan payable	1,876,942	95,858	87,860	1,884,940	-
Add/(Subtract) Deferred Amounts For					
(Discounts)/Premiums	1,072,165	-	153,167	918,998	-
Sub-totals	<u>15,309,107</u>	<u>95,858</u>	<u>1,436,027</u>	<u>13,968,938</u>	<u>1,230,000</u>
Other Liabilities					
Vested compensated absences - governmental activities	4,855,767	293,462	98,048	5,051,181	101,024
Vested compensated absences - internal service fund	46,621	11,619	676	57,564	1,151
Other postemployment benefits liability	1,902,798	669,298	-	2,572,096	-
Total Other Liabilities	<u>6,805,186</u>	<u>974,379</u>	<u>98,724</u>	<u>7,680,841</u>	<u>102,175</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 22,114,293</u>	<u>\$ 1,070,237</u>	<u>\$ 1,534,751</u>	<u>\$ 21,649,779</u>	<u>\$ 1,332,175</u>
Business-type Activities					
Other Liabilities					
Vested compensated absences	\$ 722,388	\$ 100,282	\$ 14,448	\$ 808,222	\$ 15,801
Other postemployment benefits liability	260,883	90,657	-	351,540	-
Clay payable	7,312	-	-	7,312	7,312
Cell A long-term care and postclosure costs	4,376,372	-	1,732,370	2,644,002	-
Cell B closure costs	3,338,895	-	560,784	2,778,111	-
Cell B long-term care and postclosure costs	5,103,792	-	1,187,104	3,916,688	-
Total Other Liabilities	<u>13,809,642</u>	<u>190,939</u>	<u>3,494,706</u>	<u>10,505,875</u>	<u>23,113</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 13,809,642</u>	<u>\$ 190,939</u>	<u>\$ 3,494,706</u>	<u>\$ 10,505,875</u>	<u>\$ 23,113</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed 5% of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2010, was \$492,203,910. Total general obligation debt outstanding at year end was \$11,165,000.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2010</u>
General Obligation Promissory Notes Series 2009A	02/01/09	12/01/18	2.50-5.00%	\$ 16,770,000	\$ <u>11,165,000</u>
Total Governmental Activities - General Obligation Debt					\$ <u>11,165,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,230,000	\$ 435,900
2012	1,270,000	405,150
2013	1,310,000	373,400
2014	1,355,000	340,650
2015	1,410,000	300,000
2016-2018	<u>4,590,000</u>	<u>465,500</u>
Totals	\$ <u>11,165,000</u>	\$ <u>2,320,600</u>

Forest Crop Loan

The state of Wisconsin has provided for a non-interest 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.

The balance of the Forest Crop Loan at December 31, 2010 is \$1,884,940.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

F. LONG-TERM OBLIGATIONS (cont.)

Prior-Year Defeasance of Debt

In prior years, the County defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2010, \$870,000 of bonds outstanding are considered defeased. The bonds are callable as follows:

<u>Call Date</u>	<u>Amount</u>
2011	\$ 420,000
2012	450,000

G. LEASE DISCLOSURES

Lessor - Operating Leases

The Forestry Department leases (as lessor) land for farmland. The book value and carrying amount of the leased farmland is \$98,805. The future minimum lease receipts as of December 31, 2010, are as follows:

<u>Years</u>	<u>Governmental Activities Principal</u>
2011	\$ 897
2012	897
2013	897
2014	897
2015	897
2016-2064	<u>43,961</u>
Totals	<u>\$ 48,446</u>

H. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Cell A landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for forty years after closure. The County completed final closure of the landfill in 1993. The \$2,644,002 reported as landfill postclosure care liability at December 31, 2010, represents the total amount needed by the County for post closure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

H. CLOSURE AND POSTCLOSURE CARE COST (cont.)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2010, investments are held for these purposes and reviewed annually by the DNR. These are reported as restricted assets on the statement of net assets. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by changes to future landfill users or from future tax revenue.

The County is required by state and federal laws and regulations to provide proof of financial assurance for the postclosure care costs. The County is in compliance with these requirements, and, at December 31, 2010, maintained deposits in the amount of \$4,910,000. The maintenance and monitoring expenses for long-term care will be budgeted for each year by the County and the amount .

Similar state and federal laws and regulations require the County to place a final cover on its Cell B site when it stops acceptance waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$6,694,799 reported as landfill closure and postclosure care liability at December 31, 2010, represents the cumulative amount reported to date based on the use of 80.94% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The County expects to closure the landfill in the year 2014. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2010, investments are held for these purposes and reviewed annually by the DNR. These are reported as restricted assets on the statement of net assets. The village expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

I. SELF FUNDED POLLUTION LIABILITY

During 1996, the County Board of Supervisors created an agreement with the Solid Waste Management Board to create a self funded pollution liability account. In the past, the Landfill Fund carried \$2 million of pollution insurance coverage. The general financing plan, which is funded by a portion of the tipping fee, set aside \$0 in 2010. This amount is adjusted by estimated cost of living increases 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 December 31, 2006. The self-funded pollution liability account has a balance of \$2,470,186 as of December 31, 2010. No amount is due within one year.

J. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2010, includes the following:

Governmental Activities

Invested in Capital Assets, Net of Related Debt	
Land	\$ 33,205,287
Construction in progress	24,608,627
Other capital assets, net of accumulated depreciation	173,126,183
Less: Long-term debt outstanding	(13,049,940)
Plus: Unspent capital related debt proceeds	5,301,872
Less: unamortized premium	<u>(918,998)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>222,273,031</u>
Restricted	
Debt service	1,438,111
Restricted fees	<u>300,734</u>
Total Restricted	<u>1,738,845</u>
Unrestricted	<u>66,993,402</u>
Total Governmental Activities Net Assets	<u>\$ 291,005,278</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

J. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2010, include the following:

Reserved	
Major Funds	
General Fund	
Delinquent taxes for other governmental entities	\$ 4,324,523
Inventories	10,000
Long-term receivables	7,000
Restricted fees	<u>300,734</u>
Total	<u>\$ 4,642,257</u>
Capital Projects Funds	
Capital Improvement Fund - encumbrances	<u>\$ 3,586,521</u>
Nonmajor Funds	
Debt Service Funds	
General Debt Service - debt service	<u>\$ 1,475,647</u>
Unreserved (designated)	
Major Funds	
General Fund	
Subsequent year's budget	\$ 4,787,133
Capital improvements	5,548,119
Carryforwards	969,290
Compensated absences	5,826,355
Working capital	19,334,963
ADRC-CW	<u>65,779</u>
Total	<u>\$ 36,531,639</u>
Social Improvement Fund	
Carryforwards	\$ 6,916
Subsequent year's budget	<u>1,541,153</u>
Total	<u>\$ 1,548,069</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

J. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Unreserved (undesignated)

Major Funds

General fund	\$ <u>3,592,674</u>
Social Improvement Fund	\$ <u>1,291,258</u>
Capital Improvement Fund	\$ <u>10,632,050</u>

Business-type Activities

Invested in capital assets

Land	\$ 523,038
Other capital assets, net of accumulated depreciation	<u>13,326,639</u>
Total Invested in Capital Assets	<u>13,849,677</u>

Restricted

Landfill long-term care costs	<u>5,084,671</u>
Total Restricted	<u>5,084,671</u>

Unrestricted

41,219,245

Total Business-type Activities Net Assets	\$ <u>60,153,593</u>
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K. UNIVERSITY OF WISCONSIN - MARATHON COUNTY

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNITS

NORTH CENTRAL HEALTH CARE

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 2,995,172	\$ 3,307,902	Custodial credit
Certificates of deposits	<u>6,375,000</u>	<u>6,375,000</u>	Custodial credit
 Total Deposits and Investments	 <u>\$ 9,370,172</u>	 <u>\$ 9,682,902</u>	

Custodial Credit Risk

Deposits

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

Uninsured and uncollateralized	<u>\$ 3,619,089</u>
Bank balances	<u>\$ 9,682,902</u>

Investments

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

c. Capital Assets

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Land	\$ 51,300	\$ -	\$ -	\$ -	\$ 51,300	N/A
Construction in progress	1,329,969	-	482,098	1,762,300	49,767	N/A
Depreciable land improvements	921,778	-	164,624	-	1,086,402	10-40
Buildings and building improvements	19,328,116	(15,450)	699,849	-	20,012,515	10-40
Equipment	13,770,531	(2,962)	1,123,468	75,560	14,815,477	3-40
Less: Accumulated depreciation	<u>(25,556,430)</u>	<u>-</u>	<u>(1,572,974)</u>	<u>74,933</u>	<u>(27,054,471)</u>	
Totals	<u>\$ 9,845,264</u>	<u>\$ (18,412)</u>	<u>\$ 897,065</u>	<u>\$ 1,912,793</u>	<u>\$ 8,960,990</u>	

d. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 1,634,505</u>	<u>\$ 1,508,748</u>	<u>\$ 1,634,505</u>	<u>\$ 1,508,748</u>	<u>\$ 1,508,748</u>
Totals	<u>\$ 1,634,505</u>	<u>\$ 1,508,748</u>	<u>\$ 1,634,505</u>	<u>\$ 1,508,748</u>	<u>\$ 1,508,748</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

e. Employee Retirement System

All eligible NCHC employees participate in the Wisconsin Retirement System ("System"), a cost-sharing defined benefit multiple-employer public employee retirement system (PERS). The payroll for employees covered by the System for the year ended December 31, 2010 was \$24,407,362; the NCHC's total payroll was \$26,998,915.

The total required contribution for the year ended December 31, 2010 was \$2,859,543 or 11.7% of covered payroll. Of this amount, 4.8% was contributed by the employer for the current year and 6.2% was contributed from employees. Total contributions for the years ended December 31, 2009 and 2008 were \$2,944,754 and \$3,029,520, respectively, equal to the required contributions for each year.

There was no unfunded liability as of December 31, 2010.

f. Charity Care

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

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

The amount of charges forgone for services and supplies furnished under NCHC's charity care policy aggregated approximately \$3,811,000 for NCHC's 41.42/437 program for 2010.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

g. Self-Funded Insurance

NCHC has a self-funded health insurance plan which provides benefits to employees and their dependents. Health costs are expensed as incurred. Health expense is based upon claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The health plan has reinsurance to cover catastrophic individual claims over \$200,000 and aggregate specific claims over \$25,000 of the actuarial estimate for the year.

h. 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 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 for 2010 of \$3,990,897 is reflected as a net adjustment to the state match/addendum in the combined statements of revenues, expenses, and changes in net assets. Future amounts payable under the agreement consist of the following:

2011	\$ 2,269,140
2012	1,645,220
2013	<u>937,740</u>
Total	<u>\$ 4,852,100</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

i. Related Party Transaction

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 \$8,833,485 in 2010 from the counties, and the nursing home received \$2,133,829 in 2010 from Marathon County to assist in meeting operating costs and for additions and improvements to capital assets.

Land and buildings at a cost of \$25,534,129 in 2010 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.

j. Reimbursement Arrangement With Third-Party Payors

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

Medicare

Inpatient services rendered to Medicare program beneficiaries are paid based on prospectively determined rates based on a patient classification system.

Outpatient services are paid primarily on prospectively determined rates also based on a patient classification system or fixed fee schedules.

Nursing home resident care is paid based on a predetermined rate per inpatient day, which varies depending upon the patient's level of care and types of services provided.

Medicaid

Hospital and nursing home services rendered to Medicaid program beneficiaries are reimbursed primarily based upon prospectively determined rates which varies depending on the patient's level of care and types of services provided.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

j. Reimbursement Arrangement With Third-Party Payors (cont.)

Accounting for Contractual Adjustments

The hospital is reimbursed for cost-reimbursable items at an interim rate with final settlements determined after audit of NCHC's related annual cost reports by the 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, 2007 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 NCHC is in substantial compliance with current laws and regulations.

