

MARATHON COUNTY

WISCONSIN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARATHON COUNTY, WISCONSIN

FOR THE YEAR ENDED

DECEMBER 31, 2016

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

MARATHON COUNTY
Wausau, Wisconsin

TABLE OF CONTENTS
As of and for the Year Ended December 31, 2016

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal from County Administrator and Finance Director	i – xiii
GFOA Certificate of Achievement	xiv
Map	xv
History of Marathon County	xvi
Marathon County Board of Supervisors – 2016 – 2018	xvii
Standing and Statutory Committees for 2016 – 2018	xviii – xx
Discretely Presented Component Unit Committees for 2015 – 2016	xxi
Marathon County and Discretely Presented Component Units Department Heads	xxii
Marathon County Organizational Chart 2016	xxiii

FINANCIAL SECTION

<i>INDEPENDENT AUDITORS' REPORT</i>	1 – 3
--------------------------------------------	-------

<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Management's Discussion and Analysis	4 – 15

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position	16
Statement of Activities	17

Fund Financial Statements

Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25 – 25
Statement of Assets and Liabilities – Agency Funds	26
Statement of Net Position – Major Discretely Presented Component Units	27
Statement of Revenues, Expenses and Changes in Net Position – Major Discretely Presented Component Units	28

Notes to the Financial Statements	29 – 89
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MARATHON COUNTY
Wausau, Wisconsin

TABLE OF CONTENTS
As of and for the Year Ended December 31, 2016

FINANCIAL SECTION (cont.)	<u>Page</u>
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	90 – 96
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Social Improvement Fund	97
Schedule of Proportionate Share of the Net Pension (Asset)/Liability - WRS	98
Schedule of Employer Contributions – WRS	98
Notes to Required Supplementary Information	99 – 100
<i>SUPPLEMENTARY INFORMATION</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Improvements Fund – Major Fund	101
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	102
Combining Statement of Net Position – Internal Service Funds	103
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	104
Combining Statement of Cash Flows – Internal Service Funds	105
Combining Statement of Changes in Assets and Liabilities – Agency Funds	106
Statement of Net Position – Central Wisconsin Airport	107
Statement of Revenues, Expenses and Changes in Net Position – Central Wisconsin Airport	108
Statement of Cash Flows – Central Wisconsin Airport	109

MARATHON COUNTY
Wausau, Wisconsin

TABLE OF CONTENTS
As of and for the Year Ended December 31, 2016

STATISTICAL SECTION	<u>Page</u>
Statistical Section Cover Page	110
Schedule 1 – Net Position by Component – Last Ten Fiscal Years	111
Schedule 2 – Changes in Net Position – Last Ten Fiscal Years	112 – 113
Schedule 3 – Fund Balances, Governmental Funds – Last Ten Fiscal Years	114
Schedule 4 – Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	115
Schedule 5 – Equalized Value and Actual Value of Taxable Property – Last Ten Fiscal Years	116
Schedule 6 – Direct and Overlapping Property Tax Rates – Last Ten Years	117 – 118
Schedule 7 – Principal Property Tax Payers – Current Year and Nine Years Ago	119
Schedule 8 – Property Tax Levies and Collections – Last Ten Fiscal Years	120
Schedule 9 – Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	121
Schedule 10 – Direct and Overlapping Governmental Activities Debt – As of December 31, 2016	122 – 123
Schedule 11 – Legal Debt Margin Information – Last Ten Fiscal Years	124
Schedule 12 – Demographic and Economic Statistics – Last Ten Fiscal Years	125
Schedule 13 – Principal Employers – Current Year and Five Years Ago	126
Schedule 14 – Full-time Equivalent County Governmental Employees by Function – Last Ten Fiscal Years	127
Schedule 15 – Operating Indicators by Function – Last Ten Fiscal Years	128
Schedule 16 – Capital Asset Statistics by Function – Last Ten Fiscal Years	129
Schedule 17 – Schedule of Insurance – Fiscal Year Ended December 31, 2016	130 – 134

INTRODUCTORY SECTION



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June 29, 2017

*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, 2016. This report was prepared by the County's Finance Department with assistance from the County Treasurer's Office. For purposes of this CAFR, the reference to the County typically includes the Central Wisconsin Airport (CWA) (shown as a discretely presented component unit) unless otherwise noted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all financial statements, footnote disclosures, supporting schedules and statistical tables rests with the County. We believe the data, as presented, is accurate in all material respects and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

Distribution of the CAFR is of major importance to its usefulness as a communication tool. Paper copies of this report will be available to elected officials, County management, bond rating agencies, financial institutions and federal, state and local governmental agencies which have expressed an interest in Marathon County's financial wellbeing. A copy of the 1998 through 2016 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 17, 2018.

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

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

Marathon County's economy is very diverse, ranging from: manufacturing, tourism and recreation, health services, transportation and shipping, government, agriculture, and dairy products. Marathon County is the business center of central and northern Wisconsin. Indications show that 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 2016 annual unemployment rate was 3.7% and is the lowest in the past few years. (The unemployment rate was 4.2% in 2015 and 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 4.1%.

According to the U.S. Census Bureau, 245 new building permits were issued in 2016 for new privately-owned residential buildings in Marathon County at a total construction value of \$59.6 million. The construction amount is slightly more than the 2015 total of \$46.5 million. Overall the number of permits increased in 2016 for new residential construction and remodeling with the 2016 figure being 245 and the 2015 number of permits being 229.

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

Large business employers in the County continue to stabilize the economy. The cornerstone to a list that continues to grow would include (companies with more than 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 2016 the County maintained its commitment to upgrade its buildings and infrastructure. As can be seen in the detail below, we have a major interest in the maintenance of our infrastructure, government joint ventures, and technology projects.

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

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

- *In 2016, the County completed major bridge construction projects on the Highway M, X and O bridges with a total costs of \$900,000.*
- *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 In 2016, the County resurfaced 30 miles of County highways at a cost of \$7,119,020 million dollars.*

The County wishes to maintain its Information Technology systems as well and in 2016 the County started the research and send out RFPs to purchase new software systems.

- *A RFP was send out and awarded for a law enforcement software application with an estimated cost of \$1,680,000. This will replace the old law enforcement software that the current vendor will not provide support for in the future. Implementation of the system will begin in 2017.*
- *The County researched and prepared RFP documents for a new comprehensive land records system. The estimated cost for the new system is \$565,000 with full implementation targeted for 2018.*

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 opened up in 2015 and can hold up to 2.9 million cubic yards of waste. We have been collecting over 200,000 cubic yards of waste a year at the new facility. We continue to invest in this facility with an additional expansion.

- *Construct Phase III of Bluebird Ridge at the County Landfill. This project has an estimated cost of \$1,675,000*

To better handle the ongoing questions and concerns regarding general infrastructure, the Capital Improvement Committee has assembled a five year Capital Improvement Plan (CIP) to review and

upgrade all facilities that have a need. Each year the plan is updated and a new list of projects approved and a new funding source established.

FUTURE PLANS

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

In 2016, the County started working with the Center for Priority Based Budgeting (CPBB). The goal of this project is to reassess our priorities in order to make sound long-term funding decisions and establish the County as a results driven organization. Working with CPBB has allowed the County to determine how to match available resources with community priorities and develop a comprehensive review of the whole organization. We will be fully implementing the CPPB diagnostic tool when setting goals and priorities for the 2018 budget.

FINANCIAL INFORMATION

Working Capital Policy

In 1988 the County Board of Supervisors established a fund balance policy. This policy sets forth the amount of funds that are to be reserved as a designation for working capital. The funds over and above this designation are to be used to pay for non-departmental capital purchases within the succeeding budget process. Working capital is never to go below a set minimum level of four weeks of operating expenditures or 8.3%. 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 offset following years operating needs. This philosophy assures that current operating needs are funded with current collections. Any amounts required for future years' activities or amounts required for sound business operations must be restricted or assigned. Highway is allowed to provide for multi-year funding options for specifically identified high cost projects.

General Fund Balance

A portion of the unassigned fund balance will be used in the 2018 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, 2015, did not identify and instances of material weaknesses in internal control systems over compliance. There were certain deficiencies in internal control that were considered significant deficiencies.

Budgeting Systems and Controls

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

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

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

DEBT ADMINISTRATION

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

CASH MANAGEMENT

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

Sponsored by the State Treasurer's Office, the State of Wisconsin has established the LGIP under the direction of the State of Wisconsin Investment Board (SWIB). This fund can be accessed by all units of local government on a day to day basis. The yield at the end of 2016 on the investment pool was .45%. This was an increase of 0.32 basis points over 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.

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 2016 for all Primary Government operations was \$1,560,892, an increase from 2015 of 44.8%. The increase was the result of slightly higher interest rates being applied to investments

<i>Year</i>	<i>Earnings</i>	<i>Increase (Decrease)</i>	<i>%(Decrease) Change</i>
<i>2007</i>	<i>**6,446,330</i>	<i>700,039</i>	<i>12.18</i>
<i>2008</i>	<i>5,192,305</i>	<i>(1,254,025)</i>	<i>(19.45)</i>
<i>2009</i>	<i>3,085,273</i>	<i>(2,107,032)</i>	<i>(40.58)</i>
<i>2010</i>	<i>1,680,760</i>	<i>(1,404,513)</i>	<i>(45.52)</i>
<i>2011</i>	<i>978,412</i>	<i>(702,348)</i>	<i>(41.79)</i>

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	315,059	41.25
2016	1,560,892	483,153	44.83

**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, 2016 the County was self-funded for the following risks: one (1) dental program, automobile collision and workers' compensation.

A fund was established in 1984 for dental coverage. Converted into an internal service fund in 1987, it was expanded to include workers' compensation coverage for the Highway Department. In 1992 the County went self-funded for its workers' compensation insurance and in 1993 went self-administered for its claims administration. Costs for this fund are billed to each County department using a premium calculation based on a claims experience/exposure basis using an actuarial evaluation.

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

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

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

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

Since 1987 the County has purchased property insurance from the Local Government Property Insurance Fund. Due to the dissolving of this state fund, a new property insurer, the Municipal Property Insurance Company (MPIC) was created in 2016 by three insurers, Wisconsin Municipal Mutual Insurance Company, Cities & Villages Mutual Insurance Company, and the League of Wisconsin Municipalities Mutual Insurance. Marathon County joined MPIC in 2016. This insurance coverage provides protection on a replacement cost basis for approximately \$339,102,953 of physical assets, including buildings, contents, property in the open, and contractor's equipment with a \$25,000 deductible applying to building, contents, and property in the open losses and a \$5,000 deductible applying to contractor's equipment losses.

County owned automobiles are self-insured on an actual cash value basis for collision losses. In 2016, insurance for automobile comprehensive losses was purchased through Integrity Insurance which provides replacement cost insurance on approximately \$13,129,927 value of county owned vehicles with a \$1,000 deductible per loss.

INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT

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

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

MUNICIPAL SECURITIES DISCLOSURE REQUIREMENTS

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

- (1) *As a municipal security issuer, the County makes the following disclosure regarding material events. These are referred to as the eleven deadly sins.*
- (a) *Principal and interest payment delinquencies; - None*
 - (b) *Non-payment related defaults; - None*
 - (c) *Unscheduled draws on debt service reserves reflecting financial difficulties; - None*
 - (d) *Unscheduled draws on credit enhancements reflecting financial difficulties; - None*
 - (e) *Substitution of credit or liquidity providers, or their failure to perform; - None*
 - (f) *Adverse tax opinions or events affecting the tax-exempt status of the security; - None*
 - (g) *Modifications to rights of security holders; - None*
 - (h) *Bond calls; - the County currently has no debt issues with eligible call dates*
 - (I) *Defeasances; - the County currently has no debt issues that qualifies as legal defeasance.*
 - Total defeasance of* *\$0*
 - For a total amount defeased as of 12/31/2016 of* *\$0*
 - (j) *Release, substitution, or sale of property securing repayment of the securities; - None*
 - (k) *Rating changes; - Moody's Investors Services, Inc. has changed their method of rating governmental agencies. The change breaks out grades by several additional levels. Previously the County rating was Aa2 and now the rating is Aa1. The County sought its first double rating in 1998 by requesting a rating from Fitch IBCA, Inc. This rating was confirmed at Aa.*
- (2) *The County property values are listed (in various forms) in Schedule 5, 7 & 11 in the Statistical Section of this CAFR.*
- (3) *Information on the County's legal debt margin can be found in Schedule 11 "Legal Debt Margin Information" in the Statistical Section of this CAFR.*
- (4) *The detail of outstanding notes and bonds can be found in Schedule 9 "Ratios of General Bonded Debt Outstanding" in the Statistical Section of this CAFR.*

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

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding 12-31-2016
12/15/10	2,450,000	Central Wisconsin Airport	12/01/25	1,575,000
12/27/12	2,650,000	Central Wisconsin Airport	12/1/28	2,650,000 (a)
6/1/15	2,650,000	Central Wisconsin Airport	12/01/30	2,545,000 (a)
11/4/16	3,150,000	Refunding 2009 Go Notes	2/1/18	3,150,000 (a)
Subtotal				9,920,000
Less Debt Service Funds on Hand				1,576,658 (b)
Total Net Direct Debt				8,343,342

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

(b) Debt service funds on hand less state forest aid loan funds of \$117,842.

- (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	15/16
City of Wausau	\$9.43	\$9.67
State of Wisconsin	0.17	0.16
Marathon County	5.12	4.90
Wausau School District	9.60	9.00
Northcentral Technical College	1.25	1.22
Gross Tax Rate	25.57	24.95
Less State Credit	(1.81)	(1.78)
Net Tax Rate	23.76	23.17
Tax rates are per \$1,000 of equalized value		

- (6) *The information on major employers was previously mentioned in this Transmittal Letter on Page 3.*

- (7) *The summary budget information is as follows:*

2016 REVENUE		2016 EXPENDITURES	
Taxes	47,608,889	General Government	43,646,930
Sales and misc. taxes	12,821,848	Public Safety	23,244,029
Intergovernmental grants/aid	31,927,300	Transportation	33,039,139
Licenses, Fines and Forfeitures	1,046,765	Health	10,954,589
Charges for services:		Social Services	26,246,558
Public	11,247,295	Leisure and Education	14,082,211
Intergovernmental	16,575,220	Conservation & Economic Development	1,147,528
Miscellaneous Revenue	17,953,514	Debt Service	2,687,776
Transfers	25,552,084	Capital Outlay	3,521,681
		Transfers	6,161,754
Total Revenue	\$164,732,195	Total Expenses	\$164,732,195

- (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		\$3,150,000	\$264,142,505	\$267,292,505
Equalized Value (less TID)	\$9,559,832,400	0.03%	2.76%	2.80%
Per capita	135,483	\$23.25	\$1,949.64	\$1,972.89
Per acre	1,013,760	\$3.11	\$260.56	\$263.66

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

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

INVITATION AND ACKNOWLEDGMENTS

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

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

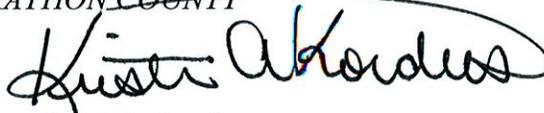
Respectfully submitted,

MARATHON COUNTY



*Lance Leonhard
Deputy County Administrator*

MARATHON COUNTY



*Kristi A. Kordus
Finance Director*



Government Finance Officers Association

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

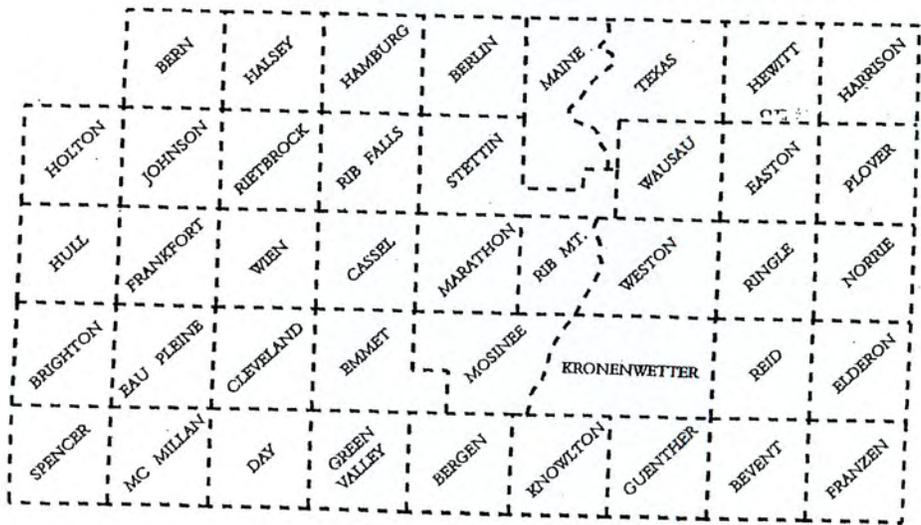
Presented to

**Marathon County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

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

2016 - 2018

District No. 1.....Katherine Rosenberg	District No. 20..... Sara Guild
District No. 2..... James R. Seefeldt	District No. 21..... Kurt Kluck
District No. 3..... David E. Nutting	District No. 22..... Alan F. Christensen
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District No. 10..... Sherry L. Abitz	District No. 29..... Robert Wegner
District No. 11..... Dave Wysong	District No. 30..... Richard Gumz
District No. 12..... Arnold Schlei	District No. 31..... Allen Drabek
District No. 13..... Matthew Bootz	District No. 32..... Kurt A. Gibbs
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District No. 15..... Randy Fifrick	District No. 34..... Gary Beastrom
District No. 16..... Jeffrey L. Zriny	District No. 35..... Jacob E. Langenhahn
District No. 17..... E. J. Stark	District No. 36..... Bill Miller
District No. 18..... Craig McEwen	District No. 37..... Allen F. Opall
District No. 19..... Yee Leng Xiong	District No. 38..... Jim K. Schaefer

ChairpersonKurt A. Gibbs
Vice Chairperson Lee Peek

STANDING AND STATUTORY COMMITTEES FOR 2016 - 2018

ENVIRONMENTAL RESOURCES COMMITTEE

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James Seefeld – Vice Chair
Randy Fifrick
Robert Wegner
Allen Drabek
Marilyn Bhend – Towns/Villages Assoc. Rep.

EXECUTIVE COMMITTEE

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Lee Peek - Vice Chair
Matt Bootz
Craig McEwen
Kurt Kluck
Sandi Cihlar
Jeff Zriny
Bill Miller
John Robinson

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Jean Maszk - Vice-Chair
Gary Beastro
Sara Guild
Joel Lewis
Rick Seefeldt
Chris Voll

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Tim Buttke
John Robinson
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E. J. Stark

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Rick Seefeldt - Vice-Chair
Robert Wegner

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Richard Gumz - Vice-Chair
Alan Christiansen
Jim Schaefer
Allen Opall
Arnold Schlei
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Orval Quamme
Katie Rosenberg
Maynard Temelling
Dave Wysong

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Jacob Langenhahn – Vice Chair
Jean Maszk
Sandi Cihlar
Rick Seefeldt
Chris Voll
Kelly King, FSA Member

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Jim Schaefer - Vice-Chair
Karen Kellbach
Sherry Abitz
Jean Maszk
Yee Leng Xiong
Jack Hoogendyk

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Christin Keele - Vice-Chair (citizen member)
Karen Kellbach
Yee Leng Xiong
Joel Lewis

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Lori Shepherd, MD - Secretary
Craig McEwen
Sandy Cihlar
Susan Bugni
Sue Gantner, RN
Laura Scudiere
Kevin O'Connell, MD - Ex-Officio and Medical
Advisor
Robert W. Pope, DVM – Ex-Officio

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Alan Christensen
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Maynard Tremelling
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Kerry Brimmer, Citizen Member
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**AGING AND DISABILITY RESOURCE
CENTER OF CENTRAL WISCONSIN
BOARD**

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James Hampton - Vice-Chair
Julie Webb - Secretary, Citizen Member
Bob Reichelt
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EDUCATION BOARD (2011-2014)**

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Scott Winch – President
Alison Morrow – Vice President
William Gamoke
Gary Beaström
Sharon Hunter
Allison Morrow
Katie Rosenberg
Pa Thao

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Gary Gisselman, President
Connie Conrad
John Durham
Joe Gehin
Rick Seefeldt
Robert Mielke
Pat Peckham
Jacob Langenhahn

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Ann Werth

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Bernie Gauerke
Jack Pettit

DISCRETELY PRESENTED COMPONENT UNIT COMMITTEES FOR 2016 - 2017

CENTRAL WISCONSIN AIRPORT BOARD

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James Zdoik – Vice Chair
Sara Guild
Phil Idsvoog
Jeff Zriny
Leonard Bayer - Citizen Member
Lonnie Krogwold- Citizen Member

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

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Theresa Wetzsteon
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Greta Rusch
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Steve Benson
William Metter
Bill Miller
Rick Seefeldt
Randy Balk

