

MARATHON COUNTY

WISCONSIN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARATHON COUNTY, WISCONSIN

FOR THE YEAR ENDED

DECEMBER 31, 2015

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

MARATHON COUNTY
Wausau, Wisconsin

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Wausau, Wisconsin

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Wausau, Wisconsin

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INTRODUCTORY SECTION



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June 27, 2016

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

Supervisors:

Submitted herewith is the Comprehensive Annual Financial Report (CAFR) of Marathon County, Wisconsin (the County) for the year ended December 31, 2015. This report was prepared by the County's Finance Department with assistance from the County Treasurer's Office. For purposes of this CAFR, the reference to the County typically includes the Central Wisconsin Airport (CWA) (shown as a discretely presented component unit) unless otherwise noted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all financial statements, footnote disclosures, supporting schedules and statistical tables rests with the County. We believe the data, as presented, is accurate in all material respects and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

Distribution of the CAFR is of major importance to its usefulness as a communication tool. Paper copies of this report will be available to elected officials, County management, bond rating agencies, financial institutions and federal, state and local governmental agencies which have expressed an interest in Marathon County's financial well being. A copy of the 1998 through 2015 CAFRs are also available on the Internet at:

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

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

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

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

REPORTING ENTITY AND ITS SERVICES

The County was incorporated in 1850 and operates under a County Board-Administrator form of government. The Board of Supervisors is comprised of thirty-eight (38) members, elected by districts to serve concurrent two-year terms. The terms of the current Board expire on April 19, 2016.

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

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

The County provides a full range of services. This includes judiciary services and legal counsel, general and financial administration, including tax collections; property records and register of deeds; county planning and zoning; public safety with sheriff, emergency management and correction facilities; parks; health and social services; assistance to veterans and older Americans; library; forest conservation; medical examiner and surveyor; industrial development board; agricultural extension services; and the administration of federal, state and county elections. The County has proprietary fund operations for the maintenance and construction of the landfill, highways and insurance programs. This CAFR includes the CWA, North Central Health Care (NCHC), and the Children with Disabilities Education Board (CDEB) 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 2015 annual unemployment rate was 4.2% and is the lowest in the past few years. (The unemployment rate was 4.3% in 2006).

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 4.6%.

According to the U.S. Census Bureau, 229 new building permits were issued in 2015 for new privately-owned residential buildings in Marathon County at a total construction value of \$46.5 million. The construction amount is slightly less than the 2014 total of \$52.3 million. Overall the number of permits increased in 2015 for new residential construction and remodeling with the 2015 figure being 229 and the 2014 number of permits being 211.

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 (companies with more than 600 employees most but all not employees necessarily in Marathon County):

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

MAJOR INITIATIVES

In the year 2015 the County maintained its commitment to upgrade its buildings and infrastructure. As can be seen in the detail below, we have a major interest in the maintenance of our infrastructure, government joint ventures, and technology projects.

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

Maintenance and expansion of the County's infrastructure (such as highways and bridges) remains a major concern of the County Board. To address one of these concerns, the County continues to maintain its commitment to the Infrastructure Committee's five-year capital project plan. This plan provides a framework for the development and maintenance of infrastructure to meet current and future needs. The Infrastructure Committee has undertaken an aggressive program to repair and replace its highways and bridges. On an annual basis, the Infrastructure Committee plans to repair four or five bridges. A major repaving project consisting of resurfacing a minimum of 25-30 miles per year is included in this plan. That means by the end of a five-year period, 20% of the County's highways are expected to have been repaved. The County rehabilitated a historic bridge on Highway Y by the Dells of the Eau Claire County Park. The County purchased new election system for use in time for the 2016 Presidential election.

The Marathon County Solid Waste department has opened its new recycling and disposal site called Bluebird Ridge located at the Ringle Solid Waste Facility. The new site has the capacity to hold up to 2.9 million cubic yards of waste. We are estimating collection of 175,000 cubic yards of waste a year at the new facility.

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

FUTURE PLANS

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

One of the County's priorities is examining alternatives to incarceration for those people convicted of AODA violations. We have received a grant to work on AODA programming for offenders. The intended outcome would be to 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 a portion of the unassigned fund equity/balance into the succeeding year's budget. With the change in the highway working capital policy its unassigned funds are moved into the same capital improvement process. Funds not included in this process would include those funds not using tax levy as a basis for operations such as the landfill fund, the insurance funds, the capital improvement fund, and any special revenue fund that use grants for operating capital. Marathon County uses a portion of its unassigned amount to fund future year capital improvement programs. It is not used to 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 restricted or assigned. Highway is allowed to provide for multi-year funding options for specifically identified high cost projects.

General Fund Balance

A portion of the unassigned fund balance will be used in the 2017 budget process to help fund some much needed capital improvements. The County has been fairly successful over the years keeping its tax rate stable and using fund balance to pay for capital projects. The trend of using fund balance and not raising taxes is expected to continue in the future. If the trend were not to continue, a lower fund balance would be acceptable because all amounts necessary for sound financial position and good business practice are restricted or assigned.

INTERNAL CONTROLS

Accounting and Administrative Controls

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

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

As part of the single audit, tests are made to determine the adequacy of the County's accounting and administrative control systems over major programs. Testing of the County's compliance with applicable laws and regulations over major programs is also performed. The County most recently completed single audit report, for the fiscal year ended December 31, 2014, 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 2015 was .13%. 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 .25% of the total deposits during 2015.

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.

For part of 2015, a small portion of the County's investment portfolio was 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 allowed 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 2015 return of 0.32%.

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

The amount of interest earned in 2015 for all Primary Government operations (including the CWA as a discretely presented component unit) was \$1,077,739, an increase from 2014 of 41.25%. The increase was the result of slightly higher interest rates being applied to investments. In addition to the earnings of the primary government unit, (including the CWA as a discretely presented unit) another \$91,994 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.

<i>Year</i>	<i>Earnings</i>	<i>Increase (Decrease)</i>	<i>%(Decrease) Change</i>
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)
2011	978,412	(702,348)	(41.79)
2012	945,678	(32,734)	(3.35)
2013	657,958	(287,720)	(30.42)
2014	763,005	105,047	15.97
2015	1,077,739	314,734	41.25

***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, 2015 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 \$550,000 self-insured maximum for any workers' compensation claim.

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

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

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 \$292,267,071 of physical assets and actual cash value coverage on approximately \$10,697,539 for automobiles. Claims on buildings, contents and contractors equipment have a deductible of 10,000, contractor equipment has a \$5,000 deductible 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 and related Uniform Guidance. Further, the audit meets the requirements of the State Single Audit Guidelines issued by the Wisconsin Department of Administration. The independent auditors' report on the basic financial statements is included in the financial section of this report. The independent auditors' reports related specifically to the federal and state single audit are included in a separately issued single audit report which is available from the Finance Department.

CERTIFICATE OF ACHIEVEMENT

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

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

MUNICIPAL SECURITIES DISCLOSURE REQUIREMENTS

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

- (1) As a municipal security issuer, the County makes the following disclosure regarding material events. These are referred to as the eleven deadly sins.
 - (a) Principal and interest payment delinquencies; - None
 - (b) Non-payment related defaults; - None
 - (c) Unscheduled draws on debt service reserves reflecting financial difficulties; - None
 - (d) Unscheduled draws on credit enhancements reflecting financial difficulties; - None
 - (e) Substitution of credit or liquidity providers, or their failure to perform; - None
 - (f) Adverse tax opinions or events affecting the tax-exempt status of the security; - None
 - (g) Modifications to rights of security holders; - None
 - (h) Bond calls; - the County currently has a debt issue with eligible call dates as follows:
2009A Gen Obligation PN – 12/01/2016
 - (i) Defeasances; - the County currently has no debt issues that qualifies as legal defeasance.

Total defeasance of	\$0
For a total amount defeased as of 12/31/2015 of	<u>\$0</u>
 - (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 12-31-2015
12/01/05	4,105,000	CWA Refunding	10/01/17	480,000 (b)
02/01/09	16,770,000	GO Prom Note	12/01/18	4,590,000
12/15/10	2,450,000	Central Wisconsin Airport	12/01/25	1,725,000 (a)
12/27/12	2,650,000	Central Wisconsin Airport	12/01/28	2,650,000
6/1/15	2,545,000	Central Wisconsin Airport	12/01/30	2,545,000 (a)
Subtotal				11,990,000
Less Debt Service Funds on Hand				1,507,402 (c)
Total Net Direct Debt				10,482,598

(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 \$12,597.

- (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	14/15	13/14
City of Wausau	\$9.43	\$7.93
State of Wisconsin	0.17	0.14
Marathon County	5.12	4.40
Wausau School District	9.60	9.41
Northcentral Technical College	1.25	1.77
Gross Tax Rate	25.57	23.65
Less State Credit	(1.81)	(1.45)
Net Tax Rate	23.76	22.20
Ratio of assessed value to equalized value	102.68%	108.53%

*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:*

2015 REVENUE		2015 EXPENDITURES	
Taxes	47,152,340	General Government	42,418,444
Sales and misc. taxes	11,964,448	Public Safety	22,639,061
Intergovernmental grants/aid	34,412,193	Transportation	34,530,597
Licenses, Fines and Forfeitures	954,290	Health	8,359,562
Charges for services:		Social Services	28,215,520
Public	11,215,459	Leisure and Education	13,635,442
Intergovernmental	15,810,468	Conservation & Economic Development	1,536,956
Miscellaneous Revenue	16,906,399	Debt Service	2,612,313
Transfers	27,975,039	Capital Outlay	5,040,387
		Transfers	7,402,332
Total Revenue	\$166,390,614	Total Expenses	\$166,390,614

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

	Data	General Obligation Direct Debt (a)	General Obligation Underlying Debt	Total Applicable General Obligation Debt
Debt Values		\$4,590,000	\$301,232,711	\$305,822,711
Equalized Value (less TID)	\$9,289,260,900	0.05%	3.24%	3.29%
Per capita	135,341	\$33.91	\$2,225.73	\$2,259.65
Per acre	1,013,760	\$4.52	\$297.14	\$301.67

(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.

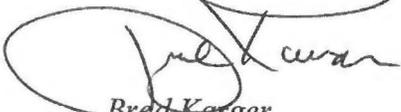
INVITATION AND ACKNOWLEDGMENTS

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 Stacy Livernash, 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 and Property Committee for their interest and support in planning and conducting the financial operations of the County in a responsible manner. The County's excellent financial condition and reasonable tax rate are acknowledgments of their dedication.

Respectfully submitted,

MARATHON COUNTY



Brad Karger
County Administrator

MARATHON COUNTY



Kristi A. Kordus
Finance Director



Government Finance Officers Association

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

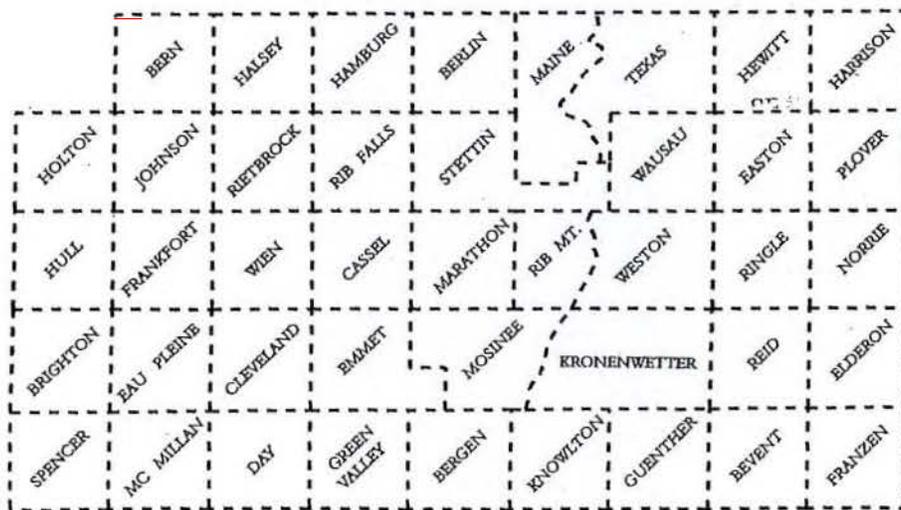
Presented to

**Marathon County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



HISTORY OF MARATHON COUNTY

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

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

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

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

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

Tom Schleif, Former Director
Marathon County Historical Museum

MARATHON COUNTY BOARD OF SUPERVISORS

2014 - 2016

District No. 1.....	Vacant	District No. 20.....	Barbara J. Ermeling
District No. 2.....	James R. Seefeldt	District No. 21.....	Kurt Kluck
District No. 3.....	David E. Nutting	District No. 22.....	Alan F. Christensen
District No. 4.....	John Robinson	District No. 23.....	Charles Soukup
District No. 5.....	Joel A. Lewis	District No. 24.....	Jean R. Maszk
District No. 6.....	Joanne S. Leonard	District No. 25.....	Sandi M. Cihlar
District No. 7.....	Kenneth L. Day	District No. 26.....	John Durham
District No. 8.....	Karen Kellbach	District No. 27.....	Vacant
District No. 9.....	Lee Peek	District No. 28.....	Maynard Tremelling
District No. 10.....	Sherry L. Abitz	District No. 29.....	Richard W. Duerr
District No. 11.....	Russell Michalski	District No. 30.....	Richard Gumz
District No. 12.....	Arnold Schlei	District No. 31.....	John D. Bandow
District No. 13.....	Matthew Bootz	District No. 32.....	Kurt A. Gibbs
District No. 14.....	Gary Wyman	District No. 33.....	John H. Small
District No. 15.....	Matthew Hildebrandt	District No. 34.....	Gary Beastron
District No. 16.....	Jeffrey L. Zriny	District No. 35.....	Jacob E. Langenhahn
District No. 17.....	E. J. Stark	District No. 36.....	Bill Miller
District No. 18.....	Craig McEwen	District No. 37.....	Allen F. Opall
District No. 19.....	Mort McBain	District No. 38.....	Laverne Grunenwald

ChairpersonKurt A. Gibbs
Vice ChairpersonLee Peek

STANDING AND STATUTORY COMMITTEES FOR 2015 - 2016

ENVIRONMENTAL RESOURCES COMMITTEE

James Seefeldt - Chair
John Small
John Bandow
Jacob Langenhahn
Marilyn Bhend –Towns/Villages Assoc. Rep.
Sandi Cihlar
Matt Bootz

EXECUTIVE COMMITTEE

Kurt Gibbs - Chairman
Lee Peek - Vice Chair
Matt Hildebrandt
Craig McEwen
Kurt Kluck
John Robinson
Joanne Leonard
Jeff Zriny
Jim Seefeldt

EXTENSION AND EDUCATION COMMITTEE

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Jean Maszk, Vice-Chair
Gary Beaström
John Bandow
Richard Gumz

FINANCE AND PROPERTY COMMITTEE

Lee Peek, Chairman
Bill Miller, Vice-Chair
John Durham
Gary Wyman
John Robinson
Charles Soukup
E. J. Stark

FORESTRY AND RECREATION COMMITTEE

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John Small, Vice-Chair
Matt Bootz

INFRASTRUCTURE COMMITTEE

Kurt Kluck, Chairperson
Richard Gumz, Vice-Chair
Alan Christiansen
Jim Schaefer
Allen Opall
Arnold Schlei
Gary Wyman

HEALTH AND HUMAN SERVICES COMMITTEE

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Kenneth Day, Vice-Chair
John Bandow
Joanne Leonard
Russell Michalski
Maynard Temelling
Matthew Bootz

LAND CONSERVATION AND ZONING COMMITTEE

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Jean Maszk
Sandi Cihlar
Kelly King, FSA Member
Jacob Langenhahn
Richard Duerr

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Matt Hildebrandt, Vice-Chair
Karen Kellbach
Sherry Abitz
Jean Maszk
Richard Duerr
Jim Schaefer

HUMAN RESOURCES COMMITTEE

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Craig McEwen, Vice-Chair
Barbara Ermeling
Mort McBain
Bill Miller
Arnold Schlei
John Durham

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Steve Robinson, Vice-Chair
Karen Kellbach
Amy Arlen, Citizen Member
Joel Lewis

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Julie Fox, DDS, Vice-Chair
Craig McEwen, Secretary
Kevin O'Connell, MD, Ex-Officio and
Medical Advisor
Robert W. Pope, DVM Ex-Officio
John Bandow
Susan Coleman
Dean Danner
Sue Gantner, RN
Laura Scudiere
Dr. Lori Shepherd

SOLID WASTE MANAGEMENT BOARD

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James Seefeldt, Vice-Chair
Alan Christensen
Maynard Tremelling
Jean Maszk
Roger Zimmermann
Kerry Brimmer, Citizen Member
Brad Lenz, Citizen Member
Myron Podjaski, Citizen Member

**AGING AND DISABILITY RESOURCE
CENTER OF CENTRAL WISCONSIN BOARD**

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James Hampton, Vice-Chair
Julie Webb, Secretary, Citizen Member
Douglas Machon
Mike Feirer
Vernon Cahak
Bill Miller
Richard Hurlbert
Jean Doty, Citizen Member
Lawrence Lebal, Citizen Member
Sharon Rybacki, Citizen Member
Terri Sersch, Citizen Member
Joseph Hoppa, Citizen Member
Loretta Baughn
Bob Reichelt

**CHILDREN WITH DISABILITIES
EDUCATION BOARD (2011-2014)**

John Resech, Chairman
Scott Johnson, Vice-Chair
Carol Schulz, Secretary
Lori Haines
Gary Lewis
Sharon Seubert

PUBLIC LIBRARY BOARD

Scott Winch – President
Alison Morrow – Vice President
William Gamoke
Gary Beastro
Sandi Cihlar
Katie Rosenberg
Sara Guild

PARK COMMISSION

Gary Wyman, President
Gary Gisselman, Vice-President
Robert Mielke
David Nutting
Jacob Langenhahn
Connie Conrad

**INDUSTRIAL DEVELOPMENT AGENCY
BOARD**

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Scott Corbett
Kurt Gibbs
Brad Karger
Kristi Kordus
Dale Smith
Todd Toppen
Lee Peek
Ann Werth

VETERANS SERVICE COMMISSION

Roger Sydow, Chairperson
Bernie Gauerke
Jack Pettit

**EDUCATION AND ECONOMIC
DEVELOPMENT**

Jeff Zriny – Chair
Charles Soukup – Vice Chair
John Small
Gary Beastron
Richard Duerr
Joel Lewis
Shayne Courneya

DISCRETELY PRESENTED COMPONENT UNIT COMMITTEES FOR 2015 - 2016

CENTRAL WISCONSIN AIRPORT BOARD

Dale O'Brien – Chair
John Durham – Vice Chair
Kurt Gibbs
James Krems
Mort McBain
Leonard Bayer - Citizen Member
Jim Schuh - Citizen Member

CITY-COUNTY INFORMATION TECHNOLOGY COMMISSION

Pat Puyleart, Citizen Member – Chair
Jim Tipple, Vice-Chair
Maryanne Groat, Secretary
Brad Karger
Gary Bezucha
Brenda Glodowski
Kurt Gibbs
John Tubbs

NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD

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Robert Weaver, Vice-Chair
Laura Scudiere, Secretary
Leland Olkowski
Greta Rusch
Jean Burgener
Joanne Kelly
Holly Matucheski
William Metter
Jeff Zriny
Bill Miller
Eric Penniman
John Robinson
Randy Balk

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

Primary Government

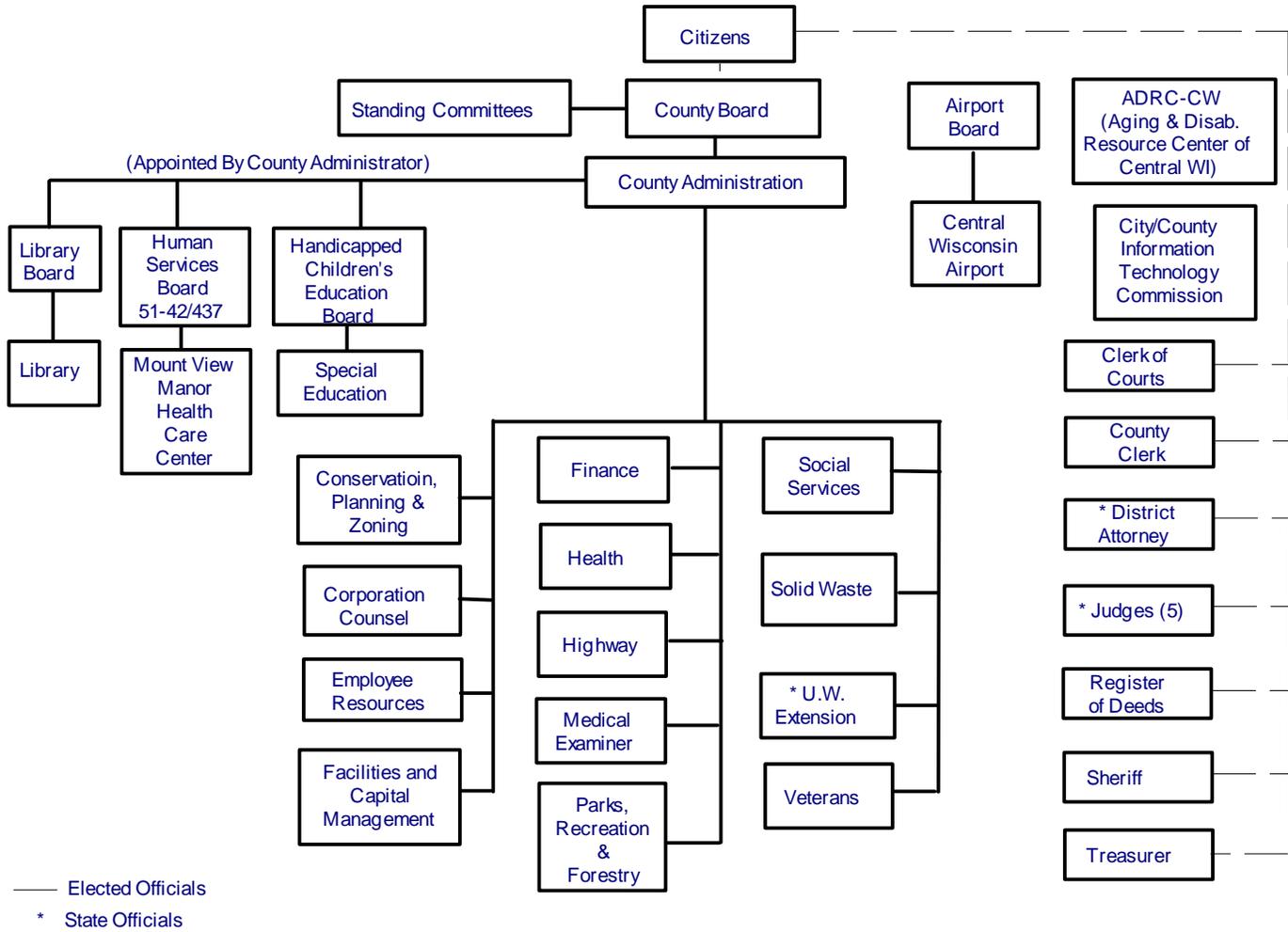
	Brad Karger	County Administrator
	Linda Weitz	Aging & Disability Resource Center of Central Wisconsin
	Michael Lotter	Facilities & Capital Management
*	Diane Sennholz	Clerk of Courts
	Rebecca Frisch	Conservation, Planning & Zoning
	Scott Corbett	Corporation Counsel
*	Nan Kottke	County Clerk
*•	Ken Heimerman	District Attorney
	Frank Matel	Employee Resources
	Kristi Kordus	Finance
	Joan Theurer	Health
	James Griesbach	Highway
	Ralph Illick	Library
	Jessica Blahnik	Medical Examiner
	William Duncanson	Parks, Recreation & Forestry
*	Michael Sydow	Register of Deeds
*	Scott Parks	Sheriff
	Vicki Tylka	Social Services
	Meleesa Johnson	Solid Waste
	Eric Hartwig	Special Education
*	Audrey Jensen	Treasurer
	Jean Berger	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 Health Care Facilities

* Elected • State Employee

MARATHON COUNTY ORGANIZATIONAL CHART 2015



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FINANCIAL SECTION

MARATHON COUNTY, WISCONSIN

FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marathon County, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Marathon County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the North Central Health Care, which represent 40 percent, 81 percent and 43 percent, respectively, of the assets, revenues, and net position of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Central Health Care, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marathon County, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, Marathon County adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marathon County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by Government Auditing Standards

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 27, 2016

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, 2015. 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 i-xiii of this report.

Financial Highlights

- The assets of Marathon County exceeded liabilities at the close of the most recent fiscal year by \$378,358,964 (net position). Of this amount \$103,544,896 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,006,445.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$26,212,229 or 43 percent of total general fund expenditures.
- Marathon County has paid the 2015 portion of debt service that is funded with tax levy. The County paid the principal of \$ 1,410,000 on the 2009A GO Note issued in 2009. This note was issued for County Capital Improvement Projects.
- Marathon County implemented new accounting standards that replace existing guidance for defined benefit pension plans. The County is now reporting a restricted net pension asset of \$6,165,255. This amount represents the County's proportionate share of the net pension asset of the Wisconsin Retirement System as determined by an actuarial valuation.

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 position presents information on all of Marathon County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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 16-17 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 18-21 of this report.

Proprietary funds. Marathon County maintains two different types of proprietary funds. Proprietary 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 enterprise 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 22-26 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 statement can be found on page 27 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 30-87 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Marathon County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$378,358,964 and \$366,988,218 the end of 2015 and 2014 respectively.