The Centers for Medicare and Medicaid Services (CMS) implemented a new demonstration project using recovery audit contractors (RACs) as part of CMS's further efforts to ensure accurate payments. The project uses RACs to search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, it makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. A five-state pilot concluded in March 2008 and a nationwide rollout in phases began in 2009. NCHC's policy is to adjust to or from revenue the amounts assessed under the RAC audits at the time a change in reimbursement is agreed upon between NCHC and CMS. RAC reviews with NCHC are anticipated; however, the outcome of such potential reviews are unknown and cannot be reasonably estimated.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

k. Patient Accounts Receivable - Net

Patient accounts receivable consisted of the following at December 31, 2010:

	<u>51.42/.437 Program</u>	<u>Nursing Home</u>	<u>Totals</u>
Patient accounts receivable	\$ 4,027,309	\$ 2,497,441	\$ 6,524,750
Less: Allowance for doubtful accounts	(804,786)	(2,844)	(807,630)
Contractual adjustments	<u>(1,074,485)</u>	<u>(218,058)</u>	<u>(1,292,543)</u>
 Patient Accounts Receivable - Net	 <u>\$ 2,148,038</u>	 <u>\$ 2,276,539</u>	 <u>\$ 4,424,577</u>

l. Net Patient Service Revenue

Net patient service revenue consisted of the following at December 31, 2010:

	<u>51.42/.437 Program</u>	<u>Nursing Home</u>	<u>Totals</u>
Gross patient service revenue:			
Medical assistance	\$ 10,383,301	\$ 16,896,045	\$ 27,279,346
Private pay	1,752,200	3,589,593	5,341,793
Medicare	1,516,686	10,358,253	11,874,939
Insurance	1,595,873	520,577	2,116,450
Family care	6,681,038	1,081,829	7,762,867
Other 51.42/.437 boards	231,103	438	231,541
Totals	<u>22,160,201</u>	<u>32,446,735</u>	<u>54,606,936</u>
Less: Contractual adjustments	(10,516,962)	(9,863,543)	(20,380,505)
Provision for bad debts	<u>(331,390)</u>	<u>(26,398)</u>	<u>(357,788)</u>
 Net Patient Service Revenue	 <u>\$ 11,311,849</u>	 <u>\$ 22,556,794</u>	 <u>\$ 33,868,643</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

m. 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 2010. Total rental expense on all operating leases amounted to \$358,521 in 2010.

n. Self-Funded Insurance

NCHC has a self-funded health insurance plan which provides benefits to employees and their dependents. Health costs are expensed as incurred. Health expense is based upon claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The health plan has reinsurance to cover catastrophic individual claims over \$150,000 and aggregate specific claims over \$25,000 of the actuarial estimate for the year.

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

	2010	2009
Unpaid claims liability at beginning	\$ 695,000	\$ 685,000
Claims expense	5,473,330	7,164,473
Claim payments	(5,593,330)	(7,154,473)
Unpaid Claims Liability at End	\$ 575,000	\$ 695,000

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

Unpaid dental claims for the year ended December 31, were as follows:

	2010	2009
Unpaid claims liability at beginning	\$ 25,000	\$ 25,000
Claims expense	372,736	356,006
Claim payments	(362,736)	(356,006)
Unpaid Claims Liability at End	\$ 35,000	\$ 25,000

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

n. Self-Funded Insurance (cont.)

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

o. Comprehensive General and Professional Liability Insurance

NCHC's comprehensive general liability insurance covers losses of up to \$1,000,000 per claim with \$3,000,000 annual aggregate for claims incurred during a policy year regardless of when the claim was filed (occurrence-based coverage). NCHC's professional liability insurance covers losses up to \$1,000,000 per claim with \$3,000,000 annual aggregate for claims reported during a policy year (claims-made coverage). NCHC also carries an umbrella liability policy of \$3,000,000 for claims reported during a policy year (claims-made coverage). Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with NCHC. Although there exists the possibility of claims arising from services provided to patients through December 31, 2010, which have not yet been asserted, NCHC is unable to determine the ultimate costs, if any, of such possible claims and, accordingly, no provision has been made for them. 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, 2011.

p. Concentration of Credit Risk

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

Patient accounts receivable consists of amounts due from patients, their insurers, or governmental agencies. NCHC grants credit to its patients, primarily residents of Langlade, Lincoln, and Marathon Counties for these services. NCHC is also required to meet the Wisconsin Statutes and Administrative Code under the Uniform Fee and Ability to Pay Provisions. The mix of receivables from patients and third-party payors was as follows at December 31, 2010:

Medicare	28 %
Medicaid	33
Other third-party payors	29
Patients	<u>10</u>
Total	<u><u>100 %</u></u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

q. Functional Expenses

NCHC provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended December 31, 2010 are as follows:

Health care services	\$ 41,239,688
General and administrative	<u>14,161,007</u>
Total	<u>\$ 55,400,695</u>

CENTRAL WISCONSIN AIRPORT

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year end, the carrying amount of the CWA's deposits was \$7,210,019 and is part of the County's commingled cash. See Note IV. A.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

c. Restricted Assets

The following represent the balances of the restricted assets:

Unspent Passenger Facility Charges

Used to finance various FAA approved construction projects.

Following is a list of restricted assets at December 31, 2010:

	Restricted Assets
Unspent passenger facility charges	<u>\$ 4,836,498</u>

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 614,983	\$ -	\$ -	\$ 614,983	N/A
Construction in progress*	1,318,808	2,069,783	605,925	2,782,666	
Buildings	12,449,032	219,026	-	12,668,058	20-50
Improvements	41,960,744	-	-	41,960,744	2-20
Equipment	7,358,310	217,734	-	7,576,044	3-10
Less: Accumulated depreciation	<u>(31,059,227)</u>	<u>(2,049,321)</u>	<u>-</u>	<u>(33,108,548)</u>	
Totals	<u>\$ 32,642,650</u>	<u>\$ 457,222</u>	<u>\$ 605,925</u>	<u>\$ 32,493,947</u>	

* The \$605,925 of construction in progress deletions includes \$205,900 of items that ultimately were not capitalized.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

e. Long-Term Obligations

CWA long-term obligations are payable by revenues from public charges for services. Long-term obligations activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General obligation debt	\$ 3,310,000	\$ 2,450,000	\$ 355,000	\$ 5,405,000	\$ 530,000
Vested compensated absences	128,770	20,720	2,575	146,915	2,938
Other postemployment benefits liability	<u>64,329</u>	<u>21,265</u>	<u>-</u>	<u>85,594</u>	<u>-</u>
Totals	<u>\$ 3,503,099</u>	<u>\$ 2,491,985</u>	<u>\$ 357,575</u>	<u>\$ 5,637,509</u>	<u>\$ 532,938</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	\$ 530,000	\$ 206,797	\$ 736,797
2012	545,000	192,250	737,250
2013	575,000	173,273	748,273
2014	535,000	152,875	687,875
2015	565,000	130,975	695,975
2016 - 2020	1,725,000	341,850	2,066,850
2021 - 2025	<u>930,000</u>	<u>1,140,000</u>	<u>2,070,000</u>
Totals	<u>\$ 5,405,000</u>	<u>\$ 2,338,020</u>	<u>\$ 7,743,020</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

f. Employee Retirement System

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

There was no unfunded liability as of December 31, 2010.

g. Lease Disclosures

Lessor-Operating Leases

The CWA leases farmland, terminal space, hanger space, and parking space. The book value of the leased space is \$9,709,563. The carrying amount of the leased space at CWA is \$5,042,572. The difference between the two figures is the accumulated depreciation of \$4,662,991. The future minimum lease receipts as of December 31, 2010, are as follows:

<u>Years</u>	<u>Principal</u>
2011	\$ 465,832
2012	71,754
2013	7,448
2014	7,152
2015	<u>2,900</u>
Total	<u>\$ 555,086</u>

HANDICAPPED CHILDREN EDUCATION BOARD

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

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

a. Basis of Accounting/Measurement Focus

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

HANDICAPPED CHILDREN EDUCATION BOARD (cont.)

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 765,138	\$ 939,586	Custodial credit
CLASS	3	3	Credit, interest rate
ING ReliaStart Group Annuity Contract	739,033	739,033	Credit, interest rate
LGIP	<u>1,293,874</u>	<u>1,293,874</u>	Credit, interest rate
 Total Deposits and Investments	 <u>\$ 2,798,048</u>	 <u>\$ 2,972,496</u>	

Custodial Credit Risk

Deposits

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

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

Investments

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

HANDICAPPED CHILDREN EDUCATION BOARD (cont.)

b. Deposits and Investments (cont.)

Credit Risk

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

As of Wednesday, June 30, 2010, the HCEB's investments were rated as follows:

Investment Type	Standard & Poors
Cooperative Liquid Assets Securities System	AAA TSY, AAA, AA, A, BBB, BB, B, Below B-
ING ReliaStar Group Annuity Contract	B-

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

Local Government Investment Pool

Interest Rate Risk

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

As of Wednesday, June 30, 2010, the HCEB's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
ING Reliastar Group Annuity Contract	\$ 733,062	11.40
CLASS	3	0.11
Local Government Investment Pool	1,293,874	0.21
 Total	 \$ 2,026,939	
 Portfolio weighted average maturity		 4.26

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

HANDICAPPED CHILDREN EDUCATION BOARD (cont.)

c. Restricted Assets

The restricted cash and investment is a certificate of deposit to be used to pay for a life insurance policy on certain management personnel in the event of retirement.

d. Capital Assets

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Buildings	\$ 222,877	\$ -	\$ -	\$ -	\$ 222,877	50
Equipment	40,499	-	-	-	40,499	10
Less: Accumulated depreciation	<u>(43,759)</u>	<u>-</u>	<u>(8,508)</u>	<u>-</u>	<u>(52,267)</u>	
 Totals	 <u>\$ 219,617</u>	 <u>\$ -</u>	 <u>\$ (8,508)</u>	 <u>\$ -</u>	 <u>\$ 211,109</u>	

e. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Vested compensated absences	\$ 85,666	\$ 11,481	\$ 7,771	\$ 89,376	\$ 5,057
OPEB obligation	<u>-</u>	<u>19,486</u>	<u>-</u>	<u>19,486</u>	<u>-</u>
 Totals	 <u>\$ 85,666</u>	 <u>\$ 30,967</u>	 <u>\$ 7,771</u>	 <u>\$ 108,862</u>	 <u>\$ 5,057</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

HANDICAPPED CHILDREN EDUCATION BOARD (cont.)

f. Employee Retirement System

All eligible HCEB employees participate in the Wisconsin Retirement System ("System"), a cost-sharing defined benefit multiple-employer public employee retirement system (PERS). The payroll for employees covered by the System for the year ended June 30, 2010 was \$3,090,112; the HCEB's total payroll was \$3,254,697.

The total required contribution for the year ended June 30, 2010 was \$330,303 or 10.7% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending June 30, 2009 and 2008 were \$303,955 and \$277,369, respectively, equal to the required contributions for each year.

There was no unfunded liability as of June 30, 2010.

g. Lease Disclosures

The department leases office space from North Central Health Care on an annual basis. Rent expensed by the department for the current fiscal year totaled \$42,701.

h. Postemployment Benefits Other Than Pensions

The department administers a single-employer defined benefit postemployment healthcare plan ("the Retiree Health Plan"). The plan provides health insurance contributions for eligible retirees through the department's group health insurance plan, which covers both active and retired members. Benefit provisions are established through employment agreements and state that eligible retirees receive a specific amount of healthcare insurance at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

Summary of Significant Accounting Policies

Basis of Accounting. The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value, which is determined by the mean of the most recent bid and asked provides as obtained from dealers that make markets in such securities. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian under the direction of the plan board of trustees, with the assistance of a valuation service.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

L. COMPONENT UNIT (cont.)

HANDICAPPED CHILDREN EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

Plan Contribution Information

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

Retirees	2
Fully Eligible Actives	6
Other Actives	34
Number of participating employers	1

Contribution requirements are established through employment agreements and may be amended only through negotiations between the board and the employees. The department contributed 100% of the annual required contribution as determined by the actuarial study dated July 1, 2007. For fiscal year 2010, the department made no contributions to the plan. Plan members receiving benefits do not contribute to the plan. Administrative costs of the plan are financed through investment earnings.

The department's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. There is no amortization component to the ARC as the department has funded the amount actuarially determined to be unfunded in past years. The following table shows the components of the department's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the department's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 19,846
Contributions made	<u>-</u>
Change in Net OPEB Obligation	19,846
 Net OPEB Obligation - Beginning of Year	 <u>-</u>
 Net OPEB Obligation - End of Year	 <u><u>\$ 19,846</u></u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

L. COMPONENT UNIT (cont.)

HANDICAPPED CHILDREN EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

Plan Contribution Information (cont.)

The department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 42,551	20%	\$ 34,042
6/30/09	318,930	111%	-
6/30/10	19,846	0%	19,846

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

Actuarial accrued liability (AAL)	\$ 670,361
Actuarial value of plan assets	(347,146)
Unfunded Actuarial Accrued Liability (UAAL)	\$ 323,215
Funded ratio (actuarial value of plan assets/AAL)	48.22%
Covered payroll (active plan members)	\$ 2,616,686
UAAL as a percentage of covered payroll	12%

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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

L. COMPONENT UNIT (cont.)

HANDICAPPED CHILDREN EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

Plan Contribution Information (cont.)

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. There is no amortization component to the ARC as the department has funded the amount actuarially determined to be unfunded in past years.

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

In the July 1, 2007 actuarial valuation, the unprojected unit credit actuarial cost method was used. The actuarial assumptions include a 6% investment rate of return and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 6% after eight years. The actuarial value of the Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability was amortized over one year using the level dollar method.

NOTE V - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible County employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers generally 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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for County employees covered by the system for the year ended December 31, 2010 was \$34,256,360; the employer's total payroll was \$35,019,630. The total required contribution for the year ended December 31, 2010 was \$3,906,953 or 11.4% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2009 and 2008 were \$4,000,356 and \$3,891,746, respectively, equal to the required contributions for each year.

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 a retirement benefit. Employees 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 a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2010 there was no pension related debt for the County.