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

Primary Government

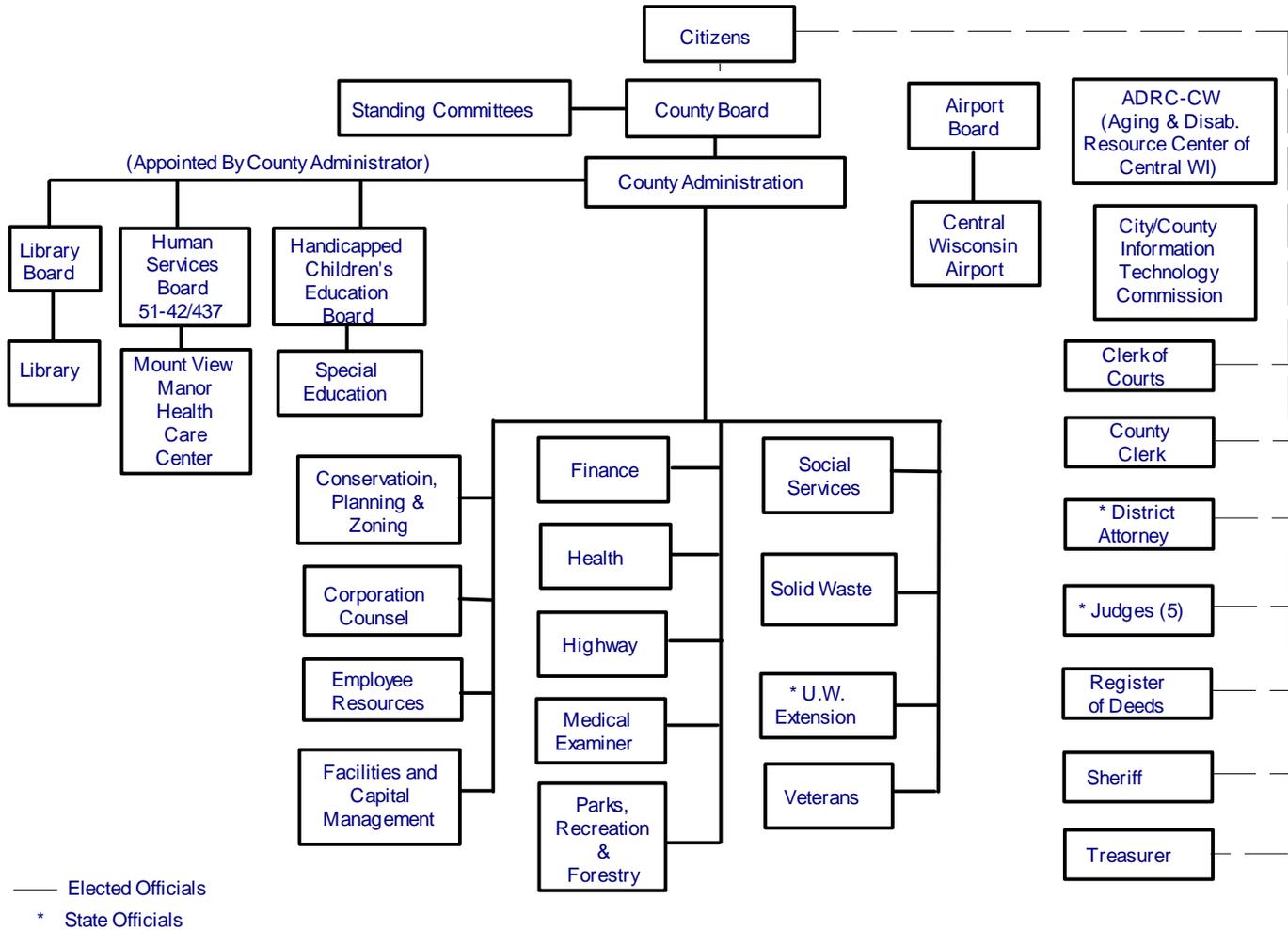
	Brad Karger	County Administrator
	Linda Weitz	Aging & Disability Resource Center of Central Wisconsin
	Michael Lotter	Facilities & Capital Management
*	Shirley Lang	Clerk of Courts
	Rebecca Frisch	Conservation, Planning & Zoning
	Scott Corbett	Corporation Counsel
*	Nan Kottke	County Clerk
*○	Ken Heimerman	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
	Kelly Kaptiz	Special Education
*	Audrey Jensen	Treasurer
	Heather Schlessner	UW Extension
	Scott Berger	Veterans Service

Discretely Presented Component Units

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

* Elected ○ State Employee

MARATHON COUNTY ORGANIZATIONAL CHART 2016



FINANCIAL SECTION

MARATHON COUNTY, WISCONSIN

FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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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, 2016, 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 35 percent, 85 percent and 42 percent, respectively, of the assets, revenues, and net position of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Central Health Care, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

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 29, 2017

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, 2016. 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 \$370,600,681 (net position). Of this amount \$102,319,334 (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 \$7,758,283.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$26,885,557 or 43 percent of total general fund expenditures.
- Marathon County has paid the 2016 portion of debt service that is funded with tax levy. The County paid the principal of \$ 4,590,000 on the 2009A GO Note issued in 2009. This note was issued for County Capital Improvement Projects.
- Marathon County implemented new accounting standards that replaced existing guidance for defined benefit pension plans during 2015. The County is now reporting a net pension liability of \$4,062,797. This amount represents the County's proportionate share of the net pension liability of the Wisconsin Retirement System as determined by an actuarial valuation.
- Marathon County issued \$3,150,000 in General Obligation Notes in November with a final maturity date of 2018.

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 22-25 of this report.

Agency Funds. Agency funds are used to account for resources held for the benefit of parties outside the government. Agency 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 agency funds is much like that used for propriety funds. The basic agency fund financial statement can be found on page 26 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 29-89 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 \$370,600,681 and \$378,358,964 the end of 2016 and 2015, respectively.

By far the largest portion of Marathon County's net position, 70 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 2016 and 2015

	2016 Governmental Activities	2016 Business Type Activities	2016 Total	2015 Governmental Activities	2015 Business Type Activities	2015 Total
Current and other assets	127,484,801	57,615,633	185,100,434	131,511,515	63,745,540	195,257,055
Capital assets	240,904,275	21,523,821	262,428,096	243,842,216	19,489,014	263,331,230
Total Assets	368,389,076	79,139,454	447,528,530	375,353,731	83,234,554	458,588,285
Deferred outflows of resources	19,787,698	2,830,725	22,618,423	5,527,133	791,036	6,318,169
Other liabilities	14,720,158	2,854,567	17,574,725	12,889,983	3,161,398	16,051,381
Long-term liabilities	11,534,908	13,676,303	25,211,211	9,682,614	12,729,543	22,412,157
Total liabilities	26,255,066	16,530,870	42,785,936	22,572,597	15,890,941	38,463,538
Deferred inflows of resources	49,565,472	7,194,864	56,760,336	41,519,010	6,564,942	48,083,952
Net position:						
Net investment in capital assets	237,953,247	21,523,821	259,477,068	239,721,187	19,489,014	259,210,201
Restricted	7,685,348	1,118,931	8,804,279	13,793,634	1,810,233	15,603,867
Unrestricted	66,717,641	35,601,693	102,319,334	63,274,436	40,270,460	103,544,896
Total Net Position	312,356,236	58,244,445	370,600,681	\$316,789,257	\$61,569,707	\$378,358,964

An additional portion of Marathon County's net position, \$8,804,279 or 2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$102,319,334 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2016 and 2015, 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 \$7,758,283 during the current fiscal year.

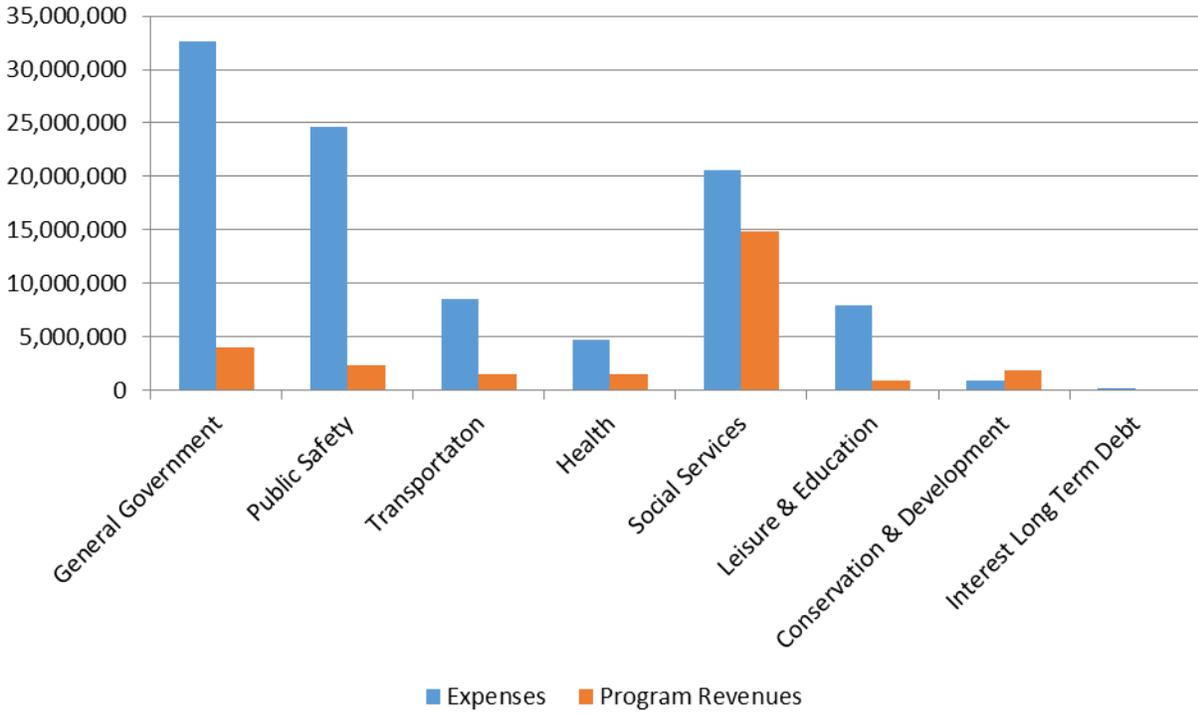
Governmental activities. Governmental activities decreased Marathon County's net position by \$4,433,021.

Marathon County's Changes in Net Position

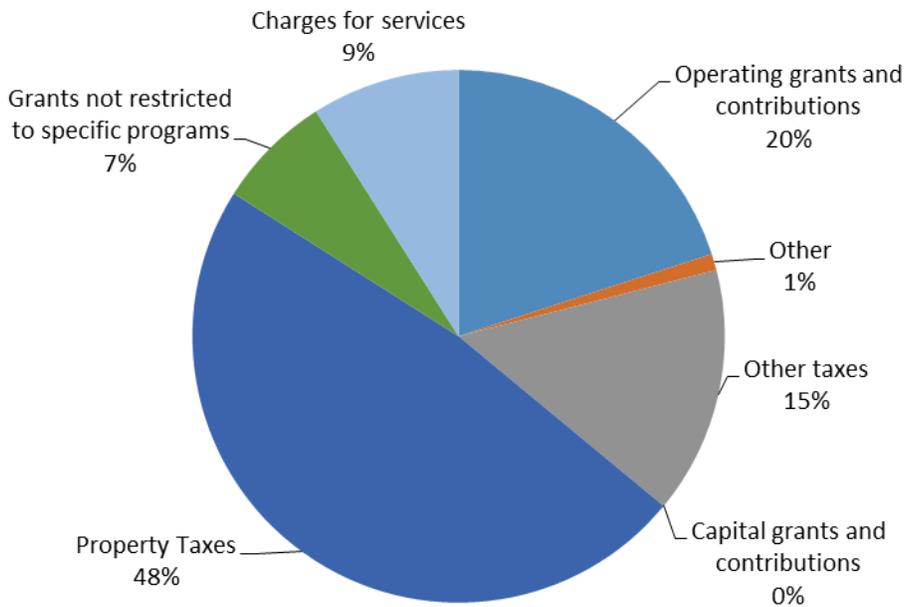
	2016 Governmental Activities	2016 Business Type Activities	2016 Total	2015 Governmental Activities	2015 Business Type Activities	2015 Total
Revenues:						
Program Revenues						
Charges for service	7,804,954	9,323,536	17,128,490	7,373,206	9,651,446	17,024,652
Operating grants and contributions	17,611,807	3,260,676	20,872,483	18,225,010	2,898,973	21,123,983
Capital grants and contributions	178,869	-	178,869	1,250,231	-	1,250,231
General Revenues						
Property taxes	42,634,992	6,089,879	48,724,871	42,516,486	5,888,809	48,405,295
Other taxes	13,749,682	-	13,749,682	13,330,628	-	13,330,628
Grants not restricted to specific programs	6,243,407	-	6,243,407	6,454,784	-	6,454,784
Other	1,009,398	869,453	1,878,851	674,786	717,165	1,391,951
Total Revenues	89,233,109	19,543,544	108,776,653	89,825,131	19,156,393	108,981,524
Expenses:						
General government	32,659,948	-	32,659,948	32,438,088	-	32,438,088
Public safety	24,648,809	-	24,648,809	21,713,958	-	21,713,958
Transportation	8,561,771	-	8,561,771	8,107,515	-	8,107,515
Health	4,650,331	-	4,650,331	4,255,516	-	4,255,516
Social services	20,526,512	-	20,526,512	19,963,279	-	19,963,279
Leisure and education	7,905,789	-	7,905,789	7,448,272	-	7,448,272
Conservation and development	903,617	-	903,617	1,098,046	-	1,098,046
Interest on long term debt	83,821	-	83,821	140,763	-	140,763
Landfill	-	3,916,205	3,916,205	-	3,875,294	3,875,294
Highway	-	12,678,133	12,678,133	-	10,947,238	10,947,238
Total expenses	99,940,598	16,594,338	116,534,936	95,165,437	14,822,532	109,987,969
Increase (decrease) in net position before transfers	(10,707,489)	2,949,206	(7,758,283)	(5,340,306)	4,333,861	(1,006,445)
Transfers	6,274,468	(6,274,468)	-	10,280,804	(10,280,804)	-
Increase (decrease) in net position	(4,433,021)	(3,325,262)	(7,758,283)	4,940,498	(5,946,943)	(1,006,445)
Net position-January 1	316,789,257	61,569,707	378,358,964	311,848,759	67,516,650	379,365,409
Net position-December 31	312,356,236	58,244,445	370,600,681	316,789,257	61,569,707	378,358,964

Property taxes were \$48,724,871 for 2016 and \$48,405,295 for 2015. 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 2016 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 \$(3,325,262). The primary reason for this decrease was the non-operating expense of \$7,232,068 for infrastructure construction for governmental activities and other expenses. Other key elements of this change are as follows:

Operating expenses for business type activities increased by \$1,771,806 or 12%. Most of the increase in expenses comes from an increase in:

- Salaries and benefits of \$1,338,642 (43%)
- Other operating expenses \$108,294 (116%)
- Materials and supplies of \$173,514 (19%)
- Depreciation \$522,632 (27%)

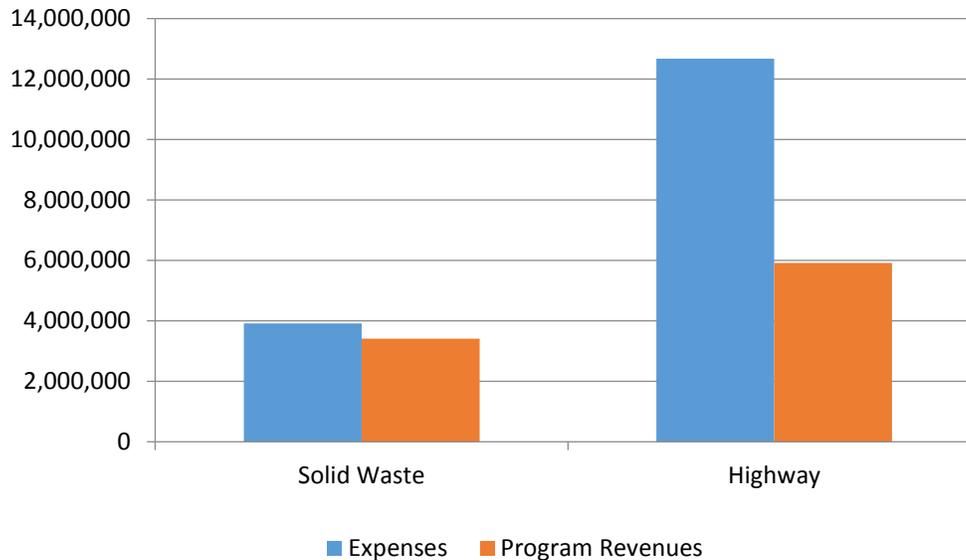
Operating revenues for business type activities decreased by \$327,910 or 3% as follows:

- Intergovernmental charges for services increased by \$872,256 (17%)
- Public charges for services decreased by \$1,199,036 (26%)

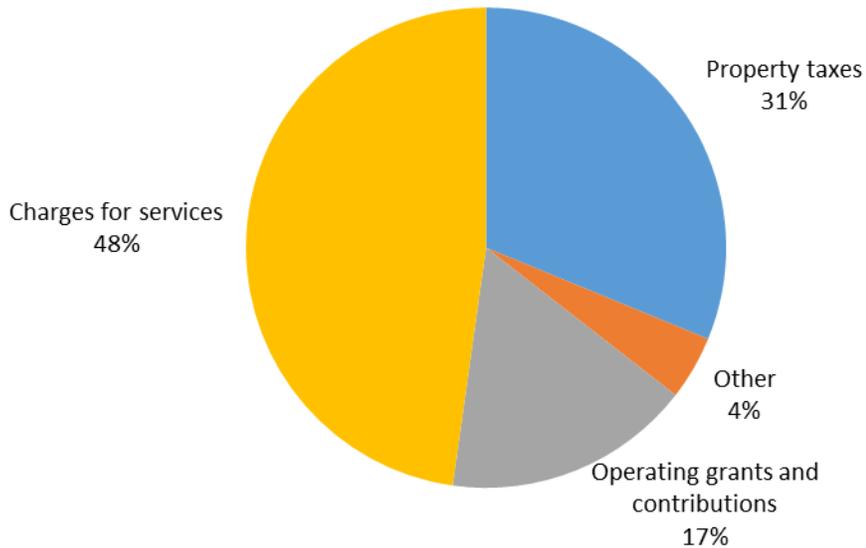
Total non-operating revenues for business type activities increased by \$715,061 (8%)

- Intergovernmental grants and aids increased by \$361,703 (12%)
- Property Tax revenues increased \$201,070 (3%)
- Increase in interest income of \$193,684 (44%)
- Other revenues decreased \$68,964 (25%)

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 \$57,379,192, an increase of \$482,484 in comparison with the prior year. Approximately 47 percent of this total amount, \$26,885,557, 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 \$3,740,200 is made up of the following: 1) \$253,845 for inventories and prepaid expenses, and 2) \$3,486,355 for delinquent taxes for other governmental entities. The restricted balance of \$7,287,105 is made up of 1) \$1,639,764 to pay debt service, 2) \$615,014 for jail assessment, 3) \$3,550,949 for social improvement, 4) \$198,972 for capital improvements, 5) \$979,030 for land records and 6) \$303,376 for UWMC dorm maintenance.

The assigned fund balance for the governmental funds totaled \$19,466,330. This fund balance is not available for spending and has been assigned to the following: 1) \$5,113,737 for subsequent year’s budget, 2) \$2,448,695 for conservation (ATC Powerline Easement) and 3) \$7,016,983 for capital projects, and 4) \$4,886,915 for compensated absences.

The general fund is the chief operating fund of Marathon County. The unassigned fund balance of the general fund was 26,885,557 for 2016 while the total fund balance reached \$44,768,678 and \$44,430,431 for 2016 and 2015, 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 2016. Total fund balance represents 72 and 72 percent of that same amount in 2016 and 2015, respectively.

The fund balance of Marathon County's general fund increased by \$338,247 during the current fiscal year. Key factors in this change are as follows:

- An increase in sales tax revenues of \$488,142 (4%)
- Property taxes increased \$293,137 (1%)
- Revenues from public charges for services increased by \$480,710 (12%)
- Intergovernmental grants and aids increased \$445,080 (5%)
- Miscellaneous revenues of the general fund increased by \$314,855 (24%)
- General Government expenditures increased \$206,823 (1%)
- Public Safety expenditures increased \$898,312 (4%)
- Health expenditures decreased \$38,280 (1%)
- Leisure and Education expenditures increased \$30,865 (less than 1%)
- Conservation expenditures decreased \$225,679 (20%)

The debt service fund has a total fund balance of \$1,639,764 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 \$119,765. As of December 31, 2016, the County had \$3,150,000 in general obligation debt that is supported by tax levy dollars.

The fund balance for the Capital Improvement Fund increased by \$353,917. This includes amounts 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 \$2,120,728, and those for the highway operations amounted to \$33,480,965. The total decrease in net position for the landfill fund was \$190,850. The net position of the highway fund decreased by \$3,134,412. Other factors concerning the finances of these two funds have already been addressed in the discussion of Marathon County's business-type activities.

General Fund Budgetary Highlights

Difference between the original expenditure budget and the final amended budget was \$4,934,188 which is an increase in appropriations and can be briefly summarized as follows:

- \$ 2,233,194 increase allocated to the general government activities
- \$ 1,309,856 increase allocated to the public safety

\$ 285,229 increase allocated to the health
\$ 28,928 increase allocated for social services
\$ 320,767 increase allocated for leisure and education
\$ 610,409 increase allocated for conservation and economic development
\$ 145,805 increase allocated for capital outlay

During the year, revenues were more than budget by \$76,680 per page 91 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 19 retirees, public safety and health and conservation. The actual costs of the sick leave conversion for 2016 was \$345,309.

Actual expenditures were \$8,003,610 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 2017.

The final amended general fund budget projected fiscal year expenditures of \$70,565,656. The actual general fund expenditures for the fiscal year ended December 31, 2016 were \$62,562,046.

Capital Asset and Debt Administration

Marathon County's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounts to \$259,477,068 (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 \$266,867 or 1 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 projects of \$900,000 on CTH M, X and O.
- Research and send out RFP to purchase new law enforcement equipment with an estimated cost of \$1,680,000. This will replace the old law enforcement software that the current vendor will not provide support for in the future. Implementation of the system will begin in 2017.
- Construct Phase III of Bluebird Ridge at the County Landfill. This project has an estimated cost of \$1,675,000
- Research and prepare RFP documents for a new land records system. The estimated cost for the new system is \$565,000 with full implementation targeted for 2018.

Marathon County's Capital Assets

	Governmental Activities	Business-type Activities	Total
Construction in process	13,846,506	-	13,846,506
Land	34,425,059	564,269	34,989,328
Capital Assets not depreciated	48,271,565	564,269	48,835,834
Buildings	93,498,223	8,132,640	101,630,863
Improvements	10,827,455	30,577,651	41,405,106
Equipment	23,006,379	19,101,276	42,107,655
Infrastructure	214,284,613	-	214,284,613
Library Collection	4,822,900	-	4,822,900
Capital Assets that are depreciated	346,439,570	57,811,567	404,251,137
Total Capital Assets	394,711,135	58,375,836	453,086,971
Less: Accumulated Depreciation	(153,806,860)	(36,852,015)	(190,658,875)
TOTAL	240,904,275	21,523,821	262,428,096

Additional information on Marathon County's capital assets can be found in note D on pages 50-52 of this report.

Long-term debt. At the end of the current fiscal year, Marathon County had \$3,150,000 in bonded debt outstanding paid by tax levy revenues. However, there is also an outstanding amount of \$6,770,000 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 2016, Marathon County issued \$3,150,000 General Obligation debt with a final maturity in 2018. This entire amount comprises debt backed by the full faith and credit of the government.