By far the largest portion of Marathon County's net position, 69 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 Position for 2015 and 2014

	2015 Governmental Activities	2015 Business Type Activities	2015 Total	2014 Governmental Activities	2014 Business Type Activities	2014 Total
Current and other assets	131,511,515	63,745,540	195,257,055	125,569,544	68,359,734	\$193,929,278
Capital assets	243,842,216	19,489,014	263,331,230	241,838,781	18,955,217	260,793,998
Total Assets	375,353,731	83,234,554	458,588,285	367,408,325	87,314,951	454,723,276
Deferred outflows of resources	5,527,133	791,036	6,318,169	-	-	-
Other liabilities	12,889,983	3,161,398	16,051,381	11,750,404	2,783,856	14,534,260
Long-term liabilities	9,682,614	12,729,543	22,412,157	13,342,678	12,172,825	25,515,503
Total liabilities	22,572,597	15,890,941	38,463,538	25,093,082	14,956,681	40,049,763
Deferred inflows of resources	41,519,010	6,564,942	48,083,952	41,293,147	6,392,148	47,685,295
Net position:						
Net investment in capital assets	239,721,187	19,489,014	259,210,201	236,350,892	18,955,217	255,306,109
Restricted	13,793,634	1,810,233	15,603,867	8,340,597	2,186,471	10,527,068
Unrestricted	63,274,436	40,270,460	103,544,896	56,330,607	44,824,434	101,155,041
Total Net Position	\$316,789,257	\$61,569,707	\$378,358,964	\$301,022,096	\$65,966,122	\$366,988,218

An additional portion of Marathon County's net position, \$15,603,867 or 4 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$103,544,896 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2015 and 2014, Marathon County is able to report positive balances in all three categories of net position, for the governmental activities. The government's net position has decreased by \$1,006,445 during the current fiscal year.

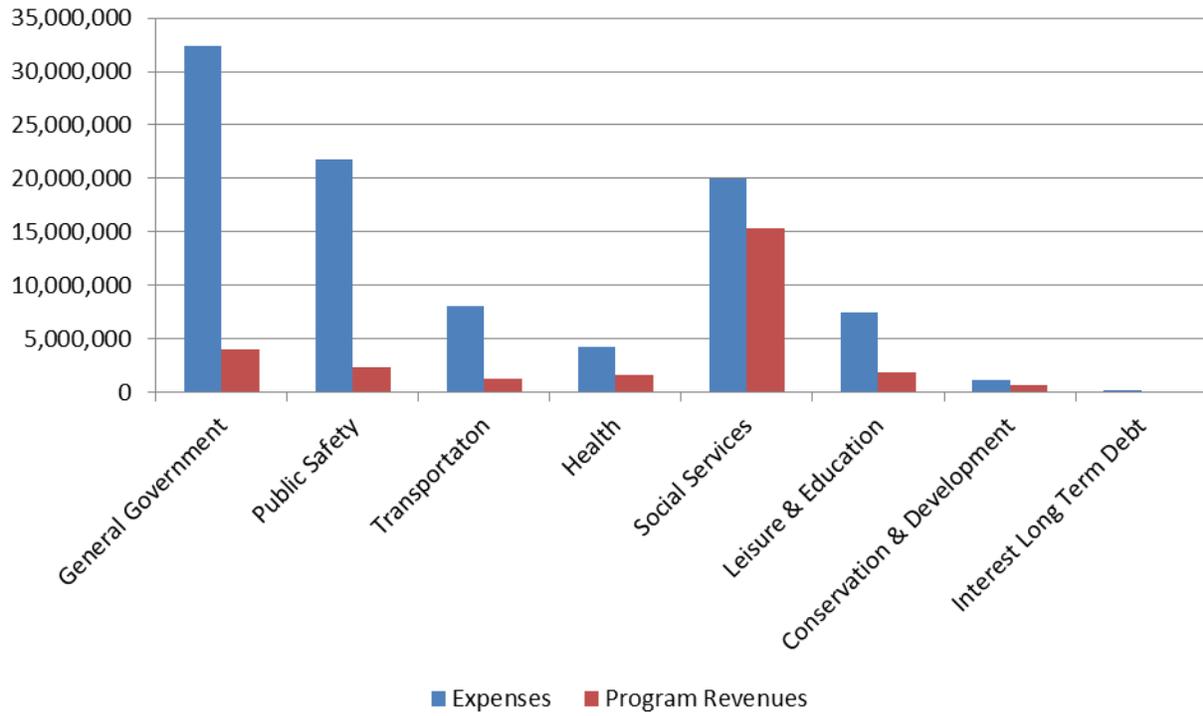
Governmental activities. Governmental activities increased Marathon County's net position by \$4,940,498.

Marathon County's Changes in Net Position

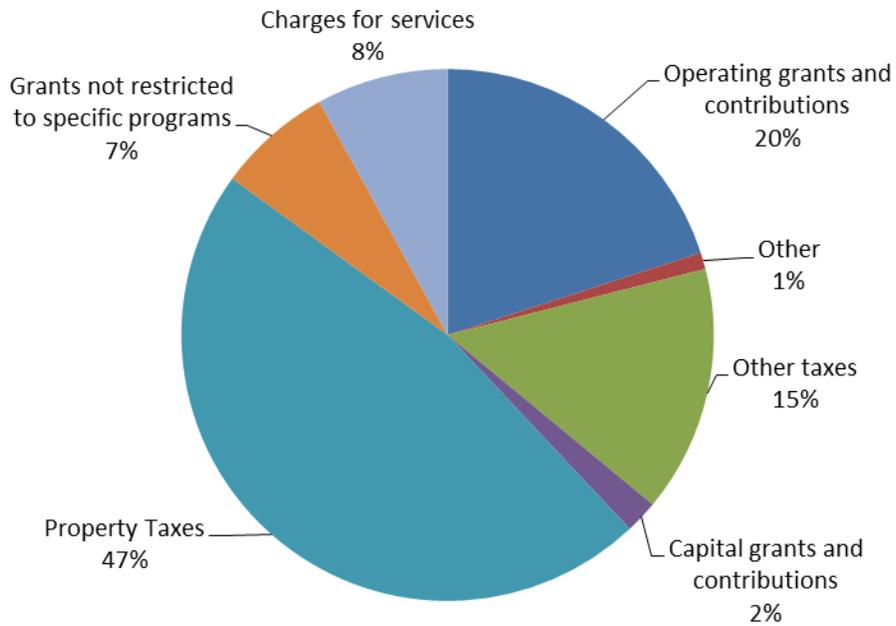
	2015 Governmental Activities	2015 Business Type Activities	2015 Total	2014 Governmental Activities	2014 Business Type Activities	2014 Total
Revenues:						
Program Revenues						
Charges for service	7,373,206	9,651,446	17,024,652	9,063,985	8,384,377	17,448,362
Operating grants and contributions	18,225,010	2,898,973	21,123,983	17,952,087	4,358,611	22,310,698
Capital grants and contributions	1,250,231	-	1,250,231	14,453,082	-	14,453,082
General Revenues						-
Property taxes	42,516,486	5,888,809	48,405,295	40,323,181	6,064,496	46,387,677
Other taxes	13,330,628	-	13,330,628	12,621,944	-	12,621,944
Grants not restricted to specific programs	6,454,784	-	6,454,784	6,304,527	-	6,304,527
Other	674,786	717,165	1,391,951	481,606	1,605,554	2,087,160
Total Revenues	89,825,131	19,156,393	108,981,524	101,200,412	20,413,038	121,613,450
Expenses:						
General government	32,438,088	-	32,438,088	31,255,067	-	31,255,067
Public safety	21,713,958	-	21,713,958	22,591,095	-	22,591,095
Transportation	8,107,515	-	8,107,515	8,255,821	-	8,255,821
Health	4,255,516	-	4,255,516	4,512,283	-	4,512,283
Social services	19,963,279	-	19,963,279	19,228,599	-	19,228,599
Leisure and education	7,448,272	-	7,448,272	7,658,636	-	7,658,636
Conservation and development	1,098,046	-	1,098,046	889,005	-	889,005
Interest on long term debt	140,763	-	140,763	183,983	-	183,983
Landfill	-	3,875,294	3,875,294	-	4,753,815	4,753,815
Highway	-	10,947,238	10,947,238	-	12,081,767	12,081,767
Total expenses	95,165,437	14,822,532	109,987,969	94,574,489	16,835,582	111,410,071
Increase (decrease) in net position before transfers	(5,340,306)	4,333,861	(1,006,445)	6,625,923	3,577,456	10,203,379
Transfers	10,280,804	(10,280,804)	-	658,196	(658,196)	-
Increase (decrease) in net position	4,940,498	(5,946,943)	(1,006,445)	7,284,119	2,919,260	10,203,379
Net position-January 1 (as restated)	311,848,759	67,516,650	379,365,409	293,737,977	63,046,862	356,784,839
Net position-December 31	316,789,257	61,569,707	378,358,964	301,022,096	65,966,122	366,988,218

Property taxes were \$48,405,295 for 2015 and \$46,387,677 for 2014. 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 2015 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.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. Business-type activities decreased Marathon County’s net position by (\$5,946,943). The primary reason for this decrease was the non-operating expense of \$11,369,492 for infrastructure construction for governmental activities and other expenses. Other key elements of this change are as follows:

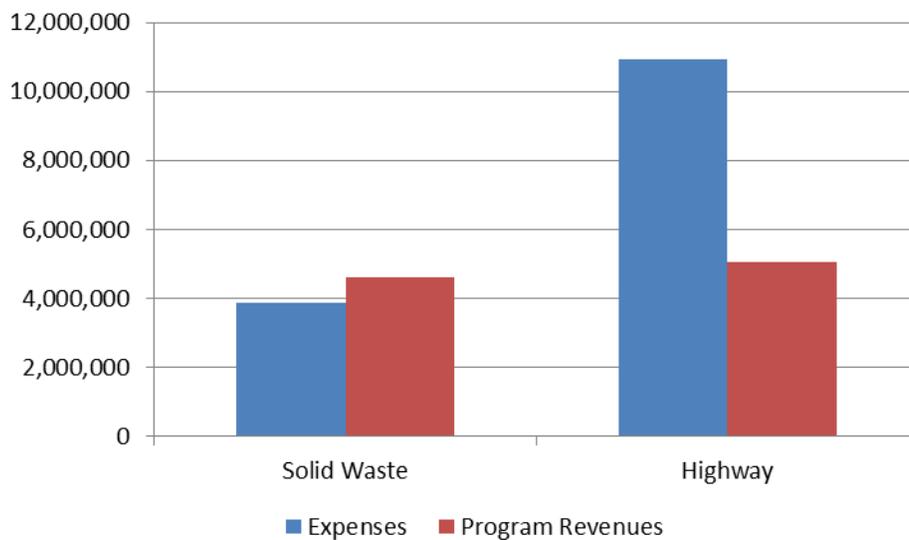
Operating expenses for business type activities decreased by \$2,013,050 or 12%. Most of the decrease in expenses comes from a decrease in:

- Salaries and benefits of \$414,935 (11%)
- Other operating expenses \$402,082 (97%)
- Materials and supplies of \$435,895 (32%)
- Contracted services decreased \$457,842 (26%)

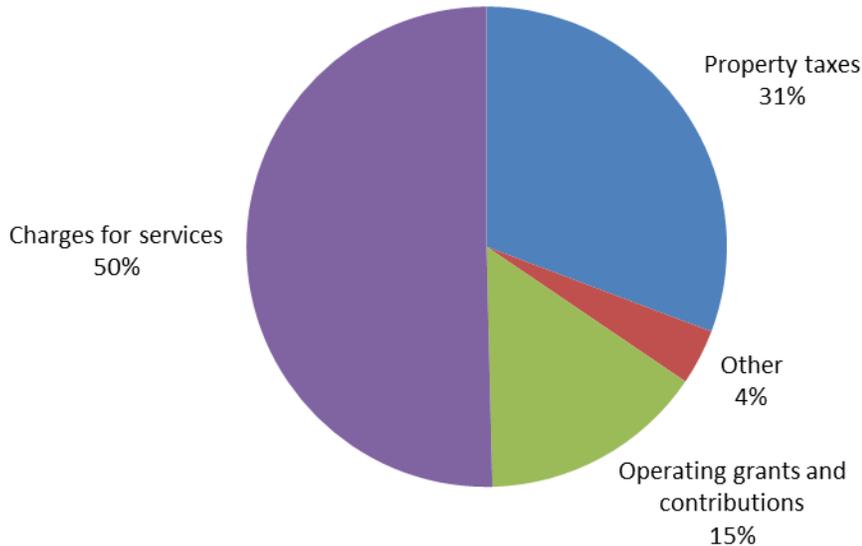
Operating revenues for business type activities increased by \$1,267,069 or 6% as follows:

- Intergovernmental charges for services decreased by \$181,362 (9%)
- Public charges for services increased by \$1,448,431 (45%)
- Total non-operating revenues for business type activities decreased by \$2,523,714 (21%)
- Intergovernmental grants and aids decreased by \$1,459,638 (33%)
- Property Tax revenues decreased \$175,687 (2%)
- Increase in interest income of \$83,818 (16%)
- Other revenues increased \$39,260 (12%)
- Insurance recoveries decreased \$765,311 (100%)

Expenses and Program Revenues – Business-Type Activities



Revenues 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, unassigned 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 \$56,896,708, a decrease of \$2,004,423 in comparison with the prior year. Approximately 46 percent of this total amount, \$26,212,229, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending. The non-spendable balance of \$3,716,041 is made up of the following: 1) \$11,478 for inventories and prepaid expenses, and 2) \$3,704,563 for delinquent taxes for other governmental entities. The restricted balance of \$8,490,910 is made up of 1) \$1,519,999 to pay debt service, 2) \$1,058,654 for jail assessment, 3) \$4,082,762 for social improvement, 4) \$622,138 for capital improvements and 5) \$1,207,357 for a variety of other restricted purposes.

The assigned fund balance for the governmental funds totaled \$18,477,528. This fund balance is not available for spending and has been assigned to the following: 1) \$3,804,396 for subsequent year's budget, 2) \$2,996,940 for conservation (Environment Impact Fund) and 3) \$6,239,900 for capital projects, and 4) \$5,436,292 for compensated absences.

The general fund is the chief operating fund of Marathon County. The unassigned fund balance of the general fund was \$ 26,212,229 for 2015 while the total fund balance reached \$ 44,430,431 and \$ 44,461,139 for 2015 and 2014 respectively. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund

expenditures. Unassigned fund balances represent 43 percent of total general fund expenditures in 2015. Total fund balance represents 72 and 74 percent of that same amount in 2015 and 2014 respectively.

The fund balance of Marathon County's general fund decreased by \$30,708 during the current fiscal year. Key factors in this change are as follows:

- An increase in sales tax revenues of \$758,587
- Property taxes increased \$1,173,684
- Revenues from public charges for services decreased by \$261,483
- Intergovernmental grants and aids decreased \$222,661
- Miscellaneous Revenues of the general fund increased by \$27,763
- General Government expenditures increased \$1,427,927
- Public Safety expenditures increased \$145,633
- Health expenditures decreased \$60,819
- Leisure & Education expenditures decreased \$77,490
- Conservation expenditures increased \$222,810

The debt service fund has a total fund balance of \$1,519,999 all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$16,161. As of December 31, 2015, the County had \$4,590,000 in general obligation debt that is supported by tax levy dollars.

The fund balance for the Capital Improvement Fund decreased by \$1,597,241. This includes 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 position of the landfill at the end of the year amounted to \$4,621,152, and those for the highway operations amounted to \$35,649,308. The total increase in net position for the landfill fund was \$912,746. The net position of the highway fund decreased by \$6,859,689. Other factors concerning the finances of these two funds have already been addressed in the discussion of Marathon County's business-type activities.

General Fund Budgetary Highlights

Difference between the original expenditure budget and the final amended budget was \$2,805,396 which is an increase in appropriations and can be briefly summarized as follows:

- \$792,258 increase allocated to the general government activities
- \$855,585 increase allocated to the public safety

- \$ 397,897 increase allocated to the health
- \$ 24,728 increase allocated for social services
- \$ 245,598 increase allocated for leisure and education
- \$ 357,147 increase allocated for conservation and economic development
- \$ 132,183 increase allocated for capital outlay

During the year, revenues were more than budget by \$103,710 per page 89 and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Also affecting the final amended general fund budget was a decrease in general government due to the payment of sick leave conversion costs for 26 retirees, public safety and health and conservation. The County also received additional grant dollars for new and regional program initiatives.

Actual expenditures were \$6,177,053 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 2016.

The final amended general fund budget projected fiscal year expenditures of \$67,757,562. The actual general fund expenditures for the fiscal year ended December 31, 2015 were \$61,580,509.

Capital Asset and Debt Administration

Marathon County's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$263,331,230 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, culverts, bridges and construction in process. The total increase in Marathon County's capital assets for the current fiscal year was \$3,904,092 or 2 percent.

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

- Road and bridge construction was on going on the County highway system. The County did a major bridge project of \$1.1 Million on CTH Y near the Dells of the Eau Claire Park.
- Purchase new election equipment for \$363,000 to replace the old system prior to the presidential elections in 2016.

Marathon County's Capital Assets

	Governmental Activities	Business-type Activities	Total
Construction in process	13,057,850	-	13,057,850
Land	34,317,881	564,269	34,882,150
Capital Assets not depreciated	47,375,731	564,269	47,940,000
Buildings	93,350,152	8,132,640	101,482,792
Improvements	10,475,737	27,266,658	37,742,395
Equipment	22,481,306	18,511,406	40,992,712
Infrastructure	210,930,170	-	210,930,170
Library Collection	4,738,800	-	4,738,800
Capital Assets that are depreciated	341,976,165	53,910,704	395,886,869
Total Capital Assets	389,351,896	54,474,973	443,826,869
	(145,509,680)	(34,985,959)	(180,495,639)
Less: Accumulated Depreciation			
TOTAL	243,842,216	19,489,014	263,331,230

Additional information on Marathon County's capital assets can be found in note D on pages 48-50 of this report.

Long-term debt. At the end of the current fiscal year, Marathon County had \$4,590,000 in bonded debt outstanding paid by tax levy revenues. However, there is also an outstanding amount of \$7,400,000 in General Obligation Bonds that were issued by Marathon County for Marathon County's discretely presented component unit, Central Wisconsin Airport, and are paid by the Airport. In 2015, Marathon County issued in General Obligation debt for Central Wisconsin Airport. This entire amount comprises debt backed by the full faith and credit of the government.

Marathon County's Outstanding General Obligation Debt for 2015

Central Wisconsin Airport * includes Portage County debt issues	\$8,900,000
General	\$4,590,000
TOTAL	\$13,490,000

Marathon County's total debt decreased \$2,425,000 during the current fiscal year (including the Central Wisconsin Airport). Marathon County maintains a Moody's Rating of Aa1 for a general obligation debt. The 2015A 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 \$492,649,125 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 F on pages 52-53 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Marathon County in 2015 was 4.2 percent. This compares favorably to the state's average unemployment rate of 4.6 percent.

These factors were considered in preparing Marathon County's budget for the 2015 fiscal year.

The unassigned fund balance in the general fund at the end of 2015 that will be appropriated to fund the 2017 capital improvement fund is \$1,349,713. 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 POSITION
As of December 31, 2015

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
ASSETS				
Cash and investments	\$ 67,319,755	\$ 41,131,647	\$ 108,451,402	\$ 23,234,708
Receivables (net)				
Taxes receivable	46,806,989	6,089,879	52,896,868	-
Accounts receivable	1,906,391	964,517	2,870,908	8,394,101
Accrued interest receivable	407,142	-	407,142	1,747
Penalties and interest receivable	144,758	-	144,758	-
Due from other governments	3,954,451	560,663	4,515,114	1,727,930
Due from component unit	787,438	-	787,438	-
Inventories and prepaid items	11,478	1,389,531	1,401,009	596,691
Restricted Assets				
Cash and investments	2,733,410	12,813,980	15,547,390	2,379,765
Net pension asset	5,392,915	772,340	6,165,255	5,550,547
Accrued interest receivable	-	22,983	22,983	-
Net OPEB asset	-	-	-	9,241
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-
Investment in joint venture	527,788	-	527,788	-
Capital Assets				
Capital assets not depreciated	47,375,731	564,269	47,940,000	25,414,481
Capital assets, net of accumulated depreciation/amortization	196,466,485	18,924,745	215,391,230	43,382,496
Total Assets	<u>375,353,731</u>	<u>83,234,554</u>	<u>458,588,285</u>	<u>110,691,707</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	<u>5,527,133</u>	<u>791,036</u>	<u>6,318,169</u>	<u>5,446,111</u>
LIABILITIES				
Accounts payable	4,123,756	1,149,262	5,273,018	2,120,195
Accrued items	1,356,027	189,001	1,545,028	2,037,382
Accrued liability - claims payable	4,037,711	-	4,037,711	857,000
Due to other governments	916,603	1,717,195	2,633,798	354,519
Liabilities payable from restricted assets				
Special deposits	459,184	-	459,184	78,091
Non-current Liabilities				
Due within one year				
Current portion of general obligation notes payable	1,465,000	-	1,465,000	630,000
Current portion due to primary government	-	-	-	151,257
Current portion of compensated absences	531,702	105,940	637,642	1,519,507
Due in more than one year:				
General obligation notes payable (net of unamortized premium)	3,278,167	-	3,278,167	8,362,361
Forest crop loan payable	1,619,126	-	1,619,126	-
Landfill closure and long-term care payable	-	11,776,087	11,776,087	-
Due to primary government	-	-	-	636,181
Compensated absences	4,785,321	953,456	5,738,777	181,607
Total Liabilities	<u>22,572,597</u>	<u>15,890,941</u>	<u>38,463,538</u>	<u>18,001,418</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	41,519,010	6,564,942	48,083,952	-
Deferred inflows related to pensions	-	-	-	84,873
Total Deferred Inflows of Resources	<u>41,519,010</u>	<u>6,564,942</u>	<u>48,083,952</u>	<u>84,873</u>
NET POSITION				
Net investment in capital assets	239,721,187	19,489,014	259,210,201	59,108,171
Restricted for:				
Debt service	1,500,236	-	1,500,236	-
Land records	895,834	-	895,834	-
Capital improvements	311,523	-	311,523	-
Jail improvements	1,058,654	-	1,058,654	-
Social Services	4,634,472	-	4,634,472	-
Pension	5,392,915	772,340	6,165,255	5,465,674
Long-term care costs	-	1,037,893	1,037,893	-
Passenger and customer facility charges	-	-	-	2,204,742
Employee benefits	-	-	-	9,241
Unrestricted	<u>63,274,436</u>	<u>40,270,460</u>	<u>103,544,896</u>	<u>31,263,699</u>
TOTAL NET POSITION	<u>\$ 316,789,257</u>	<u>\$ 61,569,707</u>	<u>\$ 378,358,964</u>	<u>\$ 98,051,527</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 32,438,088	\$ 2,759,355	\$ 1,067,728	\$ 165,624	\$ (28,445,381)	\$ -	\$ (28,445,381)	\$ -
Public safety	21,713,958	1,804,835	482,271	-	(19,426,852)	-	(19,426,852)	-
Transportation	8,107,515	-	201,153	1,084,607	(6,821,755)	-	(6,821,755)	-
Health	4,255,516	733,961	844,347	-	(2,677,208)	-	(2,677,208)	-
Social services	19,963,279	997,695	14,306,435	-	(4,659,149)	-	(4,659,149)	-
Leisure and education	7,448,272	834,173	966,388	-	(5,647,711)	-	(5,647,711)	-
Conservation and development	1,098,046	243,187	356,688	-	(498,171)	-	(498,171)	-
Interest on long term debt	140,763	-	-	-	(140,763)	-	(140,763)	-
Total Governmental Activities	<u>95,165,437</u>	<u>7,373,206</u>	<u>18,225,010</u>	<u>1,250,231</u>	<u>(68,316,990)</u>	<u>-</u>	<u>(68,316,990)</u>	<u>-</u>
Business-type Activities								
Landfill	3,875,294	4,606,198	-	-	-	730,904	730,904	-
Highway	10,947,238	5,045,248	2,898,973	-	-	(3,003,017)	(3,003,017)	-
Total Business-type Activities	<u>14,822,532</u>	<u>9,651,446</u>	<u>2,898,973</u>	<u>-</u>	<u>-</u>	<u>(2,272,113)</u>	<u>(2,272,113)</u>	<u>-</u>
Total Primary Government	<u>\$ 109,987,969</u>	<u>\$ 17,024,652</u>	<u>\$ 21,123,983</u>	<u>\$ 1,250,231</u>	<u>(68,316,990)</u>	<u>(2,272,113)</u>	<u>(70,589,103)</u>	<u>-</u>
Component Units								
Governmental Activities								
Children with Disabilities Education Board	\$ 6,084,497	\$ 4,720,556	\$ -	\$ -	-	-	-	(1,363,941)
Business-type Activities								
Central Wisconsin Airport	4,744,910	3,605,712	-	5,388,819	-	-	-	4,249,621
North Central Health Care	59,566,104	42,854,021	17,280,390	1,852,394	-	-	-	2,420,701
Total Business-type Component Units	<u>\$ 64,311,014</u>	<u>\$ 46,459,733</u>	<u>\$ 17,280,390</u>	<u>\$ 7,241,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,670,322</u>
General Revenues								
Taxes								
Property taxes					42,516,486	5,888,809	48,405,295	-
Sales taxes					11,735,957	-	11,735,957	-
Other taxes					1,594,671	-	1,594,671	-
Grants and contributions not restricted to specific programs					6,454,784	-	6,454,784	-
Unrestricted investment earnings					453,382	436,478	889,860	109,701
Gain on sale of capital assets					17,670	-	17,670	15,188
Unrestricted state and federal aid					-	-	-	1,036,620
Miscellaneous					203,734	280,687	484,421	165,514
Transfers					10,280,804	(10,280,804)	-	-
Total General Revenues and Transfers					<u>73,257,488</u>	<u>(3,674,830)</u>	<u>69,582,658</u>	<u>1,327,023</u>
Change in net position					4,940,498	(5,946,943)	(1,006,445)	6,633,404
NET POSITION, Beginning (as restated)					311,848,759	67,516,650	379,365,409	91,418,123
NET POSITION, ENDING					<u>\$ 316,789,257</u>	<u>\$ 61,569,707</u>	<u>\$ 378,358,964</u>	<u>\$ 98,051,527</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

BALANCE SHEET- GOVERNMENTAL FUNDS
As of December 31, 2015

	General	Social Improvement	Capital Improvement	Nonmajor	Governmental Funds
				Governmental Fund	
				Debt Service Fund	
ASSETS					
Cash and investments	\$ 38,002,851	\$ 4,445,042	\$ 7,788,659	\$ 1,519,999	\$ 51,756,551
Receivables					
Taxes receivable	37,532,901	7,579,588	-	1,694,500	46,806,989
Accounts receivable	1,493,954	197,600	1,148	-	1,692,702
Accrued interest receivable	407,142	-	-	-	407,142
Penalties and interest receivable	144,758	-	-	-	144,758
Due from other governments	2,625,257	1,329,194	-	-	3,954,451
Due from component unit	-	-	787,438	-	787,438
Due from other funds	-	-	9,922	-	9,922
Inventories and prepaid items	10,000	1,478	-	-	11,478
Restricted Assets					
Cash and investments	2,722,820	10,590	-	-	2,733,410
Total Assets	<u>\$ 82,939,683</u>	<u>\$ 13,563,492</u>	<u>\$ 8,587,167</u>	<u>\$ 3,214,499</u>	<u>\$ 108,304,841</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,001,176	\$ 1,098,034	\$ 937,691	\$ -	\$ 4,036,901
Accrued items	1,069,005	208,337	-	-	1,277,342
Due to other governments	904,007	12,596	-	-	916,603
Due to other funds	9,922	-	-	-	9,922
Liabilities payable from restricted assets					
Special deposits	428,719	30,465	-	-	459,184
Total Liabilities	<u>4,412,829</u>	<u>1,349,432</u>	<u>937,691</u>	<u>-</u>	<u>6,699,952</u>
Deferred Inflows of Resources					
Unearned revenues	32,244,922	7,579,588	-	1,694,500	41,519,010
Unavailable revenues	1,851,501	550,232	787,438	-	3,189,171
Total Deferred Inflows of Resources	<u>34,096,423</u>	<u>8,129,820</u>	<u>787,438</u>	<u>1,694,500</u>	<u>44,708,181</u>
Fund Balances					
Nonspendable	3,714,563	1,478	-	-	3,716,041
Restricted	2,266,011	4,082,762	622,138	1,519,999	8,490,910
Assigned	12,237,628	-	6,239,900	-	18,477,528
Unassigned	26,212,229	-	-	-	26,212,229
Total Fund Balances	<u>44,430,431</u>	<u>4,084,240</u>	<u>6,862,038</u>	<u>1,519,999</u>	<u>56,896,708</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 82,939,683</u>	<u>\$ 13,563,492</u>	<u>\$ 8,587,167</u>	<u>\$ 3,214,499</u>	<u>\$ 108,304,841</u>

See accompanying notes to financial statements.