B. RISK MANAGEMENT

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin Municipal Mutual Insurance Company (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. The aggregate annual maximum coverage per municipality is \$5,000,000. At December 31, 2010, WMMIC was owned by seventeen members. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

WMMIC was formed pursuant to an Intergovernmental Charter-Contract dated November 1, 1987 by municipal members. WMMIC's initial capitalization was obtained by a \$13,935,000 tax exempt Revenue Bond issuance. The bonds were repaid in full in 2007.

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. WMMIC retains the first \$1,000,000 of the loss and the remaining \$4,000,000 is through reinsurance. 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. Financial statements of WMMIC are available from: Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, WI 53704-7364.

In accordance with generally accepted accounting principles, its initial investment in the company of \$1,519,000 reflected in the County insurance internal service fund balance sheet. Payments to WMMIC for current year insurance coverage are also reflected in the internal service fund.

Local Government Property Insurance Fund

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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Local Government Property Insurance Fund (cont.)

The 2010 claims liability of \$1,113,488 reported in the fund at December 31, 2010 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 2009 and 2010 are as follows:

	<u>Liability</u> <u>January 1</u>	<u>Current Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>December 31</u>
2009	\$ 1,182,197	\$ 1,067,972	\$ (945,468)	\$ 1,304,701
2010	1,304,701	313,154	(504,367)	1,113,488

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. \$3,280,252 was designated for that reserve at year end, and is included in unreserved net assets of the internal service fund.

Until 2009, the County (including the CWA as a discretely presented component unit) maintained its health insurance through the Group Health Trust (GHT) of the Wisconsin County's Association. The County still maintains its dental insurance through this plan. GHT is the plan sponsor for the County health plan. The number of employees covered is approximately 704. Employees are offered a choice of two dental plans, a capitated DMO program, and a self funded program. The claims liability for the dental plan is \$5,391 for dental reported in the fund at December 31, 2010, is based on the requirements of GASB.

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

	<u>Health</u> <u>Liability</u> <u>January 1</u>	<u>Current Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>December 31</u>
2009	\$ 895,748	\$ (895,748)	\$ -	\$ -

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Local Government Property Insurance Fund (cont.)

Changes in the fund's dental claims liability for 2009 and 2010 are as follows:

	<u>Dental Liability</u>		<u>Current Year</u>		<u>Liability</u>
	<u>January 1</u>		<u>Claims and</u>	<u>Claim</u>	<u>December 31</u>
			<u>Changes in</u>	<u>Payments</u>	
			<u>Estimates</u>		
2009	\$ 4,088	\$	140,043	\$ (139,131)	\$ 5,000
2010	5,000		191,911	(191,520)	5,391

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 \$1,680,471 reported in the fund at December 31, 2010 is also based on the requirements of GASB.

Changes in the fund's claim liability amount for 2009 and 2010 are as follows:

	<u>Worker's</u>		<u>Current Year</u>		<u>Liability</u>
	<u>Comp Liability</u>		<u>Claims and</u>	<u>Claim</u>	<u>December 31</u>
	<u>January 1</u>		<u>Changes in</u>	<u>Payments</u>	
			<u>Estimates</u>		
2009	\$ 1,858,469	\$	1,956	\$ (150,599)	\$ 1,709,826
2010	1,709,826		7,689	(37,044)	1,680,471

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, 2010 as well as an estimate of claims incurred but not reported. A determination of the appropriate reserves was calculated and funding is assured at the 95th percentile and includes an estimate of catastrophic loss.

C. COMMITMENTS AND CONTINGENCIES

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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

During 2009, the County borrowed \$12,360,000 for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in the Capital Improvement fund. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The balance of contract amounts plus open purchase orders is \$3,586,521 at year end and is included in reserve for encumbrances.

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. 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 2011 of \$7,312 as a contract payable.

D. OTHER POSTEMPLOYMENT BENEFITS

The County's (including the Central Wisconsin Airport as a component unit) group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the County and the union. Plan members receiving benefits contribute 100% and 100% of their premium costs for a family plan and a single plan, respectively. For fiscal year 2007, total member contributions were \$293,160. Administrative costs of the plan are financed through investment earnings.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty 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 Retiree Health Plan:

Annual required contribution	\$	1,108,501
Interest on net OPEB obligation		87,457
Adjustment to annual required contribution		<u>(121,578)</u>
Annual OPEB cost		1,074,380
Contributions made		<u>(293,160)</u>
Increase in net OPEB obligation (asset)		781,220
Net OPEB Obligation (Asset) - Beginning of Year		<u>2,228,010</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>3,009,230</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2008	\$ 1,042,000	27.60%	\$ 1,520,369
December 31, 2009	1,029,251	31.25%	2,228,010
December 31, 2010	1,074,380	27%	3,009,230

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The funded status of the plan as of December 31, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	10,464,474
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>10,464,474</u>
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	34,256,360
UAAL as a percentage of covered payroll		31%

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

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

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 4% after 20 years. Both rates include a 1% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2010, was 30 years.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

E. RELATED ORGANIZATIONS/JOINTLY GOVERNED ORGANIZATIONS

City-County Information Technology Commission

The City-County Information Technology Commission (CCITC) is a joint function with Marathon County, the City of Wausau and NCCS to provide for the implementation and operation of a data and management information service. The CCITC is governed by an eight member board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County chairman of the Board of Supervisors, County Administrator, 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%, and 23%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. Marathon County's share of the CCITC operations costs for 2010 was \$1,209,287. Additional capital project reimbursements totaled \$499,714. The County has an equity interest in the joint venture, but it is not material to the financial statements.

Financial information of the CCITC as of December 31, 2010 is available directly from the commission's office.

Regional Planning Commission

The County, in conjunction with Vilas, Forest, Oneida, Lincoln, Langlade, Portage, Wood, Juneau, and Adams counties, and major cities within these counties, has created the North Central Wisconsin Regional Planning Commission (NCWRPC). NCWRPC's governing body is comprised of two members from each of the ten counties and a representative from each major city. The County's representatives are appointed by the County Board Chair and approved by the County Board. Marathon County's 2010 appropriation for NCWRPC was \$2,898.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS December 31, 2010

NOTE V - OTHER INFORMATION (cont.)

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

Aging and Disability Resources Center of Central Wisconsin

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

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

Financial information of the ADRC-CW as of December 31, 2010 is available directly from the ADRC-CW's office.

Under the terms of the agreement, the portion of the County funding to maintain and operate the ADRC-CW is the County's respective share of equalized value. Marathon County's share of funding based on equalized value is 67%. The current agreement terminates on December 31, 2010 unless renewed. The agreement can be terminated if sixteen months advance notice is given to the member counties.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Application of these standards may restate portions of these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

MARATHON COUNTY

OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDED STATUS For the Year Ended December 31, 2010

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

The county is required to present the above information for the three most recent actuarial studies. The study completed as of December 31, 2009 was the second study performed for the county.

SUPPLEMENTARY INFORMATION

MARATHON COUNTY, WISCONSIN

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	\$ 29,924,790	\$ 29,924,790	\$ 29,695,796	\$ (228,994)
Forest crop taxes	25,000	25,000	98,031	73,031
Transfer tax	160,000	160,000	166,078	6,078
Sales tax	9,150,150	9,150,150	9,549,872	399,722
Interest on delinquent taxes	220,000	229,443	982,150	752,707
Penalties on delinquent taxes	110,000	110,000	488,615	378,615
Total Taxes	39,589,940	39,599,383	40,980,542	1,381,159
Intergovernmental Grants and Aids				
Wisconsin shared revenue	6,710,771	6,710,771	6,701,879	(8,892)
Exempt computer aid	275,000	275,000	353,555	78,555
Environmental impact fee	-	-	82,087	82,087
Federal grants	368,385	1,705,610	1,223,145	(482,465)
State grants	4,608,681	4,804,149	3,746,803	(1,057,346)
TID settlement	-	-	189,118	189,118
Local government grants	11,250	11,250	30,699	19,449
Total Intergovernmental Grants and Aids	11,974,087	13,506,780	12,327,286	(1,179,494)
Licenses and Permits				
Licenses	87,115	87,115	39,678	(47,437)
Permits	230,000	230,000	226,037	(3,963)
Total Licenses and Permits	317,115	317,115	265,715	(51,400)
Fines and Forfeitures				
County ordinance fines and forfeitures	339,240	339,240	268,434	(70,806)
County share of state fines and forfeitures	426,000	426,000	460,406	34,406
Total Fines and Forfeitures	765,240	765,240	728,840	(36,400)
Public Charges for Services				
General Government				
Recording fees	400,000	400,000	345,762	(54,238)
Certified copies	65,000	65,000	69,360	4,360
Land record fees	180,000	233,000	252,618	19,618
Court fees and costs	662,000	662,000	712,716	50,716
Other charges	326,909	326,909	255,854	(71,055)
Total General Government	1,633,909	1,686,909	1,636,310	(50,599)
Public Safety				
Board of prisoners	630,000	630,000	290,748	(339,252)
Processing fees	200,000	200,000	203,237	3,237
Other charges	344,384	363,965	276,178	(87,787)
Total Public Safety	1,174,384	1,193,965	770,163	(423,802)

MARATHON COUNTY, WISCONSIN

SCHEDULE OF REVENUES - BUDGET AND ACTUAL GENERAL FUND Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES (cont.)				
Health				
General health	\$ 29,850	\$ 29,850	\$ 26,030	\$ (3,820)
Lab contract work	98,196	98,196	75,525	(22,671)
Environmental permits	383,717	383,717	394,075	10,358
Other charges	112,700	91,500	136,798	45,298
Total Health	624,463	603,263	632,428	29,165
Social services	5,000	5,000	3,836	(1,164)
Library	83,500	83,500	152,817	69,317
Recreation and Public Areas				
Camping fees	118,777	118,777	100,638	(18,139)
Park concessions	12,000	12,000	5,501	(6,499)
Shelter rental and forfeitures	24,750	24,750	27,433	2,683
Fairgrounds building rents	128,000	128,000	98,003	(29,997)
Organized hockey rents	219,200	219,200	212,436	(6,764)
Cross country fees	68,300	68,300	67,045	(1,255)
Other charges	168,850	168,850	151,487	(17,363)
Total Recreation and Public Areas	739,877	739,877	662,543	(77,334)
Education	30,595	30,595	41,251	10,656
Conservation				
Forest resources	291,000	291,000	456,827	165,827
Agricultural resources	13,380	13,380	18,546	5,166
Total Conservation	304,380	304,380	475,373	170,993
Total Public Charges for Services	4,596,108	4,647,489	4,374,721	(272,768)
Intergovernmental Charges for Services				
State and federal	219,132	219,132	225,012	5,880
Local Districts				
General government	56,125	68,125	19,911	(48,214)
Register of deeds services	58,990	58,990	83,499	24,509
Postage	72,500	72,500	64,903	(7,597)
Telephone	29,300	29,300	16,286	(13,014)
Sheriff's services	273,303	278,356	260,310	(18,046)
Health	7,000	7,000	1,116	(5,884)
Other charges	283,757	283,757	298,471	14,714
Local departments	357,456	357,456	257,462	(99,994)
Total Intergovernmental Charges for Services	1,357,563	1,374,616	1,226,970	(147,646)
Miscellaneous Revenue				
Interest income	535,444	535,444	423,124	(112,320)
Decrease in the fair market value of investments	-	-	(177,442)	(177,442)
Donations	149,300	271,750	307,745	35,995
Rental income	496,866	496,866	521,499	24,633
Insurance premiums	100,000	100,000	-	(100,000)
Other revenues	47,740	86,757	131,026	44,269
Total Miscellaneous Revenue	1,329,350	1,490,817	1,205,952	(284,865)
TOTAL REVENUES	\$ 59,929,403	\$ 61,701,440	\$ 61,110,026	\$ (591,414)

MARATHON COUNTY, WISCONSIN

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 276,544	\$ 276,544	\$ 275,039	\$ 1,505
Contractual services	10,400	10,400	12,434	(2,034)
Materials and supplies	92,100	92,100	73,284	18,816
Total Legislative	<u>379,044</u>	<u>379,044</u>	<u>360,757</u>	<u>18,287</u>
Judicial				
Personal services	2,474,642	2,474,642	2,463,868	10,774
Contractual services	666,060	916,060	852,680	63,380
Materials and supplies	99,975	99,975	83,317	16,658
Fixed charges	5,226	5,226	4,679	547
Total Judicial	<u>3,245,903</u>	<u>3,495,903</u>	<u>3,404,544</u>	<u>91,359</u>
Executive				
Personal services	411,081	412,881	412,851	30
Contractual services	127,334	126,834	112,687	14,147
Materials and supplies	27,010	25,710	15,910	9,800
Grants and contributions	51,500	51,500	771	50,729
Total Executive	<u>616,925</u>	<u>616,925</u>	<u>542,219</u>	<u>74,706</u>
General Administration				
Personal services	649,020	652,920	638,320	14,600
Contractual services	290,842	286,942	250,585	36,357
Materials and supplies	324,041	324,041	325,284	(1,243)
Total General Administration	<u>1,263,903</u>	<u>1,263,903</u>	<u>1,214,189</u>	<u>49,714</u>
Financial Administration				
Personal services	890,196	901,096	883,463	17,633
Contractual services	170,440	173,440	76,780	96,660
Materials and supplies	47,846	47,846	44,649	3,197
Fixed charges	437,553	437,553	437,553	-
Grants and contributions	11,296,584	11,501,730	10,838,991	662,739
Total Financial Administration	<u>12,842,619</u>	<u>13,061,665</u>	<u>12,281,436</u>	<u>780,229</u>
Legal				
Personal services	1,437,838	1,472,838	1,397,245	75,593
Contractual services	88,945	240,738	169,610	71,128
Materials and supplies	67,622	87,636	77,509	10,127
Total Legal	<u>1,594,405</u>	<u>1,801,212</u>	<u>1,644,364</u>	<u>156,848</u>
Property Records and Control				
Personal services	610,453	636,756	552,713	84,043
Contractual services	60,900	81,078	8,185	72,893
Materials and supplies	28,703	28,703	32,993	(4,290)
Fixed charges	900	900	-	900
Total Property Records and Control	<u>700,956</u>	<u>747,437</u>	<u>593,891</u>	<u>153,546</u>