Marathon County's Outstanding General Obligation Debt for 2016

Central Wisconsin Airport * includes Portage County debt issues	\$8,270,000
General	\$3,150,000
TOTAL	\$11,420,000

Marathon County's total debt decreased \$2,070,000 during the current fiscal year (including the Central Wisconsin Airport). Marathon County maintains a Moody's Rating of Aa1 for a general obligation debt.

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 \$507,812,250 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 54-56 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Marathon County in 2016 was 3.7 percent. This compares favorably to the state's average unemployment rate of 4.1 percent.

These factors were considered in preparing Marathon County's budget for the 2016 fiscal year.

The unassigned fund balance in the general fund at the end of 2016 that will be appropriated to fund the 2017 capital improvement fund is \$ 338,247. 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

STATEMENT OF NET POSITION
As of December 31, 2016

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
ASSETS				
Cash and investments	\$ 68,432,087	\$ 34,977,333	\$ 103,409,420	\$ 24,919,861
Receivables (net)				
Taxes receivable	47,140,807	6,101,945	53,242,752	-
Accounts receivable	2,127,444	974,975	3,102,419	6,175,594
Accrued interest receivable	318,987	-	318,987	1,747
Penalties and interest receivable	-	-	-	-
Due from other governments	4,214,769	810,551	5,025,320	1,320,031
Due from component unit	636,181	-	636,181	-
Inventories and prepaid items	253,845	1,401,561	1,655,406	746,803
Restricted Assets				
Cash and investments	2,407,591	13,317,046	15,724,637	2,261,203
Accrued interest receivable	-	32,222	32,222	-
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-
Investment in joint venture	434,090	-	434,090	-
Capital Assets				
Capital assets not depreciated	48,271,565	564,269	48,835,834	2,183,494
Capital assets, net of accumulated depreciation/amortization	192,632,710	20,959,552	213,592,262	65,013,763
Total Assets	368,389,076	79,139,454	447,528,530	102,678,870
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	19,787,698	2,830,725	22,618,423	19,936,099
LIABILITIES				
Accounts payable	3,663,668	1,105,596	4,769,264	2,488,968
Accrued items	2,052,360	-	2,052,360	2,077,254
Accrued liability - claims payable	4,710,942	-	4,710,942	798,000
Due to other governments	1,713,254	1,664,623	3,377,877	426,516
Liabilities payable from restricted assets				
Special deposits	588,972	-	588,972	68,420
Noncurrent Liabilities				
Due within one year				
Current portion of general obligation notes payable	1,575,000	-	1,575,000	455,000
Current portion due to primary government	-	-	-	154,310
Current portion of compensated absences	415,962	84,348	500,310	1,500,054
Due in more than one year:				
General obligation notes payable	1,575,000	-	1,575,000	7,899,668
Forest crop loan payable	1,621,739	-	1,621,739	-
Landfill closure and long-term care payable	-	12,198,115	12,198,115	-
Due to primary government	-	-	-	481,871
Net pension liability	3,554,612	508,185	4,062,797	3,571,425
Compensated absences	4,783,557	970,003	5,753,560	175,336
Total Liabilities	26,255,066	16,530,870	42,785,936	20,277,620
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for next period	42,078,166	6,101,945	48,180,111	-
Other unearned revenue	-	22,497	22,497	-
Deferred inflows related to pensions	7,487,306	1,070,422	8,557,728	7,583,054
Total Deferred Inflows of Resources	49,565,472	7,194,864	56,760,336	7,583,054
NET POSITION				
Net investment in capital assets	237,953,247	21,523,821	259,477,068	58,206,408
Restricted for:				
Debt service	1,637,496	-	1,637,496	-
Land records	979,030	-	979,030	-
Capital improvements	303,376	-	303,376	-
Jail improvements	615,014	-	615,014	-
Social services	4,150,432	-	4,150,432	-
Long-term care costs	-	1,118,931	1,118,931	-
Passenger and customer facility charges	-	-	-	2,254,501
Employee benefits	-	-	-	56,374
Unrestricted	66,717,641	35,601,693	102,319,334	34,237,012
TOTAL NET POSITION	\$ 312,356,236	\$ 58,244,445	\$ 370,600,681	\$ 94,754,295

See accompanying notes to financial statements.

MARATHON COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

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		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental Activities								
General government	\$ 32,659,948	\$ 2,968,058	\$ 874,551	\$ 178,869	\$ (28,638,470)	\$ -	\$ (28,638,470)	\$ -
Public safety	24,648,809	1,726,767	566,883	-	(22,355,159)	-	(22,355,159)	-
Transportation	8,561,771	-	166,639	-	(8,395,132)	-	(8,395,132)	-
Health	4,650,331	731,024	762,932	-	(3,156,375)	-	(3,156,375)	-
Social services	20,526,512	998,659	13,829,353	-	(5,698,500)	-	(5,698,500)	-
Leisure and education	7,905,789	814,399	99,942	-	(6,991,448)	-	(6,991,448)	-
Conservation and development	903,617	566,047	1,311,507	-	973,937	-	973,937	-
Interest on long-term debt	83,821	-	-	-	(83,821)	-	(83,821)	-
Total Governmental Activities	<u>99,940,598</u>	<u>7,804,954</u>	<u>17,611,807</u>	<u>178,869</u>	<u>(74,344,968)</u>	<u>-</u>	<u>(74,344,968)</u>	<u>-</u>
Business-type Activities								
Landfill	3,916,205	3,407,162	-	-	-	(509,043)	(509,043)	-
Highway	12,678,133	5,916,374	3,260,676	-	-	(3,501,083)	(3,501,083)	-
Total Business-type Activities	<u>16,594,338</u>	<u>9,323,536</u>	<u>3,260,676</u>	<u>-</u>	<u>-</u>	<u>(4,010,126)</u>	<u>(4,010,126)</u>	<u>-</u>
Total Primary Government	<u>\$ 116,534,936</u>	<u>\$ 17,128,490</u>	<u>\$ 20,872,483</u>	<u>\$ 178,869</u>	<u>(74,344,968)</u>	<u>(4,010,126)</u>	<u>(78,355,094)</u>	<u>-</u>
Component Units								
Governmental Activities								
Children with Disabilities Education Board	\$ 5,920,505	\$ 4,739,163	\$ -	\$ -	-	-	-	(1,181,342)
Business-type Activities								
Central Wisconsin Airport	5,739,052	3,605,886	-	1,361,045	-	-	-	(772,121)
North Central Health Care	66,270,992	46,011,688	17,476,582	190,518	-	-	-	(2,592,204)
Total Business-type Component Units	<u>\$ 72,010,044</u>	<u>\$ 49,617,574</u>	<u>\$ 17,476,582</u>	<u>\$ 1,551,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,364,325)</u>
General Revenues								
Taxes								
Property taxes					42,634,992	6,089,879	48,724,871	-
Sales taxes					12,224,099	-	12,224,099	-
Other taxes					1,525,583	-	1,525,583	-
Grants and contributions not restricted to specific programs					6,243,407	-	6,243,407	-
Unrestricted investment earnings					930,730	630,162	1,560,892	156,858
Gain on sale of capital assets					22,436	27,568	50,004	5,158
Unrestricted state and federal aid					-	-	-	1,053,446
Insurance recoveries					-	-	-	-
Miscellaneous					56,232	211,723	267,955	32,973
Transfers					6,274,468	(6,274,468)	-	-
Total General Revenues and Transfers					<u>69,911,947</u>	<u>684,864</u>	<u>70,596,811</u>	<u>1,248,435</u>
Change in net position					<u>(4,433,021)</u>	<u>(3,325,262)</u>	<u>(7,758,283)</u>	<u>(3,297,232)</u>
NET POSITION, Beginning					<u>316,789,257</u>	<u>61,569,707</u>	<u>378,358,964</u>	<u>98,051,527</u>
NET POSITION, ENDING					<u>\$ 312,356,236</u>	<u>\$ 58,244,445</u>	<u>\$ 370,600,681</u>	<u>\$ 94,754,295</u>

See accompanying notes to financial statements.

MARATHON COUNTY

BALANCE SHEET- GOVERNMENTAL FUNDS
As of December 31, 2016

	General	Social Improvement	Capital Improvement	Nonmajor Governmental Fund Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 39,930,568	\$ 3,416,753	\$ 7,524,091	\$ 1,651,843	\$ 52,523,255
Receivables					
Taxes receivable	37,793,055	7,634,514	122,750	1,590,488	47,140,807
Accounts receivable	1,950,059	89,704	30,000	-	2,069,763
Accrued interest receivable	318,987	-	-	-	318,987
Due from other governments	2,621,393	1,593,376	-	-	4,214,769
Due from component unit	-	-	636,181	-	636,181
Due from other funds	-	-	5,192	-	5,192
Inventories and prepaid items	49,999	203,846	-	-	253,845
Restricted Assets					
Cash and investments	2,329,014	78,577	-	-	2,407,591
TOTAL ASSETS	\$ 84,993,075	\$ 13,016,770	\$ 8,318,214	\$ 3,242,331	\$ 109,570,390
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,178,238	\$ 1,067,204	\$ 343,328	\$ 12,079	\$ 3,600,849
Accrued items	1,957,927	-	-	-	1,957,927
Due to other governments	1,713,208	46	-	-	1,713,254
Due to other funds	5,192	-	-	-	5,192
Liabilities payable from restricted assets					
Special deposits	424,398	164,574	-	-	588,972
Total Liabilities	6,278,963	1,231,824	343,328	12,079	7,866,194
Deferred Inflows of Resources					
Property taxes levied for next period	32,730,414	7,634,514	122,750	1,590,488	42,078,166
Unavailable revenues	1,215,020	395,637	636,181	-	2,246,838
Total Deferred Inflows of Resources	33,945,434	8,030,151	758,931	1,590,488	44,325,004
Fund Balances					
Nonspendable	3,536,354	203,846	-	-	3,740,200
Restricted	1,897,420	3,550,949	198,972	1,639,764	7,287,105
Assigned	12,449,347	-	7,016,983	-	19,466,330
Unassigned	26,885,557	-	-	-	26,885,557
Total Fund Balances	44,768,678	3,754,795	7,215,955	1,639,764	57,379,192
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 84,993,075	\$ 13,016,770	\$ 8,318,214	\$ 3,242,331	\$ 109,570,390

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, 2016

Total Fund Balances - Governmental funds	\$ 57,379,192
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	34,425,059
Construction in progress	13,846,506
Other capital assets net of accumulated depreciation	192,632,710
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.	2,246,838
The net pension liability does not relate to current financial resources and is not reported in the governmental funds (less internal service funds \$21,341).	(3,533,271)
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 \$118,359).	19,669,339
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (less internal service funds \$44,952).	(7,442,354)
The County's investment in joint venture not a financial resource and, therefore, is not reported in the funds.	434,090
Internal service funds are reported in the statement of net position as governmental funds.	12,589,156
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	(3,150,000)
Forest crop loan	(1,621,739)
Compensated absences	(5,199,519)
Less: Internal service fund compensated absences	82,498
Accrued interest	<u>(2,269)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 312,356,236</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2016

	General	Social Improvement	Capital Improvement	Nonmajor	Total
				Governmental Fund Debt Service Fund	
REVENUES					
Taxes	\$ 46,020,433	\$ 7,579,588	\$ -	\$ 1,694,500	\$ 55,294,521
Intergovernmental grants and aids	10,187,291	13,660,898	-	-	23,848,189
Licenses and permits	342,600	-	-	-	342,600
Fines and forfeitures	564,262	-	-	-	564,262
Public charges for services	4,655,153	568,611	-	105,244	5,329,008
Intergovernmental charges for services	1,329,547	-	-	-	1,329,547
Miscellaneous revenue	1,616,297	54,865	274,457	26,582	1,972,201
Total Revenues	<u>64,715,583</u>	<u>21,863,962</u>	<u>274,457</u>	<u>1,826,326</u>	<u>88,680,328</u>
EXPENDITURES					
Current					
General government	26,051,528	-	-	-	26,051,528
Public safety	23,286,994	-	-	-	23,286,994
Health	4,410,899	-	-	-	4,410,899
Social services	211,489	19,812,299	-	-	20,023,788
Leisure activities and education	7,481,368	-	-	-	7,481,368
Conservation and economic development	886,290	-	-	-	886,290
Capital Outlay	233,478	-	2,709,402	-	2,942,880
Debt Service					
Principal	-	-	-	4,602,079	4,602,079
Interest and paying agent fees	-	-	-	254,482	254,482
Total Expenditures	<u>62,562,046</u>	<u>19,812,299</u>	<u>2,709,402</u>	<u>4,856,561</u>	<u>89,940,308</u>
Excess (deficiency) of revenues over expenditures	<u>2,153,537</u>	<u>2,051,663</u>	<u>(2,434,945)</u>	<u>(3,030,235)</u>	<u>(1,259,980)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	1,610,080	-	1,610,080
Social Improvement Fund	-	-	2,381,108	-	2,381,108
Capital Improvement Fund	247,248	-	-	-	247,248
Sales of capital assets	22,274	-	2,522	-	24,796
Debt issued	-	-	-	3,150,000	3,150,000
State loan program debt issued	14,692	-	-	-	14,692
Transfers out					
General Fund	-	-	(247,248)	-	(247,248)
Capital Improvement Fund	(1,610,080)	(2,381,108)	-	-	(3,991,188)
Employee Benefit Fund	(489,424)	-	-	-	(489,424)
County Highway Fund	-	-	(957,600)	-	(957,600)
Total Other Financing Sources (Uses)	<u>(1,815,290)</u>	<u>(2,381,108)</u>	<u>2,788,862</u>	<u>3,150,000</u>	<u>1,742,464</u>
Net change in fund balance	338,247	(329,445)	353,917	119,765	482,484
FUND BALANCE, Beginning	<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>
FUND BALANCE, ENDING	<u>\$ 44,768,678</u>	<u>\$ 3,754,795</u>	<u>\$ 7,215,955</u>	<u>\$ 1,639,764</u>	<u>\$ 57,379,192</u>

See accompanying notes to financial statements.

MARATHON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2016

Net change in fund balance - total governmental funds	\$ 482,484
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.	2,942,880
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.	(321,810)
Depreciation is reported in the government-wide statements.	(12,787,652)
Infrastructure financed by the highway fund.	7,232,068
Net book value of assets retired	(3,427)
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.	(942,333)
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.	(93,698)
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	(3,164,692)
Principal repaid	4,602,079
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	107,989
Elimination of the other postemployment benefit	-
Increase in net pension liability - less internal service funds	(8,893,762)
Deferred outflows of resources related to pensions - less internal service funds	14,175,418
Deferred inflows of resources related to pensions - less internal service funds	(7,442,354)
Accrued interest on debt	17,494
Amortization of premium	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.	(496,871)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (4,433,021)

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
As of December 31, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Landfill	County Highway	Total	Activities - Internal Service
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 3,079,153	\$ 31,898,180	\$ 34,977,333	\$ 15,908,832
Taxes receivable	-	6,101,945	6,101,945	-
Accounts receivable (net of allowance)	895,115	79,860	974,975	57,681
Due from other governments	-	810,551	810,551	-
Inventories	112,399	1,289,162	1,401,561	-
Total Current Assets	<u>4,086,667</u>	<u>40,179,698</u>	<u>44,266,365</u>	<u>15,966,513</u>
NONCURRENT ASSETS				
Restricted assets				
Cash and investments	13,317,046	-	13,317,046	-
Accrued interest receivable	32,222	-	32,222	-
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	29,970,990	606,661	30,577,651	-
Equipment	2,044,667	17,056,609	19,101,276	58,466
Total Capital Assets	34,014,284	24,361,552	58,375,836	58,466
Less: Accumulated depreciation	(21,776,846)	(15,075,169)	(36,852,015)	(58,466)
Net Capital Assets	<u>12,237,438</u>	<u>9,286,383</u>	<u>21,523,821</u>	<u>-</u>
Total Noncurrent Assets	<u>25,586,706</u>	<u>9,286,383</u>	<u>34,873,089</u>	<u>1,519,000</u>
Total Assets	<u>29,673,373</u>	<u>49,466,081</u>	<u>79,139,454</u>	<u>17,485,513</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	285,572	2,545,153	2,830,725	118,359
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	432,113	673,483	1,105,596	62,819
Accrued items	-	-	-	92,164
Due to other governments	1,660,648	3,975	1,664,623	-
Current portion of compensated absences	2,385	81,963	84,348	6,600
Total Current Liabilities	<u>2,095,146</u>	<u>759,421</u>	<u>2,854,567</u>	<u>161,583</u>
LONG-TERM LIABILITIES				
Landfill closure and long-term care payable	12,198,115	-	12,198,115	-
Accrued liability - claims payable	-	-	-	4,710,942
Net pension liability	51,880	456,305	508,185	21,341
Compensated absences	27,429	942,574	970,003	75,898
Total Long-term Liabilities	<u>12,277,424</u>	<u>1,398,879</u>	<u>13,676,303</u>	<u>4,808,181</u>
Total Liabilities	<u>14,372,570</u>	<u>2,158,300</u>	<u>16,530,870</u>	<u>4,969,764</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for next period	-	6,101,945	6,101,945	-
Other unearned revenues	-	22,497	22,497	-
Pension related amounts	109,278	961,144	1,070,422	44,952
Total Deferred Inflows of Resources	<u>109,278</u>	<u>7,085,586</u>	<u>7,194,864</u>	<u>44,952</u>
NET POSITION				
Investment in capital assets	12,237,438	9,286,383	21,523,821	-
Restricted for landfill long-term care	1,118,931	-	1,118,931	-
Unrestricted	2,120,728	33,480,965	35,601,693	12,589,156
TOTAL NET POSITION	<u>\$ 15,477,097</u>	<u>\$ 42,767,348</u>	<u>\$ 58,244,445</u>	<u>\$ 12,589,156</u>

MARATHON COUNTY

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

For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 9,765	\$ 9,765	\$ -
Public charges for services	3,407,162	-	3,407,162	-
Intergovernmental charges for services	-	5,906,609	5,906,609	-
Interdepartmental charges for services	-	-	-	14,163,063
Total Operating Revenues	<u>3,407,162</u>	<u>5,916,374</u>	<u>9,323,536</u>	<u>14,163,063</u>
OPERATING EXPENSES				
Salaries and benefits	748,732	3,669,020	4,417,752	1,108,333
Contractual services	1,033,072	214,381	1,247,453	477,889
Materials and supplies	335,601	731,332	1,066,933	6,744
Construction and maintenance	3,033	3,573,366	3,576,399	-
Landfill closure and long term care	422,028	-	422,028	-
Building and equipment rent	-	3,148,727	3,148,727	-
Insurance and claims	-	120,644	120,644	13,446,963
Loss and loss adjustment expense	-	-	-	814,231
Insurance and administration costs	21,087	-	21,087	10,772
Depreciation	1,234,993	1,220,663	2,455,656	-
Other operating expenses	117,659	-	117,659	-
Total Operating Expenses	<u>3,916,205</u>	<u>12,678,133</u>	<u>16,594,338</u>	<u>15,864,932</u>
Operating Income (Loss)	<u>(509,043)</u>	<u>(6,761,759)</u>	<u>(7,270,802)</u>	<u>(1,701,869)</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	-	6,089,879	6,089,879	-
Intergovernmental grants and aids	-	3,260,676	3,260,676	-
Investment income	312,616	317,546	630,162	264,781
Insurance recoveries	-	-	-	280,216
Infrastructure construction expense for governmental activities	-	(7,232,068)	(7,232,068)	-
Gain on sale of capital assets	-	27,568	27,568	-
Other income	5,577	206,146	211,723	170,577
Total Nonoperating Revenues (Expenses), Net	<u>318,193</u>	<u>2,669,747</u>	<u>2,987,940</u>	<u>715,574</u>
Income (loss) before transfers	(190,850)	(4,092,012)	(4,282,862)	(986,295)
Transfers in	-	957,600	957,600	-
Transfers out	-	-	-	489,424
Change in Net Position	<u>(190,850)</u>	<u>(3,134,412)</u>	<u>(3,325,262)</u>	<u>(496,871)</u>
NET POSITION - Beginning of Year	<u>15,667,947</u>	<u>45,901,760</u>	<u>61,569,707</u>	<u>13,086,027</u>
NET POSITION - END OF YEAR	<u>\$ 15,477,097</u>	<u>\$ 42,767,348</u>	<u>\$ 58,244,445</u>	<u>\$ 12,589,156</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016

	Business-type Activities-Enterprise Funds			Governmental
	County			Activities-
	Landfill	Highway	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from the sale of goods and services	\$ -	\$ 5,436,473	\$ 5,436,473	\$ -
Collections from landfill disposal services	3,413,442	-	3,413,442	-
Collections from departments and other insurance purchasers	-	-	-	14,769,864
Cash paid to employees for services	(748,732)	(3,669,020)	(4,417,752)	(1,108,333)
Cash paid to suppliers for goods and services	(1,532,307)	(7,704,137)	(9,236,444)	(14,070,108)
Net Cash Provided (Used) by Operating Activities	<u>1,132,403</u>	<u>(5,936,684)</u>	<u>(4,804,281)</u>	<u>(408,577)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General property taxes	-	6,089,879	6,089,879	-
Intergovernmental grants and contributions	-	3,260,676	3,260,676	-
Transfers	-	957,600	957,600	489,424
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>10,308,155</u>	<u>10,308,155</u>	<u>489,424</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Payments for capital acquisitions	(3,589,634)	(954,343)	(4,543,977)	-
Infrastructure construction expense for governmental activities	-	(7,232,068)	(7,232,068)	-
Net Cash Provided (Used) by Capital Financing Activities	<u>(3,589,634)</u>	<u>(8,186,411)</u>	<u>(11,776,045)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold	(503,066)	-	(503,066)	-
Interest received on investments	303,377	317,546	620,923	264,781
Net Cash Provided (Used) by Investing Activities	<u>(199,689)</u>	<u>317,546</u>	<u>117,857</u>	<u>264,781</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(2,656,920)</u>	<u>(3,497,394)</u>	<u>(6,154,314)</u>	<u>345,628</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,736,073</u>	<u>35,395,574</u>	<u>41,131,647</u>	<u>15,563,204</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,079,153</u>	<u>\$ 31,898,180</u>	<u>\$ 34,977,333</u>	<u>\$ 15,908,832</u>

See accompanying notes to financial statements.