MARATHON COUNTY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION For the Year Ended December 31, 2015

Total Fund Balances - Governmental funds	\$ 56,896,708
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore, are not reported in the funds.	
Land	34,317,881
Construction in progress	13,057,850
Other capital assets net of accumulated depreciation	196,466,485
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	3,189,171
The net pension asset does not relate to current financial resources and is not reported in the governmental funds. (less internal service funds \$32,424)	5,360,491
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (less internal service funds \$33,212)	5,493,921
The County's investment in joint venture not a financial resource, and therefore, is not reported in the funds.	527,788
Internal service funds are reported in the statement of net position as governmental funds	13,086,027
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(4,590,000)
Forest crop loan	(1,619,126)
Compensated absences	(5,317,023)
Less: internal service fund compensated absences	92,013
Accrued Interest	(19,762)
Unamortized premium on debt issue	(153,167)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 316,789,257</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	General	Social Improvement	Capital Improvement	Nonmajor Governmental Fund Debt Service Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 45,557,877	\$ 7,463,256	\$ -	\$ 1,710,000	\$ 54,731,133
Intergovernmental grants and aids	9,742,211	13,434,948	-	-	23,177,159
Licenses and permits	321,343	-	-	-	321,343
Fines and forfeitures	657,261	-	-	-	657,261
Public charges for services	4,174,443	597,070	-	13,273	4,784,786
Intergovernmental charges for services	1,496,673	-	-	-	1,496,673
Miscellaneous revenue	1,301,442	40,430	219,898	17,494	1,579,264
Total Revenues	<u>63,251,250</u>	<u>21,535,704</u>	<u>219,898</u>	<u>1,740,767</u>	<u>86,747,619</u>
EXPENDITURES					
Current					
General government	25,844,705	-	-	-	25,844,705
Public safety	22,388,682	-	-	-	22,388,682
Health	4,449,179	-	-	-	4,449,179
Social services	200,162	19,997,922	-	-	20,198,084
Leisure activities and education	7,450,503	-	-	-	7,450,503
Conservation and economic development	1,111,969	-	-	-	1,111,969
Capital Outlay	135,309	-	4,645,403	-	4,780,712
Debt Service					
Principal	-	-	-	1,424,606	1,424,606
Interest and paying agent fees	-	-	-	300,000	300,000
Total Expenditures	<u>61,580,509</u>	<u>19,997,922</u>	<u>4,645,403</u>	<u>1,724,606</u>	<u>87,948,440</u>
Excess (deficiency) of revenues over expenditures	<u>1,670,741</u>	<u>1,537,782</u>	<u>(4,425,505)</u>	<u>16,161</u>	<u>(1,200,821)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	2,211,662	-	2,211,662
Social Improvement Fund	-	-	1,930,417	-	1,930,417
Capital Improvement Fund	266,552	-	-	-	266,552
Employee Benefit Fund	250,000	-	-	-	250,000
Sales of capital assets	5,057	-	15,337	-	20,394
State loan program debt issued	14,692	-	-	-	14,692
Transfers out					
General Fund	-	-	(266,552)	-	(266,552)
Capital Improvement Fund	(2,211,662)	(1,930,417)	-	-	(4,142,079)
County Highway Fund	(26,088)	-	(1,062,600)	-	(1,088,688)
Total Other Financing Sources (Uses)	<u>(1,701,449)</u>	<u>(1,930,417)</u>	<u>2,828,264</u>	<u>-</u>	<u>(803,602)</u>
Net change in fund balance	<u>(30,708)</u>	<u>(392,635)</u>	<u>(1,597,241)</u>	<u>16,161</u>	<u>(2,004,423)</u>
FUND BALANCE, Beginning	<u>44,461,139</u>	<u>4,476,875</u>	<u>8,459,279</u>	<u>1,503,838</u>	<u>58,901,131</u>
FUND BALANCE, ENDING	<u>\$ 44,430,431</u>	<u>\$ 4,084,240</u>	<u>\$ 6,862,038</u>	<u>\$ 1,519,999</u>	<u>\$ 56,896,708</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2015

Net change in fund balance - total governmental funds	\$ (2,004,423)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense reported in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements including infrastructure assets	4,780,712
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.	(2,426,113)
Depreciation is reported in the government-wide statements	(12,652,526)
Infrastructure financed by the highway fund	11,369,492
Contributed capital assets are reported as revenues in the government-wide statements.	1,084,607
Net book value of assets retired	(152,737)
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.	420,061
The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.	209,932
Debt proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(14,692)
Principal repaid	1,424,606
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	46,111
Elimination of the other postemployment benefit	2,167,653
Decrease in net pension asset	(3,270,222)
Deferred outflows of resources related to pensions	3,363,064
Accrued interest on debt	6,071
Premium on debt issue	153,166
Internal service funds are used by management to charge the costs of insurance to individual funds. The increase in net position of the internal service funds is reported with governmental activities.	435,736
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 4,940,498

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
As of December 31, 2015

	Business-type Activities - Enterprise Funds			Governmental
	Landfill	County Highway	Total	Activities - Internal Service
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 5,736,073	\$ 35,395,574	\$ 41,131,647	\$ 15,563,204
Taxes receivable	-	6,089,879	6,089,879	-
Accounts receivable	895,818	68,699	964,517	213,689
Due from other governments	-	560,663	560,663	-
Inventories	114,939	1,274,592	1,389,531	-
Total Current Assets	6,746,830	43,389,407	50,136,237	15,776,893
NONCURRENT ASSETS				
Restricted assets				
Cash and investments	12,813,980	-	12,813,980	-
Net pension asset	72,591	699,749	772,340	32,424
Accrued interest receivable	22,983	-	22,983	-
Deposit in Wisconsin Municipal Mutual Insurance Company	-	-	-	1,519,000
Capital Assets				
Land	482,465	81,804	564,269	-
Buildings	1,516,162	6,616,478	8,132,640	-
Improvements	26,659,997	606,661	27,266,658	-
Equipment	1,819,542	16,691,864	18,511,406	58,466
Total Capital Assets	30,478,166	23,996,807	54,474,973	58,466
Less: Accumulated depreciation	(20,541,855)	(14,444,104)	(34,985,959)	(58,466)
Net Capital Assets	9,936,311	9,552,703	19,489,014	-
Total Noncurrent Assets	22,845,865	10,252,452	33,098,317	1,551,424
Total Assets	29,592,695	53,641,859	83,234,554	17,328,317
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	76,796	714,240	791,036	33,212
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	465,845	683,417	1,149,262	86,855
Accrued items	14,826	174,175	189,001	58,923
Due to other governments	1,717,195	-	1,717,195	-
Current portion of compensated absences	2,759	103,181	105,940	9,201
Total Current Liabilities	2,200,625	960,773	3,161,398	154,979
LONG-TERM LIABILITIES				
Landfill closure and long-term care payable	11,776,087	-	11,776,087	-
Accrued liability - claims payable	-	-	-	4,037,711
Compensated absences	24,832	928,625	953,456	82,812
Total Long-term Liabilities	11,800,919	928,625	12,729,543	4,120,523
Total Liabilities	14,001,544	1,889,397	15,890,941	4,275,502
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	6,564,942	6,564,942	-
Total Deferred Inflows of Resources	-	6,564,942	6,564,942	-
NET POSITION				
Investment in capital assets	9,936,311	9,552,703	19,489,014	-
Restricted for pension	72,591	699,749	772,340	32,424
Restricted for landfill long-term care	1,037,893	-	1,037,893	-
Unrestricted	4,621,152	35,649,308	40,270,460	13,053,603
TOTAL NET POSITION	\$ 15,667,947	\$ 45,901,760	\$ 61,569,707	\$ 13,086,027

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MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service
	County			
	Landfill	Highway	Total	
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 10,895	\$ 10,895	\$ -
Public charges for services	4,606,198	-	4,606,198	-
Intergovernmental charges for services	-	5,034,353	5,034,353	-
Interdepartmental charges for services	-	-	-	14,932,197
Total Operating Revenues	4,606,198	5,045,248	9,651,446	14,932,197
OPERATING EXPENSES				
Salaries and benefits	672,844	2,406,266	3,079,110	1,032,610
Contractual services	1,131,547	110,347	1,241,894	257,193
Materials and supplies	331,714	561,705	893,419	8,978
Construction and maintenance	25,559	3,486,251	3,511,810	-
Landfill closure and long term care	845,612	-	845,612	-
Building and equipment rent	-	3,181,119	3,181,119	-
Insurance and claims	23,810	103,369	127,179	13,043,884
Loss and loss adjustment expense	-	-	-	323,302
Insurance and administration costs	-	-	-	10,506
Depreciation	834,843	1,098,181	1,933,024	-
Other operating expenses	9,365	-	9,365	-
Total Operating Expenses	3,875,294	10,947,238	14,822,532	14,676,473
Operating Income (Loss)	730,904	(5,901,990)	(5,171,086)	255,724
NONOPERATING REVENUES (EXPENSES)				
General property taxes	-	5,888,809	5,888,809	-
Intergovernmental grants and aids	-	2,898,973	2,898,973	-
Investment income	178,206	258,272	436,478	188,505
Insurance recoveries	-	-	-	34,147
Infrastructure construction expense for governmental activities	-	(11,369,492)	(11,369,492)	-
Other income	3,636	277,051	280,687	207,360
Total Nonoperating Revenues (Expenses), Net	181,842	(2,046,387)	(1,864,545)	430,012
Income (loss) before transfers	912,746	(7,948,377)	(7,035,631)	685,736
Transfers in	-	1,088,688	1,088,688	-
Transfers out	-	-	-	(250,000)
Change in Net Position	912,746	(6,859,689)	(5,946,943)	435,736
NET POSITION - Beginning of Year (as restated)	14,755,201	52,761,449	67,516,650	12,650,291
NET POSITION - END OF YEAR	\$ 15,667,947	\$ 45,901,760	\$ 61,569,707	\$ 13,086,027

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	Business-type Activities-Enterprise Funds			Governmental
	Landfill	County		Activities-
		Highway	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from the sale of goods and services	\$ -	\$ 5,790,728	\$ 5,790,728	\$ -
Collections from landfill disposal services	4,301,269	-	4,301,269	-
Collections from departments and other insurance purchasers	-	-	-	15,105,809
Cash paid to employees for services	(672,844)	(2,406,266)	(3,079,110)	(1,032,610)
Cash paid to suppliers for goods and services	(1,002,511)	(7,790,086)	(8,792,597)	(13,351,888)
Net Cash Provided (Used) by Operating Activities	<u>2,625,914</u>	<u>(4,405,624)</u>	<u>(1,779,710)</u>	<u>721,311</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General property taxes	-	5,888,809	5,888,809	-
Intergovernmental grants and contributions	-	2,898,973	2,898,973	-
Transfers	-	1,088,688	1,088,688	(250,000)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>9,876,470</u>	<u>9,876,470</u>	<u>(250,000)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Payments for capital acquisitions	(758,423)	(1,708,399)	(2,466,822)	-
Infrastructure construction expense for governmental activities	-	(11,369,492)	(11,369,492)	-
Net Cash Provided (Used) by Capital Financing Activities	<u>(758,423)</u>	<u>(13,077,891)</u>	<u>(13,836,314)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in investments	302,967	-	302,967	-
Interest received on investments	<u>178,212</u>	<u>258,272</u>	<u>436,484</u>	<u>188,505</u>
Net Cash Provided by Investing Activities	<u>481,179</u>	<u>258,272</u>	<u>739,451</u>	<u>188,505</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,348,670</u>	<u>(7,348,773)</u>	<u>(5,000,103)</u>	<u>659,816</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,387,403</u>	<u>42,744,347</u>	<u>46,131,750</u>	<u>14,903,388</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,736,073</u>	<u>\$ 35,395,574</u>	<u>\$ 41,131,647</u>	<u>\$ 15,563,204</u>

	Business-type Activities-Enterprise Funds			Governmental
	County		Total	Activities-
	Landfill	Highway		Internal
				Service
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating loss	\$ 730,904	\$ (5,901,990)	\$ (5,171,086)	\$ 255,724
Adjustments to reconcile operating loss to net cash provided (used) by operating activities				
Depreciation expense	834,843	1,098,181	1,933,024	-
Insurance recoveries	-	-	-	34,147
Other income	3,636	277,051	280,687	207,360
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities				
Accounts receivable	(308,565)	26,646	(281,919)	(67,895)
Taxes receivable	-	(201,070)	(201,070)	-
Due from other governments	-	470,059	470,059	-
Inventories	3,810	92,578	96,388	-
Accounts payable	(17,753)	(135,033)	(152,786)	(35,947)
Accrued expenses	-	-	-	(543)
Due to other governments	539,871	(353)	539,518	-
Unearned revenues	-	172,794	172,794	-
Landfill closure and long-term care payable	848,030	-	848,030	-
Accrued liabilities - claims payable	-	-	-	323,302
Compensated absences	1,226	(16,805)	(15,579)	5,163
Pension related deferrals and liabilities	(3,656)	(9,192)	(12,848)	-
Other postemployment benefits obligation	(6,432)	(278,490)	(284,922)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,625,914	\$ (4,405,624)	\$ (1,779,710)	\$ 721,311
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES				
Fair value adjustment - investments	\$ 7,453	\$ -		\$ -

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS

As of December 31, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,219,770
Accounts receivable	83,010
Due from other governments	<u>303,420</u>
TOTAL ASSETS	<u>\$ 1,606,200</u>
LIABILITIES	
Accounts payable	\$ 205,971
Due to other governments	20,062
Due to participants	180,358
Other accrued liabilities and deposits	<u>1,199,809</u>
TOTAL LIABILITIES	<u>\$ 1,606,200</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF NET POSITION
MAJOR DISCRETELY PRESENTED COMPONENT UNITS
As of December 31, 2015

	North Central Health Care	Central Wisconsin Airport	Children with Disabilities Education Board	Major Discretely Presented Component Units Total
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 6,197,272	\$ 2,625,507	\$ 2,925,701	\$ 11,748,480
Patient accounts receivable (net)	7,544,455	-	-	7,544,455
Accounts receivable	647,291	188,990	13,365	849,646
Accrued interest	-	-	1,747	1,747
Due from other governments	1,373,106	61,421	293,403	1,727,930
Prepaid items	267,795	-	25,361	293,156
Inventories	303,535	-	-	303,535
Total Current Assets	<u>16,333,454</u>	<u>2,875,918</u>	<u>3,259,577</u>	<u>22,468,949</u>
NONCURRENT ASSETS				
Restricted assets				
Cash and investments	66,260	2,313,505	-	2,379,765
Net pension asset	4,846,938	154,694	548,915	5,550,547
Net OPEB asset	-	-	9,241	9,241
Investments	9,800,000	-	-	9,800,000
Assets limited as to use	1,686,228	-	-	1,686,228
Capital assets				
Land	51,300	614,983	-	666,283
Construction in progress	518,884	24,229,314	-	24,748,198
Buildings	24,874,139	17,735,915	-	42,610,054
Improvements	1,253,955	49,709,741	-	50,963,696
Equipment	17,702,337	8,031,593	40,499	25,774,429
Software	1,521,057	-	-	1,521,057
Total Capital Assets	45,921,672	100,321,546	40,499	146,283,717
Total Accumulated Depreciation and amortization	<u>(33,899,566)</u>	<u>(43,554,775)</u>	<u>(32,399)</u>	<u>(77,486,740)</u>
Net Capital Assets	<u>12,022,106</u>	<u>56,766,771</u>	<u>8,100</u>	<u>68,796,977</u>
Total Noncurrent Assets	<u>28,421,532</u>	<u>59,234,970</u>	<u>566,256</u>	<u>88,222,758</u>
Total Assets	<u>44,754,986</u>	<u>62,110,888</u>	<u>3,825,833</u>	<u>110,691,707</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>4,851,842</u>	<u>158,865</u>	<u>435,404</u>	<u>5,446,111</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	1,120,826	298,310	701,059	2,120,195
Accrued items	1,975,361	42,264	-	2,017,625
Special deposits	66,260	11,831	-	78,091
Interest payable	-	19,757	-	19,757
Accrued liability - claims payable	857,000	-	-	857,000
Due to other governments	350,000	4,519	-	354,519
Unearned revenues	1,073,318	-	-	1,073,318
Current portion of compensated absences	1,491,802	20,178	7,527	1,519,507
Current portion of due to primary government	151,257	-	-	151,257
Current portion of long-term obligations	-	630,000	-	630,000
Total Current Liabilities	<u>7,085,824</u>	<u>1,026,859</u>	<u>708,586</u>	<u>8,821,269</u>
LONG-TERM LIABILITIES				
General obligation notes payable (net of unamortized premiums)	-	8,362,361	-	8,362,361
Due to primary government	636,181	-	-	636,181
Compensated absences	-	181,607	-	181,607
Total Long-Term Liabilities	<u>636,181</u>	<u>8,543,968</u>	<u>-</u>	<u>9,180,149</u>
Total Liabilities	<u>7,722,005</u>	<u>9,570,827</u>	<u>708,586</u>	<u>18,001,418</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	<u>84,873</u>	<u>-</u>	<u>-</u>	<u>84,873</u>
NET POSITION				
Net investment in capital assets	11,234,668	47,865,403	8,100	59,108,171
Restricted				
Pension	4,762,065	154,694	548,915	5,465,674
Passenger and customer facility charges	-	2,204,742	-	2,204,742
Employee benefits	-	-	9,241	9,241
Unrestricted	<u>25,803,217</u>	<u>2,474,087</u>	<u>2,986,395</u>	<u>31,263,699</u>
TOTAL NET POSITION	<u>\$ 41,799,950</u>	<u>\$ 52,698,926</u>	<u>\$ 3,552,651</u>	<u>\$ 98,051,527</u>

See accompanying notes to financial statements.

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION MAJOR DISCRETELY PRESENTED COMPONENT UNITS For the Year Ended December 31, 2015

	North Central Health Care	Central Wisconsin Airport	Children with Disabilities Education Board	Discretely Presented Component Units Total
EXPENSES				
Transportation				
Airport	\$ -	\$ 4,744,910	\$ -	\$ 4,744,910
Social Services				
North Central Community Services	59,566,104	-	-	59,566,104
Federal Handicapped Education Board	-	-	2,526,649	2,526,649
Instruction				
Federal Handicapped Education Board	-	-	3,557,848	3,557,848
Total Expenses	<u>59,566,104</u>	<u>4,744,910</u>	<u>6,084,497</u>	<u>70,395,511</u>
PROGRAM REVENUES				
Charges for service	42,854,021	3,605,712	4,720,556	51,180,289
Operating grants and contributions	17,280,390	-	-	17,280,390
Capital grants and contributions	<u>1,852,394</u>	<u>5,388,819</u>	-	<u>7,241,213</u>
Total Program Revenues	<u>61,986,805</u>	<u>8,994,531</u>	<u>4,720,556</u>	<u>75,701,892</u>
Net Income (Expense)	<u>2,420,701</u>	<u>4,249,621</u>	<u>(1,363,941)</u>	<u>5,306,381</u>
GENERAL REVENUES				
Unrestricted investment earnings	78,284	31,417	-	109,701
Gain on sale of capital assets	15,188	-	-	15,188
State and Federal Aids Not Restricted to Specific Functions				
Categorical aid	-	-	1,036,620	1,036,620
Miscellaneous	-	301	165,213	165,514
Total General Revenues	<u>93,472</u>	<u>31,718</u>	<u>1,201,833</u>	<u>1,327,023</u>
Change in net position	2,514,173	4,281,339	(162,108)	6,633,404
NET POSITION, Beginning (as restated)	<u>39,285,777</u>	<u>48,417,587</u>	<u>3,714,759</u>	<u>91,418,123</u>
NET POSITION, ENDING	<u>\$ 41,799,950</u>	<u>\$ 52,698,926</u>	<u>\$ 3,552,651</u>	<u>\$ 98,051,527</u>

See accompanying notes to financial statements.

MARATHON COUNTY

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MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

North Central Health Care

The government-wide financial statements include the North Central Health Care (NCHC) as a component unit. NCHC is a legally separate organization operated jointly by Marathon, Lincoln, and Langlade counties. The board of NCHC is appointed by the respective counties' boards. The NCHC has been presented as a discrete component unit according to the provisions of GASB No. 61, as defined in Note I.A. See Note III.M. The information presented is for the fiscal year ended December 31, 2015. Separately issued financial statements of North Central Health Care may be obtained from NCHC's office.

Central Wisconsin Airport

The government-wide financial statements include the Central Wisconsin Airport (CWA) as a component unit. The CWA is a legally separate organization operated jointly by Marathon and Portage counties. The board of the CWA is appointed by the respective counties. The CWA has been presented as a discrete component unit according to the provisions of GASB No. 61, as defined in Note I.A. See Note III.M. The information presented is for the fiscal year ended December 31, 2015. The CWA does not issue separate financial statements.

Children With Disabilities Education Board

The government-wide financial statements include the Children with Disabilities Education Board (CDEB) as a component unit. The CDEB is a legally separate organization. The board is made up of six members, one from each participating school district. The CDEB has been presented as a discrete component unit according to the provisions of GASB No. 61, as defined in Note I.A. See Note III.M. The information presented is for the fiscal year ended June 30, 2015. Separately issued financial statements of the Children with Disabilities Education Board may be obtained from the Board's office.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

Government-Wide Financial Statements

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Government-Wide Financial Statements (cont.)

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

Fund Financial Statements

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

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

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

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

The County reports the following major governmental funds:

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 enterprise funds:

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

The County reports the following nonmajor governmental fund:

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

In addition, the County reports the following fund types:

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

Property Casualty
Employee Benefits Insurance

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

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

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

Government-Wide Financial Statements

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements

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

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

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

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

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

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

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

All Financial Statements

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

1. Deposits and Investments

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

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

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

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

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

The policy does not address concentration of credit risk.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

1. Deposits and Investments (cont.)

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, 2015, 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 governments on the Statement of Assets and Liabilities - Agency Funds.