MARATHON COUNTY, WISCONSIN

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES (cont.)				
County Planning and Zoning				
Personal services	\$ 1,645,564	\$ 1,610,781	\$ 1,602,941	\$ 7,840
Contractual services	426,703	558,220	423,952	134,268
Materials and supplies	84,311	105,616	58,848	46,768
Fixed charges	3,950	3,950	3,800	150
Grants and contributions	85,101	113,353	113,252	101
Capital outlay	<u>1,167,257</u>	<u>424,836</u>	<u>424,585</u>	<u>251</u>
Total County Planning and Zoning	<u>3,412,886</u>	<u>2,816,756</u>	<u>2,627,378</u>	<u>189,378</u>
 Building Maintenance				
Personal services	1,334,253	1,414,567	1,396,922	17,645
Contractual services	966,452	989,152	813,360	175,792
Materials and supplies	131,310	131,310	102,735	28,575
Fixed charges	5,896	5,896	5,916	(20)
Capital outlay	<u>56,000</u>	<u>56,000</u>	<u>53,260</u>	<u>2,740</u>
Total Building Maintenance	<u>2,493,911</u>	<u>2,596,925</u>	<u>2,372,193</u>	<u>224,732</u>
 Total General Government	<u>26,550,552</u>	<u>26,779,770</u>	<u>25,040,971</u>	<u>1,738,799</u>
 Public Safety				
Sheriff				
Personal services	9,727,673	9,792,419	9,673,554	118,865
Contractual services	403,630	590,211	424,935	165,276
Materials and supplies	573,096	1,037,533	666,892	370,641
Fixed charges	60,624	60,624	59,074	1,550
Grants and contributions	10,193	197,978	188,778	9,200
Capital outlay	<u>319,200</u>	<u>833,293</u>	<u>360,809</u>	<u>472,484</u>
Total Sheriff	<u>11,094,416</u>	<u>12,512,058</u>	<u>11,374,042</u>	<u>1,138,016</u>
 Emergency Services				
Personal services	169,817	260,646	195,869	64,777
Contractual services	4,795	3,793	2,915	878
Materials and supplies	35,756	114,789	65,430	49,359
Fixed charges	2,200	2,200	2,200	-
Grants and contributions	-	19,886	3,476	16,410
Capital outlay	<u>-</u>	<u>760,877</u>	<u>651,976</u>	<u>108,901</u>
Total Emergency Services	<u>212,568</u>	<u>1,162,191</u>	<u>921,866</u>	<u>240,325</u>
 Adult Corrections				
Personal services	3,625,474	3,693,384	3,612,328	81,056
Contractual services	2,429,954	2,358,154	2,247,199	110,955
Materials and supplies	123,750	277,063	112,243	164,820
Fixed charges	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
Total Adult Corrections	<u>6,180,278</u>	<u>6,329,701</u>	<u>5,972,870</u>	<u>356,831</u>

MARATHON COUNTY, WISCONSIN

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
Juvenile Corrections				
Personal services	\$ 1,114,178	\$ 1,114,178	\$ 1,055,300	\$ 58,878
Contractual services	42,032	53,132	52,265	867
Materials and supplies	15,762	15,762	7,959	7,803
Fixed charges	1,650	1,650	1,650	-
Total Juvenile Corrections	<u>1,173,622</u>	<u>1,184,722</u>	<u>1,117,174</u>	<u>67,548</u>
Shelter Home				
Personal services	503,860	503,860	494,889	8,971
Contractual services	15,806	21,006	16,822	4,184
Materials and supplies	13,899	13,899	4,640	9,259
Fixed charges	250	250	-	250
Capital outlay	-	10,927	-	10,927
Total Shelter Home	<u>533,815</u>	<u>549,942</u>	<u>516,351</u>	<u>33,591</u>
Total Public Safety	<u>19,194,699</u>	<u>21,738,614</u>	<u>19,902,303</u>	<u>1,836,311</u>
Health				
Personal services	3,326,466	3,892,398	3,390,731	501,667
Contractual services	1,080,932	1,290,130	1,195,572	94,558
Materials and supplies	234,517	691,752	215,885	475,867
Grants and contributions	6,000	8,596	7,343	1,253
Total Health	<u>4,647,915</u>	<u>5,882,876</u>	<u>4,809,531</u>	<u>1,073,345</u>
Social Services				
Veterans				
Personal services	222,712	216,712	192,251	24,461
Contractual services	3,010	5,010	4,490	520
Materials and supplies	10,740	14,740	12,357	2,383
Fixed charges	200	200	-	200
Grants and contributions	3,450	17,178	5,011	12,167
Total Veterans	<u>240,112</u>	<u>253,840</u>	<u>214,109</u>	<u>39,731</u>
Total Social Services	<u>240,112</u>	<u>253,840</u>	<u>214,109</u>	<u>39,731</u>
Leisure Activities and Education				
Library				
Personal services	2,922,866	2,922,866	2,768,113	154,753
Contractual services	209,427	230,427	239,703	(9,276)
Materials and supplies	459,097	698,200	619,854	78,346
Fixed charges	70,030	70,030	70,000	30
Total Library	<u>3,661,420</u>	<u>3,921,523</u>	<u>3,697,670</u>	<u>223,853</u>

MARATHON COUNTY, WISCONSIN

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
Public Areas				
Personal services	\$ 2,078,083	\$ 2,126,013	\$ 2,091,018	\$ 34,995
Contractual services	1,096,974	1,215,410	688,184	527,226
Materials and supplies	371,672	397,397	306,263	91,134
Fixed charges	140,184	140,184	42,294	97,890
Grants and contributions	33,974	33,974	32,177	1,797
Capital outlay	271,872	241,068	29,134	211,934
Total Public Areas	<u>3,992,759</u>	<u>4,154,046</u>	<u>3,189,070</u>	<u>964,976</u>
University Extension Program				
Personal services	150,155	159,367	155,907	3,460
Contractual services	241,278	257,515	208,643	48,872
Materials and supplies	46,477	68,707	65,042	3,665
Total University Extension Program	<u>437,910</u>	<u>485,589</u>	<u>429,592</u>	<u>55,997</u>
Total Leisure Activities and Education	<u>8,092,089</u>	<u>8,561,158</u>	<u>7,316,332</u>	<u>1,244,826</u>
Conservation and Economic Development				
Forest Resources				
Personal services	55,012	55,012	54,785	227
Contractual services	59,242	65,262	19,152	46,110
Materials and supplies	7,290	7,290	-	7,290
Fixed charges	3,898	3,898	1,731	2,167
Capital outlay	257,175	436,196	163,325	272,871
Total Forest Resources	<u>382,617</u>	<u>567,658</u>	<u>238,993</u>	<u>328,665</u>
Agricultural Resources				
Personal services	355,252	275,252	223,791	51,461
Contractual services	56,657	122,364	68,888	53,476
Materials and supplies	59,301	42,627	17,405	25,222
Grants and contributions	151,267	229,537	89,993	139,544
Total Agricultural Resources	<u>622,477</u>	<u>669,780</u>	<u>400,077</u>	<u>269,703</u>
Total Conservation and Economic Development	<u>1,005,094</u>	<u>1,237,438</u>	<u>639,070</u>	<u>598,368</u>
Capital Outlay				
Capital Projects				
Personal services	-	-	1,935	(1,935)
Contractual services	125,000	289,953	116,235	173,718
Capital outlay	60,000	82,951	66,495	16,456
Total Capital Outlay	<u>185,000</u>	<u>372,904</u>	<u>184,665</u>	<u>188,239</u>
TOTAL EXPENDITURES	<u>\$ 59,915,461</u>	<u>\$ 64,826,600</u>	<u>\$ 58,106,981</u>	<u>\$ 6,719,619</u>

MARATHON COUNTY, WISCONSIN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS Year Ended December 31, 2010

	<u>Debt Service</u>	<u>Highway Road Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,475,647	\$ -	\$ 1,475,647
Taxes Receivable	<u>1,665,900</u>	<u>-</u>	<u>1,665,900</u>
TOTAL ASSETS	<u>3,141,547</u>	<u>-</u>	<u>3,141,547</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Deferred Revenues	\$ 1,665,900	\$ -	\$ 1,665,900
Total Liabilities	<u>1,665,900</u>	<u>-</u>	<u>1,665,900</u>
Fund Balances			
Reserved:			
Reserved for debt service	<u>1,475,647</u>	<u>-</u>	<u>1,475,647</u>
Total Fund Balances	<u>1,475,647</u>	<u>-</u>	<u>1,475,647</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,141,547</u>	<u>\$ -</u>	<u>\$ 3,141,547</u>

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS Year Ended December 31, 2010

	Debt Service	Highway Road Improvements	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,660,775	\$ -	\$ 1,660,775
Public charges for services	105,220	-	105,220
Miscellaneous revenues	<u>41,717</u>	<u>518</u>	<u>42,235</u>
Total Revenues	<u>1,807,712</u>	<u>518</u>	<u>1,808,230</u>
EXPENDITURES			
Capital outlay	-	825,711	825,711
Debt Service			
Principal	1,282,860	-	1,282,860
Interest and paying agent fees	<u>465,775</u>	<u>-</u>	<u>465,775</u>
Total Expenditures	<u>1,748,635</u>	<u>825,711</u>	<u>2,574,346</u>
Excess (deficiency) of revenues over expenditures	<u>59,077</u>	<u>(825,193)</u>	<u>(766,116)</u>
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(665,576)</u>	<u>(665,576)</u>
Total Other Financing Uses	<u>-</u>	<u>(665,576)</u>	<u>(665,576)</u>
Net change in fund balance	59,077	(1,490,769)	(1,431,692)
FUND BALANCES - BEGINNING OF YEAR	<u>1,416,570</u>	<u>1,490,769</u>	<u>2,907,339</u>
FUND BALANCES - END OF THE YEAR	<u>\$ 1,475,647</u>	<u>\$ -</u>	<u>\$ 1,475,647</u>

MARATHON COUNTY, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND - MAJOR FUND Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Intergovernmental Grants and Aids				
Other local government grants	\$ -	\$ 4,204,587	\$ 4,840,498	\$ 635,911
Miscellaneous Revenues				-
Interest income	-	200,600	157,553	(43,047)
Rental income	-	-	1,750	1,750
Total Revenues	-	4,405,187	4,999,801	594,614
EXPENDITURES				
Current				
Contractual services	-	532,525	6,873	525,652
Capital outlay	4,727,584	26,585,760	10,993,887	15,591,873
Total Expenditures	4,727,584	27,118,285	11,000,760	16,117,525
Excess (deficiency) of revenues over expenditures	(4,727,584)	(22,713,098)	(6,000,959)	16,712,139
OTHER FINANCING SOURCES (USES)				
Transfers in				
General Fund	4,148,519	4,434,489	4,434,489	-
Social Services Fund	750,422	750,422	750,422	-
Sale of capital assets	-	13,000	23,110	10,110
Transfers out				
General Fund	(171,357)	(479,522)	(2,247,336)	(1,767,814)
County Highway Fund	-	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	4,727,584	4,638,389	2,880,685	(1,757,704)
Net change in fund balance	-	(18,074,709)	(3,120,274)	14,954,435
FUND BALANCES - BEGINNING OF YEAR	17,338,845	17,338,845	17,338,845	-
FUND BALANCES - END OF YEAR	\$ 17,338,845	\$ (735,864)	\$ 14,218,571	\$ 14,954,435

MARATHON COUNTY, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - DEBT SERVICE FUND Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,660,775	\$ 1,660,775	\$ 1,660,775	\$ -
Public charges for services	100,000	100,000	105,220	5,220
Miscellaneous Revenues				-
Interest income	-	-	41,717	41,717
Total Revenues	<u>1,760,775</u>	<u>1,760,775</u>	<u>1,807,712</u>	<u>46,937</u>
EXPENDITURES				
Debt Service				
Principal	1,295,000	1,323,370	1,282,860	40,510
Interest	<u>465,775</u>	<u>465,775</u>	<u>465,775</u>	-
Total Expenditures	<u>1,760,775</u>	<u>1,789,145</u>	<u>1,748,635</u>	<u>40,510</u>
Net change in fund balance	-	(28,370)	59,077	6,427
FUND BALANCES - BEGINNING OF YEAR	<u>1,416,570</u>	<u>1,416,570</u>	<u>1,416,570</u>	-
FUND BALANCES - END OF YEAR	<u>\$ 1,416,570</u>	<u>\$ 1,388,200</u>	<u>\$ 1,475,647</u>	<u>\$ 6,427</u>