	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	\$ (509,043)	\$ (6,761,759)	\$ (7,270,802)	\$ (1,701,869)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities				
Depreciation expense	1,234,993	1,220,663	2,455,656	-
Insurance recoveries	-	-	-	228,744
Other income	5,577	233,714	239,291	222,049
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows				
Accounts receivable	703	(11,161)	(10,458)	156,008
Taxes receivable	-	(12,066)	(12,066)	-
Due from other governments	-	(249,888)	(249,888)	-
Inventories	2,538	(14,570)	(12,032)	-
Accounts payable	(33,732)	(9,934)	(43,666)	(24,036)
Accrued expenses	-	-	-	13,570
Due to other governments	(3,031)	3,975	944	-
Deferred inflows of resources	-	12,066	12,066	-
Landfill closure and long-term care payable	407,202	-	407,202	-
Unearned revenues	-	(452,566)	(452,566)	-
Accrued liabilities - claims payable	-	-	-	673,231
Compensated absences	2,223	(181,443)	(179,220)	23,726
Pension related deferrals and liabilities	24,973	286,285	311,258	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,132,403</u>	<u>\$ (5,936,684)</u>	<u>\$ (4,804,281)</u>	<u>\$ (408,577)</u>
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES				
Fair value adjustment - investments	\$ 122,475	\$ -		\$ -

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2016

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,448,384
Accounts receivable	95,526
Due from other governments	<u>895,092</u>
TOTAL ASSETS	<u>\$ 2,439,002</u>
LIABILITIES	
Accounts payable	\$ 127,450
Due to other governments	544,494
Due to participants	318,274
Other accrued liabilities and deposits	<u>1,448,784</u>
TOTAL LIABILITIES	<u>\$ 2,439,002</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF NET POSITION
MAJOR DISCRETELY PRESENTED COMPONENT UNITS
As of December 31, 2016

	North Central Health Care	Central Wisconsin Airport	Children with Disabilities Education Board	Major Discretely Presented Component Units Total
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 6,085,131	\$ 2,598,520	\$ 3,099,317	\$ 11,782,968
Patient accounts receivable (net)	5,455,685	-	-	5,455,685
Accounts receivable	415,168	229,485	75,256	719,909
Accrued interest	-	-	1,747	1,747
Due from other governments	1,087,116	-	232,915	1,320,031
Prepaid items	441,429	-	-	441,429
Inventories	305,374	-	-	305,374
Total Current Assets	<u>13,789,903</u>	<u>2,828,005</u>	<u>3,409,235</u>	<u>20,027,143</u>
NONCURRENT ASSETS				
Restricted assets				
Cash and investments	56,589	2,204,614	-	2,261,203
Net OPEB asset	-	-	56,374	56,374
Investments	10,300,000	-	-	10,300,000
Assets limited as to use	2,836,893	-	-	2,836,893
Capital assets				
Land	51,300	614,983	-	666,283
Construction in progress	868,660	648,551	-	1,517,211
Buildings	24,949,383	38,828,768	-	63,778,151
Improvements	1,254,710	53,897,029	-	55,151,739
Equipment	18,394,159	8,114,089	40,499	26,548,747
Software	1,538,609	-	-	1,538,609
Total Capital Assets	47,056,821	102,103,420	40,499	149,200,740
Total Accumulated Depreciation and Amortization	(35,453,740)	(46,513,294)	(36,449)	(82,003,483)
Net Capital Assets	<u>11,603,081</u>	<u>55,590,126</u>	<u>4,050</u>	<u>67,197,257</u>
Total Noncurrent Assets	<u>24,796,563</u>	<u>57,794,740</u>	<u>60,424</u>	<u>82,651,727</u>
Total Assets	<u>38,586,466</u>	<u>60,622,745</u>	<u>3,469,659</u>	<u>102,678,870</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>17,516,720</u>	<u>572,641</u>	<u>1,846,738</u>	<u>19,936,099</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	1,588,855	99,617	800,496	2,488,968
Accrued items	2,052,752	-	-	2,052,752
Deposits	56,589	11,831	-	68,420
Interest payable	-	24,502	-	24,502
Accrued liability - claims payable	798,000	-	-	798,000
Due to other governments	205,920	220,596	-	426,516
Unearned revenues	180,798	-	-	180,798
Current portion of compensated absences	1,477,446	15,247	7,361	1,500,054
Current portion of due to primary government	154,310	-	-	154,310
Current portion of long-term obligations	-	455,000	-	455,000
Total Current Liabilities	<u>6,514,670</u>	<u>826,793</u>	<u>807,857</u>	<u>8,149,320</u>
LONG-TERM LIABILITIES				
General obligation notes payable (net of unamortized premiums)	-	7,899,668	-	7,899,668
Due to primary government	481,871	-	-	481,871
Net pension liability	3,127,379	102,503	341,543	3,571,425
Compensated absences	-	175,336	-	175,336
Total Long-Term Liabilities	<u>3,609,250</u>	<u>8,177,507</u>	<u>341,543</u>	<u>12,128,300</u>
Total Liabilities	<u>10,123,920</u>	<u>9,004,300</u>	<u>1,149,400</u>	<u>20,277,620</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	<u>6,647,040</u>	<u>215,907</u>	<u>720,107</u>	<u>7,583,054</u>
NET POSITION				
Net investment in capital assets	10,966,900	47,235,458	4,050	58,206,408
Restricted				
Passenger and customer facility charges	-	2,254,501	-	2,254,501
Employee benefits	-	-	56,374	56,374
Unrestricted	<u>28,365,326</u>	<u>2,485,220</u>	<u>3,386,466</u>	<u>34,237,012</u>
TOTAL NET POSITION	<u>\$ 39,332,226</u>	<u>\$ 51,975,179</u>	<u>\$ 3,446,890</u>	<u>\$ 94,754,295</u>

See accompanying notes to financial statements.

MARATHON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 MAJOR DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended December 31, 2016

	North Central Health Care	Central Wisconsin Airport	Children with Disabilities Education Board	Major Discretely Presented Component Units Total
EXPENSES				
Transportation				
Airport	\$ -	\$ 5,739,052	\$ -	\$ 5,739,052
Social Services				
North Central Community Services	66,270,992	-	-	66,270,992
Federal Handicapped Education Board	-	-	2,353,690	2,353,690
Instruction				
Federal Handicapped Education Board	-	-	3,566,815	3,566,815
Total Expenses	<u>66,270,992</u>	<u>5,739,052</u>	<u>5,920,505</u>	<u>77,930,549</u>
PROGRAM REVENUES				
Charges for service	46,011,688	3,605,886	4,739,163	54,356,737
Operating grants and contributions	17,476,582	-	-	17,476,582
Capital grants and contributions	190,518	1,361,045	-	1,551,563
Total Program Revenues	<u>63,678,788</u>	<u>4,966,931</u>	<u>4,739,163</u>	<u>73,384,882</u>
Net Income (Expense)	<u>(2,592,204)</u>	<u>(772,121)</u>	<u>(1,181,342)</u>	<u>(4,545,667)</u>
GENERAL REVENUES				
Unrestricted investment earnings	119,322	37,536	-	156,858
Gain on sale of capital assets	5,158	-	-	5,158
State and Federal Aids Not Restricted to Specific Functions				
Categorical aid	-	-	1,053,446	1,053,446
Miscellaneous	-	10,838	22,135	32,973
Total General Revenues	<u>124,480</u>	<u>48,374</u>	<u>1,075,581</u>	<u>1,248,435</u>
Change in net position	<u>(2,467,724)</u>	<u>(723,747)</u>	<u>(105,761)</u>	<u>(3,297,232)</u>
NET POSITION, Beginning	<u>41,799,950</u>	<u>52,698,926</u>	<u>3,552,651</u>	<u>98,051,527</u>
NET POSITION, ENDING	<u>\$ 39,332,226</u>	<u>\$ 51,975,179</u>	<u>\$ 3,446,890</u>	<u>\$ 94,754,295</u>

See accompanying notes to financial statements.

MARATHON COUNTY

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE	Page
I Summary of Significant Accounting Policies	30
A. Reporting Entity	30
B. Government-Wide and Fund Financial Statements	31
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	34
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	35
1. Deposits and Investments	35
2. Receivables	37
3. Inventories and Prepaid Items	38
4. Restricted Assets	38
5. Capital Assets	38
6. Deferred Outflows of Resources	39
7. Compensated Absences	39
8. Long-Term Obligations	40
9. Deferred Inflows of Resources	41
10. Equity Classifications	41
11. Pension	42
II Stewardship, Compliance, and Accountability	43
A. Limitations on the County's Tax Levy	43
III Detailed Notes on All Funds	43
A. Deposits and Investments	43
B. Receivables	47
C. Restricted Assets	49
D. Capital Assets	50
E. Interfund Receivables/Payables and Transfers	52
F. Long-Term Obligations	54
G. Lease Disclosures	56
H. Closure and Postclosure Care Cost	56
I. Self Funded Pollution Liability	57
J. Net Position/Fund Balances	57
K. University of Wisconsin - Marathon County	59
L. Component Units	59
IV Other Information	78
A. Employees' Retirement System	78
B. Risk Management	84
C. Commitments and Contingencies	87
D. Other Postemployment Benefits	87
E. Related Organizations/Jointly Governed Organizations	88
F. Effect of New Accounting Standards on Current-Period Financial Statements	89

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

North Central Health Care

The government-wide financial statements include the North Central Health Care (NCHC) as a component unit. NCHC is a legally separate organization operated jointly by Marathon, Lincoln, and Langlade counties. The board of NCHC is appointed by the respective counties' boards. The NCHC has been presented as a discrete component unit because of the nature and significance of its relationship with the County. The County appoints a majority of the board and, based upon the bylaws of the NCHC, the County has the ability to impose its will upon NCHC, and also create a possible financial benefit or burden. See Note III.L. The information presented is for the fiscal year ended December 31, 2016. Separately issued financial statements of North Central Health Care may be obtained from NCHC's office.

Central Wisconsin Airport

The government-wide financial statements include the Central Wisconsin Airport (CWA) as a component unit. The CWA is a legally separate organization operated jointly by Marathon and Portage counties. The board of the CWA is appointed by the respective counties. The CWA has been presented as a discrete component unit because of the nature and significance of its relationship with the County. CWA is fiscally dependent upon the County and a financial benefit or burden exists. While both Portage and Marathon County operate CWA, Marathon County retains the majority interest based upon each county's equalized values. See Note III.L. The information presented is for the fiscal year ended December 31, 2016. The CWA does not issue separate financial statements.

Children With Disabilities Education Board

The government-wide financial statements include the Children with Disabilities Education Board (CDEB) as a component unit. The CDEB is a legally separate organization. The board is made up of six members, one from each participating school district. The CDEB has been presented as a discrete component unit because of the nature and significance of its relationship with the County. The County Administrator appoints CDEB's board members for three-year terms. Based upon CDEB's board policies, the County has significant influence over its activities and can create a financial benefit or burden. See Note III.L. The information presented is for the fiscal year ended June 30, 2016. 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 February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Fund Financial Statements (cont.)

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

The County reports the following nonmajor governmental fund:

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

In addition, the County reports the following fund types:

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

- Property Casualty Insurance
- Employee Benefits Insurance

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Fund Financial Statements (cont.)

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

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

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

1. Deposits and Investments (cont.)

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

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

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

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, 2016, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

2. Receivables

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

Property tax calendar - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale - 2016 delinquent real estate taxes	October 2019

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

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

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

The County has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the County monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2016, 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 \$404,650 has been recorded in the Employee Benefits Insurance internal service fund to account for workers compensation amounts not likely to be collected.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$46,666 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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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

Buildings	20 - 50	Years
Land Improvements	2 - 20	Years
Machinery and Equipment	3 - 10	Years
Infrastructure	5 - 75	Years
Library Collection	5 - 25	Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

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

7. Compensated Absences

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.)

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, 2016, 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 2016 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$182,320 with an actual cost of \$345,309. There were nineteen (19) 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, accrued compensated absences, and the net pension liability. Other postemployment benefits are no longer considered material to the County.

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

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

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

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016

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 \$24,505,337 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 \$6,588,118 and is included in unrestricted net position.

See Note III.J. for further information.

11. Pension

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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	\$ 8,178,212	\$ 8,119,638	Custodial credit
US Treasuries	22,932,308	22,932,308	Custodial credit, interest rate
US agencies - implicitly guaranteed	12,041,136	12,041,136	Custodial credit, interest rate, credit, concentration of credit risk
National agency bonds and notes	6,844,111	6,844,111	Custodial credit, interest rate, credit, concentration of credit risk
State and local bonds	2,130,000	2,130,000	Custodial credit, interest rate, credit, concentration of credit
US agencies - explicitly guaranteed	26,668,140	26,668,140	Custodial credit, interest rate
Corporate notes	19,715,951	19,715,951	Custodial credit, interest rate, credit, concentration of credit risk
Certificates of deposits	21,823,600	21,823,600	Custodial credit
Commercial paper	3,992,580	3,992,580	Custodial credit, interest rate, credit, concentration of credit
Money market mutual funds	484,125	484,125	Custodial credit
LGIP	575,412	575,412	Credit
Total Deposits and Investments	\$ 125,385,575	\$ 125,327,001	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 103,409,420		
Restricted cash and investments	15,724,637		
Per statement of assets and liabilities			
Agency funds	1,448,384		
Per statement of net position - major discretely presented component unit (CWA)			
Unrestricted cash and investments	2,598,520		
Restricted cash and investments	2,204,614		
Total Deposits and Investments	\$ 125,385,575		

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

- > Institutional Bond Quotes
- > Collateralized Mortgage Obligation market
- > Matrix Pricing based upon a formula

Investment Type	December 31, 2016			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries	\$ 22,932,308	\$ -	\$ -	\$ 22,932,308
U.S. Agencies-implicitly guaranteed	-	12,041,136	-	12,041,136
U.S. Agencies-explicitly guaranteed	-	26,668,140	-	26,668,140
State and local banks	2,130,000	-	-	2,130,000
Corporate notes	-	19,715,951	-	19,715,951
Commercial paper	-	3,992,580	-	3,992,580
National agency bonds and notes	-	6,844,111	-	6,844,111
Totals	<u>\$ 25,062,308</u>	<u>\$ 69,261,918</u>	<u>\$ -</u>	<u>\$ 94,324,226</u>

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.

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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments

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

U.S. Treasuries

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 22,932,308</u>
--------------------------------------------------------------------------------------------------------------	----------------------

U.S. Agencies—implicitly guaranteed

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 12,041,136</u>
--------------------------------------------------------------------------------------------------------------	----------------------

U.S. Agencies—explicitly guaranteed

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 26,668,140</u>
--------------------------------------------------------------------------------------------------------------	----------------------

Corporate Notes

Neither insured nor registered and held by counterparty's trust department of agent not in the County's name	<u>\$ 19,715,951</u>
--------------------------------------------------------------------------------------------------------------	----------------------

Commercial Paper

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 3,992,580</u>
--------------------------------------------------------------------------------------------------------------	---------------------

State and Local Bonds

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 2,130,000</u>
--------------------------------------------------------------------------------------------------------------	---------------------

National Agency Bonds/Notes

Neither insured nor registered and held by counterparty's trust department or agent not in the County's name	<u>\$ 6,844,111</u>
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MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016, 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
U.S. Agencies – implicitly guaranteed	AA+, AAA	Aaa
Commercial paper	A-1, A-/+	P-1
State and local bonds	Not rated	Not rated
National agency bonds and notes	AAA	Aaa

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

Local Government Investment Pool

Concentration of Credit Risk

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

At December 31, 2016, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Position
FHLB	U.S. Agencies – implicitly guaranteed	10%

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of December 31, 2016, 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	\$ 22,932,308	\$ 3,024,055	\$ 19,908,253	\$ -
US agencies - implicitly guaranteed	12,041,136	-	12,041,136	-
US agencies - explicitly guaranteed	26,668,140	642,436	26,025,704	-
State and local bonds	2,130,000	-	2,130,000	-
Corporate notes	19,715,951	5,244,353	14,471,598	-
Commercial paper	3,992,580	3,992,580	-	-
National agency bonds and notes	6,844,111	2,002,712	4,841,399	-
Totals	<u>\$ 94,324,226</u>	<u>\$ 14,906,136</u>	<u>\$ 79,418,090</u>	<u>\$ -</u>

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

B. RECEIVABLES

All of the receivables are expected to be collected within one year, except for delinquent taxes not collected within 60 days of year-end and \$481,871 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	\$ -	\$ 42,078,166	\$ 42,078,166
Delinquent property taxes receivable	1,090,152	-	1,090,152
Other receivables	640,426	-	640,426
Timber sales	73,620	-	73,620
Grant amounts not yet received	442,640	-	442,640
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 2,246,838</u>	<u>\$ 42,078,166</u>	<u>\$ 44,325,004</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

B. RECEIVABLES (cont.)

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

Enterprise funds report 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	\$ 6,101,945
Revenue collected in advance	22,497
Total Unearned Revenue For Enterprise Funds	\$ 6,124,442

Taxes receivable represent current taxes and unpaid taxes for 2016 and prior years as follows:

Year of Settlement	County Tax Levied	County Purchased	Balance December 31, 2016
2015	\$ 436,135	\$ 1,649,209	\$ 2,085,344
2014	275,438	1,204,007	1,479,445
2013	130,929	506,892	637,821
2012	69,207	261,863	331,070
2011	43,287	154,372	197,659
2010	18,656	64,740	83,396
2009	5,617	18,588	24,205
2008	1,601	5,112	6,713
2007	994	3,006	4,000
2006	874	2,680	3,554
2005	830	2,520	3,350
Total Tax Certificates	\$ 983,568	\$ 3,872,989	4,856,557
Tax deeds			206,084
Current taxes			48,180,111
Total Taxes Receivable			\$ 53,242,752

Delinquent taxes collected within the sixty day period subsequent to year-end aggregated \$99,499 and \$386,635 for delinquent taxes levied and purchased by the County, respectively.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Land Records

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

Jail Assessments

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

Special Deposits and Impressed Cash Accounts

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

Community Options Programming

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

Landfill Long-term Care and Closure Costs

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

Following is a list of restricted assets at December 31, 2016:

Restricted Assets		
Land records	\$	979,030
Jail assessments		615,014
Special deposits and impressed cash accounts		759,885
Community Options Programming		53,662
Landfill long-term care and closure costs		13,317,046
Accrued interest receivable		<u>32,222</u>
Total Restricted Assets	\$	<u>15,756,859</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 34,317,881	\$ 107,178	\$ -	\$ 34,425,059
Construction in progress	13,057,850	821,035	32,379	13,846,506
Total Capital Assets Not Being Depreciated	47,375,731	928,213	32,379	48,271,565
Capital assets being depreciated				
Buildings	93,350,152	148,071	-	93,498,223
Improvements	10,475,737	351,718	-	10,827,455
Equipment	22,481,306	1,024,903	499,830	23,006,379
Infrastructure	210,930,170	6,962,012	3,607,569	214,284,613
Library collection	4,738,800	470,600	386,500	4,822,900
Total Capital Assets Being Depreciated	341,976,165	8,957,304	4,493,899	346,439,570
Total Capital Assets	389,351,896	9,885,517	4,526,278	394,711,135
Less: Accumulated depreciation for				
Buildings	(52,826,359)	(2,944,795)	-	(55,771,154)
Improvements	(6,363,540)	(431,008)	-	(6,794,548)
Equipment	(19,319,050)	(1,205,093)	496,903	(20,027,240)
Infrastructure	(64,538,031)	(7,801,356)	3,607,569	(68,731,818)
Library collection	(2,462,700)	(405,400)	386,000	(2,482,100)
Total Accumulated Depreciation	(145,509,680)	(12,787,652)	4,490,472	(153,806,860)
Net Capital Assets Being Depreciated	196,466,485	(3,830,348)	3,427	192,632,710
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 243,842,216	\$ (2,902,135)	\$ 35,806	\$ 240,904,275

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 2,529,081
Public safety	854,148
Transportation	7,801,355
Health	4,116
Social services	11,007
Leisure and education	<u>1,587,945</u>

Total Governmental Activities Depreciation Expense \$ 12,787,652

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 564,269	\$ -	\$ -	\$ 564,269
Capital assets being depreciated				
Buildings	8,132,640	-	-	8,132,640
Improvements	27,266,658	3,310,993	-	30,577,651
Equipment	18,511,406	1,375,445	785,575	19,101,276
Total Capital Assets Being Depreciated	<u>53,910,704</u>	<u>4,686,438</u>	<u>785,575</u>	<u>57,811,567</u>
Total Capital Assets	<u>54,474,973</u>	<u>4,686,438</u>	<u>785,575</u>	<u>58,375,836</u>
Less: Accumulated depreciation for				
Buildings	(5,916,723)	(297,140)	-	(6,213,863)
Improvements	(18,738,788)	(1,038,022)	-	(19,776,810)
Equipment	(10,330,448)	(1,182,576)	651,682	(10,861,342)
Total Accumulated Depreciation	<u>(34,985,959)</u>	<u>(2,517,738)</u>	<u>651,682</u>	<u>(36,852,015)</u>
Net Capital Assets Being Depreciated	<u>18,924,745</u>	<u>2,168,700</u>	<u>133,893</u>	<u>20,959,552</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,489,014</u>	<u>\$ 2,168,700</u>	<u>\$ 133,893</u>	<u>\$ 21,523,821</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Landfill	\$ 1,234,993
Highway	<u>1,220,663</u>
Total Business-type Activities Depreciation Expense	<u>\$ 2,455,656</u>

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital projects fund	General fund	\$ 5,192
Less: Fund eliminations		<u>(5,192)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Capital improvement fund	General fund	\$ 1,610,080	Fund capital projects
Capital improvement fund	Social improvement fund	2,381,108	Fund capital projects
Highway fund	Capital improvement fund	957,600	Fund capital projects
General fund	Capital improvement fund	247,248	Closeout completed projects
Employee benefits	General fund	489,424	Affordable Care Act counseling funding
Total - Fund Financial Statements		5,685,460	
Less: Fund eliminations		(4,238,436)	
Less: Government-wide eliminations		(2,404,624)	
Subtotal		(957,600)	
Infrastructure costs assigned by the highway fund to governmental activities		7,232,068	
Total Transfers - Government-Wide Statement of Activities		\$ 6,274,468	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ 7,232,068	
Business-type Activities	Governmental Activities	(957,600)	
Total Government-wide Financial Statements		\$ 6,274,468	

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 4,590,000	\$ 3,150,000	\$ 4,590,000	\$ 3,150,000	\$ 1,575,000
Forest crop loan payable	1,619,126	14,692	12,079	1,621,739	-
Premiums	153,167	-	153,167	-	-
Sub-totals	6,362,293	3,164,692	4,755,246	4,771,739	1,575,000
Other Liabilities					
Vested compensated absences - governmental funds	5,225,010	414,512	522,501	5,117,021	409,362
Vested compensated absences - internal service fund	92,013	-	9,515	82,498	6,600
Net pension liability	-	3,554,612	-	3,554,612	-
Total Other Liabilities	5,317,023	3,969,124	532,016	8,754,131	415,962
Total Governmental Activities Long-Term Liabilities	\$ 11,679,316	\$ 7,133,816	\$ 5,287,262	\$ 13,525,870	\$ 1,990,962
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Other Liabilities					
Vested compensated absences	\$ 1,059,396	\$ 100,895	\$ 105,940	\$ 1,054,351	\$ 84,348
Net pension liability	-	508,185	-	508,185	-
Cell A long-term care and postclosure costs	1,367,459	-	85,680	1,281,779	-
Cell B closure costs	4,173,444	109,910	-	4,283,354	-
Cell B long-term care and postclosure costs	5,371,781	3,068	-	5,374,849	-
Blue Bird Ridge closure costs	322,555	153,310	-	475,865	-
Blue Bird Ridge long-term care and postclosure costs	540,848	241,420	-	782,268	-
Total Other Liabilities	12,835,483	1,116,788	191,620	13,760,651	84,348
Total Business-type Activities Long-Term Liabilities	\$ 12,835,483	\$ 1,116,788	\$ 191,620	\$ 13,760,651	\$ 84,348

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, 2016, was \$507,812,250. Total general obligation debt outstanding at year-end was \$9,920,000 (including \$6,770,000 issued by Marathon County for the Central Wisconsin Airport – see Note III.L.).