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

2. Receivables (cont.)

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

The County has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the County monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2015, the County has accrued two months of the subsequent year's collections as receivable.

Accounts receivable in the governmental funds are reported at gross with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided in the governmental funds since it is believed that the amount of such an allowance would not be material. An allowance in the amount of \$429,902 has been recorded in the Employee Benefits Insurance internal service fund to account for workers compensation amounts not likely to be collected.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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. \$38,867 in interest was capitalized during the current year in the CWA, a discretely presented component unit of Marathon County. 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 position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

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

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

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

7. Compensated Absences

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

7. Compensated Absences (cont.)

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, 2015, 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 IV.A., the County provides certain health care and life insurance benefits as provided for by union contracts or management ordinance. Retired employees who qualify are allowed to convert a maximum of 50% of their accumulated sick leave balance at the time of retirement into monetary value using the employee's year-end hourly rate and deposited into the employee's Post Employment Health Plan (PEHP) account. The 2015 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$387,021 with an actual cost of \$329,515. There were twenty-three (23) employees eligible for benefits as of year-end.

8. Long-Term Obligations

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

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

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

8. Long-Term Obligations (cont.)

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

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

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

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

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

The County has a formal minimum fund balance policy for the general fund. That policy is to maintain a working capital fund of 8.3% of the current year's general fund, social improvement fund, and debt service fund's budgeted expenditures. The balance at year-end was \$23,753,546 and is included in unassigned general fund balance. The County also has a minimum fund balance for the highway fund. That policy is to maintain a working capital fund of 10% of the current year budgeted expenditures. The balance at year-end was \$6,993,356 and is included in unrestricted net position.

See Note III.J. for further information.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LIMITATIONS ON THE COUNTY'S TAX LEVY

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

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 6,510,538	\$ 7,166,451	Custodial credit
US Treasuries	41,694,469	41,694,469	Custodial credit, interest rate
US agencies - implicitly guaranteed	13,805,344	13,805,344	Custodial credit, interest rate, credit, concentration of credit risk
State and local bonds	2,825,000	2,825,000	Custodial credit, interest rate, credit, concentration of credit
US agencies - explicitly guaranteed	14,858,133	14,858,133	Custodial credit, interest rate
Corporate notes	24,514,140	24,514,140	Custodial credit, interest rate, credit, concentration of credit risk
Certificates of deposits	21,023,591	21,023,591	Custodial credit
Commercial paper	1,993,124	1,993,124	Custodial credit, interest rate, credit, concentration of credit
Money market mutual funds	2,436,544	2,436,544	Custodial credit
LGIP	496,691	496,691	Credit
Total Deposits and Investments	\$ 130,157,574	\$ 130,813,487	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 108,451,402		
Restricted cash and investments	15,547,390		
Per statement of assets and liabilities			
Agency funds	1,219,770		
Per statement of net position - major discretely presented component unit (CWA)			
Unrestricted cash and investments	2,625,507		
Restricted cash and investments	2,313,505		
Total Deposits and Investments	\$ 130,157,574		

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

Custodial Credit Risk

Deposits

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

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

Investments

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

US Treasuries

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 41,694,469

US Agencies—implicitly guaranteed

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 13,805,344

US Agencies—explicitly guaranteed

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 14,858,133

Corporate Notes

Neither insured nor registered and held by counterparty's trust department of agent not in the County's name \$ 24,514,140

Commercial Paper

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 1,993,124

State and Local Bonds

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name \$ 2,825,000

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - 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, 2015, the County's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Corporate notes	A, AA, AA+, AA-, AAA	A1, A2, Aa1, Aa2, Aa3, Aaa
FHLB's/Freddie Mac's, Farmer Mac's, Federal Farm Credit	AA+	Aaa
Commercial paper	A-1	P-1
State and local bonds	Not rated	Not rated

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

Local Government Investment Pool

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2015, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Position
Various corporations	Corporate notes	24.0%
Federal government	U.S. Agencies-implicitly guaranteed	14.0%

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, 2015, the County's investments were as follows:

Investment Types	Fair Value	Maturity (In Years)		
		Less than 1 year	2-5 years	Greater than 5 years
US treasuries	\$ 41,694,469	\$ 10,222,115	\$ 31,472,354	\$ -
US agencies - implicitly guaranteed	13,805,344	5,087,961	8,717,383	-
US agencies - explicitly guaranteed	14,858,133	10,464,502	4,393,631	-
State and local bonds	2,825,000	-	2,825,000	-
Corporate notes	24,514,140	9,160,952	15,353,188	-
Commercial paper	1,993,124	1,993,124	-	-
Totals	\$ 99,690,210	\$ 36,928,654	\$ 62,761,556	\$ -

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

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 and \$636,181 of the due from component unit balance in the capital projects fund.

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

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 41,519,010	\$ 41,519,010
Delinquent property taxes receivable	1,115,981	-	1,115,981
Other receivables	817,053	-	817,053
Timber sales	17,000	-	17,000
Grant amounts not yet received	1,239,137	-	1,239,137
Total Unavailable/Unearned Revenue for Governmental Funds	\$ 3,189,171	\$ 41,519,010	\$ 44,708,181

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

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

	Unearned
Property taxes receivable for subsequent year	\$ 6,089,879
Revenue collected in advance	475,063
Total Unearned Revenue For Enterprise Funds	\$ 6,564,942

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

B. RECEIVABLES (cont.)

Taxes receivable represent current taxes and unpaid taxes for 2015 and prior years as follows:

Year of Settlement	County Tax Levied	County Purchased	Balance December 31, 2015
2015	\$ 525,452	\$ 2,296,886	\$ 2,822,338
2014	244,010	944,684	1,188,694
2013	122,203	462,384	584,587
2012	67,619	241,146	308,765
2011	25,252	87,628	112,880
2010	8,803	29,131	37,934
2009	2,373	7,577	9,950
2008	957	2,894	3,851
2007	1,023	3,137	4,160
2006	974	2,956	3,930
2005	719	2,190	2,909
	\$ 999,385	\$ 4,080,613	
Total Tax Certificates			5,079,998
Tax deeds			207,981
Current taxes			47,608,889
Total Taxes Receivable			\$ 52,896,868

Delinquent taxes collected within the sixty day period subsequent to year-end aggregated \$91,385 and \$376,052 for delinquent taxes levied and purchased by the County, respectively.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Land Records

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

Jail Assessments

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

Special Deposits and Impressed Cash Accounts

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

Community Options Programming

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

C. RESTRICTED ASSETS (cont.)

Net Pension Asset

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

Landfill Long-term Care and Closure Costs

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

Following is a list of restricted assets at December 31, 2015:

Restricted Assets	
Net pension asset	\$ 6,165,255
Land records	895,834
Jail assessments	1,058,654
Special Deposits and impressed cash accounts	768,332
Community Options Programming	10,590
Landfill long-term care and closure costs	12,813,980
Accrued interest receivable	<u>22,983</u>
Total Restricted Assets	<u>\$ 21,735,628</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 34,049,422	\$ 268,459	\$ -	\$ 34,317,881
Construction in progress	<u>11,403,895</u>	<u>1,755,301</u>	<u>101,346</u>	<u>13,057,850</u>
Total Capital Assets Not Being Depreciated	<u>45,453,317</u>	<u>2,023,760</u>	<u>101,346</u>	<u>47,375,731</u>
Capital assets being depreciated				
Buildings	92,403,239	946,913	-	93,350,152
Improvements	10,374,119	101,618	-	10,475,737
Equipment	22,548,253	557,505	624,452	22,481,306
Infrastructure	205,719,100	10,870,848	5,659,778	210,930,170
Library collection	<u>4,686,200</u>	<u>409,400</u>	<u>356,800</u>	<u>4,738,800</u>
Total Capital Assets Being Depreciated	<u>335,730,911</u>	<u>12,886,284</u>	<u>6,641,030</u>	<u>341,976,165</u>
Total Capital Assets	<u>381,184,228</u>	<u>14,781,585</u>	<u>6,870,835</u>	<u>389,351,896</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Buildings	\$ (49,919,813)	\$ (2,906,546)	\$ -	\$ (52,826,359)
Improvements	(5,916,155)	(447,385)	-	(6,363,540)
Equipment	(18,572,779)	(1,219,286)	473,015	(19,319,050)
Infrastructure	(62,516,900)	(7,680,909)	5,659,778	(64,538,031)
Library collection	(2,419,800)	(398,400)	355,500	(2,462,700)
Total Accumulated Depreciation	(139,345,447)	(12,652,526)	6,488,293	(145,509,680)
Net Capital Assets Being Depreciated	196,385,464	233,758	152,737	196,466,485
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 241,838,781	\$ 2,129,059	\$ 382,542	\$ 243,842,216

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 2,528,139
Public safety	896,597
Transportation	7,680,909
Health	4,116
Social services	13,157
Leisure and education	1,529,608
Total Governmental Activities Depreciation Expense	\$ 12,652,526

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 523,038	\$ 213,931	\$ 172,700	\$ 564,269
Capital assets being depreciated				
Buildings	7,221,088	927,701	16,149	8,132,640
Improvements	26,961,700	304,958	-	27,266,658
Equipment	17,666,177	1,252,454	407,225	18,511,406
Total Capital Assets Being Depreciated	51,848,965	2,485,113	423,374	53,910,704
Total Capital Assets	52,372,003	2,699,044	596,074	54,474,973
Less: Accumulated depreciation for				
Buildings	(5,674,782)	(258,090)	16,149	(5,916,723)
Improvements	(18,044,063)	(694,725)	-	(18,738,788)
Equipment	(9,697,941)	(978,651)	346,144	(10,330,448)
Total Accumulated Depreciation	(33,416,786)	(1,931,466)	362,293	(34,985,959)
Net Capital Assets Being Depreciated	18,432,179	553,647	61,081	18,924,745
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 18,955,217	\$ 767,578	\$ 233,781	\$ 19,489,014

Depreciation expense was charged to functions as follows:

Business-type Activities

Landfill	\$ 834,843
Highway	1,098,181
Total Business-type Activities Depreciation Expense	\$ 1,933,024

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
Capital projects fund	General fund	\$ 9,922
Less: Fund eliminations		<u>(9,922)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ -</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.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Capital improvement fund	General fund	\$ 2,211,662	Fund capital projects
Capital improvement fund	Social improvement fund	1,930,417	Fund capital projects
Highway fund	Capital improvement fund	1,062,600	Fund capital projects
General fund	Capital improvement fund	266,552	Closeout completed projects
General fund	Employee benefits	250,000	To reduce levy
Highway fund	General fund	<u>26,088</u>	Fund capital projects
Total - Fund Financial Statements		5,747,319	
Less: Fund eliminations		(4,408,631)	
Less: Government-wide eliminations		<u>(2,427,376)</u>	
Subtotal		(1,088,688)	
Infrastructure costs assigned by the highway fund to governmental activities		<u>11,369,492</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 10,280,804</u></u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ 11,369,492	
Business-type Activities	Governmental Activities	<u>(1,088,688)</u>	
Total Government-wide Financial Statements		<u><u>\$ 10,280,804</u></u>	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Transfers (cont.)

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.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 6,000,000	\$ -	\$ 1,410,000	\$ 4,590,000	\$ 1,465,000
Forest crop loan payable	1,619,040	14,692	14,606	1,619,126	-
Premiums	306,333	-	153,166	153,167	-
Sub-totals	7,925,373	14,692	1,577,772	6,362,293	1,465,000
Other Liabilities					
Vested compensated absences - governmental funds	5,271,121	639,035	685,146	5,225,010	522,501
Vested compensated absences - internal service fund	84,686	18,336	11,009	92,013	9,201
Other postemployment benefits liability	2,167,653	-	2,167,653	-	-
-Total Other Liabilities	7,523,460	657,371	2,863,808	5,317,023	531,702
Total Governmental Activities Long-Term Liabilities	\$ 15,448,833	\$ 672,063	\$ 4,441,580	\$ 11,679,316	\$ 1,996,702
Business-type Activities					
Other Liabilities					
Vested compensated absences	\$ 1,085,192	\$ 101,969	\$ 127,765	\$ 1,059,396	\$ 105,940
Other postemployment benefits liability	284,922	-	284,922	-	-
Cell A long-term care and postclosure costs	1,460,203	-	92,744	1,367,459	-
Cell B closure costs	3,940,807	232,637	-	4,173,444	-
Cell B long-term care and postclosure costs	5,240,524	131,257	-	5,371,781	-
Blue Bird Ridge closure costs	106,609	215,946	-	322,555	-
Blue Bird Ridge long-term care and postclosure costs	182,333	358,515	-	540,848	-
Total Other Liabilities	12,300,590	1,040,324	505,431	12,835,483	105,940
Total Business-type Activities Long-Term Liabilities	\$ 12,300,590	\$ 1,040,324	\$ 505,431	\$ 12,835,483	\$ 105,940

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, 2015, was \$492,649,125. Total general obligation debt outstanding at year-end was \$13,490,000 (including \$8,900,000 issued by Marathon County for the Central Wisconsin Airport – see Note III.M.).

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the County. Notes and bonds in the governmental funds will be retired by future property tax levies 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, 2015</u>
General Obligation Promissory Notes Series 2009A	02/01/09	12/01/18	2.50-5.00%	\$ 16,770,000	\$ 4,590,000

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,465,000	\$ 229,500
2017	1,530,000	156,250
2018	1,595,000	79,750
Totals	\$ 4,590,000	\$ 465,500

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, 2015 is \$1,619,126.

Other Debt Information

Estimated payments of other long-term liabilities (compensated absences) are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities has been, and will continue to be, liquidated primarily by the general, airport, landfill, and county highway funds.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

G. LEASE DISCLOSURES

Lessor – Operating Leases

The Forestry Department leases (as lessor) land for farmland. The book value and carrying amount of the leased farmland is \$98,805. The future minimum lease receipts as of December 31, 2015, are as follows:

Years	Governmental Activities Principal
2016	\$ 897
2017	897
2018	897
2019	897
2020	897
2021 - 2064	39,476
Totals	\$ 43,961

H. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for forty years after closure. The County completed final closure of cell A in 1993. The County expects to close cell B in the year 2016. Cells B and Blue Bird Ridge remain open at the end of 2015. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The amounts noted below for the landfill postclosure care liability at December 31, 2015, represent the total amount needed by the County for post closure care costs for each landfill site according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

	Cell A	Cell B	Blue Bird	Total
Postclosure care liability	\$ 1,367,459	\$ 9,545,225	\$ 863,403	\$ 11,776,087
Capacity used at year end	100%	99.76%	10.19%	

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care for all three of its landfills. The County is in compliance with these requirements, and, at December 31, 2015, \$12,813,980 of investments are held at U.S. Bank for these purposes and reviewed annually by the DNR. These are reported as restricted assets on the statement of net position. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable law or regulations, for example), these costs may need to be covered by changes to future landfill users or from future tax revenue.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - 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, did not require any additional funding in 2015 because it has surpassed the approximate \$2 million required. All interest earned on these funds are accumulated for this purpose and recorded in the fund. The County Board has pledged its full faith and credit to the financing plan during the years the account is not fully funded. The financing plan was fully funded as of December 31, 2006. The self-funded pollution liability account has a balance of \$2,535,777 as of December 31, 2015, which is included in the Landfill Fund's unrestricted net position. No amounts were paid from this account in 2015.

J. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 34,317,881
Construction in progress	13,057,850
Other capital assets, net of accumulated depreciation	196,466,485
Less: Long-term debt outstanding	(4,590,000)
Plus: Unspent capital related debt proceeds	622,138
Less: Unamortized premium	(153,167)
Total Net Investment in Capital Assets	<u>239,721,187</u>
Restricted	
Debt service	1,500,236
Land records	895,834
Capital improvements	311,523
Jail improvements	1,058,654
Social services	4,634,472
Pension	5,392,915
Total Restricted	<u>13,793,634</u>
Unrestricted	<u>63,274,436</u>
Total Governmental Activities Net Position	<u>\$ 316,789,257</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

J. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

	General Fund	Social Improvement	Capital Improvement	Debt Service	Totals
Fund Balance					
Nonspendable:					
Inventories and prepaid items	\$ 10,000	\$ 1,478	\$ -	\$ -	\$ 11,478
Non-county levy portion of delinquent property taxes receivable	3,704,563				3,704,563
Restricted for:					
UW dorm capital maintenance	311,523	-	-	-	311,523
Land records	895,834	-	-	-	895,834
Jail assessments	1,058,654	-	-	-	1,058,654
Debt service	-	-	-	1,519,999	1,519,999
Social improvement	-	4,082,762	-	-	4,082,762
Capital projects	-	-	622,138	-	622,138
Assigned to:					
Conservation (ATC powerline easement)	2,996,940	-	-	-	2,996,940
Subsequent year's budget	3,804,396	-	-	-	3,804,396
Compensated absences	5,436,292	-	-	-	5,436,292
Capital projects	-	-	6,239,900	-	6,239,900
Unassigned:	26,212,229	-	-	-	26,212,229
Total Fund Balances	\$ 44,430,431	\$ 4,084,240	\$ 6,862,038	\$ 1,519,999	\$ 56,896,708

Business-type Activities

Investment in capital assets	
Land	\$ 564,269
Other capital assets, net of accumulated depreciation	18,924,745
Total Investment in Capital Assets	19,489,014
Restricted	
Landfill long-term care costs	1,037,893
Pension	772,340
Total Restricted	1,810,233
Unrestricted	40,270,460
Total Business-type Activities Net Position	\$ 61,569,707

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

K. RESTATEMENT OF FUND BALANCES/NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of the restatement are as follows:

	Governmental Activities	Business-type Activities	Landfill	Highway	Governmental Activities Internal Service
Net Position – December 31, 2014 (as reported)	\$ 301,022,096	\$ 65,966,122	\$ 14,609,470	\$ 51,356,652	\$ 12,585,198
Add: Net pension asset	8,682,917	1,243,514	116,875	1,126,639	52,204
Add: Deferred outflows related to pensions	2,143,746	307,014	28,856	278,158	12,889
Net Position – December 31, 2014 (as restated)	\$ 311,848,759	\$ 67,516,650	\$ 14,755,201	\$ 52,761,449	\$ 12,650,291
	Component Units	North Central Health Care	Central Wisconsin Airport	Children with Disabilities Education Board	
Net Position – December 31, 2014 (as reported)	\$ 80,518,822	\$ 29,682,265	\$ 48,107,029	\$ 2,729,528	
Add: Net pension asset	8,954,219	7,719,922	249,066	985,231	
Add: Deferred outflows related to pensions	1,945,082	1,883,590	61,492	-	
Net Position – December 31, 2014 (as restated)	\$ 91,418,123	\$ 39,285,777	\$ 48,417,587	\$ 3,714,759	

L. 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 As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS

NORTH CENTRAL HEALTH CARE

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 6,263,532	\$ 7,958,745	Custodial credit
Certificates of deposits	9,800,000	9,800,000	Custodial credit
Total Deposits and Investments	\$ 16,063,532	\$ 17,758,745	

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	\$ 10,758,745
Bank balances	\$ 17,758,745

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

b. 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 NCHC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 51,300	\$ -	\$ -	\$ 51,300	N/A
Construction in progress	339,603	2,593,827	(2,414,546)	518,884	N/A
Depreciable land improvements	1,216,991	36,964	-	1,253,955	10-40
Buildings and building improvements	24,266,021	608,118	-	24,874,139	10-40
Equipment	16,291,238	1,565,220	(154,121)	17,702,337	3-40
Software	1,429,148	91,909	-	1,521,057	3-15
Less: Accumulated depreciation/ amortization	<u>(32,348,234)</u>	<u>(1,727,580)</u>	<u>176,248</u>	<u>(33,899,566)</u>	
	<u>\$ 11,246,067</u>	<u>\$ 3,168,458</u>	<u>\$ (2,392,419)</u>	<u>\$ 12,022,106</u>	

d. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	<u>\$ 1,525,752</u>	<u>\$ 1,491,802</u>	<u>\$ 1,525,752</u>	<u>\$ 1,491,802</u>	<u>\$ 1,491,802</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

e. Related-Party Note Payable

In 2011, Marathon County advanced \$1,500,000 to NCHC to pay costs associated with renovation of space to be utilized by the Marathon County Health Department. NCHC is required to repay Marathon County over 10 years with a 2% per annum interest rate. The outstanding loan balance is due December 2020.

At December 31, 2015, the related-party note payable consisted of:

Note payable	\$	787,438
Less: Current maturities		<u>(151,257)</u>
Long-term Portion	\$	<u>636,181</u>

Required payments of principal and interest at December 31, 2015 on the related-party note payable are as follows:

	Principal		Interest
2016	\$ 151,257	\$	14,367
2017	154,310		11,314
2018	157,425		8,200
2019	160,602		5,022
2020	<u>163,844</u>		<u>1,780</u>
Totals	<u>\$ 787,438</u>	\$	<u>40,683</u>

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

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

At December 31, 2015, NCHC reported an asset of \$4,846,938. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013, rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net pension asset was based on the Agency's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, NCHC's proportion was .19732891%, which was an increase of .00151595% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, NCHC recognized pension expense of \$1,791,672.

During the reporting period, the WRS recognized \$1,833,590 in contributions from the employer.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

f. Employee Retirement System (cont.)

At December 31, 2015, NCHC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 702,655	\$ -
Net differences between projected and actual earnings on pension plan investments	2,347,121	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	84,873
Employer contributions subsequent to the measurement date	1,802,066	-
Totals	\$ 4,851,842	\$ 84,873

Deferred outflows of \$81,524 related to pension resulting from NCHC's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 746,977	\$ 19,350
2017	746,977	19,350
2018	746,977	19,350
2019	746,977	19,350
2020	61,868	7,473

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

f. Employee Retirement System (cont.)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
NCHC's proportionate share of the net pension asset (liability)	(\$13,674,046)	\$4,846,938	\$19,474,062

At December 31, 2015, NCHC reported a payable of \$297,212 for the outstanding amount of contributions to the pension plan.

g. 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 estimated cost of providing care to patients under NCHC's community care policy was approximately \$3,745,000 in 2015, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charges associated with providing community care.

h. Family Care County Contribution

Effective November 1, 2008 and January 1, 2011, NCHC's Marathon County and Langlade County, respectively, developmentally disabled clients were transitioned to the Family Care program which is operated by a third party. Thus, NCHC no longer receives state funding to serve these clients. However, NCHC has contracted with the Family Care agency to be a provider of residential and day services for these clients.

As part of the transition to Family Care, Marathon County and /Langlade County are 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 amount to be paid annually on October 31.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

h. Family Care County Contribution (cont.)

NCHC is responsible for Marathon County's payment of the State-required contributions. Reimbursement of these amounts will be received through the base county allocation NCHC continues to receive from the State. The amount for 2015 of \$1,125,287 is reflected as a contractual adjustment to the net patient service revenue in the combined statement of revenues, expenses, and changes in net position. Future amounts payable under the agreement will be \$1,125,287, due annually.

i. Related Party Transaction

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

NCHC received \$11,117,356 in 2015 from the counties to assist in meeting operating costs and for additions and improvements to capital assets.

Land and buildings at a cost of \$31,695,411 in 2015 utilized by the 51.42/.437 program and the nursing home are held in title by Marathon County. These capital assets, net of accumulated depreciation, are included in the combined statements of net position under capital assets - net and in net investment in capital assets. Depreciation on this property is included in the combined financial statements of NCHC.

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

In 2015, approximately 26% of NCHC's revenues for services provided to patients whose bills are paid in whole or in part by the Medicare program.

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

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

Medicaid

In 2015, approximately 59% of NCHC's revenue was for services provided to patients whose bills are paid in whole or in part by the Medicaid program. Hospital and nursing home services rendered to Medicaid program beneficiaries are reimbursed primarily based upon prospectively determined rates which varies depending on the patient's level of care and types of services provided.

Accounting for Contractual Adjustments

The hospital is reimbursed for cost-reimbursable items at an interim rate with final settlements determined after audit of NCHC's related annual cost reports by the 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, 2013.

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

k. Patient Accounts Receivable – Net

Patient accounts receivable consisted of the following at December 31, 2015:

	51.42/.437 Program	Nursing Home	Totals
Patient accounts receivable	\$ 7,332,614	\$ 6,309,885	\$ 13,642,499
Less: Allowance for doubtful accounts	(1,555,896)	(1,047,772)	(2,603,668)
Contractual adjustments	(1,774,486)	(1,719,890)	(3,494,376)
Patient Accounts Receivable - Net	\$ 4,002,232	\$ 3,542,223	\$ 7,544,455

l. Net Patient Service Revenue

Net patient service revenue consisted of the following at December 31, 2015:

	51.42/.437 Program	Nursing Home	Totals
Gross patient service revenue:			
Medical assistance	\$ 18,957,058	\$ 17,469,760	\$ 36,426,818
Medicare	3,580,371	12,657,871	16,238,242
Private pay	949,972	3,096,377	4,046,349
Insurance and other	2,510,852	2,328,558	4,839,410
Totals	25,998,253	35,552,566	61,550,819
Less: Contractual adjustments	(8,828,471)	(10,808,680)	(19,637,151)
Provision for bad debts	(344,565)	(114,396)	(458,961)
Net Patient Service Revenue	\$ 16,825,217	\$ 24,629,490	\$ 41,454,707

m. Leases

NCHC has operating leases for apartments and group homes and various equipment. NCHC leases three group homes from Marathon County. Rental expense on the related-party group homes amounted to \$31,600 in 2015. Total rental expense on all operating leases amounted to \$837,258 in 2015.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

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 \$200,000 and aggregate specific claims over \$25,000 of the actuarial estimate for the year.