MARATHON COUNTY, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - HIGHWAY ROAD IMPROVEMENT FUND
 Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues				
Interest income	\$ -	\$ -	\$ 518	\$ 518
Total Revenues	-	-	518	518
EXPENDITURES				
Capital Outlay				
Contractual services	-	-	358	(358)
Material and supplies	-	825,312	825,353	(41)
Total Expenditures	-	825,312	825,711	(399)
Excess (deficiency) of revenues over expenditures	-	(825,312)	(825,193)	119
OTHER FINANCING SOURCES				
Transfers out	-	-	(665,576)	(665,576)
Total Other Financing Sources	-	-	(665,576)	(665,576)
Net change in fund balance	-	(825,312)	(1,490,769)	(665,457)
FUND BALANCES - BEGINNING OF YEAR	1,490,769	1,490,769	1,490,769	-
FUND BALANCES - END OF YEAR	<u>\$ 1,490,769</u>	<u>\$ 665,457</u>	<u>\$ -</u>	<u>\$ (665,457)</u>

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2010

	Property Casualty Insurance	Employee Benefits Insurance	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,820,000	\$ 11,815,601	\$ 17,635,601
Accounts receivable	107,771	20,642	128,413
Total Current Assets	<u>5,927,771</u>	<u>11,836,243</u>	<u>17,764,014</u>
NONCURRENT ASSETS			
Deposit in Wisconsin Municipal Mutual Insurance Company	<u>1,519,000</u>	-	<u>1,519,000</u>
CAPITAL ASSETS			
Equipment	53,868	4,598	58,466
Less: Accumulated depreciation	<u>(53,868)</u>	<u>(4,598)</u>	<u>(58,466)</u>
Net Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>7,446,771</u>	<u>11,836,243</u>	<u>19,283,014</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	54,482	16,686	71,168
Accrued items	1,379	58,557	59,936
Compensated absences	359	792	1,151
Total Current Liabilities	<u>56,220</u>	<u>76,035</u>	<u>132,255</u>
LONG-TERM LIABILITIES			
Accrued liability - claims payable	1,113,488	1,686,402	2,799,890
Compensated absences	<u>17,592</u>	<u>38,821</u>	<u>56,413</u>
Total Long-term Liabilities	<u>1,131,080</u>	<u>1,725,223</u>	<u>2,856,303</u>
Total Liabilities	<u>1,187,300</u>	<u>1,801,258</u>	<u>2,988,558</u>
NET ASSETS			
Unrestricted	<u>6,259,471</u>	<u>10,034,985</u>	<u>16,294,456</u>
TOTAL NET ASSETS	<u>\$ 6,259,471</u>	<u>\$ 10,034,985</u>	<u>\$ 16,294,456</u>

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS Year Ended December 31, 2010

	Property Casualty Insurance	Employee Benefits Insurance	<u>Totals</u>
OPERATING REVENUES			
Public charges for services	\$ 31,926	\$ -	\$ 31,926
Interdepartmental charges for services	<u>860,755</u>	<u>13,578,726</u>	<u>14,439,481</u>
Total Operating Revenues	<u>892,681</u>	<u>13,578,726</u>	<u>14,471,407</u>
OPERATING EXPENSES			
Salaries and benefits	97,565	195,683	293,248
Contractual services	1,115	256,572	257,687
Materials and supplies	2,551	8,629	11,180
Insurance and claims	504,367	12,904,327	13,408,694
Loss and loss adjustment expense	(191,213)	(28,424)	(219,637)
Insurance and administration costs	<u>-</u>	<u>22,127</u>	<u>22,127</u>
Total Operating Expenses	<u>414,385</u>	<u>13,358,914</u>	<u>13,773,299</u>
Operating Income	<u>478,296</u>	<u>219,812</u>	<u>698,108</u>
NONOPERATING REVENUES			
Investment income	159,641	127,902	287,543
Donations	-	5,870	5,870
Insurance recoveries	12,946	8,077	21,023
Other income	<u>-</u>	<u>112,225</u>	<u>112,225</u>
Total Nonoperating Revenues	<u>172,587</u>	<u>254,074</u>	<u>426,661</u>
Increase in net assets	650,883	473,886	1,124,769
NET ASSETS - BEGINNING OF YEAR	<u>5,608,588</u>	<u>9,561,099</u>	<u>15,169,687</u>
NET ASSETS - BEGINNING OF YEAR	<u>\$ 6,259,471</u>	<u>\$ 10,034,985</u>	<u>\$ 16,294,456</u>

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2010

	Property Casualty Insurance	Employee Benefits Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from departments and other insurance purchasers	\$ 905,715	\$ 13,700,691	\$ 14,606,406
Cash paid to employees for services	(97,565)	(195,683)	(293,248)
Cash paid to suppliers for goods and services	(867,896)	(13,204,152)	(14,072,048)
Net Cash Provided (Used) by Operating Activities	<u>(59,746)</u>	<u>300,856</u>	<u>241,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	<u>159,641</u>	<u>127,902</u>	<u>287,543</u>
Net Cash Provided by Investing Activities	<u>159,641</u>	<u>127,902</u>	<u>287,543</u>
Net Increase in Cash and Cash Equivalents	99,895	428,758	528,653
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>5,720,105</u>	<u>11,386,843</u>	<u>17,106,948</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,820,000</u>	<u>\$ 11,815,601</u>	<u>\$ 17,635,601</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	\$ 478,296	\$ 219,812	\$ 698,108
Adjustments to reconcile operating income to net cash provided by operating activities:			
Donations	-	5,870	5,870
Insurance recoveries	-	8,077	8,077
Other income	12,946	112,225	125,171
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:			
Accounts receivable	774	(4,207)	(3,433)
Accounts payable	(365,306)	(12,692)	(377,998)
Accrued expenses	308	(5,613)	(5,305)
Unearned revenues	(686)	-	(686)
Accrued liabilities - claims payable	(191,213)	(28,424)	(219,637)
Compensated absences	5,135	5,808	10,943
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (59,746)</u>	<u>\$ 300,856</u>	<u>\$ 241,110</u>

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ADRC-CW				
Assets				
Account receivable	\$ 72,214	\$ 62,065	\$ 72,214	\$ 62,065
Due from other governments	622,369	601,145	622,369	601,145
	<u>\$ 694,583</u>	<u>\$ 663,210</u>	<u>\$ 694,583</u>	<u>\$ 663,210</u>
Liabilities				
Accounts payable	\$ 314,358	\$ 382,668	\$ 314,358	\$ 382,668
Due to other governments	125,543	23,526	125,543	23,526
Due to participants	254,556	256,944	254,556	256,944
Other accrued liabilities and deposits	126	72	126	72
	<u>\$ 694,583</u>	<u>\$ 663,210</u>	<u>\$ 694,583</u>	<u>\$ 663,210</u>
Clerk of Courts				
Assets				
Cash and cash equivalents	\$ 1,722,674	\$ 1,002,763	\$ 1,722,674	\$ 1,002,763
Account receivable	102,070	-	102,070	-
	<u>\$ 1,824,744</u>	<u>\$ 1,002,763</u>	<u>\$ 1,824,744</u>	<u>\$ 1,002,763</u>
Liabilities				
Other accrued liabilities and deposits	\$ 1,824,744	\$ 1,002,763	\$ 1,824,744	\$ 1,002,763
Sheriff Adult Inmate				
Assets				
Cash and cash equivalents	\$ 25,418	\$ 28,195	\$ 25,418	\$ 28,195
Liabilities				
Other accrued liabilities and deposits	\$ 25,418	\$ 28,195	\$ 25,418	\$ 28,195
Total all agency funds				
Assets				
Cash and cash equivalents	\$ 1,748,092	\$ 1,030,958	\$ 1,748,092	\$ 1,030,958
Account receivable	174,284	62,065	174,284	62,065
Due from other governments	622,369	601,145	622,369	601,145
	<u>\$ 2,544,745</u>	<u>\$ 1,694,168</u>	<u>\$ 2,544,745</u>	<u>\$ 1,694,168</u>
Liabilities				
Accounts payable	\$ 314,358	\$ 382,668	\$ 314,358	\$ 382,668
Due to other governments	125,543	23,526	125,543	23,526
Due to participants	254,556	256,944	254,556	256,944
Other accrued liabilities and deposits	1,850,288	1,031,030	1,850,288	1,031,030
	<u>\$ 2,544,745</u>	<u>\$ 1,694,168</u>	<u>\$ 2,544,745</u>	<u>\$ 1,694,168</u>

MARATHON COUNTY, WISCONSIN

STATEMENT OF NET ASSETS CENTRAL WISCONSIN AIRPORT December 31, 2010

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,373,521
Accounts receivable	<u>179,532</u>
Total Current Assets	<u>2,553,053</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	4,836,498
Deferred charges	55,268
Property, Plant and Equipment	
Land	614,983
Buildings	12,668,058
Improvements	41,960,744
Equipment	7,576,044
Construction in process	<u>2,782,666</u>
Total Property, Plant and Equipment	65,602,495
Less: Accumulated depreciation and depletion	<u>(33,108,548)</u>
Net Property, Plant and Equipment	<u>32,493,947</u>
Total Noncurrent Assets	<u>37,385,713</u>
Total Assets	<u>39,938,766</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	158,110
Accrued expenses	91,591
Interest payable	34,642
Due to other governments	81,335
Due to primary government	980
Current portion of compensated absences	2,938
Current portion of general obligation notes payable	<u>530,000</u>
Total Current Liabilities	<u>899,596</u>
Long-term Liabilities	
General obligation notes payable	4,875,000
Compensated absences	143,977
Net OPEB obligation	<u>85,594</u>
Total Long-term Liabilities	<u>5,104,571</u>
Total Liabilities	<u>6,004,167</u>
NET ASSETS	
Invested in capital assets, net of related debt	29,594,215
Restricted	
Restricted for passenger facility charges	1,898,291
Unrestricted	<u>2,442,093</u>
TOTAL NET ASSETS	<u>\$ 33,934,599</u>

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS CENTRAL WISCONSIN AIRPORT Year Ended December 31, 2010

OPERATING REVENUES

Public charges for services	\$ 2,728,465
Total Operating Revenues	<u>2,728,465</u>

OPERATING EXPENSES

Salaries and benefits	1,578,021
Contractual services	372,119
Materials and supplies	418,351
Insurance	63,177
Depreciation	<u>2,049,321</u>
Total Operating Expenses	<u>4,480,989</u>

Operating Loss (1,752,524)

NONOPERATING REVENUES (EXPENSES)

Investment income	36,964
Passenger facility charges	593,790
Other income	43,075
Interest expense	<u>(141,010)</u>
Total Nonoperating Revenues (Expenses)	<u>532,819</u>

Decrease in net assets (1,219,705)

Capital Contributions 1,829,102

Increase in net assets 609,397

NET ASSETS - BEGINNING OF YEAR 33,325,202

NET ASSETS - END OF YEAR \$ 33,934,599

MARATHON COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS CENTRAL WISCONSIN AIRPORT Year Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from the sale of goods and services	\$ 2,751,771
Cash paid to employees for services	(1,578,021)
Cash paid to suppliers for goods and services	<u>(780,141)</u>
Net Cash Provided by Operating Activities	<u>393,609</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments for capital acquisitions	(71,516)
Passenger facility charges received	593,790
Debt issued	2,450,000
Debt paid	(355,000)
Interest paid	(137,152)
Issuance costs paid	<u>(30,000)</u>
Net Cash Provided by Capital Financing and Related Activities	<u>2,450,122</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on investments	<u>36,964</u>
----------------------------------	---------------

Net Increase in Cash and Cash Equivalents 2,880,695

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 4,329,324

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 7,210,019

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating loss	\$ (1,752,524)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	2,049,321
Other income	43,075
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:	
Accounts receivable	(19,769)
Accounts payable	(46,335)
Accrued expenses	58,258
Due to other governments	23,796
Due to primary government	(1,623)
Compensated absences	18,145
Net OPEB obligation	<u>21,265</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 393,609

NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES

Capital contributions	<u>\$ 1,828,818</u>
-----------------------	---------------------

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 2,373,521
Cash and cash equivalents - restricted assets	<u>4,836,498</u>