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2016</u>
General Obligation Promissory Notes Series 2016	11/04/16	2/01/18	1.00%	\$ 3,150,000	<u>\$ 3,150,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,575,000	\$ 15,488
2018	<u>1,575,000</u>	<u>7,875</u>
Totals	<u>\$ 3,150,000</u>	<u>\$ 23,363</u>

Current Refunding

On November 4, 2016, the County issued \$3,150,000 in general obligation bonds with an average coupon rate of 1% to refund \$3,125,000 of outstanding bonds with an average coupon rate of 5%. The net proceeds along with existing funds of the County were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$3,320,294 from November 4, 2016 through December 1, 2018. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$165,319.

Forest Crop Loan

The state of Wisconsin has provided for a noninterest bearing loan fund to be used for the acquisition and construction of forest land and other forest related facilities. The noninterest bearing loan has no specific payment schedule and is repaid from the proceeds of the sale of forest crops. The balance of the Forest Crop Loan at December 31, 2016 is \$1,621,739.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of other long-term liabilities (compensated absences and the net pension liability) 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. The net pension liability will be financed through future contributions and changes to the plan's assets.

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, 2016, are as follows:

Years	Governmental Activities Principal
2017	\$ 897
2018	2,847
2019	2,847
2020	2,847
2021	2,847
2022 - 2064	38,579
Totals	\$ 50,864

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 2017. Cells B and Blue Bird Ridge remain open at the end of 2016. 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, 2016, 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	\$ 1,281,779	\$ 9,658,203	\$ 1,258,133	\$ 12,198,115
Capacity used at year-end	100%	99.82%	14.74%	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

H. CLOSURE AND POSTCLOSURE CARE COST (cont.)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care for all three of its landfills. The County is in compliance with these requirements, and, at December 31, 2016, \$13,317,046 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.

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 2016 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 \$2,556,730 as of December 31, 2016, which is included in the Landfill Fund's unrestricted net position. No amounts were paid from this account in 2016.

J. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2016, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 34,425,059
Construction in progress	13,846,506
Other capital assets, net of accumulated depreciation	192,632,710
Less: Long-term debt outstanding	(3,150,000)
Plus: Unspent capital related debt proceeds	198,972
Total Net Investment in Capital Assets	<u>237,953,247</u>
Restricted	
Debt service	1,637,496
Land records	979,030
Capital improvements	303,376
Jail improvements	615,014
Social services	4,150,432
Total Restricted	<u>7,685,348</u>
Unrestricted	<u>66,717,641</u>
Total Governmental Activities Net Position	<u>\$ 312,356,236</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016, include the following:

Fund Balance	General Fund	Social Improvement	Capital Improvement	Debt Service	Totals
Nonspendable:					
Inventories and prepaid items	\$ 49,999	\$ 203,846	\$ -	\$ -	\$ 253,845
Noncounty levy portion of delinquent property taxes receivable	3,486,355	-	-	-	3,486,355
Restricted for:					
UW dorm capital maintenance	303,376	-	-	-	303,376
Land records	979,030	-	-	-	979,030
Jail assessments	615,014	-	-	-	615,014
Debt service	-	-	-	1,639,764	1,639,764
Social improvement	-	3,550,949	-	-	3,550,949
Capital projects	-	-	198,972	-	198,972
Assigned to:					
Conservation (ATC powerline easement)	2,448,695	-	-	-	2,448,695
Subsequent year's budget	5,113,737	-	-	-	5,113,737
Compensated absences	4,886,915	-	-	-	4,886,915
Capital projects	-	-	7,016,983	-	7,016,983
Unassigned:					
	26,885,557	-	-	-	26,885,557
Total Fund Balances	\$ 44,768,678	\$ 3,754,795	\$ 7,215,955	\$ 1,639,764	\$ 57,379,192

Business-type Activities

Investment in capital assets	
Land	\$ 564,269
Other capital assets, net of accumulated depreciation	20,959,552
Total Investment in Capital Assets	21,523,821
Restricted	
Landfill long-term care costs	1,118,931
Total Restricted	1,118,931
Unrestricted	
	35,601,693
Total Business-type Activities Net Position	\$ 58,244,445

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

K. UNIVERSITY OF WISCONSIN - MARATHON COUNTY

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

L. COMPONENT UNITS

NORTH CENTRAL HEALTH CARE

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 6,141,720	\$ 8,275,010	Custodial credit
Certificates of deposits	<u>10,300,000</u>	<u>10,300,000</u>	Custodial credit
Total Deposits and Investments	<u>\$ 16,441,720</u>	<u>\$ 18,575,010</u>	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

b. Deposits and Investments (cont.)

Custodial Credit Risk

Investments

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

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

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 51,300	\$ -	\$ -	\$ 51,300	N/A
Construction in progress	518,884	816,209	(466,433)	868,660	N/A
Depreciable land improvements	1,253,955	755	-	1,254,710	10-40
Buildings and building improvements	24,874,139	75,244	-	24,949,383	10-40
Equipment	17,702,337	780,478	(88,656)	18,394,159	3-40
Software	1,521,057	17,552	-	1,538,609	3-15
Less: Accumulated depreciation/ amortization	<u>(33,899,566)</u>	<u>(1,642,830)</u>	<u>88,656</u>	<u>(35,453,740)</u>	
	<u>\$ 12,022,106</u>	<u>\$ 47,408</u>	<u>\$ (466,433)</u>	<u>\$ 11,603,081</u>	

d. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	<u>\$ 1,491,802</u>	<u>\$ 1,477,446</u>	<u>\$ 1,491,802</u>	<u>\$ 1,477,446</u>	<u>\$ 1,447,446</u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. 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, 2016, the related-party note payable consisted of:

Note payable	\$	636,181
Less: Current maturities		<u>(154,310)</u>
Long-term Portion	\$	<u>481,871</u>

Required payments of principal and interest at December 31, 2016 on the related-party note payable are as follows:

	Principal		Interest
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>\$ 636,181</u>	\$	<u>26,316</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, 2016, NCHC reported a liability of \$3,127,379. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014, rolled forward to December 31, 2015. 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 liability was based on the Agency's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, NCHC's proportion was .19245642%, which was a decrease of .00487249% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, NCHC recognized pension expense of \$3,754,801.

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, 2016

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

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

f. Employee Retirement System (cont.)

At December 31, 2016, NCHC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 529,064	\$ 6,581,517
Changes in assumptions	2,188,051	-
Net differences between projected and actual earnings on pension plan investments	12,804,386	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	112,024	65,523
Employer contributions subsequent to the measurement date	<u>1,883,195</u>	<u>-</u>
Totals	<u>\$ 17,516,720</u>	<u>\$ 6,647,040</u>

Deferred outflows of \$1,883,195 related to pension resulting from NCHC's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Total</u>
2017	\$ 2,445,009
2018	2,445,009
2019	2,445,009
2020	1,788,434
2021	(136,976)

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

f. Employee Retirement System (cont.)

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability 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	\$ 21,935,494	\$ 3,127,379	\$ (11,562,098)

At December 31, 2016, NCHC reported a payable of \$285,474 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 \$5,319,000 in 2016, 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. 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, 2016

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

L. 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 2016 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 \$9,917,423 in 2016 from the counties to assist in meeting operating costs and for additions and improvements to capital assets.

Land and buildings at a cost of \$31,276,599 in 2016 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 2016, approximately 24% 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, 2016

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

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

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

Medicaid

In 2016, approximately 62% of NCHC's revenue was for services provided to patients whose bills are paid in whole or in part by the Medicaid program. Hospital and nursing home services rendered to Medicaid program beneficiaries are reimbursed primarily based upon prospectively determined rates which varies depending on the patient's level of care and types of services provided.

Accounting for Contractual Adjustments

The hospital is reimbursed for cost-reimbursable items at an interim rate with final settlements determined after audit of NCHC's related annual cost reports by the Medicare fiscal intermediary. Estimated provisions to approximate the final expected settlements after review by the intermediary are included in the accompanying financial statements. The cost reports have been audited by the Medicare fiscal intermediary through December 31, 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. Violations of these laws and regulations could result in the imposition of fines and penalties, as well as repayments of previously billed and collected revenue from patient services. Management believes NCHC is in substantial compliance with current laws and regulations.

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

NORTH CENTRAL HEALTH CARE (cont.)

k. Patient Accounts Receivable – Net

Patient accounts receivable consisted of the following at December 31, 2016:

	51.42/.437 Program	Nursing Home	Totals
Patient accounts receivable	\$ 6,018,232	\$ 4,310,742	\$ 10,328,974
Less: Allowance for doubtful accounts	(1,358,108)	(1,559,272)	(2,917,380)
Contractual adjustments	(1,616,632)	(339,277)	(1,955,909)
Patient Accounts Receivable - Net	\$ 3,043,492	\$ 2,412,193	\$ 5,455,685

l. Net Patient Service Revenue

Net patient service revenue consisted of the following at December 31, 2016:

	51.42/.437 Program	Nursing Home	Totals
Gross patient service revenue:			
Medical assistance	\$ 22,174,760	\$ 17,364,198	\$ 39,538,958
Medicare	3,549,648	12,187,729	15,737,377
Private pay	824,268	3,146,997	3,971,265
Insurance and other	2,592,078	2,421,124	5,013,202
Totals	29,140,754	35,120,048	64,260,802
Less: Contractual adjustments	(9,417,552)	(10,881,605)	(20,299,157)
Provision for bad debts	(288,612)	(101,149)	(389,761)
Net Patient Service Revenue	\$ 19,434,590	\$ 24,137,294	\$ 43,571,884

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 \$31,800 in 2016. Total rental expense on all operating leases amounted to \$550,935 in 2016.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. 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:

	2016	2015
Unpaid claims liability at beginning	\$ 857,000	\$ 652,000
Claims expense	6,894,370	5,532,094
Claim payments	(6,953,370)	(5,327,094)
Unpaid Claims Liability at Year-End	\$ 798,000	\$ 857,000

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, 2016, which have not yet been asserted, NCHC is unable to determine the ultimate costs, if any, of such possible claims and, accordingly, no provision has been made for them. These insurance policies are renewable annually and have been renewed by the insurance carrier for the annual period extending through December 31, 2017.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. 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.L., and accounts receivable.

Patient accounts receivable consists of amounts due from patients, their insurers, or governmental agencies. NCHC grants credit to its patients, primarily residents of 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, 2016:

Medicare	16%
Medicaid	39
Private pay	23
Insurance and other	<u>22</u>
Total	<u><u>100%</u></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, 2016 are as follows:

Health care services	\$ 48,412,778
General and administrative	<u>17,858,214</u>
Total	<u><u>\$ 66,270,992</u></u>

r. Tri-County Agreement

In December 2016, Langlade, Lincoln, and Marathon Counties signed an agreement to continue sponsorship, from January 1, 2017 through December 31, 2021, of the 51.42/.437 program of NCHC for the purposes of administering a community mental health, alcoholism, and drug abuse program and protective services and protective placement.

Under terms of the December 2016 agreement, a Retained County Board Authority Committee (the "Committee") was established to exercise authority retained by the respective County Boards, as provided under sec. 51.42(5) of the Wisconsin Statutes. Under terms of the agreement, Marathon, Lincoln, and Langlade counties will appoint two, one, and one member, respectively (for a total of four members) to serve on the Committee.

The December 2016 agreement delineates, among other things, the programmatic and management responsibilities of NCHC and the responsibilities and authorities of the Committee and the Board of Directors.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year-end, the carrying amount of the CWA's cash and cash equivalents was \$4,803,134 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, 2016 of \$2,204,614.

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 614,983	\$ -	\$ -	\$ 614,983	N/A
Construction in progress	24,229,314	631,991	24,212,754	648,551	N/A
Buildings	17,735,915	21,092,853	-	38,828,768	20-50
Improvements	49,709,741	4,187,288	-	53,897,029	2-20
Equipment	8,031,593	146,618	64,122	8,114,089	3-10
Less: Accumulated depreciation	<u>(43,554,775)</u>	<u>(3,022,641)</u>	<u>(64,122)</u>	<u>(46,513,294)</u>	
Totals	<u>\$ 56,766,771</u>	<u>\$ 23,036,109</u>	<u>\$ 24,212,754</u>	<u>\$ 55,590,126</u>	

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

e. Long-Term Obligations

CWA long-term obligations are payable by revenues from public charges for services. Long-term obligations activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation debt	\$ 8,900,000	\$ -	\$ 630,000	\$ 8,270,000	\$ 455,000
Add Deferred Amounts for					
Premiums	92,361	-	7,693	84,668	-
Sub-totals	8,992,361	-	637,693	8,354,668	455,000
Other Liabilities					
Vested compensated absences	201,785	8,976	20,178	190,583	15,247
Net pension liability	-	102,503	-	102,503	-
Sub-totals	201,785	111,479	20,178	293,086	15,247
Totals	\$ 9,194,146	\$ 111,479	\$ 657,871	\$ 8,647,754	\$ 470,247

Component Unit General Obligation Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance
2010A General Obligation Promissory Note	12/15/2010	12/1/2025	2.0 – 4.0%	\$ 2,450,000	\$ 1,575,000
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	2,545,000
Totals Component Unit – General Obligation Debt					\$ 8,270,000

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

CENTRAL WISCONSIN AIRPORT (cont.)

e. Long-Term Obligations (cont.)

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
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	665,000	165,462	830,462
2022 – 2026	2,970,000	513,660	3,483,660
2027 – 2030	1,405,000	108,362	1,513,362
 Totals	 \$ 8,270,000	 \$ 1,660,875	 \$ 9,930,875

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, 2016.

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 \$5,886,865. The difference between the two figures is the accumulated depreciation of \$7,367,136. The future minimum lease receipts as of December 31, 2016, are as follows:

Years	Principal
2017	\$ 191,376
2018	117,092
2019	80,465
2020	78,278
2021	76,716
Later	55,236
Total	\$ 599,163

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. 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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 1,571,591	\$ 1,448,721	Custodial credit
LGIP	1,527,626	1,527,626	Credit
Petty cash	100	-	N/A
Total Deposits and Investments	\$ 3,099,317	\$ 2,976,347	

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 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, 2016

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

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Equipment	\$ 40,499	\$ -	\$ -	\$ 40,499	10
Less: Accumulated depreciation	<u>(32,399)</u>	<u>(4,050)</u>	<u>-</u>	<u>(36,449)</u>	
Totals	<u>\$ 8,100</u>	<u>\$ (4,050)</u>	<u>\$ -</u>	<u>\$ 4,050</u>	

e. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Vested compensated absences	\$ 7,527	\$ 7,361	\$ 7,527	\$ 7,361	\$ 7,361
OPEB obligation (asset)	(9,241)	19,584	66,717	(56,374)	-
Net pension liability	<u>-</u>	<u>341,543</u>	<u>-</u>	<u>341,543</u>	<u>-</u>
Totals	<u>\$ (1,714)</u>	<u>\$ 368,488</u>	<u>\$ 74,244</u>	<u>\$ (292,530)</u>	<u>\$ 7,361</u>

f. Employee Retirement System

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

At June 30, 2016, the department reported a liability of \$341,543 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability 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, 2015, the department's proportion was .021050246%, which was a decrease of .001297254% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the department recognized pension expense of \$447,267.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

f. Employee Retirement System (cont.)

At June 30, 2016, the department reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 61,434	\$ 719,865
Changes in actuarial assumptions	239,322	-
Net differences between projected and actual earnings on pension plan investments	1,411,947	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,531	242
Employer contributions subsequent to the measurement date	132,504	-
Totals	\$ 1,846,738	\$ 720,107

\$132,504 is reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date and will be recognized as a reduction to the net pension liability in the year ended June 30, 2017. 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	Deferred Inflows of Resources
2017	\$ 442,756	\$ 164,175
2018	442,756	164,175
2019	442,755	164,175
2020	364,892	164,175
2021	21,075	63,407

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

f. Employee Retirement System (cont.)

Sensitivity of the department's proportionate share of the net pension 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)	\$ (2,398,713)	\$ 341,543	\$ (1,265,143)

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 \$50,973.

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, 2016

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

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

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 2016, 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>(66,717)</u>
Change in net OPEB obligation (asset)		(47,133)
Net OPEB Obligation - Beginning of Year		<u>(9,241)</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>(56,374)</u></u>

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

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 2016 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 19,584	0%	\$ 22,675
6/30/15	19,584	0%	(9,241)
6/30/16	19,584	0%	(56,374)

The funded status of the plan as of July 1, 2013, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 767,065
Actuarial value of plan assets	<u>(720,589)</u>
Funded Actuarial Accrued (Asset) (AAA)	<u>\$ 46,476</u>
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, 2016

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

L. COMPONENT UNITS (cont.)

CHILDREN WITH DISABILITIES EDUCATION BOARD (cont.)

h. Postemployment Benefits Other Than Pensions (cont.)

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, 2016 was 30 years.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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

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, 2016

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.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
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
2015	2.9	2

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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 \$2,416,616 in contributions from the County, and \$60,970 from the CWA.

Contribution rates as of January 1, 2016 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2016, the County reported a liability of \$4,062,797 for its proportionate share of the net pension liability and CWA reported a liability of \$102,503 for its share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the County's proportion was .250021250%, which was an increase of .000164111% from its proportion measured as of December 31, 2014. The CWA's proportion was .006307952%, which was an increase of .000004140% from its proportioned measure.

For the year ended December 31, 2016, the County recognized pension expense of \$4,879,113 and CWA recognized pension expense of \$123,098.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. *Employees' Retirement System* (cont.)

At December 31, 2016, the County and CWA reported deferred outflows and inflows of resources related to pensions from the following sources:

	County Deferred Outflows of Resources	County Deferred Inflows of Resources	CWA Deferred Outflows of Resources	CWA Deferred Inflows of Resources
Differences between expected and actual experience	\$ 688,050	\$ 8,550,086	\$ 17,420	\$ 215,714
Changes in actuarial assumptions	2,845,573	7,642	72,043	193
Net differences between projected and actual earnings on pension plan investments	16,652,181	-	421,591	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,131	-	433	-
Employer contributions subsequent to the measurement date	2,415,488	-	61,154	-
Totals	\$ 22,618,423	\$ 8,557,728	\$ 572,641	\$ 215,907

\$2,415,488 for the County and \$61,154 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	County Deferred Outflows of Resources	County Deferred Inflows of Resources	CWA Deferred Outflows of Resources	CWA Deferred Inflows of Resources
2017	\$ 5,246,082	\$ 2,070,986	\$ 132,817	\$ 52,250
2018	5,246,082	2,070,986	132,817	52,250
2019	5,246,082	2,070,986	132,817	52,250
2020	4,373,650	2,070,986	110,730	52,250
2021	91,039	273,784	2,306	6,907

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
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% - 5.6
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
US Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Single discount rate. A single discount rate of 7.20% was used to measure the total pension 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	\$ 28,496,534	\$ 4,062,797	\$ (15,020,388)
CWA's proportionate share of the net pension (asset) / liability	718,958	102,503	(378,959)

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

At December 31, 2016, the County reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin Municipal Mutual Insurance Company (WMMIC)

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a nonassessable municipal mutual insurance company. WMMIC writes general, auto and other liability insurance, and workers compensation insurance for participating members in the State of Wisconsin on terms calling recognition of premium upon the effective date of the policy. Responsibility for the operations and management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2016, WMMIC consisted of nineteen members.

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

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

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

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

Property Insurance Fund

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Property Insurance Fund (cont.)

The 2016 claims liability of \$1,233,824 reported in the Property Casualty Insurance fund at December 31, 2016 is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Included in this liability is an amount of \$100,000 which is the estimated catastrophic load. The County does not allocate overhead costs or other nonincremental costs to the claims liabilities. The amount has been fully funded. Changes in the fund's claim liability amount for 2015 and 2016 are as follows:

	<u>Liability January 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability December 31</u>
2015	\$ 910,188	\$ 546,098	\$ (480,692)	\$ 975,594
2016	975,594	901,446	(643,216)	1,233,824

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. \$3,489,474 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 \$3,477,118 reported in the Employee Benefits Insurance fund at December 31, 2016 is also based on the requirements of GASB.

Changes in the fund's claim liability amount for 2015 and 2016 are as follows:

	<u>Worker's Comp Liability January 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability December 31</u>
2015	\$ 2,804,221	\$ 301,526	\$ (43,630)	\$ 3,062,117
2016	3,062,117	547,157	(132,156)	3,477,118

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Property Insurance Fund (cont.)

Starting in 1992, the County conducts an annual actuarial evaluation of the individual employee benefit programs. The Loss Triangulation method was used for the calculations of the liability recorded by the Internal Service/Employee Benefits Insurance Fund including estimated settlements for claims reported but not settled as of December 31, 2016 as well as an estimate of claims incurred but not reported. A determination of the appropriate reserves was calculated and funding is assured at the 95th percentile and includes an estimate of catastrophic loss.