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

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

	2015	2014
Unpaid claims liability at beginning	\$ 652,000	\$ 615,000
Claims expense	5,532,094	5,682,075
Claim payments	(5,327,094)	(5,645,075)
Unpaid Claims Liability at Year-End	\$ 857,000	\$ 652,000

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, 2015, 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, 2016.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

p. Concentration of Credit Risk

Financial instruments that potentially subject NCHC to credit risk consist principally of cash deposits in excess of insurance limits, investments of surplus operating funds, as discussed in Note III.M., 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, 2015:

Medicare	19%
Medicaid	41
Private pay	19
Insurance and other	<u>21</u>
Total	<u>100%</u>

q. Functional Expenses

NCHC provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended December 31, 2015 are as follows:

Health care services	\$ 42,988,632
General and administrative	<u>16,577,472</u>
Total	<u>\$ 59,566,104</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 position and statement of activities.

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

a. Basis of Accounting/Measurement Focus

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

b. Deposits and Investments

At year-end, the carrying amount of the CWA's cash and cash equivalents was \$4,939,012 and is part of the County's commingled cash. See Note III.A.

c. Restricted Assets

The following represent the balances of the restricted assets:

Unspent Passenger and Customer Facility Charges

Used to finance various FAA approved construction projects.

The CWA had restricted assets from unspent passenger and customer facility charges and unspent debt proceeds at December 31, 2015 of \$2,313,505.

Net Pension Asset

Restricted assets of \$154,694 have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 614,983	\$ -	\$ -	\$ 614,983	N/A
Construction in progress	16,779,752	7,449,562	-	24,229,314	N/A
Buildings	17,710,996	73,047	48,128	17,735,915	20-50
Improvements	49,560,669	149,072	-	49,709,741	2-20
Equipment	7,850,960	180,633	-	8,031,593	3-10
Less: Accumulated depreciation	(41,323,156)	(2,231,619)	-	(43,554,775)	
Totals	\$ 51,194,204	\$ 5,620,695	\$ 48,128	\$ 56,766,771	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

e. Long-Term Obligations

CWA long-term obligations are payable by revenues from public charges for services. Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation debt	\$ 7,370,000	\$ 2,545,000	\$ 1,015,000	\$ 8,900,000	\$ 630,000
Add Deferred Amounts for					
Premiums	75,608	29,248	12,495	92,361	-
Sub-totals	<u>7,445,608</u>	<u>2,574,248</u>	<u>1,027,495</u>	<u>8,992,361</u>	<u>630,000</u>
Other Liabilities					
Vested compensated absences	192,938	33,929	25,082	201,785	20,178
Other postemployment benefits liability	77,336	-	77,336	-	-
Sub-totals	<u>270,274</u>	<u>33,929</u>	<u>102,418</u>	<u>201,785</u>	<u>20,178</u>
Totals	<u>\$ 7,715,882</u>	<u>\$ 2,608,177</u>	<u>\$ 1,129,913</u>	<u>\$ 9,194,146</u>	<u>\$ 650,178</u>

Component Unit General Obligation Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance
2005B General Obligation bond	12/1/2005	10/1/2017	4.0 – 4.5%	\$ 4,105,000	\$ 480,000
2010A General Obligation Promissory Note	12/15/2010	12/1/2025	2.0 – 4.0%	2,450,000	1,725,000
2012 General Obligation Promissory Note	12/27/2012	12/1/2028	2.0 – 3.38%	2,650,000	2,650,000
2014 General Obligation Promissory Note issued by Portage County	3/5/2014	12/1/2019	2.0 – 2.88%	1,500,000	1,500,000
2015 General Obligation bond	6/1/2015	12/1/2030	3.0 – 3.5%	2,545,000	<u>2,545,000</u>
Totals Component Unit – General Obligation Debt					<u>\$ 8,900,000</u>

The 2014 general obligation promissory notes were issued by Portage County. Marathon and Portage County are partners in cooperating and sharing costs of the airport as defined in an agreement signed July 18, 1967. While the 2014 debt issued is general obligation debt of Portage County, the two counties have determined that lease revenue of the airport will be sufficient to fully pay the principal and interest when due. An agreement was entered into and approved by resolution during 2014 authorizing the terminal expansion and financing of these costs by the two counties.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

e. Long-Term Obligations (cont.)

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2016	\$ 630,000	\$ 263,276	\$ 893,276
2017	455,000	247,976	702,976
2018	1,170,000	237,326	1,407,326
2019	1,175,000	210,726	1,385,726
2020	430,000	177,363	607,363
2021 – 2025	3,180,000	618,360	3,798,360
2026 – 2030	1,860,000	169,124	2,029,124
Totals	\$ 8,900,000	\$ 1,924,149	\$ 10,824,149

f. Employee Retirement System

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

There was no unfunded liability as of December 31, 2015.

g. Lease Disclosures

Lessor-Operating Leases

The CWA leases farmland, terminal space, hanger space, and parking space. The cost of the leased space is \$13,254,001. The carrying amount of the leased space at CWA is \$6,317,065. The difference between the two figures is the accumulated depreciation of \$6,936,936. The future minimum lease receipts as of December 31, 2015, are as follows:

Years	Principal
2016	\$ 405,493
2017	178,171
2018	109,892
2019	80,465
2020	78,278
Thereafter	131,952
Total	\$ 984,251

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 1,476,703	\$ 1,312,788	Custodial credit
LGIP	1,448,898	1,448,898	Credit
Petty cash	<u>100</u>	<u>-</u>	N/A
Total Deposits and Investments	<u>\$ 2,925,701</u>	<u>\$ 2,761,686</u>	

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

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

Local Government Investment Pool

c. Restricted Assets

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Buildings	\$ 222,877	\$ -	\$ 222,877	\$ -	50
Equipment	40,499	-	-	40,499	10
Less: Accumulated depreciation	<u>(86,295)</u>	<u>(8,508)</u>	<u>62,404</u>	<u>(32,399)</u>	
Totals	<u>\$ 177,081</u>	<u>\$ (8,508)</u>	<u>\$ 160,473</u>	<u>\$ 8,100</u>	

e. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Vested compensated absences	\$ 15,458	\$ 7,527	\$ 15,458	\$ 7,527	\$ 7,527
OPEB obligation (asset)	<u>22,675</u>	<u>19,584</u>	<u>51,500</u>	<u>(9,241)</u>	<u>-</u>
Totals	<u>\$ 38,133</u>	<u>\$ 27,111</u>	<u>\$ 66,958</u>	<u>\$ (1,714)</u>	<u>\$ 7,527</u>

f. Employee Retirement System

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

At June 30, 2015, the department reported an asset of \$548,915 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The department's proportion of the net pension asset was based on the department's share of Marathon County's contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the department's proportion was 0.02235%, which was a decrease of 0.0001% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the department recognized pension expense of \$102,354.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

f. Employee Retirement System (cont.)

At June 30, 2015, the department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 72,189
Net differences between projected and actual earnings on pension plan investments	239,230
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,799
Employer contributions subsequent to the measurement date	122,186
Totals	\$ 435,404

\$122,186 is reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date and will be recognized as an addition to the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Deferred Outflows of Resources
2016	\$ 68,304
2017	68,304
2018	68,304
2019	68,304
2020	40,002

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

f. Employee Retirement System (cont.)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Department's proportionate share of the net pension asset (liability)	(\$1,548,585)	\$548,915	\$2,205,436

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 \$50,472.

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 qualify for benefits up to \$24,000 that may be used to pay for eligible medical expenses and insurance premium payments. 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 As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

Plan Contribution Information

Members of the plan consisted of the following at July 1, 2013, the date of the latest actuarial valuation:

Retirees	4
Active Plan Members	62
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 contributes a varying amount of the annual required contribution as determined by the actuarial study dated July 1, 2013. For fiscal year 2015, the department made no contributions to the plan. Plan members receiving benefits do not contribute to the plan.

The CDEB'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 and unfunded actuarial liabilities over a period not to exceed thirty 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	\$	19,623
Interest on net OPEB obligation		185
Adjustment to annual required contribution		(224)
Annual OPEB cost		<u>19,584</u>
Benefits paid		<u>(51,500)</u>
Change in net OPEB obligation (asset)		(31,916)
Net OPEB Obligation - Beginning of Year		<u>22,675</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>(9,241)</u></u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

Plan Contribution Information (cont.)

The CDEB's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 23,415	217%	\$ 3,091
6/30/14	19,584	0%	22,675
6/30/15	19,584	0%	(9,241)

The funded status of the plan as of July 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	767,065
Actuarial value of plan assets		(720,589)
Funded Actuarial Accrued (Asset) (AAA)	\$	46,476
Funded ratio (actuarial value of plan assets/AAA)		93.94%
Covered payroll (active plan members)	\$	3,070,897
AAA as a percentage of covered payroll		1.38%

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.

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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

M. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

Plan Contribution Information (cont.)

In the July 1, 2013 actuarial valuation, the projected unit credit alternative measurement 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 5% after five 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 is being amortized as a level dollar method of projected payroll on an open basis. The amortization period at June 30, 2015 was 30 years.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

Pension. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$2,449,054 in contributions from the County, and \$61,450 from the CWA.

Contribution rates as of January 1, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

Pension Assets, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At December 31, 2015, the County reported an asset of \$6,165,255 for its proportionate share of the net pension asset and CWA reported an asset of \$154,694 for its share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the County's proportion was .25100035%, which was a decrease of .00077988% from its proportion measured as of December 31, 2013. The CWA's proportion was .00629789%, which was a decrease of .00001957% from its proportioned measure.

For the year ended December 31, 2015, the County recognized pension expense of \$2,333,410 and CWA recognized pension expense of \$58,549.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2015, the County and CWA reported deferred outflows of resources related to pensions from the following sources:

	County Deferred Outflows of Resources	CWA Deferred Outflows of Resources
Differences between expected and actual experience	\$ 893,770	\$ 22,426
Net differences between projected and actual earnings on pension plan investments	2,985,515	74,910
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,267	559
Employer contributions subsequent to the measurement date	2,416,617	60,970
Totals	\$ 6,318,169	\$ 158,865

\$2,416,617 for the County and \$60,970 for CWA reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	County Deferred Outflows of Resources	CWA Deferred Outflows of Resources
2016	\$ 955,225	\$ 23,968
2017	955,225	23,968
2018	955,225	23,968
2019	955,225	23,968
2020	80,654	2,024

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
County's proportionate share of the net pension asset/(liability)	\$(17,393,247)	\$6,165,255	\$24,770,808
CWA's proportionate share of the net pension asset (liability)	(436,417)	154,694	621,528

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the County reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

Public Entity Risk Pool

Wisconsin Municipal Mutual Insurance Company (WMMIC)

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a non-assessable municipal mutual insurance company. WMMIC writes general, auto and other liability insurance, and workers compensation insurance for participating members in the State of Wisconsin on terms calling recognition of premium upon the effective date of the policy. Responsibility for the operations and management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2015, WMMIC consisted of nineteen members.

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Wisconsin Municipal Mutual Insurance Company (WMMIC) (cont.)

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

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

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.

The 2015 claims liability of \$975,594 reported in the Property Casualty Insurance fund at December 31, 2015 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 2014 and 2015 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>
2014	\$ 723,476	\$ 812,178	\$ (625,466)	\$ 910,188
2015	910,188	546,098	(480,692)	975,594

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Local Government Property Insurance Fund (cont.)

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are recorded as expenditures or expenses in various other funds of the County. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. All funds of the County participate in the risk management program. Amounts payable to the fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$3,489,473 was assigned for that reserve at year-end, and is included in unrestricted net position of the Property Casualty Insurance internal service fund.

On January 1, 1992, the County combined its workers' compensation fund with the previously self-funded highway workers' compensation fund to create a single self-funded plan. All County employees (except volunteers) are covered to the statutory limits of coverage as set by the State of Wisconsin. The program is supplemented by excess liability protection, which limits the County's exposure to \$550,000 per claim/occurrence. The claims liability of \$3,062,117 reported in the Employee Benefits Insurance fund at December 31, 2015 is also based on the requirements of GASB.

Changes in the fund's claim liability amount for 2014 and 2015 are as follows:

	Worker's Comp Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2014	\$ 2,789,259	\$ 281,057	\$ (266,095)	\$ 2,804,221
2015	2,804,221	301,526	(43,630)	3,062,117

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, 2015 as well as an estimate of claims incurred but not reported. A determination of the appropriate reserves was calculated and funding is assured at the 95th percentile and includes an estimate of catastrophic loss.

C. COMMITMENTS AND CONTINGENCIES

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - 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.

The County has the following encumbrances outstanding at year-end, relating to funds on hand:

Capital improvement fund	<u>\$ 5,170</u>
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D. OTHER POSTEMPLOYMENT BENEFITS

In prior reporting periods, the County (including the Central Wisconsin Airport as a component unit) has reported other postemployment benefits because retirees and active employees paid health insurance premiums at blended rates. As of January 1, 2012, the County changed the plan benefits such that no participants who retire after that date are permitted to stay on the County's health plan. Due to this change, the OPEB is no longer material to the financial statements and the liability has been removed.

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 NCHC to provide for the implementation and operation of a data and management information service. The CCITC is governed by an eight member board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County chairman of the Board of Supervisors, County Administrator, NCHC CEO and Finance Director. To ensure a balance of influence on the Board of Commissioners, two members are appointed at large from within the County. These members must have a professional background in data processing services. The Board of Commissioners has the authority to fix cost sharing charges for members in an amount sufficient to provide the funds required by the budget. Funding for services is recovered through three sources. The City, County, and NCHC split the operating costs not recovered through outside user fees 21%, 41%, and 38%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. Marathon County's share of the CCITC operations costs for 2015 was \$1,275,932. Additional capital project reimbursements totaled \$4,133,104. The County has an equity interest of \$527,788 in the commission that is accounted for in the governmental activities.

Financial information of the CCITC as of December 31, 2015 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 2015 appropriation for NCWRPC was \$45,000.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - 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, 2015 is available directly from the ADRC-CW's office.

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

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

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*

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

REQUIRED SUPPLEMENTARY INFORMATION

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes				
General property taxes	\$ 32,090,275	\$ 32,090,275	\$ 32,227,249	\$ 136,974
Forest crop taxes	65,300	65,300	107,786	42,486
Transfer tax	186,000	186,000	279,713	93,713
Sales tax	10,500,150	10,500,150	11,735,957	1,235,807
Interest on delinquent taxes	800,000	800,000	811,224	11,224
Penalties on delinquent taxes	412,998	412,998	395,948	(17,050)
Total Taxes	<u>44,054,723</u>	<u>44,054,723</u>	<u>45,557,877</u>	<u>1,503,154</u>
Intergovernmental Grants and Aids				
Wisconsin shared revenue	5,522,242	5,522,242	5,696,606	174,364
Exempt computer aid	275,000	275,000	325,849	50,849
TID Settlement	-	-	191,822	191,822
Environmental impact fee	-	-	70,994	70,994
Federal grants	380,890	396,088	360,804	(35,284)
State grants	3,367,545	3,896,288	3,032,899	(863,389)
Local government grants	90,551	116,670	63,237	(53,433)
Total Intergovernmental Grants and Aids	<u>9,636,228</u>	<u>10,206,288</u>	<u>9,742,211</u>	<u>(464,077)</u>
Licenses and Permits				
Licenses	47,210	47,210	48,984	1,774
Permits	233,000	233,000	272,359	39,359
Total Licenses and Permits	<u>280,210</u>	<u>280,210</u>	<u>321,343</u>	<u>41,133</u>
Fines and Forfeitures				
County ordinance fines and forfeitures	190,000	190,000	136,659	(53,341)
County share of state fines and forfeitures	474,080	589,238	520,602	(68,636)
Total Fines and Forfeitures	<u>664,080</u>	<u>779,238</u>	<u>657,261</u>	<u>(121,977)</u>
Public Charges for Services				
General Government				
Recording fees	400,000	400,000	331,625	(68,375)
Certified copies	65,000	65,000	71,267	6,267
Land record fees	332,000	332,000	173,668	(158,332)
Court fees and costs	692,000	692,000	646,802	(45,198)
Other charges	471,601	471,601	420,527	(51,074)
Total General Government	<u>1,960,601</u>	<u>1,960,601</u>	<u>1,643,889</u>	<u>(316,712)</u>
Public Safety				
Board of prisoners	377,250	377,250	184,038	(193,212)
Processing fees	220,000	226,000	139,797	(86,203)
Other charges	388,700	388,700	346,508	(42,192)
Total Public Safety	<u>985,950</u>	<u>991,950</u>	<u>670,343</u>	<u>(321,607)</u>

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

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES (cont.)				
Health				
General health	\$ 17,480	\$ 17,480	\$ 17,833	\$ 353
Lab contract work	100,582	100,582	110,965	10,383
Environmental permits	479,810	513,265	487,119	(26,146)
Other charges	84,484	84,484	118,044	33,560
Total Health	<u>682,356</u>	<u>715,811</u>	<u>733,961</u>	<u>18,150</u>
Social services	<u>5,000</u>	<u>5,000</u>	<u>1,139</u>	<u>(3,861)</u>
Library	<u>95,000</u>	<u>95,000</u>	<u>79,098</u>	<u>(15,902)</u>
Recreation and Public Areas				
Camping fees	125,000	125,000	139,508	14,508
Park concessions	41,250	49,250	50,513	1,263
Shelter rental and forfeitures	26,000	26,000	26,000	-
Fairgrounds building rents	107,000	107,000	89,759	(17,241)
Organized hockey rents	210,000	210,000	207,444	(2,556)
Cross country fees	78,500	78,500	72,035	(6,465)
Other charges	208,894	271,894	274,549	2,655
Total Recreation and Public Areas	<u>796,644</u>	<u>867,644</u>	<u>859,808</u>	<u>(7,836)</u>
Education	<u>34,972</u>	<u>34,972</u>	<u>15,821</u>	<u>(19,151)</u>
Conservation				
Forest resources	328,400	328,400	115,721	(212,679)
Agricultural resources	42,750	42,750	54,663	11,913
Total Conservation	<u>371,150</u>	<u>371,150</u>	<u>170,384</u>	<u>(200,766)</u>
Total Public Charges for Services	<u>4,931,673</u>	<u>5,042,128</u>	<u>4,174,443</u>	<u>(867,685)</u>
Intergovernmental Charges for Services				
State and federal	266,337	529,826	534,720	4,894
Local Districts				
General government	22,000	23,000	17,796	(5,204)
Register of deeds services	60,000	60,000	76,615	16,615
Postage	61,000	61,000	64,052	3,052
Telephone	10,000	10,000	4,851	(5,149)
Sheriff's services	195,790	195,790	242,113	46,323
Other charges	388,132	392,901	244,345	(148,556)
Local departments	<u>380,603</u>	<u>394,372</u>	<u>312,181</u>	<u>(82,191)</u>
Total Intergovernmental Charges for Services	<u>1,383,862</u>	<u>1,666,889</u>	<u>1,496,673</u>	<u>(170,216)</u>
Miscellaneous Revenue				
Interest income	156,500	156,821	315,310	158,489
Change in the fair market value of investments	-	-	(208,649)	(208,649)
Rental income	592,189	672,989	685,550	12,561
Donations	207,748	229,964	197,882	(32,082)
Other revenues	58,290	58,290	311,349	253,059
Total Miscellaneous Revenue	<u>1,014,727</u>	<u>1,118,064</u>	<u>1,301,442</u>	<u>183,378</u>
TOTAL REVENUES	<u>61,965,503</u>	<u>63,147,540</u>	<u>63,251,250</u>	<u>103,710</u>

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

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 281,144	\$ 281,144	\$ 279,662	\$ 1,482
Contractual services	32,330	32,330	27,935	4,395
Materials and supplies	<u>105,300</u>	<u>105,300</u>	<u>78,342</u>	<u>26,958</u>
Total Legislative	<u>418,774</u>	<u>418,774</u>	<u>385,939</u>	<u>32,835</u>
Judicial				
Personal services	2,539,581	2,404,581	2,358,227	46,354
Contractual services	910,870	1,163,270	1,116,725	46,545
Materials and supplies	91,660	102,260	91,961	10,299
Fixed charges	<u>3,800</u>	<u>3,800</u>	<u>800</u>	<u>3,000</u>
Total Judicial	<u>3,545,911</u>	<u>3,673,911</u>	<u>3,567,713</u>	<u>106,198</u>
Executive				
Personal services	418,618	418,618	409,009	9,609
Contractual services	227,250	261,072	161,316	99,756
Materials and supplies	43,946	43,946	20,130	23,816
Grants and contributions	<u>251,500</u>	<u>251,500</u>	<u>161,355</u>	<u>90,145</u>
Total Executive	<u>941,314</u>	<u>975,136</u>	<u>751,810</u>	<u>223,326</u>
General Administration				
Personal services	645,291	645,291	629,249	16,042
Contractual services	269,539	269,539	171,138	98,401
Materials and supplies	338,842	338,842	289,154	49,688
Contingency	<u>472,086</u>	<u>71,186</u>	<u>-</u>	<u>71,186</u>
Total General Administration	<u>1,725,758</u>	<u>1,324,858</u>	<u>1,089,541</u>	<u>235,317</u>
Financial Administration				
Personal services	1,015,898	1,176,919	1,161,643	15,276
Contractual services	199,057	208,057	139,332	68,725
Materials and supplies	46,875	46,875	39,437	7,438
Fixed charges	492,378	573,178	552,165	21,013
Grants and contributions	<u>10,230,473</u>	<u>10,230,870</u>	<u>10,144,843</u>	<u>86,027</u>
Total Financial Administration	<u>11,984,681</u>	<u>12,235,899</u>	<u>12,037,420</u>	<u>198,479</u>
Legal				
Personal services	1,540,539	1,564,539	1,511,536	53,003
Contractual services	308,489	308,489	238,427	70,062
Materials and supplies	<u>86,887</u>	<u>86,887</u>	<u>106,333</u>	<u>(19,446)</u>
Total Legal	<u>1,935,915</u>	<u>1,959,915</u>	<u>1,856,296</u>	<u>103,619</u>
Property Records and Control				
Personal services	579,859	578,859	529,639	49,220
Contractual services	198,489	198,489	117,059	81,430
Materials and supplies	28,853	29,853	21,999	7,854
Fixed charges	<u>53,200</u>	<u>53,200</u>	<u>-</u>	<u>53,200</u>
Total Property Records and Control	<u>860,401</u>	<u>860,401</u>	<u>668,697</u>	<u>191,704</u>

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

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
County Planning and Zoning				
Personal services	\$ 1,687,792	\$ 1,681,552	\$ 1,608,034	\$ 73,518
Contractual services	479,631	646,930	614,841	32,089
Materials and supplies	85,241	107,896	94,751	13,145
Fixed charges	2,350	2,350	2,350	-
Grants and contributions	529,644	1,072,627	721,390	351,237
Total County Planning and Zoning	<u>2,784,658</u>	<u>3,511,355</u>	<u>3,041,366</u>	<u>469,989</u>
Building Maintenance				
Personal services	1,527,234	1,525,490	1,453,247	72,243
Contractual services	975,410	1,006,575	837,490	169,085
Materials and supplies	122,160	122,160	95,605	26,555
Fixed charges	4,437	4,437	4,218	219
Capital outlay	56,000	56,000	55,363	637
Contingency	50,000	50,000	-	50,000
Total Building Maintenance	<u>2,735,241</u>	<u>2,764,662</u>	<u>2,445,923</u>	<u>318,739</u>
Total General Government	<u>26,932,653</u>	<u>27,724,911</u>	<u>25,844,705</u>	<u>1,880,206</u>
Public Safety				
Sheriff				
Personal services	10,963,904	11,005,434	10,856,364	149,070
Contractual services	528,403	629,376	582,953	46,423
Materials and supplies	823,455	1,000,669	882,560	118,109
Fixed charges	56,685	56,685	52,871	3,814
Grants and contributions	1,664	94,787	79,898	14,889
Capital outlay	-	8,246	8,246	-
Total Sheriff	<u>12,374,111</u>	<u>12,795,197</u>	<u>12,462,892</u>	<u>332,305</u>
Emergency Services				
Personal services	189,032	198,307	184,957	13,350
Contractual services	408,000	458,000	431,703	26,297
Materials and supplies	81,050	64,170	43,159	21,011
Fixed charges	30,958	30,958	30,954	4
Grants and contributions	20,000	20,253	15,685	4,568
Capital outlay	-	22,205	22,205	-
Total Emergency Services	<u>729,040</u>	<u>793,893</u>	<u>728,663</u>	<u>65,230</u>
Adult Corrections				
Personal services	4,559,179	4,559,179	4,263,196	295,983
Contractual services	3,412,477	3,658,804	3,491,021	167,783
Materials and supplies	161,600	271,419	130,484	140,935
Fixed charges	10,000	10,000	12,103	(2,103)
Total Adult Corrections	<u>8,143,256</u>	<u>8,499,402</u>	<u>7,896,804</u>	<u>602,598</u>