CASH AND CASH EQUIVALENTS, DECEMBER 31 \$ 7,210,019

MARATHON COUNTY, WISCONSIN

BALANCE SHEET
HANDICAPPED CHILDREN EDUCATION BOARD
June 30, 2010

	<u>General Fund</u>	<u>Federal Handicapped Education Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
ASSETS			
Cash and cash equivalents	\$ 1,568,583	\$ 445,432	\$ 2,014,015
Accounts receivable	110,552	1,706	112,258
Due from other governments	1,747	-	1,747
Accrued interest receivable	-	227,255	227,255
Prepaid items	39,868		39,868
Restricted cash and investments	<u>45,000</u>	<u>-</u>	<u>45,000</u>
 Total Assets	 <u>\$ 1,765,750</u>	 <u>\$ 674,393</u>	 <u>\$ 2,440,143</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 653	\$ 12,584	\$ 13,237
Due to other governments	14,041	317,836	331,877
Accrued expenditures	14,796	343,973	358,769
Deferred revenue	<u>12,606</u>	<u>-</u>	<u>12,606</u>
Total Liabilities	<u>42,096</u>	<u>674,393</u>	<u>716,489</u>
 FUND BALANCES			
Reserved			
Reserved for compensated absences	45,000	-	45,000
Reserved for prepaid items	39,868	-	39,868
Unreserved			
Undesignated	<u>1,638,786</u>	<u>-</u>	<u>1,638,786</u>
Total Fund Balances	<u>1,723,654</u>	<u>-</u>	<u>1,723,654</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,765,750</u>	 <u>\$ 674,393</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.			211,109
Employee compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			(89,376)
OPEB obligation is not due and payable in the current period and, therefore, is not reported in the funds			<u>(19,846)</u>
 NET ASSETS OF THE GOVERNMENTAL ACTIVITIES			 <u>\$ 1,825,541</u>

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - HANDICAPPED CHILDREN EDUCATION BOARD Year Ended June 30, 2010

	General Fund	Federal Handicapped Education Fund	Total Governmental Funds
REVENUES			
Local Sources	\$ 30,237	\$ 721	\$ 30,958
Interdistrict payments within Wisconsin	3,640,011	9,896	3,649,907
Intermediate sources	98,319	1,329	99,648
State sources	-	1,150,090	1,150,090
Federal sources	-	778,276	778,276
Total Revenues	3,768,567	1,940,312	5,708,879
EXPENDITURES			
Leisure Activities and Education			
Instruction	-	3,246,200	3,246,200
Support services	489,462	1,629,744	2,119,206
Total Expenditures	489,462	4,875,944	5,365,406
Excess of revenues over (under) expenditures	3,279,105	(2,935,632)	343,473
OTHER FINANCING SOURCES (USES)			
Transfer in	-	2,935,632	2,935,632
Transfer out	(2,935,632)	-	(2,935,632)
Total Other Financing Sources (Uses)	(2,935,632)	2,935,632	-
Change in Fund Balance	343,473	-	343,473
FUND BALANCES - BEGINNING OF YEAR	1,380,181	-	1,380,181
FUND BALANCES - END OF YEAR	\$ 1,723,654	\$ -	\$ 1,723,654
Net changes in Fund Balances-Total Governmental funds			343,473
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.			(8,508)
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			(3,710)
OPEB obligation			(19,846)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES			\$ 311,409

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STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	148-154
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	155-159
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	160-163
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	164-165
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	166-172

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 Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets net of related debt	\$146,231,695	\$175,281,174	\$201,465,599	\$210,096,930	\$212,164,240	\$215,050,440	\$214,790,257	\$219,341,680	\$222,273,031
Restricted	\$4,693,262	\$2,515,507	\$152,608	\$229,476	\$387,026	\$509,144	\$2,625,708	\$1,416,570	\$1,738,845
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	\$66,993,402
Total governmental activities net assets	\$200,609,037	\$230,268,886	\$260,594,008	\$269,759,396	\$275,979,137	\$280,542,753	\$284,556,171	\$286,465,424	\$291,005,278
Business-type activities									
Invested in capital assets net of related debt	\$16,395,466	\$13,292,529	\$12,821,192	\$13,115,322	\$12,866,542	\$13,498,501	\$12,808,726	\$13,093,209	\$13,849,677
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	\$5,084,671
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	\$41,219,245
Total business-type activities net assets	\$33,124,200	\$33,555,357	\$38,358,440	\$41,208,900	\$42,764,081	\$48,054,166	\$51,721,803	\$54,016,007	\$60,153,593
Primary government									
Invested in capital assets net of related debt	\$162,627,161	\$188,573,703	\$214,286,791	\$223,212,252	\$225,030,782	\$228,548,941	\$227,598,983	\$232,434,889	\$236,122,708
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	\$6,823,516
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	\$108,212,647
Total primary government net assets	\$233,733,237	\$263,824,243	\$298,952,448	\$310,968,296	\$318,743,218	\$328,596,919	\$336,277,974	\$340,481,431	\$351,158,871

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 Nine Fiscal Years
(accrual basis accounting)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General Government	\$ 16,818,744	\$ 17,971,601	\$ 23,552,567	\$ 27,009,709	\$ 29,637,387	\$ 34,353,888	\$ 28,901,745	\$ 30,953,544	\$ 25,130,946
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	19,789,195
Transportation	-	815,400	929,306	1,355,601	4,948,200	4,927,325	5,831,047	4,973,010	6,751,433
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	4,844,464
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	18,563,013
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	12,571,466
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	758,621
Interest on Long Term Debt	358,634	118,574	104,096	59,955	32,838	60,238	54,011	271,706	326,604
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>	<u>88,735,742</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	(638,528)
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	10,560,666
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>	<u>9,922,138</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>	<u>\$ 98,657,880</u>
Program Revenues									
Government activities:									
Charges for services:									
General Government	2,916,642	3,251,972	3,822,338	3,190,606	3,369,223	3,805,883	2,546,867	4,086,920	3,850,977
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	1,945,728
Transportation	-	-	4,178	10,790	-	-	-	-	-
Health	375,189	400,796	408,699	427,583	538,533	589,739	561,468	590,671	633,544
Social Services	724,225	858,631	822,505	804,538	935,676	861,928	868,342	998,231	937,401
Leisure and Education	659,875	883,190	958,447	1,144,312	1,329,621	1,478,208	1,236,038	1,082,422	860,296
Conservation and Development	256,297	19,761	20,759	21,756	18,229	59,406	166,211	118,975	559,323
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	1,070,085
Public Safety	615,836	473,204	598,809	273,315	415,553	407,213	227,057	732,405	1,212,538
Transportation	-	-	-	-	-	-	-	-	235,124
Health	922,157	1,139,360	1,126,546	1,032,103	1,178,836	1,234,714	1,245,938	1,715,439	1,599,394
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	10,364,636
Leisure and Education	442,463	564,841	500,781	59,066	458,978	527,562	660,026	545,284	588,060
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	721,409

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Capital grants and contributions:									
General Government	-	-	-	1,630,947	-	875,946	-	-	-
Public Safety	-	428,287	593,454	554,233	274,081	154,683	682,557	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	4,840,498
Conservation and Development	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	33,281,383	44,035,429	56,610,210	35,944,715	30,821,603	32,141,180	28,383,668	24,891,590	29,419,013
Business-type activities:									
Charges for services:									
Landfill	2,078,437	1,758,144	1,769,291	1,803,249	1,494,878	2,008,419	2,685,025	2,367,684	2,598,951
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	4,424,928
Operating grants and contributions:									
Landfill	14,093	21,712	10,216	1,000	38,485	22,370	-	24,895	20,355
Highway	3,342,093	911,691	70,274	5,516,802	2,750,810	1,512,713	873,100	1,008,820	704,051
Capital grants and contributions:									
Landfill	-	-	-	-	-	-	-	-	-
Highway	2,530,675	2,849,817	3,288,934	-	2,153,430	2,913,491	3,132,814	3,189,059	3,384,634
Total business-type activities program revenues	11,550,589	8,964,318	9,831,511	11,062,853	10,697,006	11,656,256	11,872,370	11,184,514	11,132,919
Total primary government program revenues	\$ 44,831,972	\$ 52,999,747	\$ 66,441,721	\$ 47,007,568	\$ 41,518,609	\$ 43,797,436	\$ 40,256,038	\$ 36,076,104	\$ 40,551,932
Net (Expense) Revenue									
Governmental activities	(32,788,857)	(23,985,978)	(18,559,955)	(45,289,146)	(61,285,941)	(63,517,420)	(65,470,236)	(65,580,565)	(59,316,729)
Business-type activities	(4,050,466)	(4,921,125)	(4,556,077)	(8,190,227)	(615,961)	51,920	(1,511,922)	(776,781)	1,210,781
Total primary governmental net expense	\$ (36,839,323)	\$ (28,907,103)	\$ (23,116,032)	\$ (53,479,373)	\$ (61,901,902)	\$ (63,465,500)	\$ (66,982,158)	\$ (66,357,346)	\$ (58,105,948)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes:									
Property Taxes	33,373,230	32,424,631	33,160,825	34,267,591	36,226,907	38,579,214	39,723,667	40,243,312	40,027,787
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	9,549,872
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	1,734,874
Grants and contributions not restricted to specific programs	-	-	-	5,853,529	5,989,625	6,435,348	6,067,914	7,214,389	7,055,434
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	848,020
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	75,896
Gain on sale of capital assets	-	-	-	-	32,633	46,827	40,304	45,988	50,482
Transfers	(3,200,690)	4,414,834	(800,000)	(1,869,105)	7,967,632	5,643,770	5,756,201	6,653,570	4,514,218
Total general revenues and transfers	44,973,666	52,131,479	46,788,777	54,454,534	67,505,682	68,081,036	69,483,654	67,489,818	63,856,583
Change in net assets	\$ 12,184,809	\$ 28,145,501	\$ 28,228,822	\$ 9,165,388	\$ 6,219,741	\$ 4,563,616	\$ 4,013,418	\$ 1,909,253	\$ 4,539,854

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:									
Taxes:									
Property Taxes	6,163,799	7,283,173	7,650,953	7,974,383	8,145,306	8,252,009	8,409,424	8,577,612	8,668,697
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	610,636
Miscellaneous	146,881	128,729	214,968	169,726	132,461	120,164	6,601	167,119	161,690
Gain on sale of capital assets	-	-	-	-	-	-	359,505	-	-
Transfers	3,200,690	(4,414,834)	800,000	1,869,105	(7,967,632)	(5,643,770)	(5,756,201)	(6,653,570)	(4,514,218)
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>	<u>4,926,805</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>	<u>\$ 6,137,586</u>
Net Assets									
Governmental activities	200,609,037	230,268,886	260,594,008	269,759,396	275,979,137	280,542,753	284,556,171	286,465,424	291,005,278
Business-type activities	33,124,200	33,555,357	38,358,440	41,208,900	42,764,081	48,054,166	51,721,803	54,016,007	60,153,593
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>	<u>\$ 351,158,871</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 Nine 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>	<u>2010</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	\$ 4,642,257
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	36,531,639
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	3,592,674
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>	<u>\$ 44,766,570</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	5,062,168
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	1,548,069
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	1,291,258
Capital Improvement Fund	-	-	-	-	-	-	(298,348)	4,450,773	10,632,050
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>	<u>\$ 18,533,545</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 2010.

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 51,063,867
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	27,265,336
Licenses and permits	244,147	254,655	249,345	260,415	238,314	243,927	214,061	259,138	265,715
Fines and forfeitures	720,562	729,036	735,636	774,035	742,897	751,188	723,624	758,343	728,840
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	5,200,989
Intergovernmental charges for services	382,190	404,771	462,721	517,006	572,236	642,690	1,151,057	1,215,014	1,226,970
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	1,492,499
Total Revenues	\$ 79,867,776	\$ 88,029,195	\$ 86,357,066	\$ 87,608,849	\$ 88,752,334	\$ 91,922,271	\$ 90,878,717	\$ 83,977,180	\$ 87,244,216
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	\$ 25,040,971
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	19,902,303
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	4,809,531
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	18,707,630
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	7,316,332
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	639,070
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	12,011,136
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	1,282,860
Interest and paying agent fees	426,631	110,303	102,170	73,826	49,358	59,810	40,512	480,221	465,775
Total expenditures	\$ 80,462,735	\$ 96,155,454	\$ 85,792,758	\$ 88,004,613	\$ 88,629,036	\$ 93,858,544	\$ 88,279,120	\$ 94,610,101	\$ 90,175,608
Excess (deficiency) of revenues over expenditures	\$ (594,959)	\$ (8,126,259)	\$ 564,308	\$ (395,764)	\$ 123,298	\$ (1,936,273)	\$ 2,599,597	\$ (10,632,921)	\$ (2,931,392)

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 4,754,489
Social Improvement Fund	1,410,188	103,374	163,340	476,018	1,198,658	644,587	885,509	1,000,274	855,023
Capital Improvement Fund	5,197,433	1,366,223	9,933,342	548,109	697,948	1,035,550	1,630,336	794,851	2,247,336
Highway	-	4,414,834	-	-	-	-	-	-	-
Property Casualty Fund	-	-	-	-	20,439	-	-	-	-
Sale of Capital Assets	27,823	252,514	24,089	159,981	69,369	48,634	40,304	59,070	51,389
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	95,858
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)	(2,351,937)
Social Improvement Fund	-	(42,037)	(90,000)	-	-	(6,000)	(176,936)	(120,000)	(320,000)
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)	(5,184,911)
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)	(745,576)
Internal service fund	-	(14,500)	-	-	-	-	-	-	-
Component unit transfer out	-	(118,417)	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 1,462,454	\$ 5,810,877	\$ 5,260,327	\$ 1,350,575	\$ 3,946,457	\$ 3,749,380	\$ (642,426)	\$ 17,996,245	\$ (598,329)
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	(3,529,721)
Fund balances January 1	\$ 46,276,514	\$ 47,144,009	\$ 44,847,032	\$ 50,671,667	\$ 51,626,478	\$ 55,696,233	\$ 57,509,340	\$ 59,466,512	\$ 66,829,836
Fund balances, December 31	\$ 47,144,009	\$ 44,828,627	\$ 50,671,667	\$ 51,626,478	\$ 55,696,233	\$ 57,509,340	\$ 59,466,511	\$ 66,829,836	\$ 63,300,115
Debt service as a percentage of noncapital expenditures	17.6%	7.4%	5.5%	4.6%	3.4%	4.3%	1.5%	6.4%	2.3%

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				
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
2010	6,221,435,400	1,950,493,000	398,810,600	979,916,600	293,422,600	9,844,078,200	9,321,354,200	5.1488

Source: Wisconsin Department of Revenue Statement of Changes in Equalized Value by Class and Item.