C. COMMITMENTS AND CONTINGENCIES

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

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

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

D. 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.

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

E. RELATED ORGANIZATIONS/JOINTLY GOVERNED ORGANIZATIONS

City-County Information Technology Commission

The City-County Information Technology Commission (CCITC) is a joint function with Marathon County, the City of Wausau and 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 2016 was \$1,301,434. Additional capital project reimbursements totaled \$1,690,985. The County has an equity interest of \$434,090 in the commission that is accounted for in the governmental activities.

Financial information of the CCITC as of December 31, 2016 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 2016 appropriation for NCWRPC was \$44,000.

Aging and Disability Resources Center of Central Wisconsin

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

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

Financial information of the ADRC-CW as of December 31, 2016 is available directly from the ADRC-CW's office.

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

MARATHON COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > *Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 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. 80, Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*
- > *Statement No. 81, Irrevocable Split-Interest Agreements*
- > *Statement No. 82, Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*
- > *Statement No. 83, Certain Asset Retirement Obligations*
- > *Statement No. 84, Fiduciary Activities*
- > *Statement No. 85, Omnibus 2017*
- > *Statement No. 86, Certain Debt Extinguishment Issues*

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

REQUIRED SUPPLEMENTARY INFORMATION

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes				
General property taxes	\$ 32,244,922	\$ 32,244,922	\$ 32,270,751	\$ 25,829
Forest crop taxes	65,300	65,300	98,957	33,657
Transfer tax	250,000	250,000	312,368	62,368
Sales tax	11,293,550	11,293,550	12,224,099	930,549
Interest on delinquent taxes	800,000	800,000	743,531	(56,469)
Penalties on delinquent taxes	412,998	412,998	370,727	(42,271)
Total Taxes	<u>45,066,770</u>	<u>45,066,770</u>	<u>46,020,433</u>	<u>953,663</u>
Intergovernmental Grants and Aids				
Wisconsin shared revenue	5,654,150	5,654,150	5,659,249	5,099
Exempt computer aid	300,000	300,000	362,668	62,668
Environmental impact fee	-	-	68,776	68,776
Federal grants	129,830	414,693	337,455	(77,238)
State grants	3,203,970	3,965,234	3,693,112	(272,122)
Local government grants	84,668	114,345	66,031	(48,314)
Total Intergovernmental Grants and Aids	<u>9,372,618</u>	<u>10,448,422</u>	<u>10,187,291</u>	<u>(261,131)</u>
Licenses and Permits				
Licenses	47,140	47,140	46,455	(685)
Permits	324,825	328,925	296,145	(32,780)
Total Licenses and Permits	<u>371,965</u>	<u>376,065</u>	<u>342,600</u>	<u>(33,465)</u>
Fines and Forfeitures				
County ordinance fines and forfeitures	190,000	190,000	135,328	(54,672)
County share of state fines and forfeitures	474,080	474,080	428,934	(45,146)
Total Fines and Forfeitures	<u>664,080</u>	<u>664,080</u>	<u>564,262</u>	<u>(99,818)</u>
Public Charges for Services				
General Government				
Recording fees	350,000	350,000	333,030	(16,970)
Certified copies	65,000	65,000	74,479	9,479
Land record fees	232,000	232,000	177,176	(54,824)
Court fees and costs	692,000	692,000	717,918	25,918
Other charges	465,258	465,258	430,723	(34,535)
Total General Government	<u>1,804,258</u>	<u>1,804,258</u>	<u>1,733,326</u>	<u>(70,932)</u>
Public Safety				
Board of prisoners	397,250	397,250	275,183	(122,067)
Processing fees	175,000	180,000	138,057	(41,943)
Other charges	398,700	399,135	315,974	(83,161)
Total Public Safety	<u>970,950</u>	<u>976,385</u>	<u>729,214</u>	<u>(247,171)</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES (cont.)				
Health				
General health	\$ 14,480	\$ 14,480	\$ 13,011	\$ (1,469)
Lab contract work	100,182	100,182	109,725	9,543
Environmental permits	479,810	479,810	474,170	(5,640)
Other charges	90,984	90,984	134,118	43,134
Total Health	<u>685,456</u>	<u>685,456</u>	<u>731,024</u>	<u>45,568</u>
Social services	<u>5,000</u>	<u>5,000</u>	<u>2,191</u>	<u>(2,809)</u>
Library	<u>115,000</u>	<u>115,000</u>	<u>55,910</u>	<u>(59,090)</u>
Recreation and Public Areas				
Camping fees	127,000	127,000	146,614	19,614
Park concessions	65,009	65,009	49,994	(15,015)
Shelter rental and forfeitures	26,300	26,300	26,235	(65)
Fairgrounds building rents	108,500	108,500	101,982	(6,518)
Organized hockey rents	208,000	208,000	188,990	(19,010)
Cross country fees	78,500	78,500	61,982	(16,518)
Other charges	274,061	274,061	308,882	34,821
Total Recreation and Public Areas	<u>887,370</u>	<u>887,370</u>	<u>884,679</u>	<u>(2,691)</u>
Education	<u>35,306</u>	<u>35,306</u>	<u>23,268</u>	<u>(12,038)</u>
Conservation				
Forest resources	328,700	328,700	454,212	125,512
Agricultural resources	41,250	41,250	41,329	79
Total Conservation	<u>369,950</u>	<u>369,950</u>	<u>495,541</u>	<u>125,591</u>
Total Public Charges for Services	<u>4,873,290</u>	<u>4,878,725</u>	<u>4,655,153</u>	<u>(223,572)</u>
Intergovernmental Charges for Services				
State and federal	506,337	506,337	320,378	(185,959)
Local Districts				
General government	22,000	22,000	30,560	8,560
Register of deeds services	65,000	65,000	87,569	22,569
Postage	63,000	63,000	54,231	(8,769)
Telephone	10,000	10,000	4,625	(5,375)
Sheriff's services	201,590	201,590	232,739	31,149
Other charges	426,132	540,104	332,667	(207,437)
Local departments	<u>387,355</u>	<u>417,715</u>	<u>266,778</u>	<u>(150,937)</u>
Total Intergovernmental Charges for Services	<u>1,681,414</u>	<u>1,825,746</u>	<u>1,329,547</u>	<u>(496,199)</u>
Miscellaneous Revenue				
Interest income	206,955	206,955	498,241	291,286
Change in the fair market value of investments	-	-	(20,146)	(20,146)
Rental income	618,840	618,840	703,365	84,525
Donations	98,450	458,500	324,483	(134,017)
Other revenues	93,300	94,800	110,354	15,554
Total Miscellaneous Revenue	<u>1,017,545</u>	<u>1,379,095</u>	<u>1,616,297</u>	<u>237,202</u>
TOTAL REVENUES	<u>63,047,682</u>	<u>64,638,903</u>	<u>64,715,583</u>	<u>76,680</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 290,455	\$ 290,455	\$ 293,109	\$ (2,654)
Contractual services	41,650	41,650	31,503	10,147
Materials and supplies	93,200	93,200	70,046	23,154
Total Legislative	<u>425,305</u>	<u>425,305</u>	<u>394,658</u>	<u>30,647</u>
Judicial				
Personal services	2,698,092	2,698,092	2,590,493	107,599
Contractual services	1,008,170	1,017,170	1,201,172	(184,002)
Materials and supplies	95,500	121,241	101,132	20,109
Fixed charges	3,930	3,930	903	3,027
Total Judicial	<u>3,805,692</u>	<u>3,840,433</u>	<u>3,893,700</u>	<u>(53,267)</u>
Executive				
Personal services	392,372	392,372	369,366	23,006
Contractual services	177,250	272,011	119,202	152,809
Materials and supplies	38,946	35,946	14,095	21,851
Grants and contributions	501,500	1,973,262	301,745	1,671,517
Total Executive	<u>1,110,068</u>	<u>2,673,591</u>	<u>804,408</u>	<u>1,869,183</u>
General Administration				
Personal services	676,478	785,976	676,863	109,113
Contractual services	271,500	271,500	138,706	132,794
Materials and supplies	819,181	823,655	322,113	501,542
Total General Administration	<u>1,767,159</u>	<u>1,881,131</u>	<u>1,137,682</u>	<u>743,449</u>
Financial Administration				
Personal services	1,096,052	1,090,052	1,188,910	(98,858)
Contractual services	174,139	174,139	112,907	61,232
Materials and supplies	53,175	62,175	45,087	17,088
Fixed charges	229,503	229,503	348,647	(119,144)
Grants and contributions	10,269,672	10,269,672	10,430,058	(160,386)
Total Financial Administration	<u>11,822,541</u>	<u>11,825,541</u>	<u>12,125,609</u>	<u>(300,068)</u>
Legal				
Personal services	1,552,438	1,552,438	1,571,843	(19,405)
Contractual services	286,983	286,983	229,782	57,201
Materials and supplies	91,221	91,221	99,770	(8,549)
Total Legal	<u>1,930,642</u>	<u>1,930,642</u>	<u>1,901,395</u>	<u>29,247</u>
Property Records and Control				
Personal services	594,969	594,969	515,185	79,784
Contractual services	194,239	194,239	16,672	177,567
Materials and supplies	28,853	28,853	21,568	7,285
Fixed charges	53,200	53,200	-	53,200
Total Property Records and Control	<u>871,261</u>	<u>871,261</u>	<u>553,425</u>	<u>317,836</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
County Planning and Zoning				
Personal services	\$ 1,804,990	\$ 1,804,990	\$ 1,792,467	\$ 12,523
Contractual services	456,833	599,765	444,478	155,287
Materials and supplies	85,792	85,972	81,871	4,101
Fixed charges	3,621	3,621	3,621	-
Grants and contributions	120,000	471,237	446,845	24,392
Total County Planning and Zoning	<u>2,471,236</u>	<u>2,965,585</u>	<u>2,769,282</u>	<u>196,303</u>
Building Maintenance				
Personal services	1,572,575	1,572,575	1,533,186	39,389
Contractual services	986,830	1,010,439	790,588	219,851
Materials and supplies	122,760	122,760	94,404	28,356
Fixed charges	4,970	4,970	5,117	(147)
Capital outlay	56,000	56,000	48,074	7,926
Total Building Maintenance	<u>2,743,135</u>	<u>2,766,744</u>	<u>2,471,369</u>	<u>295,375</u>
Total General Government	<u>26,947,039</u>	<u>29,180,233</u>	<u>26,051,528</u>	<u>3,128,705</u>
Public Safety				
Sheriff				
Personal services	11,158,734	11,315,703	11,085,358	230,345
Contractual services	546,958	1,039,758	984,432	55,326
Materials and supplies	791,739	890,332	823,603	66,729
Fixed charges	56,046	56,046	56,046	-
Grants and contributions	600	40,191	53,002	(12,811)
Capital outlay	-	280,889	202,691	78,198
Total Sheriff	<u>12,554,077</u>	<u>13,622,919</u>	<u>13,205,132</u>	<u>417,787</u>
Emergency Services				
Personal services	195,874	195,874	196,676	(802)
Contractual services	413,300	438,300	431,683	6,617
Materials and supplies	87,724	97,269	58,104	39,165
Fixed charges	31,000	31,000	31,673	(673)
Grants and contributions	20,000	23,000	6,580	16,420
Total Emergency Services	<u>747,898</u>	<u>785,443</u>	<u>724,716</u>	<u>60,727</u>
Adult Corrections				
Personal services	5,594,737	5,594,737	5,032,405	562,332
Contractual services	3,530,125	3,606,280	3,585,693	20,587
Materials and supplies	246,600	371,414	168,455	202,959
Fixed charges	10,000	10,000	14,118	(4,118)
Total Adult Corrections	<u>9,381,462</u>	<u>9,582,431</u>	<u>8,800,671</u>	<u>781,760</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
Juvenile Corrections				
Contractual services	\$ 41,650	\$ 41,650	\$ 41,955	\$ (305)
Materials and supplies	11,871	11,871	7,534	4,337
Total Juvenile Corrections	<u>53,521</u>	<u>53,521</u>	<u>49,489</u>	<u>4,032</u>
Shelter Home				
Personal services	494,571	494,571	493,874	697
Contractual services	11,500	14,000	12,991	1,009
Materials and supplies	1,000	1,000	121	879
Total Shelter Home	<u>507,071</u>	<u>509,571</u>	<u>506,986</u>	<u>2,585</u>
Total Public Safety	<u>23,244,029</u>	<u>24,553,885</u>	<u>23,286,994</u>	<u>1,266,891</u>
Health				
Personal services	3,445,090	3,749,219	3,283,092	466,127
Contractual services	940,733	962,105	921,233	40,872
Materials and supplies	779,106	738,834	206,574	532,260
Total Health	<u>5,164,929</u>	<u>5,450,158</u>	<u>4,410,899</u>	<u>1,039,259</u>
Social Services				
Veterans				
Personal services	193,587	193,587	198,990	(5,403)
Contractual services	4,800	4,800	3,645	1,155
Materials and supplies	13,000	13,000	6,977	6,023
Grants and contributions	250	29,178	1,877	27,301
Total Veterans	<u>211,637</u>	<u>240,565</u>	<u>211,489</u>	<u>29,076</u>
Total Social Services	<u>211,637</u>	<u>240,565</u>	<u>211,489</u>	<u>29,076</u>
Leisure Activities and Education				
Library				
Personal services	2,852,900	2,852,900	2,602,569	250,331
Contractual services	230,316	273,286	240,582	32,704
Materials and supplies	599,817	589,975	552,481	37,494
Fixed charges	76,900	76,900	83,683	(6,783)
Total Library	<u>3,759,933</u>	<u>3,793,061</u>	<u>3,479,315</u>	<u>313,746</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
Public Areas				
Personal services	\$ 2,258,867	\$ 2,258,867	\$ 2,194,015	\$ 64,852
Contractual services	1,161,086	1,182,629	694,183	488,446
Materials and supplies	565,016	570,613	508,577	62,036
Fixed charges	144,012	144,012	40,908	103,104
Capital outlay	<u>254,100</u>	<u>439,062</u>	<u>173,799</u>	<u>265,263</u>
Total Public Areas	<u>4,383,081</u>	<u>4,595,183</u>	<u>3,611,482</u>	<u>983,701</u>
University Extension Program				
Personal services	158,150	158,150	153,105	5,045
Contractual services	239,095	280,367	192,888	87,479
Materials and supplies	<u>41,047</u>	<u>75,312</u>	<u>44,578</u>	<u>30,734</u>
Total University Extension Program	<u>438,292</u>	<u>513,829</u>	<u>390,571</u>	<u>123,258</u>
Total Leisure Activities and Education	<u>8,581,306</u>	<u>8,902,073</u>	<u>7,481,368</u>	<u>1,420,705</u>
Conservation and Economic Development				
Forest Resources				
Personal services	55,172	106,572	56,552	50,020
Contractual services	72,349	95,297	32,045	63,252
Materials and supplies	7,290	7,290	-	7,290
Fixed charges	3,898	3,898	598	3,300
Capital outlay	<u>350,451</u>	<u>350,895</u>	<u>-</u>	<u>350,895</u>
Total Forest Resources	<u>489,160</u>	<u>563,952</u>	<u>89,195</u>	<u>474,757</u>
Agricultural Resources				
Personal services	247,546	282,229	243,722	38,507
Contractual services	72,000	72,000	80,580	(8,580)
Materials and supplies	42,072	67,576	21,540	46,036
Grants and contributions	<u>296,750</u>	<u>772,180</u>	<u>451,253</u>	<u>320,927</u>
Total Agricultural Resources	<u>658,368</u>	<u>1,193,985</u>	<u>797,095</u>	<u>396,890</u>
Total Conservation and Economic Development	<u>1,147,528</u>	<u>1,757,937</u>	<u>886,290</u>	<u>871,647</u>
Capital Outlay				
Capital Projects				
Contractual services	60,000	190,550	139,756	50,794
Contingency	175,000	175,000	-	175,000
Capital outlay	<u>100,000</u>	<u>115,255</u>	<u>93,722</u>	<u>21,533</u>
Total Capital Outlay	<u>335,000</u>	<u>480,805</u>	<u>233,478</u>	<u>247,327</u>
TOTAL EXPENDITURES	<u>65,631,468</u>	<u>70,565,656</u>	<u>62,562,046</u>	<u>8,003,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,583,786)</u>	<u>(5,926,753)</u>	<u>2,153,537</u>	<u>8,080,290</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
OTHER FINANCING SOURCES AND USES				
Transfers in				
Capital Improvement Fund	\$ 247,248	\$ 247,248	\$ 247,248	\$ -
Sales of capital assets	4,300	4,300	22,274	17,974
State loan program debt issued	14,693	14,693	14,692	(1)
Transfers out				
Capital Improvement Fund	(1,349,712)	(1,610,080)	(1,610,080)	-
Employee Benefits Fund	(489,424)	(489,424)	(489,424)	-
Total Other Financing Sources and Uses	<u>(1,572,895)</u>	<u>(1,833,263)</u>	<u>(1,815,290)</u>	<u>17,973</u>
Net change in fund balance	(4,156,681)	(7,760,016)	338,247	8,098,263
FUND BALANCE - Beginning of Year	<u>44,430,431</u>	<u>44,430,431</u>	<u>44,430,431</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 40,273,750</u>	<u>\$ 36,670,415</u>	<u>\$ 44,768,678</u>	<u>\$ 8,098,263</u>

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

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SOCIAL IMPROVEMENT FUND For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 7,579,588	\$ 7,579,588	\$ 7,579,588	\$ -
Intergovernmental Grants and Aids				
Federal grants	798,313	798,313	1,178,090	379,777
State grants:				
Provided services and administration	4,996,699	8,993,083	7,395,770	(1,597,313)
Special services	4,970,332	5,058,278	4,722,811	(335,467)
Other revenues	331,339	331,339	364,227	32,888
Prior year revenue	6,192	4,488	-	(4,488)
Total Intergovernmental Grants and Aids	<u>11,102,875</u>	<u>15,185,501</u>	<u>13,660,898</u>	<u>(1,524,603)</u>
Public Charges for Services				
General government	5,795	5,795	6,082	287
Public safety	-	-	5,483	5,483
Social services	658,372	658,372	557,046	(101,326)
Total Public Charges for Services	<u>664,167</u>	<u>664,167</u>	<u>568,611</u>	<u>(95,556)</u>
Miscellaneous Revenue				
Interest income	41,425	41,425	54,865	13,440
Other revenues	97,693	97,693	-	(97,693)
Total Miscellaneous Revenue	<u>139,118</u>	<u>139,118</u>	<u>54,865</u>	<u>(84,253)</u>
Total Revenues	<u>19,485,748</u>	<u>23,568,374</u>	<u>21,863,962</u>	<u>(1,704,412)</u>
EXPENDITURES				
Social Services				
Personal services	8,410,737	8,410,737	8,145,467	265,270
Contractual services	507,466	4,523,850	3,644,527	879,323
Materials and supplies	249,803	249,803	274,867	(25,064)
Fixed charges	305,695	305,695	302,287	3,408
Grants and contributions	10,012,047	10,078,289	7,445,151	2,633,138
Total Expenditures	<u>19,485,748</u>	<u>23,568,374</u>	<u>19,812,299</u>	<u>3,756,075</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,051,663</u>	<u>2,051,663</u>
OTHER FINANCING USES				
Transfers out				
Capital Improvement Fund	(2,381,108)	(2,381,108)	(2,381,108)	-
Total Other Financing Uses	<u>(2,381,108)</u>	<u>(2,381,108)</u>	<u>(2,381,108)</u>	<u>-</u>
Net change in fund balance	<u>(2,381,108)</u>	<u>(2,381,108)</u>	<u>(329,445)</u>	<u>2,051,663</u>
FUND BALANCE - Beginning of Year	<u>4,084,240</u>	<u>4,084,240</u>	<u>4,084,240</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,703,132</u>	<u>\$ 1,703,132</u>	<u>\$ 3,754,795</u>	<u>\$ 2,051,663</u>

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

MARATHON COUNTY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2016

	<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension (Asset)/Liability</u>	<u>Proportionate Share of the Net Pension (Asset)/Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
County	12/31/16	0.25002125%	\$ 4,062,797	\$ 33,800,281	12.02%	98.20%
County	12/31/15	0.25100035%	(6,165,255)	33,120,068	18.61%	102.74%
Component Unit - CWA	12/31/16	0.00630795%	102,503	852,768	12.02%	98.20%
Component Unit - CWA	12/31/15	0.00629791%	(154,694)	831,021	18.61%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2016

	<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	12/31/16	\$ 2,419,452	\$ 2,419,452	\$ -	\$ 32,323,523	7.49%
County	12/31/15	2,416,617	2,416,617	-	33,800,281	7.15%
Component Unit - CWA	12/31/16	63,568	63,568	-	815,512	7.49%
Component Unit - CWA	12/31/2015	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, 2016

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 2017. 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, 2016

BUDGETARY INFORMATION (cont.)