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

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
Juvenile Corrections				
Personal services	\$ 877,380	\$ 877,380	\$ 795,451	\$ 81,929
Contractual services	38,150	51,650	45,353	6,297
Materials and supplies	11,871	11,871	6,466	5,405
Total Juvenile Corrections	<u>927,401</u>	<u>940,901</u>	<u>847,270</u>	<u>93,631</u>
Shelter Home				
Personal services	464,253	464,253	452,804	11,449
Contractual services	1,000	1,000	249	751
Total Shelter Home	<u>465,253</u>	<u>465,253</u>	<u>453,053</u>	<u>12,200</u>
Total Public Safety	<u>22,639,061</u>	<u>23,494,646</u>	<u>22,388,682</u>	<u>1,105,964</u>
Health				
Personal services	3,408,197	3,500,541	3,293,691	206,850
Contractual services	919,171	948,261	914,922	33,339
Materials and supplies	535,508	824,883	220,690	604,193
Grants and contributions	30,000	17,088	19,876	(2,788)
Total Health	<u>4,892,876</u>	<u>5,290,773</u>	<u>4,449,179</u>	<u>841,594</u>
Social Services				
Veterans				
Personal services	185,295	185,295	184,189	1,106
Contractual services	4,900	4,900	4,310	590
Materials and supplies	13,850	13,850	8,968	4,882
Fixed charges	200	200	-	200
Grants and contributions	6,750	31,478	2,695	28,783
Total Veterans	<u>210,995</u>	<u>235,723</u>	<u>200,162</u>	<u>35,561</u>
Total Social Services	<u>210,995</u>	<u>235,723</u>	<u>200,162</u>	<u>35,561</u>
Leisure Activities and Education				
Library				
Personal services	2,806,212	2,780,296	2,491,522	288,774
Contractual services	246,016	246,016	265,823	(19,807)
Materials and supplies	648,517	678,961	556,196	122,765
Fixed charges	72,500	72,500	74,360	(1,860)
Total Library	<u>3,773,245</u>	<u>3,777,773</u>	<u>3,387,901</u>	<u>389,872</u>

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

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
Public Areas				
Personal services	\$ 2,206,772	\$ 2,258,285	\$ 2,241,011	\$ 17,274
Contractual services	1,147,112	1,195,440	833,453	361,987
Materials and supplies	557,306	590,732	538,935	51,797
Fixed charges	136,871	136,871	37,011	99,860
Capital outlay	259,760	293,587	46,267	247,320
Total Public Areas	<u>4,307,821</u>	<u>4,474,915</u>	<u>3,696,677</u>	<u>778,238</u>
University Extension Program				
Personal services	155,417	155,417	146,900	8,517
Contractual services	239,095	275,060	182,170	92,890
Materials and supplies	41,047	79,058	36,855	42,203
Total University Extension Program	<u>435,559</u>	<u>509,535</u>	<u>365,925</u>	<u>143,610</u>
Total Leisure Activities and Education	<u>8,516,625</u>	<u>8,762,223</u>	<u>7,450,503</u>	<u>1,311,720</u>
Conservation and Economic Development				
Forest Resources				
Personal services	53,741	55,851	57,415	(1,564)
Contractual services	65,315	71,251	14,326	56,925
Materials and supplies	7,290	7,290	-	7,290
Fixed charges	3,898	3,898	598	3,300
Capital outlay	316,474	316,566	-	316,566
Total Forest Resources	<u>446,718</u>	<u>454,856</u>	<u>72,339</u>	<u>382,517</u>
Agricultural Resources				
Personal services	235,434	316,690	232,025	84,665
Contractual services	222,000	233,395	217,475	15,920
Materials and supplies	49,884	94,623	12,193	82,430
Grants and contributions	582,920	794,539	577,937	216,602
Total Agricultural Resources	<u>1,090,238</u>	<u>1,439,247</u>	<u>1,039,630</u>	<u>399,617</u>
Total Conservation and Economic Development	<u>1,536,956</u>	<u>1,894,103</u>	<u>1,111,969</u>	<u>782,134</u>
Capital Outlay				
Capital Projects				
Contractual services	115,000	193,271	25,471	167,800
Capital outlay	108,000	161,912	109,838	52,074
Total Capital Outlay	<u>223,000</u>	<u>355,183</u>	<u>135,309</u>	<u>219,874</u>
TOTAL EXPENDITURES	<u>64,952,166</u>	<u>67,757,562</u>	<u>61,580,509</u>	<u>6,177,053</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,986,663)</u>	<u>(4,610,022)</u>	<u>1,670,741</u>	<u>6,280,763</u>

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

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES AND USES				
Transfers in				
Capital Improvement Fund	\$ 264,046	\$ 266,552	\$ 266,552	\$ -
Employee Benefits Fund	250,000	250,000	250,000	-
Sales of capital assets	4,500	4,500	5,057	557
State loan program debt issued	14,693	14,693	14,692	(1)
Transfers out				
Capital Improvement Fund	(1,960,543)	(2,211,662)	(2,211,662)	-
Highway Fund	-	(26,088)	(26,088)	-
Total Other Financing Sources and Uses	<u>(1,427,304)</u>	<u>(1,702,005)</u>	<u>(1,701,449)</u>	<u>556</u>
Net change in fund balance	(4,413,967)	(6,312,027)	(30,708)	6,281,319
FUND BALANCE - Beginning of Year	<u>44,461,139</u>	<u>44,461,139</u>	<u>44,461,139</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 40,047,172</u>	<u>\$ 38,149,112</u>	<u>\$ 44,430,431</u>	<u>\$ 6,281,319</u>

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

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SOCIAL IMPROVEMENT FUND For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 7,463,256	\$ 7,463,256	\$ 7,463,256	\$ -
Intergovernmental Grants and Aids				
Federal grants	802,003	802,003	1,078,716	276,713
State grants:				
Provided services and administration	7,446,825	9,087,127	7,944,599	(1,142,528)
Special services	4,781,985	4,961,461	4,011,571	(949,890)
Other revenues	353,190	353,190	332,131	(21,059)
Prior year revenue	-	-	67,931	67,931
Total Intergovernmental Grants and Aids	<u>13,384,003</u>	<u>15,203,781</u>	<u>13,434,948</u>	<u>(1,768,833)</u>
Public Charges for Services				
General government	7,800	7,800	4,701	(3,099)
Public safety			7,902	7,902
Social services	583,100	583,100	584,467	1,367
Total Public Charges for Services	<u>590,900</u>	<u>590,900</u>	<u>597,070</u>	<u>6,170</u>
Miscellaneous Revenue				
Interest income	33,000	33,000	40,295	7,295
Other revenues	161,235	161,235	135	(161,100)
Total Miscellaneous Revenue	<u>194,235</u>	<u>194,235</u>	<u>40,430</u>	<u>(153,805)</u>
Total Revenues	<u>21,632,394</u>	<u>23,452,172</u>	<u>21,535,704</u>	<u>(1,916,468)</u>
EXPENDITURES				
Social Services				
Personal services	8,303,826	8,303,826	7,953,537	350,289
Contractual services	2,827,959	4,468,261	4,647,509	(179,248)
Materials and supplies	230,870	233,870	294,023	(60,153)
Fixed charges	296,070	296,070	298,474	(2,404)
Grants and contributions	9,973,669	10,166,945	6,804,379	3,362,566
Total Expenditures	<u>21,632,394</u>	<u>23,468,972</u>	<u>19,997,922</u>	<u>3,471,050</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(16,800)</u>	<u>1,537,782</u>	<u>1,554,582</u>
OTHER FINANCING USES				
Transfers out				
Capital Improvement Fund	(1,930,417)	(1,930,417)	(1,930,417)	-
Total Other Financing Uses	<u>(1,930,417)</u>	<u>(1,930,417)</u>	<u>(1,930,417)</u>	<u>-</u>
Net change in fund balance	<u>(1,930,417)</u>	<u>(1,947,217)</u>	<u>(392,635)</u>	<u>1,554,582</u>
FUND BALANCE - Beginning of Year	4,476,875	4,476,875	4,476,875	-
FUND BALANCE - END OF YEAR	<u>\$ 2,546,458</u>	<u>\$ 2,529,658</u>	<u>\$ 4,084,240</u>	<u>\$ 1,554,582</u>

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

MARATHON COUNTY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

	<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
County	12/31/15	0.25100035%	\$ 6,165,255	\$ 33,120,068	18.61%	102.74%
Component						
Unit - CWA	12/31/15	0.00629791%	154,694	831,021	18.61%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

	<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
County	12/31/15	\$ 2,416,617	\$ 2,416,617	\$ -	\$ 33,800,281	7.15%
Component						
Unit - CWA	12/31/15	60,970	60,970	-	852,768	7.15%

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

MARATHON COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

BUDGETARY INFORMATION

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

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

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

Appropriations lapse at year end unless specifically carried over. There were no carryovers for 2016. Budgets are adopted at the agency level of expenditure.

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

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

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

MARATHON COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

BUDGETARY INFORMATION (cont.)

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

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

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

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

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

MARATHON COUNTY, WISCONSIN

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

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues				
Investment income	\$ 30,000	\$ 30,000	\$ 54,274	\$ 24,274
Reimbursement	-	-	165,624	165,624
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>219,898</u>	<u>189,898</u>
EXPENDITURES				
Current				
Capital outlay	<u>4,817,387</u>	<u>10,469,824</u>	<u>4,645,403</u>	<u>5,824,421</u>
Total Expenditures	<u>4,817,387</u>	<u>10,469,824</u>	<u>4,645,403</u>	<u>5,824,421</u>
Deficiency of revenues over expenditures	<u>(4,787,387)</u>	<u>(10,439,824)</u>	<u>(4,425,505)</u>	<u>6,014,319</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
General Fund	1,960,543	2,211,662	2,211,662	-
Social Improvement Fund	1,930,417	1,930,417	1,930,417	-
Sale of capital assets	-	-	15,337	15,337
Transfers out				
General Fund	(264,046)	(266,552)	(266,552)	-
County Highway Fund	<u>(1,062,600)</u>	<u>(1,062,600)</u>	<u>(1,062,600)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,564,314</u>	<u>2,812,927</u>	<u>2,828,264</u>	<u>15,337</u>
Net change in fund balance	<u>(2,223,073)</u>	<u>(7,626,897)</u>	<u>(1,597,241)</u>	<u>6,029,656</u>
FUND BALANCE - Beginning of Year	<u>8,459,279</u>	<u>8,459,279</u>	<u>8,459,279</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,236,206</u>	<u>\$ 832,382</u>	<u>\$ 6,862,038</u>	<u>\$ 6,029,656</u>

MARATHON COUNTY, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final <u>Budget</u>
REVENUES				
Taxes	\$ 1,710,000	\$ 1,710,000	\$ 1,710,000	\$ -
Public charges for services	100,000	100,000	13,273	(86,727)
Miscellaneous revenues	-	-	17,494	17,494
Total Revenues	<u>1,810,000</u>	<u>1,810,000</u>	<u>1,740,767</u>	<u>(69,233)</u>
EXPENDITURES				
Debt Service				
Principal	1,510,000	1,523,930	1,424,606	99,324
Interest	300,000	300,000	300,000	-
Total Expenditures	<u>1,810,000</u>	<u>1,823,930</u>	<u>1,724,606</u>	<u>99,324</u>
Net change in fund balance	-	(13,930)	16,161	30,091
FUND BALANCE - Beginning of Year	<u>1,503,838</u>	<u>1,503,838</u>	<u>1,503,838</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,503,838</u>	<u>\$ 1,489,908</u>	<u>\$ 1,519,999</u>	<u>\$ 30,091</u>

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2015

	Property Casualty Insurance	Employee Benefits Insurance	Totals
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 7,599,955	\$ 7,963,249	\$ 15,563,204
Accounts receivable	151,386	62,303	213,689
Total Current Assets	7,751,341	8,025,552	15,776,893
NONCURRENT ASSETS			
Restricted Assets			
Net pension asset	12,163	20,261	32,424
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000
Total Non-Current assets	1,531,163	20,261	1,551,424
CAPITAL ASSETS			
Equipment	53,868	4,598	58,466
Less: Accumulated depreciation	(53,868)	(4,598)	(58,466)
Net Capital Assets	-	-	-
Total Assets	9,282,504	8,045,813	17,328,317
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	12,446	20,766	33,212
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	75,604	11,251	86,855
Accrued items	2,829	56,094	58,923
Compensated absences	3,091	6,110	9,201
Total Current Liabilities	81,524	73,455	154,979
LONG-TERM LIABILITIES			
Accrued liability - claims payable	975,594	3,062,117	4,037,711
Compensated absences	27,819	54,993	82,812
Total Long-term Liabilities	1,003,413	3,117,110	4,120,523
Total Liabilities	1,084,937	3,190,565	4,275,502
NET POSITION			
Restricted for pension	12,163	20,261	32,424
Unrestricted	8,197,850	4,855,753	13,053,603
TOTAL NET POSITION	\$ 8,210,013	\$ 4,876,014	\$ 13,086,027

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS For the Year Ended December 31, 2015

	Property Casualty Insurance	Employee Benefits Insurance	Totals
OPERATING REVENUES			
Interdepartmental charges for services	\$ 742,045	\$ 14,190,152	\$ 14,932,197
Total Operating Revenues	<u>742,045</u>	<u>14,190,152</u>	<u>14,932,197</u>
OPERATING EXPENSES			
Salaries and benefits	97,649	934,961	1,032,610
Contractual services	1,268	255,925	257,193
Materials and supplies	1,777	7,201	8,978
Insurance and claims	480,692	12,563,192	13,043,884
Loss and loss adjustment expense	65,406	257,896	323,302
Insurance and administration costs	-	10,506	10,506
Total Operating Expenses	<u>646,792</u>	<u>14,029,681</u>	<u>14,676,473</u>
Operating Income	<u>95,253</u>	<u>160,471</u>	<u>255,724</u>
NONOPERATING REVENUES			
Investment income	140,602	47,903	188,505
Insurance recoveries	29,332	4,815	34,147
Other income	-	207,360	207,360
Total Nonoperating Revenues	<u>169,934</u>	<u>260,078</u>	<u>430,012</u>
Income before transfers	265,187	420,549	685,736
Transfer out	-	(250,000)	(250,000)
Changes in net position	265,187	170,549	435,736
NET POSITION - Beginning of Year (as restated)	<u>7,944,826</u>	<u>4,705,465</u>	<u>12,650,291</u>
NET POSITION - END OF YEAR	<u>\$ 8,210,013</u>	<u>\$ 4,876,014</u>	<u>\$ 13,086,027</u>

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2015

	Property Casualty Insurance	Employee Benefits Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from departments and other insurance purchasers	\$ 721,120	\$ 14,384,689	\$ 15,105,809
Cash paid to employees for services	(97,649)	(934,961)	(1,032,610)
Cash paid to suppliers for goods and services	(514,998)	(12,836,890)	(13,351,888)
Net Cash Provided (Used) by Operating Activities	108,473	612,838	721,311
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	-	(250,000)	(250,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	140,602	47,903	188,505
Net Cash Provided by Investing Activities	140,602	47,903	188,505
Net Increase (Decrease) in Cash and Cash Equivalents	249,075	410,741	659,816
CASH AND CASH EQUIVALENTS - Beginning of Year	7,350,880	7,552,508	14,903,388
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,599,955	\$ 7,963,249	\$ 15,563,204
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	\$ 95,253	\$ 160,471	\$ 255,724
Adjustments to reconcile operating income to net cash provided by operating activities:			
Insurance recoveries	29,332	4,815	34,147
Other income	-	207,360	207,360
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:			
Accounts receivable	(50,257)	(17,638)	(67,895)
Accounts payable	(35,022)	(925)	(35,947)
Pension related deferrals and liabilities	(191)	(352)	(543)
Compensated absences	3,952	1,211	5,163
Accrued liabilities - claims payable	65,406	257,896	323,302
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 108,473	\$ 612,838	\$ 721,311
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES:			
None			

MARATHON COUNTY, WISCONSIN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
ADRC-CW				
Assets				
Cash and cash equivalents	\$ 32,146	\$ 140,639	\$ 32,146	\$ 140,639
Account receivable	59,146	83,010	59,146	83,010
Due from other governments	367,693	303,420	367,693	303,420
	<u>\$ 458,985</u>	<u>\$ 527,069</u>	<u>\$ 458,985</u>	<u>\$ 527,069</u>
Liabilities				
Accounts payable	\$ 191,387	\$ 205,971	\$ 191,387	\$ 205,971
Due to other governments	3,978	20,062	3,978	20,062
Due to participants	163,070	180,358	163,070	180,358
Other accrued liabilities and deposits	100,550	120,678	100,550	120,678
	<u>\$ 458,985</u>	<u>\$ 527,069</u>	<u>\$ 458,985</u>	<u>\$ 527,069</u>
Clerk of Courts				
Assets				
Cash and cash equivalents	\$ 1,010,542	\$ 1,003,162	\$ 1,010,542	\$ 1,003,162
Liabilities				
Other accrued liabilities and deposits	\$ 1,010,542	\$ 1,003,162	\$ 1,010,542	\$ 1,003,162
Sheriff Adult Inmate				
Assets				
Cash and cash equivalents	\$ 69,924	\$ 75,969	\$ 69,924	\$ 75,969
Liabilities				
Other accrued liabilities and deposits	\$ 69,924	\$ 75,969	\$ 69,924	\$ 75,969
Total all agency funds				
Assets				
Cash and cash equivalents	\$ 1,112,612	\$ 1,219,770	\$ 1,112,612	\$ 1,219,770
Account receivable	59,146	83,010	59,146	83,010
Due from other governments	367,693	303,420	367,693	303,420
	<u>\$ 1,539,451</u>	<u>\$ 1,606,200</u>	<u>\$ 1,539,451</u>	<u>\$ 1,606,200</u>
Liabilities				
Accounts payable	\$ 191,387	\$ 205,971	\$ 191,387	\$ 205,971
Due to other governments	3,978	20,062	3,978	20,062
Due to participants	163,070	180,358	163,070	180,358
Other accrued liabilities and deposits	1,181,016	1,199,809	1,181,016	1,199,809
	<u>\$ 1,539,451</u>	<u>\$ 1,606,200</u>	<u>\$ 1,539,451</u>	<u>\$ 1,606,200</u>

MARATHON COUNTY, WISCONSIN

STATEMENT OF NET POSITION CENTRAL WISCONSIN AIRPORT As of December 31, 2015

ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 2,625,507
Accounts receivable	188,990
Due from other governments	61,421
Total Current Assets	<u>2,875,918</u>
NONCURRENT ASSETS	
Restricted assets	
Cash and investments	2,313,505
Net pension asset	154,694
Property, Plant and Equipment	
Land	614,983
Buildings	17,735,915
Improvements	49,709,741
Equipment	8,031,593
Construction in process	24,229,314
Total Property, Plant and Equipment	100,321,546
Less: Accumulated depreciation and depletion	<u>(43,554,775)</u>
Net Property, Plant and Equipment	56,766,771
Total Noncurrent Assets	<u>59,234,970</u>
Total Assets	<u>62,110,888</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	<u>158,865</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	298,310
Accrued expenses	42,264
Deposits	11,831
Interest payable	19,757
Due to other governments	4,519
Current portion of compensated absences	20,178
Current portion of general obligation notes payable	630,000
Total Current Liabilities	<u>1,026,859</u>
Long-term Liabilities	
General obligation notes payable (net of unamortized premiums)	8,362,361
Compensated absences	181,607
Total Long-term Liabilities	<u>8,543,968</u>
Total Liabilities	<u>9,570,827</u>
NET POSITION	
Net investment in capital assets	47,865,403
Restricted	
Restricted for passenger and customer facility charges	2,204,742
Pension	154,694
Unrestricted	<u>2,474,087</u>
TOTAL NET POSITION	<u>\$ 52,698,926</u>

MARATHON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION CENTRAL WISCONSIN AIRPORT For the Year Ended December 31, 2015

OPERATING REVENUES	
Public charges for services	\$ 2,849,011
Intergovernmental charges for services	<u>33,096</u>
Total Operating Revenues	<u>2,882,107</u>
OPERATING EXPENSES	
Salaries and benefits	1,330,623
Contractual services	469,455
Materials and supplies	367,394
Insurance	56,275
Depreciation	<u>2,231,619</u>
Total Operating Expenses	<u>4,455,366</u>
Operating Loss	<u>(1,573,259)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	31,417
Passenger facility charges	507,925
Customer facility charges	215,680
Other income	301
Interest expense	<u>(289,544)</u>
Total Nonoperating Revenues (Expenses)	<u>465,779</u>
Loss before contributions	(1,107,480)
Capital Contributions	<u>5,388,819</u>
Increase in net position	4,281,339
NET POSITION - Beginning of Year (as restated)	<u>48,417,587</u>
NET POSITION - END OF YEAR	<u>\$ 52,698,926</u>

MARATHON COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS CENTRAL WISCONSIN AIRPORT For the Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from the sale of goods and services	\$ 3,032,196
Cash paid to employees for services	(1,330,623)
Cash paid to suppliers for goods and services	<u>(1,157,110)</u>
Net Cash Provided by Operating Activities	<u>544,463</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for capital acquisitions	(2,415,367)
Passenger facility charges received	507,925
Customer facility charges received	215,680
Debt issued	2,545,000
Debt premium received	29,248
Debt issuance cost paid	(525)
Debt paid	(1,015,000)
Interest paid	<u>(301,339)</u>
Net Cash Used for Capital Financing and Related Activities	<u>(434,378)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>31,417</u>
Net Decrease in Cash and Cash Equivalents	141,502
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,797,710</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,939,212</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	\$ (1,573,259)
Non-operating income	301
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	2,231,619
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:	
Accounts receivable	149,788
Accounts payable	237,247
Pension related deferrals and liabilities	(3,001)
Due to other governments	(434,964)
Compensated absences	14,068
Net OPEB obligation	<u>(77,336)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 544,463</u>
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES	
Capital contributions	<u>\$ 5,388,819</u>
Interest charged to construction	<u>\$ 38,867</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS	
Cash and cash equivalents	\$ 2,625,507
Cash and cash equivalents - restricted assets	<u>2,313,505</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,939,012</u>

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	109-113
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.	114-118
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.	119-122
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.	123-125
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.	126-132