Note: (A) Property values are reduced by the value of the tax increment districts (TID)
This equalized value of County property is used to calculate the property tax rate for Marathon County.

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

DISTRICT	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOWN										
BERGEN	19.36	17.97	16.12	16.84	16.07	16.20	16.27	15.69	16.28	16.98
BERLIN	20.04	20.45	19.97	21.11	18.96	16.51	16.81	16.05	17.30	17.84
BERN	18.36	19.34	17.42	17.90	16.64	14.68	22.32	21.81	17.58	18.14
BEVENT	18.67	18.24	18.13	18.08	17.28	16.30	17.23	17.40	18.29	16.66
BRIGHTON	20.61	20.89	20.75	19.19	18.36	17.52	24.20	23.70	25.28	17.77
CASSEL	17.48	17.43	16.16	16.42	18.23	15.91	18.24	18.11	19.39	19.69
CLEVELAND	18.29	17.42	17.81	17.40	18.09	16.88	18.21	19.26	19.91	20.49
DAY	17.72	17.50	17.89	18.66	17.50	16.76	15.89	16.87	17.76	19.33
EASTON	19.92	20.60	19.25	18.90	18.92	17.80	19.26	20.43	18.88	18.69
EAU PLEINE	15.72	16.49	16.22	16.13	15.36	13.41	15.93	16.43	16.42	17.47
ELDERON	16.05	16.19	16.30	16.91	16.30	14.52	14.02	14.40	16.28	16.04
EMMET	19.48	17.75	26.69	16.59	17.99	15.72	18.25	18.02	19.70	19.73
FRANKFORT	19.74	20.21	20.19	18.47	18.04	16.36	22.25	21.83	22.08	18.43
FRANZEN	18.87	17.97	18.64	18.48	18.61	16.03	20.51	20.45	24.14	19.99
GREEN VALLEY	20.99	19.25	18.26	18.42	17.70	16.54	17.24	17.43	17.79	17.47
GUENTHER	20.42	18.36	18.01	18.79	17.76	16.81	24.74	18.15	18.38	20.58
HALSEY	18.27	19.28	17.37	18.93	16.93	17.21	22.05	21.94	17.90	18.20
HAMBURG	19.80	20.76	19.32	19.74	19.41	16.87	23.17	23.27	23.21	23.61
HARRISON	17.82	17.41	17.35	16.94	16.46	15.86	19.26	18.78	15.40	15.11
HEWITT	21.29	20.86	20.77	22.44	20.44	19.26	26.04	24.62	21.29	21.12
HOLTON	18.89	19.20	19.04	17.47	16.30	15.42	16.71	16.18	16.78	17.19
HULL	19.50	19.63	19.59	19.31	17.31	16.47	20.89	20.29	20.35	16.83
JOHNSON	17.80	19.03	16.66	18.38	16.38	14.89	20.35	20.35	17.33	18.67
KNOWLTON	18.93	17.37	15.72	16.51	15.85	15.00	15.31	16.35	16.95	17.56
KRONENWETTER (D)	21.88	20.06	19.98							
MAINE	20.18	19.95	19.65	19.84	19.28	18.76	20.37	20.37	21.83	20.92
MARATHON	16.80	17.97	16.40	15.83	18.27	15.93	22.38	16.15	18.09	17.37
MCMILLIAN	21.52	21.98	21.92	19.43	20.14	18.89	22.20	16.44	17.62	18.08
MOSINEE	19.91	18.26	16.47	17.06	18.52	16.32	16.37	16.33	17.81	16.28
NORRIE	1.73	17.85	17.06	16.96	16.71	13.96	20.52	20.06	16.96	16.74
PLOVER	20.13	18.89	19.64	20.19	19.36	16.75	22.23	22.08	18.46	18.14
REID	19.93	18.29	17.44	17.08	17.43	15.38	19.70	20.16	19.18	17.44
RIB FALLS	18.50	19.48	18.94	18.93	18.29	15.69	17.18	16.75	17.27	17.36
RIB MOUNTAIN	21.33	21.16	20.17	21.14	19.79	18.93	20.01	19.02	20.40	20.80
RIETBROCK	18.69	19.96	18.09	19.73	17.38	17.90	20.82	20.89	21.26	21.99
RINGLE	17.44	17.83	16.95	16.76	16.73	15.78	19.15	15.33	15.43	16.25
SPENCER	19.51	18.65	18.86	15.94	17.74	16.59	19.46	18.89	20.12	17.38
STETTIN	19.99	21.87	20.18	21.13	20.07	17.69	23.55	17.66	18.79	18.94
TEXAS	19.72	19.52	19.25	19.92	18.34	17.89	22.32	21.12	22.16	19.03
WAUSAU	20.41	20.20	19.77	20.40	19.01	16.88	20.85	20.20	20.46	18.75
WESTON	17.64	17.32	16.55	16.15	16.20	15.33	22.16	15.52	15.85	15.95
WIEN	18.69	19.61	18.14	19.13	17.07	17.58	22.04	22.59	23.69	24.87

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

DISTRICT	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
VILLAGE										
ATHENS	25.33	26.67	23.48	24.25	22.14	22.73	27.04	26.88	23.27	23.82
BIRNAMWOOD	17.99	17.98	18.46	18.94	18.12	16.28	18.25	17.90	18.63	18.54
BROKAW	23.83	22.63	22.43	27.52	23.68	21.93	23.01	23.15	24.84	27.24
DORCHESTER	23.78	24.51	24.65	23.09	21.47	21.14	25.80	22.16	24.32	23.50
EDGAR	21.38	20.15	19.79	19.94	20.36	19.15	18.43	18.68	19.27	19.72
ELDERON	17.37	17.63	17.47	18.03	17.23	15.40	18.63	19.05	15.83	14.74
FENWOOD	18.78	16.88	16.85	17.05	17.02	15.22	14.08	13.83	15.52	15.93
HATLEY	16.90	17.27	16.66	16.55	17.00	16.75	16.70	17.98	17.52	17.52
KRONENWETTER (D)	N/A	N/A	19.18	18.98	19.28	16.96	19.21	19.64	19.25	19.34
MARATHON	20.41	21.66	20.40	20.14	23.04	20.52	25.52	26.43	21.72	21.84
ROTHSCHILD	22.59	23.14	22.25	21.71	21.82	20.74	25.56	25.52	25.37	21.73
SPENCER	24.68	23.95	24.22	21.56	23.21	21.62	25.87	24.49	25.78	26.54
STRATFORD	19.88	20.27	19.87	18.84	19.09	18.58	18.34	18.77	19.61	20.03
UNITY	21.59	20.62	21.11	19.42	17.99	17.71	20.73	20.95	19.51	18.92
WESTON	21.15	21.72	20.89	20.79	20.95	20.76	19.87	20.89	20.42	20.26
CITY										
ABBOTSFORD	24.60	25.87	24.14	22.41	20.88	20.12	20.17	21.11	21.03	21.34
COLBY	24.83	24.66	24.66	22.87	22.21	22.16	25.01	24.98	23.69	22.27
MARSHFIELD	24.48	23.67	24.32	23.60	23.18	22.36	23.02	23.94	24.89	22.99
MOSINEE	24.66	22.83	20.92	21.31	20.27	19.32	22.80	23.42	23.46	23.95
SCHOFIELD	22.84	23.33	22.34	22.14	22.11	21.14	24.52	25.19	25.45	24.81
WAUSAU	26.50	26.37	25.93	26.47	25.06	23.80	23.21	23.49	24.67	25.06

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

- NOTES: (A) Tax rate per \$1,000 of assessed value
(B) Reduced by state credit
(C) When a municipality has more than one taxing district, the highest tax rate is the one listed on this table
(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 2010			Fiscal Year 2001		
	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value
Marshfield Clinic	\$46,162,500	1	0.4689%	\$23,069,300	3	0.3554%
Employers Insurance of Wausau	\$42,984,800	2	0.4367%	\$61,165,000	1	0.9423%
Wausau-Mosinee Paper Corporation	\$34,048,700	3	0.3459%	\$44,647,500	2	0.6879%
Apogee Wausau Group	\$31,696,900	4	0.3220%	\$11,476,700	12	0.1768%
Aspirus Wausau Hospitals	\$29,553,200	5	0.3002%	--	-	--
Walmart	\$27,083,440	6	0.2751%	\$19,047,900	6	0.2935%
Menards Inc	\$26,346,440	7	0.2676%	\$17,693,400	9	0.2726%
Greenheck Fan Corp	\$22,354,200	8	0.2271%	\$23,044,800	4	0.3550%
Saint Claires Hospital	\$22,320,700	9	0.2267%	--	-	--
Wausau Joint Venture	\$21,719,500	10	0.2206%	\$17,948,300	8	0.2765%
Creske Corporation	--	-	--	\$18,473,299	7	0.2846%
Marathon Cheese Company	--	-	--	\$21,692,500	5	0.3342%
SNE/DeMatteo Corporation	--	-	--	\$14,089,200	10	0.2171%
TOTAL	\$304,270,380		3.0909%	\$272,347,899		4.1959%

Source: City County Data Communication Center

NOTE (A) Total equalized value for 2010 of \$9,844,078,200 includes the increment value of tax increment districts (TID)
(B) Total equalized value for 2001 of \$6,490,876,800 includes the increment value of tax increment districts (TID)

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

Levy Year	Settlement Year	Total Tax Levy	As of December 31 of Settlement Year			Cumulative as of December 31, 2010 (C)		
			Amount Collected	Amount Delinquent	Percent Delinquent	Amount Collected	Amount Delinquent (D)	Percent Delinquent
2000	2001	35,660,957	35,103,411	557,546	1.5635%	35,659,437	1,520	0.0043%
2001	2002	38,149,579	37,644,343	505,236	1.3244%	38,147,269	2,310	0.0061%
2002	2003	39,846,548	39,375,609	470,939	1.1819%	39,844,170	2,378	0.0060%
2003	2004	40,850,300	40,416,211	434,089	1.0626%	40,847,737	2,563	0.0063%
2004	2005	42,730,820	42,268,706	462,114	1.0815%	42,725,884	4,936	0.0116%
2005	2006	44,360,284	43,918,046	442,238	0.9969%	44,346,976	13,308	0.0300%
2006	2007	46,326,948	45,688,305	638,643	1.3786%	46,286,227	40,721	0.0879%
2007	2008	48,093,638	47,406,556	687,082	1.4286%	47,935,315	158,323	0.3292%
2008	2009	48,793,927	47,983,834	810,093	1.6602%	48,376,798	417,129	0.8549%
2009 (B)	2010	48,653,812	47,740,402	913,410	1.8774%	47,740,402	913,410	1.8774%

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 2011 is \$48,191,420

(C) Totals do not include uncollected amounts due on tax deed parcels of \$196,850

(D) This represents the County's portion only and does not include taxes purchased from other governmental entities

Schedule 9
Marathon County
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income ^(b)	Percentage of Actual Value ^(a) of Taxable Property	Per Capita ^(b)
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
2010	\$16,570,000	(\$1,429,917)	\$15,140,083	0.32%	0.15%	427.58

Notes:

(a) See Schedule 5 for property value data

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

(c) Remaining \$28,370 is restricted for Forest Aid Loan

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2010

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable To Marathon County</u>
TOWN:			
BERGEN	\$ 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
TOWN TOTAL	<u>8,508,232</u>		<u>8,508,232</u>
VILLAGE:			
ATHENS	236,000	100.00	236,000
BROKAW	NOT AVAILABLE	100.00	NOT AVAILABLE
DORCHESTER	NOT AVAILABLE	100.00	NOT AVAILABLE
EDGAR	NOT AVAILABLE	100.00	NOT AVAILABLE
FENWOOD	NOT AVAILABLE	100.00	NOT AVAILABLE
HATLEY	NOT AVAILABLE	100.00	NOT AVAILABLE
KRONENWETTER	NOT AVAILABLE	100.00	NOT AVAILABLE
MARATHON	NOT AVAILABLE	100.00	NOT AVAILABLE
ROTHSCHILD	NOT AVAILABLE	100.00	NOT AVAILABLE
SPENCER	NOT AVAILABLE	100.00	NOT AVAILABLE
STRATFORD	NOT AVAILABLE	100.00	NOT AVAILABLE
WESTON	20,213,739	100.00	20,213,739
VILLAGE TOTAL	<u>20,449,739</u>		<u>20,449,739</u>