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

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

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

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

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

MARATHON COUNTY

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

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues				
Investment income	\$ -	\$ -	\$ 65,588	\$ 65,588
Reimbursement	-	43,245	208,869	165,624
Total Revenues	-	43,245	274,457	231,212
EXPENDITURES				
Current				
Capital outlay	3,361,681	9,166,654	2,709,402	6,457,252
Total Expenditures	3,361,681	9,166,654	2,709,402	6,457,252
Deficiency of revenues over expenditures	<u>(3,361,681)</u>	<u>(9,123,409)</u>	<u>(2,434,945)</u>	<u>6,688,464</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
General Fund	1,349,712	1,610,080	1,610,080	-
Social Improvement Fund	2,381,108	2,381,108	2,381,108	-
Sale of capital assets	-	-	2,522	2,522
Transfers out				
General Fund	(247,248)	(247,248)	(247,248)	-
County Highway Fund	(957,600)	(957,600)	(957,600)	-
Total Other Financing Sources (Uses)	<u>2,525,972</u>	<u>2,786,340</u>	<u>2,788,862</u>	<u>2,522</u>
Net change in fund balance	<u>(835,709)</u>	<u>(6,337,069)</u>	<u>353,917</u>	<u>6,690,986</u>
FUND BALANCE - Beginning of Year	<u>6,862,038</u>	<u>6,862,038</u>	<u>6,862,038</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,026,329</u>	<u>\$ 524,969</u>	<u>\$ 7,215,955</u>	<u>\$ 6,690,986</u>

MARATHON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Taxes	\$ 1,694,500	\$ 1,694,500	\$ 1,694,500	\$ -
Public charges for services	100,000	100,000	105,244	5,244
Miscellaneous revenues	-	12,597	26,582	13,985
Total Revenues	<u>1,794,500</u>	<u>1,807,097</u>	<u>1,826,326</u>	<u>19,229</u>
EXPENDITURES				
Debt Service				
Principal	1,565,000	4,702,597	4,602,079	100,518
Interest	229,500	254,767	254,482	285
Total Expenditures	<u>1,794,500</u>	<u>4,957,364</u>	<u>4,856,561</u>	<u>100,803</u>
OTHER FINANCING SOURCES				
Debt Issued	-	3,150,267	3,150,000	(267)
Net change in fund balance	-	-	119,765	(81,841)
FUND BALANCE - Beginning of Year	<u>1,519,999</u>	<u>1,519,999</u>	<u>1,519,999</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,519,999</u>	<u>\$ 1,519,999</u>	<u>\$ 1,639,764</u>	<u>\$ (81,841)</u>

MARATHON COUNTY

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2016

	Property Casualty Insurance	Employee Benefits Insurance	Totals
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 7,810,589	\$ 8,098,243	\$ 15,908,832
Accounts receivable (net of allowance)	10,386	47,295	57,681
Total Current Assets	7,820,975	8,145,538	15,966,513
NONCURRENT ASSETS			
Restricted Assets			
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000
CAPITAL ASSETS			
Equipment	53,868	4,598	58,466
Less: Accumulated depreciation	(53,868)	(4,598)	(58,466)
Net Capital Assets	-	-	-
Total Assets	9,339,975	8,145,538	17,485,513
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	42,920	75,439	118,359
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	31,330	31,489	62,819
Accrued items	-	92,164	92,164
Compensated absences	1,928	4,672	6,600
Total Current Liabilities	33,258	128,325	161,583
LONG-TERM LIABILITIES			
Accrued liability - claims payable	1,233,824	3,477,118	4,710,942
Compensated absences	22,173	53,725	75,898
Net pension liability	7,984	13,357	21,341
Total Long-term Liabilities	1,263,981	3,544,200	4,808,181
Total Liabilities	1,297,239	3,672,525	4,969,764
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	16,817	28,135	44,952
NET POSITION			
Unrestricted	8,068,839	4,520,317	12,589,156
TOTAL NET POSITION	\$ 8,068,839	\$ 4,520,317	\$ 12,589,156

MARATHON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS For the Year Ended December 31, 2016

	Property Casualty Insurance	Employee Benefits Insurance	Totals
OPERATING REVENUES			
Interdepartmental charges for services	\$ 553,594	\$ 13,609,469	\$ 14,163,063
Total Operating Revenues	<u>553,594</u>	<u>13,609,469</u>	<u>14,163,063</u>
OPERATING EXPENSES			
Salaries and benefits	64,239	1,044,094	1,108,333
Contractual services	732	477,157	477,889
Materials and supplies	1,424	5,320	6,744
Insurance and claims	643,216	12,803,747	13,446,963
Loss and loss adjustment expense	399,230	415,001	814,231
Insurance and administration costs	-	10,772	10,772
Total Operating Expenses	<u>1,108,841</u>	<u>14,756,091</u>	<u>15,864,932</u>
Operating Income (loss)	<u>(555,247)</u>	<u>(1,146,622)</u>	<u>(1,701,869)</u>
NONOPERATING REVENUES			
Investment income	185,329	79,452	264,781
Insurance recoveries	228,744	51,472	280,216
Other income	-	170,577	170,577
Total Nonoperating Revenues	<u>414,073</u>	<u>301,501</u>	<u>715,574</u>
Income (loss) before transfers	(141,174)	(845,121)	(986,295)
Transfer in	-	489,424	489,424
Change in net position	(141,174)	(355,697)	(496,871)
NET POSITION - Beginning of Year	<u>8,210,013</u>	<u>4,876,014</u>	<u>13,086,027</u>
NET POSITION - END OF YEAR	<u>\$ 8,068,839</u>	<u>\$ 4,520,317</u>	<u>\$ 12,589,156</u>

MARATHON COUNTY

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2016

	Property Casualty Insurance	Employee Benefits Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from departments and other insurance purchasers	\$ 923,338	\$ 13,846,526	\$ 14,769,864
Cash paid to employees for services	(64,239)	(1,044,094)	(1,108,333)
Cash paid to suppliers for goods and services	(833,794)	(13,236,314)	(14,070,108)
Net Cash Provided (Used) by Operating Activities	<u>25,305</u>	<u>(433,882)</u>	<u>(408,577)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	<u>-</u>	<u>489,424</u>	<u>489,424</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	<u>185,329</u>	<u>79,452</u>	<u>264,781</u>
Net Increase in Cash and Cash Equivalents	210,634	134,994	345,628
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,599,955</u>	<u>7,963,249</u>	<u>15,563,204</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,810,589</u>	<u>\$ 8,098,243</u>	<u>\$ 15,908,832</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (555,247)	\$ (1,146,622)	\$ (1,701,869)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Insurance recoveries	228,744	-	228,744
Other income	-	222,049	222,049
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:			
Accounts receivable	141,000	15,008	156,008
Accounts payable	(44,274)	20,238	(24,036)
Pension related deferrals and liabilities	6,490	7,080	13,570
Compensated absences	(9,638)	33,364	23,726
Accrued liabilities - claims payable	<u>258,230</u>	<u>415,001</u>	<u>673,231</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 25,305</u>	<u>\$ (433,882)</u>	<u>\$ (408,577)</u>
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES:			
None			

MARATHON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
ADRC-CW				
Assets				
Cash and cash equivalents	\$ 140,639	\$ -	\$ 140,639	\$ -
Account receivable	83,010	95,526	83,010	95,526
Due from other governments	303,420	895,092	303,420	895,092
	<u>\$ 527,069</u>	<u>\$ 990,618</u>	<u>\$ 527,069</u>	<u>\$ 990,618</u>
Liabilities				
Accounts payable	\$ 205,971	\$ 127,450	\$ 205,971	\$ 127,450
Due to other governments	20,062	544,494	20,062	544,494
Due to participants	180,358	318,274	180,358	318,274
Other accrued liabilities and deposits	120,678	400	120,678	400
	<u>\$ 527,069</u>	<u>\$ 990,618</u>	<u>\$ 527,069</u>	<u>\$ 990,618</u>
Clerk of Courts				
Assets				
Cash and cash equivalents	\$ 1,003,162	\$ 1,386,861	\$ 1,003,162	\$ 1,386,861
Liabilities				
Other accrued liabilities and deposits	\$ 1,003,162	\$ 1,386,861	\$ 1,003,162	\$ 1,386,861
Sheriff Adult Inmate				
Assets				
Cash and cash equivalents	\$ 75,969	\$ 61,523	\$ 75,969	\$ 61,523
Liabilities				
Other accrued liabilities and deposits	\$ 75,969	\$ 61,523	\$ 75,969	\$ 61,523
Total all agency funds				
Assets				
Cash and cash equivalents	\$ 1,219,770	\$ 1,448,384	\$ 1,219,770	\$ 1,448,384
Account receivable	83,010	95,526	83,010	95,526
Due from other governments	303,420	895,092	303,420	895,092
	<u>\$ 1,606,200</u>	<u>\$ 2,439,002</u>	<u>\$ 1,606,200</u>	<u>\$ 2,439,002</u>
Liabilities				
Accounts payable	\$ 205,971	\$ 127,450	\$ 205,971	\$ 127,450
Due to other governments	20,062	544,494	20,062	544,494
Due to participants	180,358	318,274	180,358	318,274
Other accrued liabilities and deposits	1,199,809	1,448,784	1,199,809	1,448,784
	<u>\$ 1,606,200</u>	<u>\$ 2,439,002</u>	<u>\$ 1,606,200</u>	<u>\$ 2,439,002</u>

MARATHON COUNTY

STATEMENT OF NET POSITION CENTRAL WISCONSIN AIRPORT As of December 31, 2016

ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 2,598,520
Accounts receivable	229,485
Total Current Assets	<u>2,828,005</u>
NONCURRENT ASSETS	
Restricted assets	
Cash and investments	2,204,614
Property, Plant and Equipment	
Land	614,983
Buildings	38,828,768
Improvements	53,897,029
Equipment	8,114,089
Construction in process	648,551
Total Property, Plant and Equipment	102,103,420
Less: Accumulated depreciation and depletion	<u>(46,513,294)</u>
Net Property, Plant and Equipment	55,590,126
Total Noncurrent Assets	<u>57,794,740</u>
Total Assets	<u>60,622,745</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	<u>572,641</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	99,617
Deposits	11,831
Interest payable	24,502
Due to other governments	220,596
Current portion of compensated absences	15,247
Current portion of general obligation notes payable	455,000
Total Current Liabilities	<u>826,793</u>
Long-term Liabilities	
General obligation notes payable (net of unamortized premiums)	7,899,668
Compensated absences	175,336
Net pension liability	102,503
Total Long-term Liabilities	<u>8,177,507</u>
Total Liabilities	<u>9,004,300</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	<u>215,907</u>
NET POSITION	
Net investment in capital assets	47,235,458
Restricted for passenger and customer facility charges	2,254,501
Unrestricted	<u>2,485,220</u>
TOTAL NET POSITION	<u>\$ 51,975,179</u>

MARATHON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION CENTRAL WISCONSIN AIRPORT For the Year Ended December 31, 2016

OPERATING REVENUES	
Public charges for services	\$ <u>2,914,942</u>
OPERATING EXPENSES	
Salaries and benefits	1,516,427
Contractual services	518,802
Materials and supplies	407,255
Insurance	59,740
Depreciation	<u>3,022,641</u>
Total Operating Expenses	<u>5,524,865</u>
Operating Loss	<u>(2,609,923)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	37,536
Passenger facility charges	462,342
Customer facility charges	228,602
Other income	10,838
Interest expense	<u>(214,187)</u>
Total Nonoperating Revenues (Expenses)	<u>525,131</u>
Loss before contributions	(2,084,792)
Capital Contributions	<u>1,361,045</u>
Decrease in net position	(723,747)
NET POSITION - Beginning of Year	<u>52,698,926</u>
NET POSITION - END OF YEAR	<u>\$ 51,975,179</u>

MARATHON COUNTY

STATEMENT OF CASH FLOWS CENTRAL WISCONSIN AIRPORT For the Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from the sale of goods and services	\$ 2,885,285
Cash paid to employees for services	(1,516,427)
Cash paid to suppliers for goods and services	<u>(1,121,726)</u>
Net Cash Provided by Operating Activities	<u>247,132</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for capital acquisitions	(215,689)
Passenger facility charges received	462,342
Customer facility charges received	228,602
Debt paid	(630,000)
Interest paid	<u>(265,801)</u>
Net Cash Used for Capital Financing and Related Activities	<u>(420,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>37,536</u>
Net Decrease in Cash and Cash Equivalents	(135,878)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,939,012</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,803,134</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	\$ (2,609,923)
Non-operating income	10,838
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation expense	3,022,641
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:	
Accounts receivable	(40,495)
Accounts payable	(198,693)
Pension related deferrals and liabilities	59,328
Due to other governments	56,902
Compensated absences	<u>(53,466)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 247,132</u>
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES	
Interest charged to construction	<u>\$ 46,666</u>
Capital contributions	<u>\$ 1,361,045</u>
Amortization	<u>\$ 7,693</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS	
Cash and cash equivalents	\$ 2,598,520
Cash and cash equivalents - restricted assets	<u>2,204,614</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,803,134</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.	111-115
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.	116-120
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.	121-124
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.	125-127
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.	128-134

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$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	\$237,953,247
Restricted	\$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	\$7,685,348
Unrestricted	\$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	\$66,717,641
Total governmental activities net position	<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>	<u>\$312,356,236</u>
Business-type activities										
Net investment in capital assets	\$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	\$21,523,821
Restricted	\$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	\$1,118,931
Unrestricted	\$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	\$35,601,693
Total business-type activities net position	<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>	<u>\$58,244,445</u>
Primary government										
Net investment in capital assets	\$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	\$259,477,068
Restricted	\$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	\$8,804,279
Unrestricted	\$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	\$102,319,334
Total primary government net position	<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>	<u>\$370,600,681</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General Government	\$ 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	\$ 32,659,948
Public Safety	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	24,648,809
Transportation	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	8,561,771
Health	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	4,650,331
Social Services	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	20,526,512
Leisure and Education	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	7,905,789
Conservation and Development	1,476,149	997,139	1,351,199	758,621	852,382	1,163,428	918,916	889,005	1,098,046	903,617
Interest on Long Term Debt	60,238	54,011	271,706	326,604	295,360	264,525	278,516	183,983	140,763	83,821
Total governmental activities	<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>	<u>99,940,598</u>
Business-type activities										
Landfill	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	3,916,205
Highway	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	12,678,133
Total business-type activities expenses	<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>	<u>16,594,338</u>
Total primary government	<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>	<u>\$ 116,534,936</u>
Program Revenues										
Government activities:										
Charges for services:										
General Government	\$ 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	\$ 2,968,058
Public Safety	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	1,726,767
Transportation	-	-	-	-	-	-	-	-	-	-
Health	589,739	561,468	590,671	633,544	577,753	613,162	656,765	678,106	733,961	731,024
Social Services	861,928	868,342	998,231	937,401	803,706	967,306	1,140,531	989,401	997,695	998,659
Leisure and Education	1,478,208	1,236,038	1,082,422	860,296	774,943	897,055	808,233	723,446	834,173	814,399
Conservation and Development	59,406	166,211	118,975	559,323	485,322	517,898	540,358	393,865	243,187	566,047
Operating grants and contributions:										
General Government	1,526,036	1,758,758	1,377,784	1,070,085	788,333	712,259	923,802	868,839	1,067,728	874,551
Public Safety	407,213	227,057	732,405	1,212,538	892,819	648,160	1,055,870	478,327	482,271	566,883
Transportation	-	-	-	235,124	131,286	62,957	94,718	177,345	201,153	166,639
Health	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	762,932
Social Services	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	13,829,353
Leisure and Education	527,562	660,026	545,284	588,060	821,884	350,535	626,314	769,762	966,388	99,942
Conservation and Development	2,704,552	2,868,672	2,319,819	721,409	1,020,592	1,276,513	895,523	905,486	356,688	1,311,507
Capital grants and contributions:										
General Government	875,946	-	-	-	165,624	165,624	469,375	203,874	165,624	178,869
Public Safety	154,683	682,557	604,975	-	-	-	-	-	-	-
Transportation	51,967	-	-	-	3,668,011	4,123,018	905,142	14,249,208	1,084,607	-
Leisure and Education	-	181,171	16,373	4,840,498	349,946	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>25,595,630</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Landfill	\$ 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	\$ 3,407,162
Highway	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	5,916,374
Operating grants and contributions:										
Landfill	22,370	-	24,895	20,355	21,000	34,172	3,093	-	-	-
Highway	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	3,260,676
Capital grants and contributions:										
Highway	2,913,491	3,132,814	3,189,059	3,384,634	-	-	-	-	-	-
Total business-type activities program revenues	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	12,584,212
Total primary government program revenues	\$ 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	\$ 38,179,842
Net (Expense) Revenue										
Governmental activities	\$ (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)	\$ (74,344,968)
Business-type activities	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)	(4,010,126)
Total primary governmental net expense	\$ (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)	\$ (78,355,094)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 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	\$ 42,634,992
Sales Taxes	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	12,224,099
Other Taxes	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	1,525,583
Grants and contributions not restricted to specific programs	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	6,243,407
Public Grants and Gifts	-	-	-	-	-	-	84,995	-	-	-
Unrestricted investment earnings	3,708,820	3,938,127	1,322,366	848,020	696,013	514,642	277,282	343,836	453,382	930,730
Miscellaneous	1,638,968	1,779,811	1,365,367	75,896	66,035	773,267	271,109	84,413	203,734	56,232
Gain on sale of capital assets	46,827	40,304	45,988	50,482	45,918	33,996	78,709	53,357	17,670	22,436
Transfers	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	6,274,468
Total general revenues and transfers	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	69,911,947
Change in net position	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	(4,433,021)
Business-type activities:										
Taxes:										
Property Taxes	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	6,089,879
Sales Taxes	-	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	765,311	-	-
Unrestricted investment earnings	2,509,762	2,160,230	979,824	610,636	336,719	350,390	144,487	520,296	436,478	630,162
Miscellaneous	120,164	6,601	167,119	161,690	-	-	224,677	319,947	280,687	211,723
Gain on sale of capital assets	-	359,505	-	-	188,416	117,454	61,459	-	-	27,568
Transfers	(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)	(6,274,468)
Total general revenues and transfers	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)	684,864
Change in net position	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)	(3,325,262)
Net Position										
Governmental activities (as restated)	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	312,356,236
Business-type activities (as restated)	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	58,244,445
Total primary government (as restated)	\$ 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	\$ 370,600,681

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 2,558,344	\$ 2,814,747	\$ 3,555,286	\$ 4,642,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	3,536,354
Restricted	-	-	-	-	2,496,160	2,881,111	2,581,027	2,371,654	2,266,011	1,897,420
Assigned	-	-	-	-	15,298,160	14,390,670	17,725,315	14,700,334	12,237,628	12,449,347
Unassigned	-	-	-	-	22,680,756	25,462,846	23,652,792	24,170,087	26,212,229	26,885,557
Total General Fund	\$ 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	\$ 44,768,678
All Other Governmental Funds										
Reserved	\$ 3,643,834	\$ 13,425,816	\$ 14,333,639	\$ 5,062,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	13,093,273	3,184,116	8,454,257	13,471,377	-	-	-	-	-	-
Nonspendable	-	-	-	-	27	-	999	1,947	1,478	203,846
Restricted	-	-	-	-	10,435,507	7,884,696	6,675,203	6,797,210	6,224,899	5,389,685
Assigned	-	-	-	-	8,123,153	9,133,893	10,056,329	7,640,835	6,239,900	7,016,983
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 12,610,514

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 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	\$ 55,294,521
Intergovernmental grants and aids	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	23,848,189
Licenses and permits	243,927	214,061	259,138	265,715	262,971	261,799	273,756	276,045	321,343	342,600
Fines and forfeitures	751,188	723,624	758,343	728,840	666,902	770,975	780,186	952,726	657,261	564,262
Public charges for services	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	5,329,008
Intergovernmental charges for services	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	1,329,547
Miscellaneous revenues	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	1,972,201
Total Revenues	\$ 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	\$ 88,680,328
Expenditures:										
Current:										
General government	\$ 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	\$ 26,051,528
Public safety	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	23,286,994
Health	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	4,410,899
Social services	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	20,023,788
Leisure activities and education	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	7,481,368
Conservation and economic development	1,467,297	1,009,482	1,438,353	639,070	852,347	1,157,404	908,106	889,159	1,111,969	886,290
Capital outlay	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	2,942,880
Debt service:										
Principal	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	4,602,079
Interest and paying agent fees	59,810	40,512	480,221	465,775	435,900	405,149	373,400	340,650	300,000	254,482
Total expenditures	\$ 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	\$ 89,940,308
Excess (deficiency) of revenues over expenditures	\$ (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)	\$ (1,259,980)
Other financing sources (uses):										
Transfers in:										
General Fund	\$ 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	1,610,080
Social Improvement Fund	644,587	885,509	1,000,274	855,023	1,541,153	1,291,258	2,715,848	1,932,322	1,930,417	2,381,108
Capital Improvement Fund	1,035,550	1,630,336	794,851	2,247,336	546,529	168,657	159,867	144,554	266,552	247,248
Highway	-	-	-	-	160,000	-	-	-	-	-
Property Casualty Fund	-	-	-	-	-	-	-	-	-	-
Employee Benefit Fund	-	-	-	-	-	-	-	-	250,000	-
Sale of Capital Assets	48,634	40,304	59,070	51,389	46,694	37,134	83,394	56,000	20,394	24,796
Component unit transfer in	-	-	-	-	-	-	-	-	-	-
General obligation debt issued	3,590,000	-	16,770,000	-	-	-	-	-	-	3,150,000
State loan program debt issued	514,055	14,608	-	95,858	14,608	14,650	14,562	14,691	14,692	14,692
Premium on bond/note payable	-	-	1,212,567	-	-	-	-	-	-	-
Transfers out:										
General Fund	(1,037,532)	(1,630,336)	(842,735)	(2,351,937)	(546,529)	(168,657)	(159,867)	(144,554)	(266,552)	(247,248)
Social Improvement Fund	(6,000)	(176,936)	(120,000)	(320,000)	(165,054)	-	(5,013)	-	-	-
Capital Improvement Fund	(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)	(3,991,188)
Highway Road Improvement Fund	-	-	-	-	-	-	-	-	-	-
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)	(957,600)
Internal service fund	-	-	-	-	(65,481)	-	-	-	-	(489,424)
Total other financing sources (uses)	\$ 3,749,380	\$ (642,426)	\$ 17,996,245	\$ (598,329)	\$ 65,821	\$ (1,206,814)	\$ (1,584,729)	\$ (5,901,950)	\$ (803,602)	\$ 1,742,464
Net change in fund balance	1,813,107	1,957,171	7,363,324	(3,529,721)	(17,682)	428,748	391,903	(5,201,953)	(2,004,423)	482,484
Fund balances January 1	\$ 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	\$ 56,896,708
Fund balances, December 31	\$ 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	\$ 57,379,192
Debt service as a percentage of noncapital expenditures	4.3%	1.5%	6.4%	2.3%	2.2%	2.2%	2.2%	2.2%	2.1%	5.6%

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				
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
2016	6,485,347,700	2,054,869,800	413,250,300	893,382,100	309,395,100	10,156,245,000	9,559,832,400	5.0398