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$212,164,240	\$215,050,440	\$214,790,257	\$219,341,680	\$222,273,031	\$228,549,428	\$224,519,266	\$223,789,243	\$236,350,892	\$239,721,187
Restricted	\$387,026	\$509,144	\$2,625,708	\$1,416,570	\$1,738,845	\$8,153,298	\$9,449,568	\$8,078,812	\$8,340,597	\$13,793,634
Unrestricted	\$63,427,871	\$64,983,169	\$67,140,206	\$65,707,174	\$66,993,402	\$60,021,104	\$60,860,372	\$61,869,922	\$56,330,607	\$63,274,436
Total governmental activities net position	<u>\$275,979,137</u>	<u>\$280,542,753</u>	<u>\$284,556,171</u>	<u>\$286,465,424</u>	<u>\$291,005,278</u>	<u>\$296,723,830</u>	<u>\$294,829,206</u>	<u>\$293,737,977</u>	<u>\$301,022,096</u>	<u>\$316,789,257</u>
Business-type activities										
Net investment in capital assets	\$12,866,542	\$13,498,501	\$12,808,726	\$13,093,209	\$13,849,677	\$13,977,429	\$13,961,636	\$18,155,596	\$18,955,217	\$19,489,014
Restricted	\$3,628,758	\$2,922,567	\$2,566,988	\$1,707,710	\$5,084,671	\$5,656,429	\$5,215,387	\$2,890,271	\$2,186,471	\$1,810,233
Unrestricted	\$26,268,781	\$31,633,098	\$36,346,089	\$39,215,088	\$41,219,245	\$40,978,357	\$42,117,105	\$42,000,995	\$44,824,434	\$40,270,460
Total business-type activities net position	<u>\$42,764,081</u>	<u>\$48,054,166</u>	<u>\$51,721,803</u>	<u>\$54,016,007</u>	<u>\$60,153,593</u>	<u>\$60,612,215</u>	<u>\$61,294,128</u>	<u>\$63,046,862</u>	<u>\$65,966,122</u>	<u>\$61,569,707</u>
Primary government										
Net Investment in capital assets	\$225,030,782	\$228,548,941	\$227,598,983	\$232,434,889	\$236,122,708	\$242,526,857	\$238,480,902	\$241,944,839	\$255,306,109	\$259,210,201
Restricted	\$4,015,784	\$3,431,711	\$5,192,696	\$3,124,280	\$6,823,516	\$13,809,727	\$14,664,955	\$10,969,083	\$10,527,068	\$15,603,867
Unrestricted	\$89,696,652	\$96,616,267	\$103,486,295	\$104,922,262	\$108,212,647	\$100,999,461	\$102,977,477	\$103,870,917	\$101,155,041	\$103,544,896
Total primary government net position	<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>	<u>\$357,336,045</u>	<u>\$356,123,334</u>	<u>\$356,784,839</u>	<u>\$366,988,218</u>	<u>\$378,358,964</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General Government	\$ 29,637,387	\$ 34,353,888	\$ 28,901,745	\$ 30,953,544	\$ 27,693,729	\$ 33,496,508	\$ 34,250,005	\$ 31,317,190	\$ 31,255,067	\$ 32,438,088
Public Safety	18,276,774	18,436,524	20,144,675	21,087,056	17,226,412	18,917,496	18,373,227	21,297,720	22,591,095	21,713,958
Transportation	4,948,200	4,927,325	5,831,047	4,973,010	6,751,433	5,357,028	8,661,324	7,197,187	8,255,821	8,107,515
Health	4,154,269	4,386,361	4,609,679	4,945,381	4,844,464	4,650,289	4,474,165	4,770,100	4,512,283	4,255,516
Social Services	26,330,535	25,317,481	24,691,433	18,525,375	18,563,013	17,052,964	17,862,488	18,772,375	19,228,599	19,963,279
Leisure and Education	6,273,082	6,700,634	8,624,175	8,364,884	12,571,466	8,225,769	7,426,607	6,782,729	7,658,636	7,448,272
Conservation and Development	2,454,458	1,476,149	997,139	1,351,199	758,621	852,382	1,163,428	918,916	889,005	1,098,046
Interest on Long Term Debt	32,838	60,238	54,011	271,706	326,604	295,360	264,525	278,516	183,983	140,763
Total governmental activities	<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>	<u>88,847,796</u>	<u>92,475,769</u>	<u>91,334,733</u>	<u>94,574,489</u>	<u>95,165,437</u>
Business-type activities										
Landfill	2,511,020	2,773,166	3,989,716	3,468,201	(638,528)	2,773,929	3,619,483	3,170,871	4,753,815	3,875,294
Highway	8,801,947	8,831,170	9,394,576	8,493,094	10,560,666	11,879,840	12,612,249	9,871,515	12,081,767	10,947,238
Total business-type activities expenses	<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>	<u>14,653,769</u>	<u>16,231,732</u>	<u>13,042,386</u>	<u>16,835,582</u>	<u>14,822,532</u>
Total primary government	<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>	<u>\$ 103,501,565</u>	<u>\$ 108,707,501</u>	<u>\$ 104,377,119</u>	<u>\$ 111,410,071</u>	<u>\$ 109,987,969</u>
Program Revenues										
Government activities:										
Charges for services:										
General Government	3,369,223	3,805,883	2,546,867	4,086,920	3,850,977	4,389,790	4,333,484	4,184,659	4,027,914	2,759,355
Public Safety	1,650,751	1,644,100	1,667,040	1,422,591	1,945,728	1,965,724	2,018,272	2,161,484	2,251,253	1,804,835
Transportation	-	-	-	-	-	-	-	-	-	-
Health	538,533	589,739	561,468	590,671	633,544	577,753	613,162	656,765	678,106	733,961
Social Services	935,676	861,928	868,342	998,231	937,401	803,706	967,306	1,140,531	989,401	997,695
Leisure and Education	1,329,621	1,478,208	1,236,038	1,082,422	860,296	774,943	897,055	808,233	723,446	834,173
Conservation and Development	18,229	59,406	166,211	118,975	559,323	485,322	517,898	540,358	393,865	243,187
Operating grants and contributions:										
General Government	1,301,615	1,526,036	1,758,758	1,377,784	1,070,085	788,333	712,259	923,802	868,839	1,067,728
Public Safety	415,553	407,213	227,057	732,405	1,212,538	892,819	648,160	1,055,870	478,327	482,271
Transportation	-	-	-	-	235,124	131,286	62,957	94,718	177,345	201,153
Health	1,178,836	1,234,714	1,245,938	1,715,439	1,599,394	1,176,189	1,136,082	1,439,002	1,062,315	844,347
Social Services	16,086,431	16,219,243	13,713,523	9,279,701	10,364,636	10,445,330	11,595,961	11,906,370	13,690,013	14,306,435
Leisure and Education	458,978	527,562	660,026	545,284	588,060	821,884	350,535	626,314	769,762	966,388
Conservation and Development	2,475,071	2,704,552	2,868,672	2,319,819	721,409	1,020,592	1,276,513	895,523	905,486	356,688
Capital grants and contributions:										
General Government	-	875,946	-	-	-	165,624	165,624	469,375	203,874	165,624
Public Safety	274,081	154,683	682,557	604,975	-	-	-	-	-	-
Transportation	771,747	51,967	-	-	-	3,668,011	4,123,018	905,142	14,249,208	1,084,607
Leisure and Education	17,258	-	181,171	16,373	4,840,498	349,946	-	-	-	-
Total governmental activities program revenues	<u>30,821,603</u>	<u>32,141,180</u>	<u>28,383,668</u>	<u>24,891,590</u>	<u>29,419,013</u>	<u>28,457,252</u>	<u>29,418,286</u>	<u>27,808,146</u>	<u>41,469,154</u>	<u>26,848,447</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Landfill	1,494,878	2,008,419	2,685,025	2,367,684	2,598,951	3,494,705	2,721,948	2,804,665	3,164,040	4,606,198
Highway	4,259,403	5,199,263	5,181,431	4,594,056	4,424,928	4,415,601	4,023,034	4,724,083	5,220,337	5,045,248
Operating grants and contributions:										
Landfill	38,485	22,370	-	24,895	20,355	21,000	34,172	3,093	-	-
Highway	2,750,810	1,512,713	873,100	1,008,820	704,051	4,626,975	3,366,656	3,870,966	4,358,611	2,898,973
Capital grants and contributions:										
Highway	2,153,430	2,913,491	3,132,814	3,189,059	3,384,634	-	-	-	-	-
Total business-type activities program revenues	10,697,006	11,656,256	11,872,370	11,184,514	11,132,919	12,558,281	10,145,810	11,402,807	12,742,988	12,550,419
Total primary government program revenues	\$ 41,518,609	\$ 43,797,436	\$ 40,256,038	\$ 36,076,104	\$ 40,551,932	\$ 41,015,533	\$ 39,564,096	\$ 39,210,953	\$ 54,212,142	\$ 39,398,866
Net (Expense) Revenue										
Governmental activities	(61,285,941)	(63,517,420)	(65,470,236)	(65,580,565)	(59,316,729)	(60,390,544)	(63,057,483)	(63,526,587)	(53,105,335)	(68,316,990)
Business-type activities	(615,961)	51,920	(1,511,922)	(776,781)	1,210,781	(2,095,488)	(6,085,922)	(1,639,579)	(4,092,594)	(2,272,113)
Total primary governmental net expense	\$ (61,901,902)	\$ (63,465,500)	\$ (66,982,158)	\$ (66,357,346)	\$ (58,105,948)	\$ (62,486,032)	\$ (69,143,405)	\$ (65,166,166)	\$ (57,197,929)	\$ (70,589,103)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	36,226,907	38,579,214	39,723,667	40,243,312	40,027,787	39,777,973	39,069,259	38,832,967	40,323,181	42,516,486
Sales Taxes	10,841,250	10,550,263	10,708,417	9,205,424	9,549,872	9,998,528	10,312,235	10,555,249	10,977,370	11,735,957
Other Taxes	1,326,458	1,477,826	1,469,213	1,439,402	1,734,874	2,014,921	2,247,432	1,977,893	1,644,574	1,594,671
Grants and contributions not restricted to specific programs	5,989,625	6,435,348	6,067,914	7,214,389	7,055,434	7,097,282	5,968,326	6,012,569	6,304,527	6,454,784
Public Grants and Gifts	-	-	-	-	-	-	-	84,995	-	-
Unrestricted investment earnings	2,258,334	3,708,820	3,938,127	1,322,366	848,020	696,013	514,642	277,282	343,832	453,382
Miscellaneous	2,862,843	1,638,968	1,779,811	1,365,367	75,896	66,035	773,267	271,109	84,413	203,734
Gain on sale of capital assets	32,633	46,827	40,304	45,988	50,482	45,918	33,996	78,709	53,357	17,670
Transfers	7,967,632	5,643,770	5,756,201	6,653,570	4,514,218	6,412,426	2,243,702	4,344,585	658,196	10,280,804
Total general revenues and transfers	67,505,682	68,081,036	69,483,654	67,489,818	63,856,583	66,109,096	61,162,859	62,435,358	60,389,454	73,257,488
Change in net position	\$ 6,219,741	\$ 4,563,616	\$ 4,013,418	\$ 1,909,253	\$ 4,539,854	\$ 5,718,552	\$ (1,894,624)	\$ (1,091,229)	\$ 7,284,119	\$ 4,940,498
Business-type activities:										
Taxes:										
Property Taxes	8,145,306	8,252,009	8,409,424	8,577,612	8,668,697	8,441,401	8,543,693	7,306,275	6,064,496	5,888,809
Sales Taxes	-	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	765,311	-
Unrestricted investment earnings	1,861,007	2,509,762	2,160,230	979,824	610,636	336,719	350,390	144,487	520,296	436,478
Miscellaneous	132,461	120,164	6,601	167,119	161,690	-	-	224,677	319,947	280,687
Gain on sale of capital assets	-	-	359,505	-	-	188,416	117,454	61,459	-	-
Transfers	(7,967,632)	(5,643,770)	(5,756,201)	(6,653,570)	(4,514,218)	(6,412,426)	(2,243,702)	(4,344,585)	(658,196)	(10,280,804)
Total general revenues and transfers	2,171,142	5,238,165	5,179,559	3,070,985	4,926,805	2,554,110	6,767,835	3,392,313	7,011,854	(3,674,830)
Change in net position	\$ 1,555,181	\$ 5,290,085	\$ 3,667,637	\$ 2,294,204	\$ 6,137,586	\$ 458,622	\$ 681,913	\$ 1,752,734	\$ 2,919,260	\$ (5,946,943)
Net Position										
Governmental activities (as restated)	275,979,137	280,542,753	284,556,171	286,465,424	291,005,278	296,723,830	294,829,206	293,737,977	301,022,096	316,789,257
Business-type activities (as restated)	42,764,081	48,054,166	51,721,803	54,016,007	60,153,593	60,612,215	61,294,128	63,046,862	65,966,122	61,569,707
Total primary government (as restated)	\$ 318,743,218	\$ 328,596,919	\$ 336,277,974	\$ 340,481,431	\$ 351,158,871	\$ 357,336,045	\$ 356,123,334	\$ 356,784,839	\$ 366,988,218	\$ 378,358,964

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 2,314,832	\$ 2,558,344	\$ 2,814,747	\$ 3,555,286	\$ 4,642,257	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	36,558,343	38,213,889	40,041,832	40,486,654	40,124,313	-	-	-	-	-
Nonspendable	-	-	-	-	-	4,248,670	3,957,965	3,411,419	3,219,064	3,714,563
Restricted	-	-	-	-	-	2,496,160	2,881,111	2,581,027	2,371,654	2,266,011
Assigned	-	-	-	-	-	15,298,160	14,390,670	17,725,315	14,700,334	12,237,628
Unassigned	-	-	-	-	-	22,680,756	25,462,846	23,652,792	24,170,087	26,212,229
Total General Fund	\$ 38,873,175	\$ 40,772,233	\$ 42,856,579	\$ 44,041,940	\$ 44,766,570	\$ 44,723,746	\$ 46,692,592	\$ 47,370,553	\$ 44,461,139	\$ 44,430,431
All Other Governmental Funds										
Reserved	3,336,776	3,643,834	13,425,816	14,333,639	5,062,168	-	-	-	-	-
Unreserved	13,486,282	13,093,273	3,184,116	8,454,257	13,471,377	-	-	-	-	-
Nonspendable	-	-	-	-	-	27	-	999	1,947	1,478
Restricted	-	-	-	-	-	10,435,507	7,884,696	6,675,203	6,797,210	6,224,899
Assigned	-	-	-	-	-	8,123,153	9,133,893	10,056,329	7,640,835	6,239,900
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 16,823,058	\$ 16,737,107	\$ 16,609,932	\$ 22,787,896	\$ 18,533,545	\$ 18,558,687	\$ 17,018,589	\$ 16,732,531	\$ 14,439,992	\$ 12,466,277

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$ 48,886,962	\$ 49,864,783	\$ 51,927,415	\$ 50,649,523	\$ 51,063,867	\$ 51,697,866	\$ 51,952,701	\$ 51,532,035	\$ 52,827,893	\$ 54,731,133
Intergovernmental grants and aids	28,066,821	29,307,688	27,603,173	24,758,380	27,265,336	21,623,450	21,491,484	22,262,306	23,495,023	23,177,159
Licenses and permits	238,314	243,927	214,061	259,138	265,715	262,971	261,799	273,756	276,045	321,343
Fines and forfeitures	742,897	751,188	723,624	758,343	728,840	666,902	770,975	780,186	952,726	657,261
Public charges for services	5,824,912	6,438,774	5,292,802	4,803,853	5,200,989	5,118,947	5,238,530	5,436,506	5,060,266	4,784,786
Intergovernmental charges for services	572,236	642,690	1,151,057	1,215,014	1,226,970	1,293,582	1,366,398	1,349,329	1,549,285	1,496,673
Miscellaneous revenues	4,420,192	4,673,221	3,966,585	1,532,929	1,492,499	1,598,090	2,089,337	2,036,040	1,565,431	1,579,264
Total Revenues	\$ 88,752,334	\$ 91,922,271	\$ 90,878,717	\$ 83,977,180	\$ 87,244,216	\$ 82,261,808	\$ 83,171,224	\$ 83,670,158	\$ 85,726,669	\$ 86,747,619
Expenditures:										
Current:										
General government	\$ 24,101,561	\$ 26,989,916	\$ 23,893,847	\$ 25,126,067	\$ 25,040,971	\$ 25,465,086	\$ 23,693,652	\$ 23,865,557	\$ 24,416,778	\$ 25,844,705
Public safety	16,784,952	16,958,015	18,991,445	19,267,926	19,902,303	19,960,253	19,422,491	20,955,298	22,243,049	22,388,682
Health	4,140,633	4,300,305	4,541,926	4,938,759	4,809,531	4,663,852	4,447,762	4,630,064	4,509,998	4,449,179
Social services	25,754,586	25,092,581	24,678,716	18,543,021	18,707,630	16,487,629	17,647,710	18,369,888	19,156,057	20,198,084
Leisure activities and education	6,766,414	6,997,027	7,429,831	7,331,865	7,316,332	7,724,615	6,774,083	7,029,361	7,527,993	7,450,503
Conservation and economic development	1,603,643	1,467,297	1,009,482	1,438,353	639,070	852,347	1,157,404	908,106	889,159	1,111,969
Capital outlay	6,683,586	8,625,927	6,532,085	13,015,585	12,011,136	5,417,783	6,672,176	4,172,949	4,495,561	4,780,712
Debt service:										
Principal	2,744,303	3,367,666	1,161,276	4,468,304	1,282,860	1,337,846	1,315,235	1,388,903	1,447,427	1,424,606
Interest and paying agent fees	49,358	59,810	40,512	480,221	465,775	435,900	405,149	373,400	340,650	300,000
Total expenditures	\$ 88,629,036	\$ 93,858,544	\$ 88,279,120	\$ 94,610,101	\$ 90,175,608	\$ 82,345,311	\$ 81,535,662	\$ 81,693,526	\$ 85,026,672	\$ 87,948,440
Excess (deficiency) of revenues over expenditures	\$ 123,298	\$ (1,936,273)	\$ 2,599,597	\$ (10,632,921)	\$ (2,931,392)	\$ (83,503)	\$ 1,635,562	\$ 1,976,632	\$ 699,997	\$ (1,200,821)
Other financing sources (uses):										
Transfers in:										
General Fund	\$ 6,691,979	\$ 3,664,357	\$ 4,787,875	\$ 2,233,295	\$ 4,754,489	2,704,911	3,734,221	2,879,254	5,199,723	2,211,662
Social Improvement Fund	1,198,658	644,587	885,509	1,000,274	855,023	1,541,153	1,291,258	2,715,848	1,932,322	1,930,417
Capital Improvement Fund	697,948	1,035,550	1,630,336	794,851	2,247,336	546,529	168,657	159,867	144,554	266,552
Highway	-	-	-	-	-	160,000	-	-	-	-
Property Casualty Fund	20,439	-	-	-	-	-	-	-	-	-
Employee Benefit Fund	-	-	-	-	-	-	-	-	-	250,000
Sale of Capital Assets	69,369	48,634	40,304	59,070	51,389	46,694	37,134	83,394	56,000	20,394
Component unit transfer in	3,340,000	-	-	-	-	-	-	-	-	-
General obligation debt issued	514,055	3,590,000	-	16,770,000	-	-	-	-	-	-
State loan program debt issued	2,593	514,055	14,608	-	95,858	14,608	14,650	14,562	14,691	14,692
Premium on bond/note payable	-	-	-	1,212,567	-	-	-	-	-	-
Transfers out:										
General Fund	(647,947)	(1,037,532)	(1,630,336)	(842,735)	(2,351,937)	(546,529)	(168,657)	(159,867)	(144,554)	(266,552)
Social Improvement Fund	-	(6,000)	(176,936)	(120,000)	(320,000)	(165,054)	-	(5,013)	-	-
Capital Improvement Fund	(7,890,637)	(4,300,962)	(5,496,448)	(3,065,685)	(5,184,911)	(4,081,010)	(5,025,479)	(5,590,089)	(7,132,045)	(4,142,079)
Highway Road Improvement Fund	(50,000)	-	-	-	-	-	-	-	-	-
County Highway Fund	-	(403,309)	(697,338)	(60,000)	(745,576)	(90,000)	(1,258,598)	(1,682,685)	(5,972,641)	(1,088,688)
Internal service fund	-	-	-	-	-	(65,481)	-	-	-	-
Total other financing sources (uses)	\$ 3,946,457	\$ 3,749,380	\$ (642,426)	\$ 17,996,245	\$ (598,329)	\$ 65,821	\$ (1,206,814)	\$ (1,584,729)	\$ (5,901,950)	\$ (803,602)
Net change in fund balance	4,069,755	1,813,107	1,957,171	7,363,324	(3,529,721)	(17,682)	428,748	391,903	(5,201,953)	(2,004,423)
Fund balances January 1	\$ 51,626,478	\$ 55,696,233	\$ 57,509,340	\$ 59,466,512	\$ 66,829,836	\$ 63,300,115	\$ 63,282,433	\$ 63,711,181	\$ 64,103,084	\$ 58,901,131
Fund balances, December 31	\$ 55,696,233	\$ 57,509,340	\$ 59,466,511	\$ 66,829,836	\$ 63,300,115	\$ 63,282,433	\$ 63,711,181	\$ 64,103,084	\$ 58,901,131	\$ 56,896,708
Debt service as a percentage of noncapital expenditures	3.4%	4.3%	1.5%	6.4%	2.3%	2.2%	2.2%	2.2%	2.2%	2.1%

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				
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	5.1700
2011	6,219,847,800	1,953,488,700	398,126,500	872,134,900	280,627,800	9,724,225,700	9,201,742,900	5.1700
2012	6,028,436,000	1,862,217,800	388,850,800	835,157,100	278,881,600	9,393,543,300	8,915,050,700	5.1700
2013	6,078,829,100	1,915,456,400	359,773,400	833,388,900	280,748,800	9,468,196,600	8,963,288,900	5.1700
2014	6,233,935,600	1,965,462,800	363,654,600	818,441,000	288,575,100	9,670,069,100	9,135,689,600	5.1613
2015	6,336,788,900	1,949,046,000	395,199,800	867,012,400	304,935,400	9,852,982,500	9,289,260,900	5.1256

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
COUNTY DIRECT RATE	5.69	5.46	5.38	5.17	5.17	5.15	5.17	5.17	5.16	5.13
TOWN										
BERGEN	16.20	16.27	15.69	16.28	16.98	18.49	17.44	17.34	16.53	16.40
BERLIN	16.51	16.81	16.05	17.30	17.84	16.83	18.84	18.94	17.52	18.21
BERN	14.68	22.32	21.81	17.58	18.14	17.48	18.43	18.01	16.99	17.72
BEVENT	16.30	17.23	17.40	18.29	16.66	15.45	17.94	17.15	16.43	16.39
BRIGHTON	17.52	24.20	23.70	25.28	17.77	18.53	19.83	18.50	18.32	17.65
CASSEL	15.91	18.24	18.11	19.39	19.69	18.91	17.86	18.08	18.34	18.31
CLEVELAND	16.88	18.21	19.26	19.91	20.49	18.06	18.31	18.48	18.59	17.84
DAY	16.76	15.89	16.87	17.76	19.33	17.51	20.05	18.21	18.47	18.67
EASTON	17.80	19.26	20.43	18.88	18.69	18.76	20.09	19.87	19.45	19.74
EAU PLEINE	13.41	15.93	16.43	16.42	17.47	17.63	16.43	17.40	17.25	17.13
ELDERON	14.52	14.02	14.40	16.28	16.04	15.42	16.48	15.22	14.51	14.86
EMMET	15.72	18.25	18.02	19.70	19.73	19.67	17.44	17.04	17.27	17.40
FRANKFORT	16.36	22.25	21.83	22.08	18.43	18.44	18.64	18.28	17.73	17.55
FRANZEN	16.03	20.51	20.45	24.14	19.99	17.58	17.66	24.64	18.18	17.92
GREEN VALLEY	16.54	17.24	17.43	17.79	17.47	17.51	19.69	19.59	18.95	19.79
GUENTHER	16.81	24.74	18.15	18.38	20.58	20.62	18.94	19.88	17.69	17.86
HALSEY	17.21	22.05	21.94	17.90	18.20	17.61	18.22	18.93	17.85	17.98
HAMBURG	16.87	23.17	23.27	23.21	23.61	18.99	19.94	19.36	18.17	18.89
HARRISON	15.86	19.26	18.78	15.40	15.11	15.22	14.93	14.43	13.35	13.03
HEWITT	19.26	26.04	24.62	21.29	21.12	20.76	20.67	20.76	19.10	19.50
HOLTON	15.42	16.71	16.18	16.78	17.19	17.07	17.85	18.28	17.54	17.80
HULL	16.47	20.89	20.29	20.35	16.83	17.16	18.74	17.93	17.99	17.50
JOHNSON	14.89	20.35	20.35	17.33	18.67	16.66	18.94	19.03	18.37	18.99
KNOWLTON	15.00	15.31	16.35	16.95	17.56	17.20	17.42	16.64	16.53	16.16
MAINE	18.76	20.37	20.37	21.83	20.92	20.72	20.16	20.45	19.99	20.45
MARATHON	15.93	22.38	16.15	18.09	17.37	16.29	17.80	15.94	16.74	16.12
MCMILLIAN	18.89	22.20	16.44	17.62	18.08	19.13	19.34	18.47	18.38	18.25
MOSINEE	16.32	16.37	16.33	17.81	16.28	16.87	18.48	17.74	17.60	18.00
NORRIE	13.96	20.52	20.06	16.96	16.74	16.49	17.98	17.50	15.82	16.31
PLOVER	16.75	22.23	22.08	18.46	18.14	18.05	19.08	18.00	18.11	17.87
REID	15.38	19.70	20.16	19.18	17.44	16.85	18.42	16.90	15.21	16.19
RIB FALLS	15.69	17.18	16.75	17.27	17.36	16.46	18.44	17.42	16.37	17.96
RIB MOUNTAIN	18.93	20.01	19.02	20.40	20.80	20.74	20.22	20.04	19.48	19.82
RIETBROCK	17.90	20.82	20.89	21.26	21.99	17.97	18.81	17.78	16.75	16.89
RINGLE	15.78	19.15	15.33	15.43	16.25	15.67	17.67	15.82	16.63	17.31
SPENCER	16.59	19.46	18.89	20.12	17.38	17.67	18.58	18.05	18.25	17.01
STETTIN	17.69	23.55	17.66	18.79	18.94	18.10	19.89	18.81	18.70	19.56
TEXAS	17.89	22.32	21.12	22.16	19.03	18.38	19.49	18.71	17.61	18.14
WAUSAU	16.88	20.85	20.20	20.46	18.75	19.67	19.34	18.89	18.62	19.65
WESTON	15.33	22.16	15.52	15.85	15.95	16.09	17.19	16.16	17.21	16.35
WIEN	17.58	22.04	22.59	23.69	24.87	17.65	18.57	18.37	18.53	18.74

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

DISTRICT	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VILLAGE										
ATHENS	22.73	27.04	26.88	23.27	23.82	22.24	24.43	22.26	21.93	22.19
BIRNAMWOOD	16.28	18.25	17.90	18.63	18.54	19.65	18.49	22.28	17.82	17.66
BROKAW	21.93	23.01	23.15	24.84	27.24	27.35	37.59	37.79	44.74	44.29
DORCHESTER	21.14	25.80	22.16	24.32	23.50	20.59	21.04	22.49	22.37	23.88
EDGAR	19.15	18.43	18.68	19.27	19.72	20.66	21.21	20.42	19.00	19.91
ELDERON	15.40	18.63	19.05	15.83	14.74	16.03	17.21	14.35	14.12	14.58
FENWOOD	15.22	14.08	13.83	15.52	15.93	16.76	17.37	17.10	17.13	17.22
HATLEY	16.75	16.70	17.98	17.52	17.52	17.91	19.62	17.86	17.28	18.44
KRONENWETTER	16.96	19.21	19.64	19.25	19.34	20.27	21.23	21.64	20.84	21.33
MARATHON	20.52	25.52	26.43	21.72	21.84	22.48	23.38	20.45	21.14	21.94
ROTHSCHILD	20.74	25.56	25.52	25.37	21.73	23.10	23.30	22.70	22.01	22.38
SPENCER	21.62	25.87	24.49	25.78	26.54	23.42	23.79	23.42	22.60	23.09
STRATFORD	18.58	18.34	18.77	19.61	20.03	20.72	21.11	20.78	20.39	20.14
UNITY	17.71	20.73	20.95	19.51	18.92	17.84	20.07	18.43	19.58	19.49
WESTON	20.76	19.87	20.89	20.42	20.26	20.90	22.61	21.09	20.34	20.57
CITY										
ABBOTSFORD	20.12	20.17	21.11	21.03	21.34	22.44	23.11	23.54	23.53	23.37
COLBY	22.16	25.01	24.98	23.69	22.27	22.37	25.19	25.48	25.39	23.42
MARSHFIELD	22.36	23.02	23.94	24.89	22.99	23.58	24.17	23.07	23.24	22.51
MOSINEE	19.32	22.80	23.42	23.46	23.95	23.16	22.03	22.44	21.67	21.95
SCHOFIELD	21.14	24.52	25.19	25.45	24.81	26.12	23.75	25.70	24.26	21.46
WAUSAU	23.80	23.21	23.49	24.67	25.06	24.93	25.74	24.19	24.34	25.57