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2010

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable To Marathon County</u>
CITY:			
ABBOTSFORD	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	4,307,077	100.00	4,307,077
SCHOFIELD	2,205,000	100.00	2,205,000
WAUSAU	49,697,632	100.00	49,697,632
CITY TOTAL	<u>88,847,692</u>		<u>60,660,236</u>
SCHOOL:			
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
SCHOOL TOTAL	<u>235,321,645</u>		<u>151,678,708</u>
SPECIAL DISTRICTS:			
RIB MTN METRO SEWAGE	<u>1,113,978</u>	100.00	<u>1,113,978</u>
SPECIAL DISTRICTS TOTAL	<u>1,113,978</u>		<u>1,113,978</u>
TOTAL APPLICABLE UNDERLYING DEBT	<u>354,241,286</u>		<u>242,410,893</u>
DIRECT DEBT			
<u>MARATHON COUNTY (A)</u>	<u>16,570,000</u>	<u>100.00</u>	<u>16,570,000</u>
TOTAL DEBT APPLICABLE TO MARATHON COUNTY	<u>\$ 370,811,286</u>		<u>\$ 258,980,893</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>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>	<u>2010</u>
Equalized Value of Property (A)	\$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	\$ 9,844,078,200
Debt Limit, 5% of Equalized Value	\$324,544	\$339,958	\$357,619	\$382,009	\$407,369	\$447,570	\$474,751	\$504,078	\$502,358	\$ 492,203,910
(Wisconsin statutory limitation)										
Amount of debt applicable to debt limitation:										
General obligation promissory notes (B)	\$10,197	\$9,151	\$5,145	\$6,910	\$4,560	\$4,950	\$5,050	\$3,650	\$15,670	\$16,570
Less: Amount available for debt service	<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>	<u>\$1,430</u>
Total amount of debt applicable to debt margin	\$10,159	\$9,083	\$5,068	\$6,788	\$4,367	\$4,640	\$4,568	\$1,052	\$14,282	\$15,140
Legal Debt Margin-(debt capacity)	<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>	<u>\$477,064</u>
Percent of Debt capacity used	3.13%	2.67%	1.42%	1.78%	1.07%	1.04%	0.96%	0.21%	2.84%	3.08%

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>
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
2010	136,874	\$4,745,684,000	\$36,058	19,839	2,004	8.8

Sources: (1) Wisconsin Department of Administration

(2) Wisconsin Department of Revenue, Division of Research and Analysis (information has a two year lag. example - information listed as 2005 is actual 2003 data and is the most current available)

(3) Wisconsin Department of Public Instruction

(4) U.S. Department of Labor, Bureau of Labor Statistics/Wisconsin Department of Workforce Development. (Wausau, MSA)(average for the year, not seasonally adjusted)

(5) Actual census figures

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

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

<u>Employer</u>	<u>2010</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Aspirus Wausau Hospital	3,000	1	4.43%	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%	1,650	4	2.36%
Wausau School District	1,325	4	1.96%	1,300	5	1.86%
Footlocker.com/Eastbay	1,241	5	1.83%	1,081	9	1.55%
Wausau Papers	1,055	6	1.56%	1,175	6	1.68%
North Central Health Care	1,000	7	1.48%	790	11	1.13%
UMR/Fiserv Health/Wausau Benefits	820	8	1.21%	1,100	8	1.57%
Liberty Mutual	800	9	1.18%	1,680	3	2.40%
Marathon Cheese	798	10	1.18%	750	12	1.07%
Total Employment	67,060			71,605		

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

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

<u>Function / Program</u>	<u>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>	<u>2010</u>
General Government	144.68	154.55	151.30	149.50	151.50	151.55	151.55	152.55	156.45	154.95
Public Safety	176.50	177.50	174.50	174.00	174.00	173.00	172.00	178.00	179.00	178.50
Transportation	109.50	110.10	102.10	102.10	102.10	101.10	100.10	100.10	101.10	101.10
Health	42.25	42.85	41.65	44.45	45.95	47.70	47.70	47.70	51.20	49.20
Social Services	139.91	147.47	143.22	146.76	149.41	147.91	170.88	170.88	164.27	165.89
Leisure Activities & Education	246.06	213.90	208.03	201.10	200.55	199.07	191.80	190.80	187.00	182.80
Conservation & Economic Development	40.00	28.00	31.00	19.00	19.00	18.00	19.00	19.00	0.00	0.00
Total	898.90	874.37	851.80	836.91	842.51	838.33	853.03	859.03	839.02	832.44

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Court cases filed	22,146	22,957	22,864	24,240	23,446	22,268	23,652	25,170	25,716	24,701
Traffic citations processed	11,276	9,845	10,031	13,703	13,002	12,356	12,983	13,454	13,204	12,383
Marriage licenses processed	849	786	870	825	847	858	815	812	705	709
Divorces granted	462	413	427	825	410	373	434	455	458	417
Traffic and criminal fines collected	\$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	\$3,649,907
Total coroner cases	532	491	531	512	509	501	586	612	590	659
Public Safety										
Hazardous materials incidents investigated	18	13	7	7	8	6	6	4	15	5
Transportation										
Cost of road maintenance per lane mile	-	-	-	-	\$3,495	\$3,830	\$4,045	\$5,602	\$4,743	\$5,045
Health										
Public health nurse home visits	-	2,358	2,172	2,381	2,983	1,682	2,267	2,312	2,675	2,735
Laboratory tests	17,501	17,868	15,755	14,325	14,105	14,519	15,094	13,570	13,316	12,625
Licenses issued for public facilities	689	796	779	902	914	957	956	1,009	960	959
Number of immunizations given	-	3,127	2,661	3,617	3,414	2,680	3,562	4,756	3,852	3,723
Social Services										
Number served at nutrition centers	1,284	486	735	300	273	169	228	186	181	179
Number of volunteers	126	30	64	28	56	71	31	26	26	31
Volunteer hours	14,899	12,675	7,845	6,288	4,956	4,424	3,759	3,453	3,328	2,426
Number served home delivered meals	-	-	-	464	451	448	415	412	427	392
Number served through SNAC program	-	-	-	825	796	565	511	720	516	479
Child support money collected and disbursed	\$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	\$21,028,197
Economic support cases	2,023	2,102	2,840	7,622	8,229	8,701	8,802	9,785	10,350	10,234
Leisure and Education										
Library items checked out	-	-	-	745,779	812,824	849,425	882,456	943,778	1,041,169	1,125,370
Library number of visitors	-	-	-	490,925	554,745	580,230	600,497	569,951	614,073	648,084
Conservation and Development										
Wood removed (cord equivalent)	9,487	15,599	8,830	8,520	13,170	19,380	23,780	13,811	9,759	11,900

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

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Number of courtrooms	7	7	7	7	7	7	7	7	7	7
Public Safety										
County buildings maintained	10	10	10	10	11	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	94
Transportation										
Miles of County highways/roads	617	617	613	611	618	612	613	613	613	613
County sponsored airports	1	1	1	1	1	1	1	1	1	1
Health										
Landfill total capacity (cubic yards)	-	-	3,376,000	3,376,000	3,376,000	3,376,000	3,376,000	3,376,000	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	643,600
Social Services										
Nutrition centers	6	6	2	2	2	1	2	2	2	2
Leisure and Education										
Libraries - Headquarters	1	1	1	1	1	1	1	1	1	1
Libraries - Branches	8	7	7	7	8	8	8	8	8	9
Volumes books & audio-visual materials	364,742	366,526	375,351	373,243	372,052	356,738	339,566	324,678	335,028	433,609
Number of County parks	19	19	19	18	18	17	18	18	18	18
Number of acres	3,379	3,406	3,407	3,407	3,407	3,371	3,407	3,407	3,407	3,407
Public access beaches	7	7	4	4	4	5	4	4	4	4
Miles of bicycle trails	18	18	28	28	28	28	28	28	28	28
Number of public campgrounds	5	5	4	4	4	4	4	4	4	4
Number of shooting ranges	1	1	1	1	1	1	1	1	1	1
Number of softball complexes	1	1	1	1	1	1	1	1	1	1
Number of lakes and rivers with public boat launches	14	14	6	6	6	6	6	6	6	6
Indoor ice arenas	3	3	2	2	2	2	2	2	2	2
Miles of snowmobile trails	750	800	800	800	782	782	782	782	782	782
Miles of ATV trails - winter	692	692	680	690	690	490	690	690	690	690
Miles of ATV trails - summer	19	23	23	24	25	15	25	25	20	20
Miles of cross country ski trails	31	31	31	31	31	31	31	31	31	31
Conservation and Development										
Number of County forest units	10	10	9	9	9	9	9	9	9	9
Number of acres	28,423	28,662	28,662	28,662	28,662	29,193	29,768	29,768	29,768	29,768

**Schedule 17
Marathon County
Schedule of Insurance
Fiscal Year Ended December 31, 2010**

Insurer Policy Numbers <u>Effective Dates</u>	Policy Coverage Limits of Liability <u>Deductibles/Retention (1)</u>
<p>Wisconsin Municipal Mutual Insurance Company WI20010CS13A 01/01/10 to 01/01/11</p>	<p>General Liability/Automobile Liability/Police Professional liability Owned, non-owned and hired auto \$5,000,000 Limit of liability per occurrence/\$15,000,000 Annual aggregate \$400,000 Per occurrence deductible \$1,050,000 Annual aggregate deductible Uninsured Motorist \$25,000-50,000 Limit of liability</p>
<p>Wisconsin Municipal Mutual Insurance Company WI2009EO13A 01/01/10 to 01/01/11</p>	<p>Employee Benefit Liability \$5,000,000 Limit of liability per benefit error \$15,000,000 General aggregate \$400,000 Per occurrence deductible \$1,050,000 Annual aggregate deductible</p> <p>All premiums adjusted annually Excludes coverage for pollution liability, nursing homes, Health centers, medical facilities and airport</p> <p>Errors and Omission Public Officials Liability Claims Made \$5,000,000 Limit of liability per wrongful act \$15,000,000 General aggregate \$400,000 Per occurrence deductible \$1,050,000 Annual aggregate deductible</p>
<p>Self-Funded & Administered 01/01/10 to 01/01/11</p>	<p>Workers Compensation Employer Liability State Statutes First \$400,000 per claim/occurrence</p>
<p>Wisconsin Municipal Mutual Insurance Company WI2010 WC13X 01/01/10 to 01/01/11</p>	<p>Specific Excess Workers Compensation \$400,000 Specific retention Limits of Liability Statutory Workers Comp \$1,000,000 Employers Liability \$1,000,000 Workers Comp/Emp Liability Combined</p>

Insurer
Policy Numbers
Effective dates

Local Government
Property Insurance Fund
120038
01/01/10 to 01/01/11

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

Buildings, Personal Property, Inland Marine & Property in the Open
Listed on the statement of values:
Limit \$268,515,327 - Replacement Cost Coverage
Deductible \$5,000

Contractors Equipment
Limit \$15,194,131 Replacement Value
Deductible \$5,000

Automobile Comprehensive
Limit \$11,176,348 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 7/27/2010 to 08/01/2010 (Courthouse Location only)
Deductible \$1,000

Pier & Wharf
\$83,815
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; not to exceed 2 years, 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 01/01/11

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

The Ohio Casualty Insurance Co
4041356
01/01/10 to 01/01/11

Public Employee Blanket Position Bond
\$500,000 Limit of liability per employee
Deductible \$10,000
Forgery \$5,000 Limit of Liability, including credit card coverage
Deductible \$250

The Ohio Casualty Insurance Co.
4041356
01/01/10 to 01/01/11

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
01/01/10 to 01/01/11

Boiler & Machinery
\$25,000,000 Equipment Limit
\$10,000 Deductible, 10 % of loss, \$1,500 minimum perishable goods limits
\$1,000,000 Business Income

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
01/01/10 to 01/01/11

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
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:

Actual Cash Value Coverage
\$10,638,838 as of 12/31/10

01/01/10 to 01/01/11

Insurer
Policy Numbers
Effective dates

Travelers Prop-Casualty Group
Of America
Inland Marine Policy
Marathon County Highway Dept
QT6606280M404
05/01/10 to 05/01/11

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
01/01/10 to 01/01/11

Health Benefit Plan PPO
\$2,000,000 Per person life time benefit
90% of most covered medical expenses in network/80% out of network
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 preferred brand; 15% co-insurance non-preferred brand plus \$15 co-pay/\$400 single/\$800 Family annual out of pocket maximum

Dental Insurance
Insurer: Delta Dental of WI
Grp # 2209
01/01/10 to 01/01/11

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
07/01/10 to 07/01/11

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 earned per month and 65% for earnings over \$1,500 per month.
Maximum benefit: \$3,000 per month
Minimum: \$50 per month
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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