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

- NOTES: (A) Tax rate per \$1,000 of assessed value
(B) Reduced by state credit
(C) When a municipality has more than one taxing district, the highest tax rate is the one listed on this table

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

Taxpayer	Fiscal Year 2015			Fiscal Year 2006		
	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value
Apogee Wausau Group LLC	\$30,829,300	1	0.3129%	-	-	-
Employers Insurance of Wausau	\$29,120,000	2	0.2955%	\$44,043,100	2	0.4920%
Kocourek Holdings LLC	\$25,494,400	3	0.2587%	-	-	-
Menards Inc	\$22,901,100	4	0.2324%	\$18,782,900	9	0.2098%
Saint Claire's Hospital	\$22,489,800	5	0.2283%	\$22,027,400	6	0.2461%
Greenheck Fan Corp	\$21,542,700	6	0.2186%	\$21,078,500	7	0.2355%
First Wausau Tower LLC	\$20,898,700	7	0.2121%	-	-	-
Marshfield Clinic	\$20,698,000	8	0.2101%	\$49,168,600	1	0.5493%
Aspirus Wausau Hospital Inc	\$20,095,400	9	0.2040%	\$30,923,800	4	0.3455%
Abbyland Foods inc	\$15,637,000	10	0.1587%	-	-	-
Wausau Papers/Mosinee	-	-	-	\$37,833,800	3	0.4227%
Walmart	-	-	-	\$25,456,100	5	0.2844%
Wausau Joint Venture	-	-	-	\$20,398,500	8	0.2279%
Lodge at Cedar Creek	-	-	-	\$18,033,100	10	0.2015%
TOTAL	\$229,706,400.00		2.3313%	\$287,745,800.00		3.2145%

Source: Real Property Division of the County Treasurer's Office

NOTE (A) Total equalized value for 2015 of \$9,852,982,500 includes the increment value of tax increment districts (TID)
(B) Total equalized value for 2006 of \$8,951,412,200 includes the increment value of tax increment districts (TID)

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

Levy Year	Settlement Year	Taxes Levied for the Fiscal	Amount Collected within the Fiscal Year of the Levy		Net Amount Collected in Subsequent Years	Total Collected to Date	
			Amount Collected	Percent of Levy		Amount Collected	Percent of Levy
2005	2006	44,360,284	43,918,046	99.00%	441,264	44,359,310	100.00%
2006	2007	46,326,948	45,688,305	98.62%	637,620	46,325,925	100.00%
2007	2008	48,093,638	47,406,556	98.57%	686,125	48,092,681	100.00%
2008	2009	48,793,927	47,983,834	98.34%	807,720	48,791,554	100.00%
2009	2010	48,653,812	47,740,402	98.12%	904,607	48,645,009	99.98%
2010	2011	48,191,420	47,236,799	98.02%	929,369	48,166,168	99.95%
2011	2012	47,573,011	46,826,841	98.43%	678,551	47,505,392	99.86%
2012	2013	46,090,851	45,545,103	98.82%	423,545	45,968,648	99.73%
2013	2014	46,340,765	45,858,381	98.96%	238,374	46,096,755	99.47%
2014 (B)	2015	47,152,340	46,626,888	98.89%	-	46,626,888	98.89%

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 2016 is \$47,608,889

(C) Totals do not include uncollected amounts due on tax deed parcels of \$207,981

(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 (A)
Last Ten Fiscal Years

General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds-Governmental Activities (d)	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (b)	Percentage of Actual Value (a) of Taxable Property	Per Capita (b)
2006	\$670,000	(\$309,134)	\$360,866	0.02%	0.01%	2.72
2007	\$1,075,000	(\$481,716)	\$593,284	0.02%	0.01%	4.43
2008	-	-	-	0.00%	0.00%	-
2009	\$12,360,000	(\$1,388,199)	\$10,971,801	0.27%	0.12%	80.45
2010	\$11,165,000	(\$1,429,917)	\$9,735,083	0.24%	0.11%	71.12
2011	\$9,935,000	(\$1,445,578)	\$8,489,422	0.21%	0.10%	63.16
2012	\$8,665,000	(\$1,465,598)	\$7,199,402	0.17%	0.09%	53.43
2013	\$7,355,000	(\$1,476,646)	\$5,878,354	0.13%	0.08%	43.65
2014	\$6,000,000	(\$1,489,908)	\$4,510,092	0.11%	0.06%	33.46
2015 (c)	\$4,590,000	(\$1,507,402)	\$3,082,598	0.12%	0.05%	22.78

Notes:

- (a) See Schedule 5 for property value data
- (b) Population and personal income data can be found in Schedule 12
- (c) Remaining \$12,597 is restricted for Forest Aid Loan
- (d) There is no business type activity debt. Remaining debt expected to be paid from CWA or PFC revenues

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

<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:			
EASTON	\$ 357,728	100.00%	\$ 357,728
HAMBURG	61,761	100.00%	61,761
MCMILLAN	83,041	100.00%	83,041
RIB MOUNTAIN	6,580,508	100.00%	6,580,508
TEXAS	24,610	100.00%	24,610
WIEN	<u>7,107,648</u>		<u>7,107,648</u>
TOWN TOTAL			
VILLAGE:			
ATHENS	\$ 346,200	100.00%	\$ 346,200
BROKAW	742,730	100.00%	742,730
DORCHESTER	978,522	100.00%	978,522
ELDERON	28,675	100.00%	28,675
FENWOOD	88,942	100.00%	88,942
HATLEY	19,311,388	100.00%	19,311,388
KRONENWETTER	17,659,610	100.00%	17,659,610
MARATHON	6,422,840	100.00%	6,422,840
ROTHSCHILD	5,405,865	100.00%	5,405,865
SPENCER	1,519,275	100.00%	1,519,275
UNITY	44,734	100.00%	44,734
VILLAGE TOTAL	<u>52,548,781</u>		<u>52,548,781</u>
CITY:			
ABBOTSFORD	\$ 4,049,086	43.92%	\$ 1,778,443
MARSHFIELD	35,569,993	7.66%	2,726,304
MOSINEE	4,358,665	100.00%	4,358,665
SCHOFIELD	2,880,964	100.00%	2,880,964
WAUSAU	55,493,129	100.00%	55,493,129
CITY TOTAL	<u>102,351,837</u>		<u>67,237,505</u>

Schedule 10
 Marathon County
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable To Marathon County</u>
SCHOOL:			
ABBOTSFORD	\$ 5,650,000	48.25%	\$ 2,726,125
AUBURNDALE	2,265,000	3.00%	67,950
D.C. EVEREST	29,097,026	100.00%	29,097,026
EDGAR	8,357,371	100.00%	8,357,371
MARSHFIELD	20,330,000	15.60%	3,171,480
MERRILL	6,725,000	3.94%	264,965
SPENCER	970,000	80.00%	776,000
STRATFORD	38,645,000	100.00%	38,645,000
WAUSAU (B)	71,190,000	100.00%	71,190,000
MID-STATE TECH COLLEGE	27,740,000	2.65%	735,110
NORTHCENTRAL TECH	32,450,000	59.50%	19,307,750
SCHOOL TOTAL	<u>243,419,397</u>		<u>174,338,777</u>
SPECIAL DISTRICTS:			
SPECIAL DISTRICTS TOTAL			
TOTAL APPLICABLE UNDERLYING DEBT	<u>\$ 405,427,663</u>		<u>\$ 301,232,711</u>
DIRECT DEBT	<u>\$ 4,590,000</u>	100.00%	<u>\$ 4,590,000</u>
MARATHON COUNTY (A)			
TOTAL DEBT APPLICABLE TO MARATHON COUNTY	<u>\$ 410,017,663</u>		<u>\$ 305,822,711</u>

(A) Direct Debt of Marathon County is for capital projects of Marathon County

(B) Wausau School District direct debt is from January 1, 2015

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equalized Value of Property (A)	\$8,951,412	\$9,495,029	\$10,081,570	\$10,047,155	\$ 9,844,078	\$ 9,724,226	\$ 9,393,543	\$ 9,468,197	\$ 9,670,069	\$ 9,852,982
Debt Limit, 5% of Equalized Value	\$447,570	\$474,751	\$504,078	\$502,358	\$ 492,204	\$ 486,211	\$ 469,677	\$ 473,410	\$ 483,503	\$ 492,649
(Wisconsin statutory limitation)										
Amount of debt applicable to debt limitation:										
General obligation promissory notes (B)	\$4,950	\$5,050	\$3,650	\$15,670	\$16,570	\$14,810	\$15,645	\$13,760	\$11,870	\$13,490
Less: Amount available for debt service (c)	<u>\$309</u>	<u>\$481</u>	<u>\$2,597</u>	<u>\$1,388</u>	<u>\$1,430</u>	<u>\$1,446</u>	<u>\$1,466</u>	<u>\$1,477</u>	<u>\$1,490</u>	<u>\$1,507</u>
Total amount of debt applicable to debt margin	\$4,640	\$4,568	\$1,052	\$14,282	\$15,140	\$13,364	\$14,179	\$12,283	\$10,380	\$11,983
Legal Debt Margin-(debt capacity)	<u>\$442,930</u>	<u>\$470,183</u>	<u>\$503,025</u>	<u>\$488,076</u>	<u>\$477,064</u>	<u>\$492,191</u>	<u>\$455,498</u>	<u>\$461,127</u>	<u>\$471,623</u>	<u>\$480,666</u>
Percent of Debt capacity used	1.04%	0.96%	0.21%	2.84%	3.08%	2.75%	3.02%	2.59%	2.15%	2.43%

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 \$12,597

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment (3)</u>	<u>Private School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
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
2011	134,414	\$4,660,000,000	\$35,409	19,842	2,012	6.5
2012	134,735	\$5,200,900,000	\$38,475	19,862	1,731	6.6
2013	134,679	\$5,484,400,000	\$40,592	19,862	1,731	6.8
2014	134,803	\$5,453,350,000	\$40,454	20,155	1,778	5.1
2015	135,341	\$ 3,694,749,510	\$42,250	19,942	1,799	4.2

Sources: (1) Wisconsin Department of Administration

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

(3) Wisconsin Department of Public Instruction

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

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

<u>Employer</u>	<u>2015</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Aspirus Wausau Hospital	3,120	1	4.33%	3,000	1	4.19%
Greenheck Fan Inc	1,900	2	2.64%	1,500	3	2.09%
Kolbe & Kolbe	1,600	3	2.22%	1,830	2	2.56%
Wausau School District	1,300	4	1.80%	1,325	4	1.85%
Footlocker.com/Eastbay	1,100	5	1.53%	1,241	5	1.73%
Wausau Paper/SCA	900	6	1.25%	1,055	6	1.47%
Marathon Chesse	800	7	1.11%	798	10	1.11%
Marathon County	737	8	1.02%	-	-	0.00%
North Central Healthcare Facilities	696	9	0.97%	1,000	7	1.40%
North Central Technical College	650	10	0.90%	-	-	0.00%
Wausau Insurance/Nationwide Insurance	-	-	0.00%	800	9	1.12%
Prime Healthcare (UMR/Wausau Benefits)	-	-	0.00%	820	8	1.15%
Total Employment			72,100			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

Function / Program	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	151.55	151.55	152.55	156.45	154.95	148.70	140.70	135.85	136.50	138.30
Public Safety	173.00	172.00	178.00	179.00	178.50	179.00	177.00	177.00	180.00	186.85
Transportation	101.10	100.10	100.10	101.10	101.10	101.10	100.10	98.45	99.00	100.50
Health	47.70	47.70	47.70	51.20	49.20	48.20	48.20	49.46	49.50	50.20
Social Services	147.91	170.88	170.88	164.27	165.89	173.29	172.79	167.38	172.21	172.19
Leisure Activities & Education	199.07	191.80	190.80	187.00	182.80	101.75	101.08	89.60	89.90	89.90
Conservation & Economic Development	18.00	19.00	19.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>838.33</u>	<u>853.03</u>	<u>859.03</u>	<u>839.02</u>	<u>832.44</u>	<u>752.04</u>	<u>739.87</u>	<u>717.74</u>	<u>727.11</u>	<u>737.94</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Court cases filed	22,268	23,652	25,170	25,716	24,701	22,170	22,293	21,944	10,858	17,201
Traffic citations processed	12,356	12,983	13,454	13,204	12,383	10,918	12,113	11,988	5,762	6,046
Marriage licenses processed	858	815	812	705	709	696	729	700	757	827
Divorces granted	373	434	455	458	417	375	302	500	332	465
Traffic and criminal fines collected	\$3,176,808	\$3,271,298	\$3,737,749	\$3,756,218	\$3,649,907	\$3,593,677	\$3,525,930	\$3,596,741	\$1,658,283	\$1,416,461
Total medical examiner cases	501	586	612	590	659	724	663	795	803	924
Public Safety										
Hazardous materials incidents	6	6	4	15	5	14	14	18	32	16
Transportation										
Cost of road maintenance per lane mile	\$3,830	\$4,045	\$5,602	\$4,743	\$5,045	\$6,180	\$6,405	\$6,533	\$5,861	\$6,477
Health										
Public health nurse home visits	1,682	2,267	2,312	2,675	2,735	2,221	1,645	962	1,317	1,324
Laboratory tests	14,519	15,094	13,570	13,316	12,625	13,080	13,777	12,730	12,115	12,025
Licenses issued for public facilities	957	956	1,009	960	959	894	926	913	895	891
Number of immunizations given	2,680	3,562	4,756	3,852	3,723	2,822	2,326	1,633	1,498	1,223
Social Services										
Number served at nutrition centers	169	228	186	181	179	164	159	97	126	128
Number of volunteers	71	31	26	26	31	59	39	46	67	49
Volunteer hours	4,424	3,759	3,453	3,328	2,426	3,294	3,033	2,934	3,434	2762
Number served home delivered meals	448	415	412	427	392	340	425	350	426	477
Number served through SNAC program	565	511	720	516	479	463	413	423	422	465
Child support money collected and disbursed	\$19,583,448	\$19,983,464	\$20,611,892	\$20,864,289	\$21,028,197	\$20,958,525	\$20,462,184	\$20,395,249	\$20,502,998	\$20,740,220
Economic support cases	8,701	8,802	9,785	10,350	10,234	10,741	13,985	13,823	14,999	15,225
Leisure and Education										
Library items checked out	849,425	882,456	943,778	1,041,169	1,125,370	1,137,709	1,120,282	1,001,527	964,259	939,268
Library number of visitors*	580,230	600,497	569,951	614,073	648,084	629,354	607,740	-	-	-
Conservation and Development										
Wood removed (cord equivalent)	19,380	23,780	13,811	9,759	11,900	12,849	7,722	6,148	10,302	2,740

* In 2013, the Library stated that the number of visitors is no longer tracked

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Number of courtrooms	7	7	7	7	7	7	7	7	7	7
Public Safety										
County buildings maintained	11	11	11	11	11	11	11	11	11	11
Jail capacity/number of beds	279	279	279	279	279	279	279	279	279	279
Sheriff Department vehicles	91	90	94	91	94	93	93	93	89	
Transportation										
Miles of County highways/roads	612	613	613	613	613	613	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	6,276,000	6,276,000
Landfill remaining capacity (cubic yards)*	1,216,455	1,025,245	780,000	620,000	643,600	508,188	385,335	248,704	2,890,659	2,612,450
Opened Blue Bird Ridge in 2014										
Social Services										
Nutrition centers	1	2	2	2	2	2	2	1	1	1
Leisure and Education										
Libraries - Headquarters	1	1	1	1	1	1	1	1	1	1
Libraries - Branches	8	8	8	8	9	9	9	9	8	8
Volumes books & audio-visual materials	356,738	339,566	324,678	335,028	433,609	422,319	412,099	414,128	450,585	580,945
Number of County parks	17	18	18	18	18	18	18	19	20	20
Number of acres	3,371	3,407	3,407	3,407	3,407	3,407	3,407	3,534	3,534	3,534
Public access beaches	5	4	4	4	4	4	4	4	4	4
Miles of bicycle trails	28	28	28	28	28	28	28	28	28	61
Number of public campgrounds	4	4	4	4	4	4	4	4	4	4
Number of shooting ranges	1	1	1	1	1	1	1	1	1	1
Number of softball complexes	1	1	1	1	1	1	1	1	1	1
Number of lakes and rivers with public boat launches	6	6	6	6	6	6	6	6	6	6
Indoor ice arenas	2	2	2	2	2	2	2	2	2	0
Miles of snowmobile trails	782	782	782	782	782	854	854	863	863	863
Miles of ATV trails - winter	490	690	690	690	690	730	730	753	753	756
Miles of ATV trails - summer	15	25	25	20	20	21	21	21	21	21
Miles of cross country ski trails	31	31	31	31	31	31	31	31	31	31
Conservation and Development										
Number of County forest units	9	9	9	9	9	9	9	9	9	9
Number of acres	29,193	29,768	29,768	29,768	29,768	29,768	29,768	29,937	29,937	29,937

Schedule 17
Marathon County
Schedule of Insurance
Fiscal Year Ended December 31, 2015

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention (1)
Wisconsin Municipal Mutual Insurance Company WI2015LP13A 01/01/15 to 01/01/16	General Liability/Automobile Liability/Professional Liability/Employee Benefit Liability/Error and Omission Public Officials Liability Claims Made Owned, Non-Owned, and Hired Automobiles \$10,000,000 Limit of liability per occurrence/\$30,000,000 annual aggregate \$250,000 per occurrence Self Insured Retention \$1,050,000 Annual aggregate Self Insured Retention Uninsured Motorist \$25,000-50,000 Limit of liability Excludes coverage for pollution liability, nursing homes, Health centers, medical facilities, and airport.
CHUBB Group of Insurance Companies 82218206 03/15/15 to 03/15/16	Aging and Disability Resource Center of Central WI Directors and Officer Liability Coverage \$1,000,000 Limit of liability maximum aggregate limit \$10,000 Deductible
The Cincinnati Insurance Company EBA 011 80 88 01/01/15 to 01/01/16	City-County Information Technology Commission Owned, Non-Owned, and Hired Automobiles \$1,000,000 Limit of liability Uninsured/Underinsured Motorist \$1,000,000 Limit of liability
The Cincinnati Insurance Company ENP 011 80 88 01/01/15 to 01/01/18	City-County Information Technology Commission Employee Benefit Liability \$1,000,000 each occurrence limit \$2,000,000 General aggregate limit \$2,000,000 Products/completed operations aggregate limit \$1,000,000 Personal & advertising injury aggregate limit Umbrella Coverage \$2,000,000 Excess liability each occurrence / \$2,000,000 aggregate limit
RSUI Insurance Company HP660951 01/01/15 to 01/01/16	City-County Information Technology Commission Directors and Officer Liability Coverage \$1,000,000 Aggregate limit each policy period \$10,000 Retention
Global Aerospace Incorporated 13000091 01/01/15 to 01/01/16	Central WI Joint Airport Board Airport General Liability General Aggregate – non applicable \$40,000,000 Products completed operations aggregate limit \$25,000,000 Personal & advertising injury aggregate limit \$40,000,000 each occurrence \$10,000 Medical expense (any one person) Hangar-keepers liability each loss limit \$40,000,000 Hangar-keepers liability each aircraft limit \$40,000,000

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention (1)
Self-Funded & Administered 01/01/15 to 01/01/16	Automobile Collision Actual Cash Value Coverage \$14,080,300 as of 12/31/15
Travelers Property Casualty Company of America QT6606280M404 05/01/15 to 05/01/16	Marathon County Highway Department Inland Marine Policy 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 Group # 76-440003 01/01/15 to 01/01/16	Health Benefit Plan PPO \$2,250,000 per person calendar year benefit 90% of most covered medical expenses in network/70% out of network 80% of medical supplies & equipment in network/70% out of network Plan 1 - Broad In or Out-of-Network \$1,500 Single / \$2,250 Employee + One / \$3,000 Family Annual Deductible; Plan 2 Narrow In-Network \$1,500 Single / \$2,250 Employee + One / \$3,000 Family Annual Deductible, Narrow Out-of-Network \$1,800 Single / \$2,700 Employee + One / \$3,600 Family Annual Deductible. Prescription Drugs: 0% co-insurance generics; 15% co-insurance preferred brand; 15% co- insurance non-preferred brand plus \$15 co-pay \$600 single/\$1200 Family annual out of pocket maximum
Health Reimbursement Arrangement (HRA) Diversified Benefit Services 01/01/15 to 01/01/2016	Health Reimbursement Arrangement Reimbursement for out of pocket expenses covered but not paid under Marathon County's Health and Prescription Plan coverage such as co-pays, deductible and co-insurance. Annual and maximum carry-over amounts are: Single: \$ 750 / \$3,750 Employee + 1: \$1,125 / \$5,625 Family: \$1,500 / \$7,500
Dental Insurance Insurer: Delta Dental of WI Group # 00912 01/01/15 to 01/01/16	Delta Dental of WI PPO Plan \$1,500 Maximum annual benefit per person per calendar year \$25 Single / \$50 Family Deductible for PPO providers and \$50 Single / \$150 Family Deductible for Premier and Non-Contracted providers 100% Diagnostic and preventative for PPO providers, 80% for Premier providers and 60% for Non-contracted providers 80% Basic and Major Services for PPO providers and 50% for Premier and Non-contracted providers
Self-Funded Dental Administered by Delta Dental of Wisconsin Group # 92896 01/01/15 to 01/01/16	Delta Dental of WI \$25 Single / \$75 Family annual deductible 100% Diagnostic and preventative 80% Ancillary, direct filling restorations, oral surgery, endodontics, and periodontics 50% In-direct filling restorations \$500 Maximum payment amount-per person, per calendar year
Self-Funded & Administered 01/01/15 to 01/01/16	Workers Compensation Employer Liability State Statutes First \$550,000 per claim/occurrence

Insurer
Policy Number
Effective Date

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

**Wisconsin Municipal Mutual
Insurance Company/Safety Nat'l**
WI2015WC13X/SP 4052539
01/01/15 to 01/01/16

Excess Workers Compensation
\$550,000 Specific retention
Limits of Liability
Statutory Workers Comp
Employers Liability Bodily Injury by Accident: \$1,000,000 each accident
Bodily Injury by Disease: \$1,000,000 each employee

**Local Government
Property Insurance Fund**
120038
01/01/15 to 01/01/16

Buildings, Personal Property, Inland Marine, and Property in the Open
Listed on the statement of values:
Limit \$273,656,178 – Replacement Cost Coverage
Deductible \$10,000

**Building Specific Limit – (P3849 Park Road, Aniwa, WI, 736 CTH O
Mosinee, WI, 222 N. 7th Ave. Wausau, WI)**
\$247,000
Deductible \$10,000

Contractors Equipment
Limit \$18,270,069 Replacement Value
Deductible \$5,000

Automobile Comprehensive
Limit \$2,324,659 Actual Cash Value
Deductible \$500

Business Income
\$1,000,000 – Central Wisconsin Airport
\$1,000,000 – Solid Waste/Landfill
\$1,999,989 – North Central Health Care Center
Deductible \$10,000

Monies & Securities
\$850,000 (Applies to Courthouse = 750,000 & Social Service = 100,000)
\$3,000,000 Limited term coverage from 7/27 to 08/01 (Courthouse Location
only)
Deductible \$1,000

Pier & Wharf
\$93,824
Deductible \$1,000

Personal Property
Replacement cost coverage

Property in the Open
Within 1,000 feet of listed property; limited to \$1,000 for any one item up to
\$10,000 maximum per occurrence.

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.

Insurer
Policy Number
Effective Date

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

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, shrub or plant and \$1,000 for lawn damage up to a maximum of \$5,000 per occurrence including debris removal.

Valuable Records

errors
No dollar limit, covered on or off premises, excluding losses caused by & omissions or negligence in processing or copying.

Personal Property of Others

While on our property and in our care/custody per occurrence, and not covered by other insurance, limit of \$10,000.

Employees Personal Property

While on our 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.

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention (1)
The Cincinnati Insurance Co Crime Policy Bond 1213498 01/01/15 to 01/01/16	Public Employee Blanket Position Bond (Crime Protection Policy) \$500,000 Limit of liability per employee Deductible \$10,000 Forgery \$5,000 Limit of Liability, including credit card coverage Deductible \$250
The Cincinnati Insurance Co Individual Bonds 01/01/15 to 01/01/16	Public Official Schedule Position Bond Limits vary by officials who are required by law to be individually bonded
CHUB Group of Insurance Companies 7643-60-17 HOU 01/01/15 to 01/01/16	Boiler & Machinery \$100,000,000 Equipment Limit \$10,000 Deductible, 10 % of loss, \$1,500 minimum perishable goods limits \$1,000,000 Business Income
Self-Funded	Marathon County Landfill Pollution Legal Liability \$2,000,000 Limit of liability per claim and in aggregate Claims-made
Department of Employee Trust Fund - Aetna Insurance Employer ID #69-036-0943 01/01/15 to 01/01/16	Income Continuation Insurance Offers 75% of your average monthly retirement earnings Standard coverage covers up to \$64,000 of annual earnings with maximum benefit \$4,000 per month Supplemental coverage available to employees whose annual salary exceeds \$64,000 with a maximum benefit of \$7,500 per month 180, 120, 90, 60, & 30 day elimination period available 90 day elimination paid by Marathon County
Wisconsin Municipal Mutual Insurance Company WI2015CL13A 01/01/15 to 12/31/16	Cyber and Privacy Liability Policy Aggregate Limit \$1,000,000 WMMIC Member Aggregate Limit \$3,000,000 Aggregate Sub-limits (Computer forensic, Notification costs, Monitoring Services \$250,000 Deductible \$10,000 per claim

- (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.