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
COUNTY DIRECT RATE	5.46	5.38	5.17	5.17	5.15	5.17	5.17	5.16	5.13	5.04
TOWN										
BERGEN	16.27	15.69	16.28	16.98	18.49	17.44	17.34	16.53	16.40	16.46
BERLIN	16.81	16.05	17.30	17.84	16.83	18.84	18.94	17.52	18.21	17.31
BERN	22.32	21.81	17.58	18.14	17.48	18.43	18.01	16.99	17.72	17.75
BEVENT	17.23	17.40	18.29	16.66	15.45	17.94	17.15	16.43	16.39	16.96
BRIGHTON	24.20	23.70	25.28	17.77	18.53	19.83	18.50	18.32	17.65	19.26
CASSEL	18.24	18.11	19.39	19.69	18.91	17.86	18.08	18.34	18.31	18.17
CLEVELAND	18.21	19.26	19.91	20.49	18.06	18.31	18.48	18.59	17.84	17.25
DAY	15.89	16.87	17.76	19.33	17.51	20.05	18.21	18.47	18.67	18.41
EASTON	19.26	20.43	18.88	18.69	18.76	20.09	19.87	19.45	19.74	19.90
EAU PLEINE	15.93	16.43	16.42	17.47	17.63	16.43	17.40	17.25	17.13	18.09
ELDERON	14.02	14.40	16.28	16.04	15.42	16.48	15.22	14.51	14.86	14.50
EMMET	18.25	18.02	19.70	19.73	19.67	17.44	17.04	17.27	17.40	17.33
FRANKFORT	22.25	21.83	22.08	18.43	18.44	18.64	18.28	17.73	17.55	17.89
FRANZEN	20.51	20.45	24.14	19.99	17.58	17.66	24.64	18.18	17.92	18.63
GREEN VALLEY	17.24	17.43	17.79	17.47	17.51	19.69	19.59	18.95	19.79	17.78
GUENTHER	24.74	18.15	18.38	20.58	20.62	18.94	19.88	17.69	17.86	18.39
HALSEY	22.05	21.94	17.90	18.20	17.61	18.22	18.93	17.85	17.98	18.11
HAMBURG	23.17	23.27	23.21	23.61	18.99	19.94	19.36	18.17	18.89	18.89
HARRISON	19.26	18.78	15.40	15.11	15.22	14.93	14.43	13.35	13.03	13.93
HEWITT	26.04	24.62	21.29	21.12	20.76	20.67	20.76	19.1	19.50	19.99
HOLTON	16.71	16.18	16.78	17.19	17.07	17.85	18.28	17.54	17.80	17.42
HULL	20.89	20.29	20.35	16.83	17.16	18.74	17.93	17.99	17.50	17.25
JOHNSON	20.35	20.35	17.33	18.67	16.66	18.94	19.03	18.37	18.99	18.44
KNOWLTON	15.31	16.35	16.95	17.56	17.20	17.42	16.64	16.53	16.16	15.52
MAINE *incorporated in 2016	20.37	20.37	21.83	20.92	20.72	20.16	20.45	19.99	20.45	0.00
MARATHON	22.38	16.15	18.09	17.37	16.29	17.80	15.94	16.74	16.12	17.71
MCMILLIAN	22.20	16.44	17.62	18.08	19.13	19.34	18.47	18.38	18.25	19.02
MOSINEE	16.37	16.33	17.81	16.28	16.87	18.48	17.74	17.6	18.00	17.71
NORRIE	20.52	20.06	16.96	16.74	16.49	17.98	17.50	15.82	16.31	17.49
PLOVER	22.23	22.08	18.46	18.14	18.05	19.08	18.00	18.11	17.87	17.44
REID	19.70	20.16	19.18	17.44	16.85	18.42	16.90	15.21	16.19	16.57
RIB FALLS	17.18	16.75	17.27	17.36	16.46	18.44	17.42	16.37	17.96	17.28
RIB MOUNTAIN	20.01	19.02	20.40	20.80	20.74	20.22	20.04	19.48	19.82	20.52
RIETBROCK	20.82	20.89	21.26	21.99	17.97	18.81	17.78	16.75	16.89	17.09
RINGLE	19.15	15.33	15.43	16.25	15.67	17.67	15.82	16.63	17.31	17.29
SPENCER	19.46	18.89	20.12	17.38	17.67	18.58	18.05	18.25	17.01	18.89
STETTIN	23.55	17.66	18.79	18.94	18.10	19.89	18.81	18.7	19.56	18.36
TEXAS	22.32	21.12	22.16	19.03	18.38	19.49	18.71	17.61	18.14	17.17
WAUSAU	20.85	20.20	20.46	18.75	19.67	19.34	18.89	18.62	19.65	19.33
WESTON	22.16	15.52	15.85	15.95	16.09	17.19	16.16	17.21	16.35	16.52
WIEN	22.04	22.59	23.69	24.87	17.65	18.57	18.37	18.53	18.74	17.94

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

DISTRICT	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
VILLAGE										
ATHENS	27.04	26.88	23.27	23.82	22.24	24.43	22.26	21.93	22.19	22.17
BIRNAMWOOD	18.25	17.90	18.63	18.54	19.65	18.49	22.28	17.82	17.66	16.95
BROKAW	23.01	23.15	24.84	27.24	27.35	37.59	37.79	44.74	44.29	36.91
DORCHESTER	25.80	22.16	24.32	23.50	20.59	21.04	22.49	22.37	23.88	20.87
EDGAR	18.43	18.68	19.27	19.72	20.66	21.21	20.42	19.00	19.91	20.66
ELDERON	18.63	19.05	15.83	14.74	16.03	17.21	14.35	14.12	14.58	15.56
FENWOOD	14.08	13.83	15.52	15.93	16.76	17.37	17.10	17.13	17.22	16.41
HATLEY	16.70	17.98	17.52	17.52	17.91	19.62	17.86	17.28	18.44	18.17
KRONENWETTER	19.21	19.64	19.25	19.34	20.27	21.23	21.64	20.84	21.33	20.37
MAINE *incorporated in 2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.53
MARATHON	25.52	26.43	21.72	21.84	22.48	23.38	20.45	21.14	21.94	22.56
ROTHSCHILD	25.56	25.52	25.37	21.73	23.10	23.30	22.70	22.01	22.38	22.96
SPENCER	25.87	24.49	25.78	26.54	23.42	23.79	23.42	22.60	23.09	24.38
STRATFORD	18.34	18.77	19.61	20.03	20.72	21.11	20.78	20.39	20.14	20.63
UNITY	20.73	20.95	19.51	18.92	17.84	20.07	18.43	19.58	19.49	20.71
WESTON	19.87	20.89	20.42	20.26	20.90	22.61	21.09	20.34	20.57	21.06
CITY										
ABBOTSFORD	20.17	21.11	21.03	21.34	22.44	23.11	23.54	23.53	23.37	22.83
COLBY	25.01	24.98	23.69	22.27	22.37	25.19	25.48	25.39	23.42	23.52
MARSHFIELD	23.02	23.94	24.89	22.99	23.58	24.17	23.07	23.24	22.51	22.31
MOSINEE	22.80	23.42	23.46	23.95	23.16	22.03	22.44	21.67	21.95	22.59
SCHOFIELD	24.52	25.19	25.45	24.81	26.12	23.75	25.70	24.26	21.46	22.12
WAUSAU	23.21	23.49	24.67	25.06	24.93	25.74	24.19	24.34	25.57	24.95

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 2016			Fiscal Year 2007		
	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value
Aspirus Wausau Hospital Inc (Wausau Hospital)	\$74,040,900	1	0.7290%	\$29,166,100	4	0.3009%
Marshfield Clinic	\$46,858,600	2	0.4614%	\$45,565,900	1	0.4701%
Greenheck Fan Corp	\$29,595,200	3	0.2914%	\$22,267,600	8	0.2298%
First Wausau Tower LLC	\$25,266,100	4	0.2488%	-		0.0000%
Kocourek Holdings LLC	\$24,864,500	5	0.2448%	-		0.0000%
Menards Inc	\$22,901,100	6	0.2255%	\$25,202,300	7	0.2600%
Saint Claire's Hospital of Weston	\$22,489,800	7	0.2214%	\$21,185,200	9	0.2186%
Apogee Wausau Group LLC	\$21,586,800	8	0.2125%	-		-
SC Swiderski LLC	\$17,612,400	9	0.1734%	-		0.0000%
River Valley Bank	\$15,609,800	10	0.1537%	-		
Employers Insurance of Wausau	-	0	0.0000%	\$43,541,400	2	0.4493%
Wausau Papers/Mosinee	-	-	0.0000%	\$30,058,100	3	0.3101%
Lodge at Cedar Creek	-	-	0.0000%	\$28,217,600	5	0.2911%
Walmart	-	-	0.0000%	\$27,041,300	6	0.2790%
Wausau Joint Venture	-	-	0.0000%	\$20,964,800	10	0.2163%
TOTAL	<u>\$300,825,200.00</u>		<u>2.9620%</u>	<u>\$293,210,300.00</u>		<u>2.8090%</u>

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

NOTE (A) Total equalized value for 2016 of \$1,156,245,000 includes the increment value of tax increment districts (TID)
(B) Total equalized value for 2007 of \$9,691,969,900 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 Year	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
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%	910,224	48,650,626	99.99%
2010	2011	48,191,420	47,236,799	98.02%	948,025	48,184,824	99.99%
2011	2012	47,573,011	46,826,841	98.43%	721,838	47,548,679	99.95%
2012	2013	46,090,851	45,545,103	98.82%	492,752	46,037,855	99.89%
2013	2014	46,340,765	45,858,381	98.96%	307,581	46,165,962	99.62%
2014	2015	47,152,340	46,626,888	98.89%	130,929	46,757,817	99.16%
2015 (B)	2016	47,608,889	47,122,755	98.98%	-	47,122,755	98.98%

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 2017 is \$48,180,111

(C) Totals do not include uncollected amounts due on tax deed parcels of \$206,084

(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)
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	\$4,590,000	(\$1,507,402)	\$3,082,598	0.12%	0.05%	22.78
2016 (c)	\$3,150,000	(\$1,576,658)	\$1,573,342	0.06%	0.03%	11.61

Notes:

- (a) See Schedule 5 for property value data
- (b) Population and personal income data can be found in Schedule 12
- (c) Remaining \$ 117,842 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, 2016

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable to Marathon County</u>
TOWN:			
DAY	\$ 634,133	100.00%	\$ 634,133
EASTON	215,087	100.00%	215,087
FRANZEN	33,791	100.00%	33,791
HAMBURG	36,387	100.00%	36,387
JOHNSON	239,528	100.00%	239,528
MCMILLAN	83,041	100.00%	83,041
PLOVER	278,378	100.00%	278,378
RIB MOUNTAIN	8,036,997	100.00%	8,036,997
RIETBROCK	90,948	100.00%	90,948
RINGLE	170,484	100.00%	170,484
TEXAS	12,458	100.00%	12,458
WAUSAU	255,208	100.00%	255,208
TOWN TOTAL	<u>10,086,439</u>		<u>10,086,439</u>
VILLAGE:			
ATHENS	\$ 302,800	100.00%	\$ 302,800
BROKAW (C)	742,730	100.00%	742,730
DORCHESTER	812,019	100.00%	812,019
EDGAR	938,723	100.00%	938,723
FENWOOD	37,678	100.00%	37,678
KRONENWETTER	17,227,450	100.00%	17,227,450
MARATHON	5,142,676	100.00%	5,142,676
ROTHSCHILD	7,303,265	100.00%	7,303,265
SPENCER	2,258,156	100.00%	2,258,156
STRATFORD	2,789,733	100.00%	2,789,733
WESTON	7,744,471	100.00%	7,744,471
VILLAGE TOTAL	<u>45,299,701</u>		<u>45,299,701</u>
CITY:			
ABBOTSFORD (B)	\$ 4,049,086	43.92%	\$ 1,778,359
COLBY	1,584,483	26.00%	411,966
MARSHFIELD	42,473,637	7.66%	3,253,481
MOSINEE	8,651,979	100.00%	8,651,979
SCHOFIELD	2,760,840	100.00%	2,760,840
WAUSAU	47,289,545	100.00%	47,289,545
CITY TOTAL	<u>106,809,570</u>		<u>64,146,169</u>

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016

Governmental Unit	Net General Obligation Debt	Percentage Applicable to Marathon County	Net General Obligation Debt Applicable to Marathon County
SCHOOL:			
ABBOTSFORD (B)	\$ 5,650,000	48.25%	\$ 2,726,125
ANTIGO	2,170,000	3.00%	65,100
AUBURNDALE	1,499,075	3.05%	45,722
COLBY	10,085,000	45.48%	4,586,557
D.C. EVEREST	24,892,757	100.00%	24,892,757
EDGAR	7,297,484	100.00%	7,297,484
MARATHON	3,405,755	100.00%	3,405,755
MARSHFIELD	18,028,132	15.52%	2,798,507
MERRILL	5,070,000	3.94%	199,758
STRATFORD	11,406,345	100.00%	11,406,345
WAUSAU	65,920,000	100.00%	65,920,000
MID-STATE TECH COLLEGE (B)	27,740,000	2.65%	735,110
NORTHCENTRAL TECH	34,505,841	59.50%	20,530,975
SCHOOL TOTAL	217,670,389		144,610,195
SPECIAL DISTRICTS:			
SPECIAL DISTRICTS TOTAL	-		-
TOTAL APPLICABLE UNDERLYING DEBT	\$ 379,866,100		\$ 264,142,505
DIRECT DEBT			
MARATHON COUNTY (A)	\$ 3,150,000	100.00%	\$ 3,150,000
TOTAL DEBT APPLICABLE TO MARATHON COUNTY	\$ 383,016,100		\$ 267,292,505

(A) Direct Debt of Marathon County is a refunding bond. The County issued debt to refund 2009 GO Notes for capital projects. There is no unamortized premium

(B) Direct debt is from January 1, 2016

(C) Town of Maine Incorporated in 2016 and will take on the Village of Brokaw debt

SOURCE: Survey of governmental units conducted by the Finance Department.

Schedule 11
Marathon County
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	<u>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>	<u>2016</u>
Equalized Value of Property (A)	\$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	\$ 10,156,245
Debt Limit, 5% of Equalized Value	\$474,751	\$504,078	\$502,358	\$ 492,204	\$ 486,211	\$ 469,677	\$ 473,410	\$ 483,503	\$ 492,649	\$ 507,812
(Wisconsin statutory limitation)										
Amount of debt applicable to debt limitation:										
General obligation promissory notes (B)	\$5,050	\$3,650	\$15,670	\$16,570	\$14,810	\$15,645	\$13,760	\$11,870	\$13,490	\$9,920
Less: Amount available for debt service (c)	<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>	<u>\$1,576</u>
Total amount of debt applicable to debt margin	\$4,568	\$1,052	\$14,282	\$15,140	\$13,364	\$14,179	\$12,283	\$10,380	\$11,983	\$8,344
Legal Debt Margin-(debt capacity)	<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>	<u>\$499,426</u>
Percent of Debt capacity used	0.96%	0.21%	2.84%	3.08%	2.75%	3.02%	2.59%	2.15%	2.43%	1.64%

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 \$117,842

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>
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
2016	135,483	\$5,700,000,000	\$42,941	19,783	1,661	3.7

Sources: (1) Wisconsin Department of Administration

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

(3) Wisconsin Department of Public Instruction

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

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

<u>Employer</u>	<u>2016</u>			<u>2011</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	4.12%	3,000	1	4.45%
Greenheck Fan Inc	2,000	2	2.64%	1,500	2	2.23%
Kolbe & Kolbe	1,600	3	2.11%	1,122	6	1.66%
Wausau School District	1,300	4	1.72%	1,476	4	2.19%
Footlocker.com/Eastbay	1,100	5	1.45%	1,300	3	1.93%
Wausau Paper/SCA	900	6	1.19%	984	8	1.46%
Marathon Cheese	800	7	1.06%	800	7	1.19%
Marathon County	889	8	1.17%	820	9	1.22%
North Central Healthcare Facilities	700	9	0.92%	685	10	1.02%
North Central Technical College	650	10	0.86%	-	-	0.00%
Prime Healthcare (UMR/Wausau Benefits)	-	-	0.00%	800	5	1.19%
Total Employment			75,700			67,400

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>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>	<u>2016</u>
General Government	151.55	152.55	156.45	154.95	148.70	140.70	135.85	136.50	138.30	139.80
Public Safety	172.00	178.00	179.00	178.50	179.00	177.00	177.00	180.00	186.85	187.85
Transportation	100.10	100.10	101.10	101.10	101.10	100.10	98.45	99.00	100.50	101.50
Health	47.70	47.70	51.20	49.20	48.20	48.20	49.46	49.50	50.20	48.82
Social Services	170.88	170.88	164.27	165.89	173.29	172.79	167.38	172.21	172.19	167.96
Leisure Activities & Education	191.80	190.80	187.00	182.80	101.75	101.08	89.60	89.90	89.90	91.10
Conservation & Economic Development	19.00	19.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	<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>	<u>737.03</u>

Source: County Budget Information

Note: A full-time employee is scheduled to work 261 days per year (365 minus two days off per week). At eight hours per day, 2,088 hours are scheduled per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,088.

Schedule 15
Marathon County
Operating Indicators by Function,
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Court cases filed	23,652	25,170	25,716	24,701	22,170	22,293	21,944	10,858	17,201	17,416
Traffic citations processed	12,983	13,454	13,204	12,383	10,918	12,113	11,988	5,762	6,046	6,623
Marriage licenses processed	815	812	705	709	696	729	700	757	827	789
Divorces granted	434	455	458	417	375	302	500	332	465	359
Traffic and criminal fines collected	\$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	\$1,801,423
Total medical examiner cases	586	612	590	659	724	663	795	803	924	986
Public Safety										
Hazardous materials incidents	6	4	15	5	14	14	18	32	16	12
Transportation										
Cost of road maintenance per lane mile	\$4,045	\$5,602	\$4,743	\$5,045	\$6,180	\$6,405	\$6,533	\$5,861	\$6,477	\$6,755
Health										
Public health nurse home visits	2,267	2,312	2,675	2,735	2,221	1,645	962	1,317	1,324	
Laboratory tests	15,094	13,570	13,316	12,625	13,080	13,777	12,730	12,115	12,025	10,450
Licenses issued for public facilities	956	1,009	960	959	894	926	913	895	891	901
Number of immunizations given	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	228	186	181	179	164	159	97	126	128	112
Number of volunteers	31	26	26	31	59	39	46	67	49	49
Volunteer hours	3,759	3,453	3,328	2,426	3,294	3,033	2,934	3,434	2762	2473
Number served home delivered meals	415	412	427	392	340	425	350	426	477	504
Number served through SNAC program	511	720	516	479	463	413	423	422	465	413
Child support money collected and disbursed	\$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	\$20,740,220
Economic support cases	8,802	9,785	10,350	10,234	10,741	13,985	13,823	14,999	15,225	14,235
Leisure and Education										
Library items checked out	882,456	943,778	1,041,169	1,125,370	1,137,709	1,120,282	1,001,527	964,259	939,268	901,442
Library number of visitors*	600,497	569,951	614,073	648,084	629,354	607,740	-	-	-	-
Conservation and Development										
Wood removed (cord equivalent)	23,780	13,811	9,759	11,900	12,849	7,722	6,148	10,302	2,740	7,150

* 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	90	94	91	94	93	93	93	89	89	89
Transportation										
Miles of County highways/roads	613	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	6,276,000	6,276,000	6,276,000
Landfill remaining capacity (cubic yards)*	1,025,245	780,000	620,000	643,600	508,188	385,335	248,704	2,890,659	2,612,450	2,182,975
Opened Blue Bird Ridge in 2014										
Social Services										
Nutrition centers	2	2	2	2	2	2	1	1	1	1
Leisure and Education										
Libraries - Headquarters	1	1	1	1	1	1	1	1	1	1
Libraries - Branches	8	8	8	9	9	9	9	8	8	8
Volumes books & audio-visual materials	339,566	324,678	335,028	433,609	422,319	412,099	414,128	450,585	580,945	517,435
Number of County parks	18	18	18	18	18	18	19	20	20	20
Number of acres	3,407	3,407	3,407	3,407	3,407	3,407	3,534	3,534	3,534	3,534
Public access beaches	4	4	4	4	4	4	4	4	4	4
Miles of bicycle trails	28	28	28	28	28	28	28	28	61	61
Number of public campgrounds	4	4	4	4	4	4	4	4	4	4
Number of shooting ranges	1	1	1	1	1	1	1	1	1	1
Number of softball complexes	1	1	1	1	1	1	1	1	1	1
Number of lakes and rivers with public boat launches	6	6	6	6	6	6	6	6	6	6
Indoor ice arenas	2	2	2	2	2	2	2	2	2	2
Miles of snowmobile trails	782	782	782	782	854	854	863	863	863	863
Miles of ATV trails - winter	690	690	690	690	730	730	753	753	756	756
Miles of ATV trails - summer	25	25	20	20	21	21	21	21	21	21
Miles of cross country ski trails	31	31	31	31	31	31	31	31	31	31
Conservation and Development										
Number of County forest units	9	9	9	9	9	9	9	9	9	9
Number of acres	29,768	29,768	29,768	29,768	29,768	29,768	29,937	29,937	29,937	29,937

Schedule 17
Marathon County
Schedule of Insurance
Fiscal Year Ended December 31, 2016

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention (1)
Wisconsin Municipal Mutual WI2016LP13A 01/01/16 to 01/01/17	General Liability (including Public Officials Errors & Omissions, Unfair Employment Practices, Employee Benefits Liability) \$10,000,000 per occurrence/\$30,000,000 annual aggregate Automobile Liability (including Non-Owned Autos) \$10,000,000 Limit of liability per occurrence/\$30,000,000 annual aggregate Uninsured Motorist \$25,000 per person per occurrence/\$50,000 for all damages per occurrence Pollution Liability (limited coverage for specific covered perils of loss) \$150,000 per occurrence/\$300,000 annual aggregate Self-Insured Retention: \$250,000 per occurrence/ \$1,050,000 Annual aggregate Excludes liability coverage for pollution, health care services (including nursing home, Health Care Centers, medical facilities), transit authorities, gas and electric utilities, aircraft/airfield operations, asbestos, mold, fungi, and lead, eminent domain and land use, non-monetary damages, electronic data, back and front pay benefits or compensation, war, fiduciary investments, and contractual agreements
Chubb Insurance Co 82218206 03/15/16 to 03/15/17	Aging and Disability Resource Center of Central WI Directors & Officers and Entity Liability \$1,000,000 Limit of liability maximum aggregate limit \$10,000 Deductible
Global Aerospace 13000091 01/01/16 to 01/01/19	Central WI Joint Airport Board Aviation Ground Operations Liability Limit of Liability: \$50,000,000 per occurrence Damage to Premises rented to insured: \$40,000,000 Medical Expense Limit: \$10,000 (any one person) Products completed operations aggregate limit: \$50,000,000 Personal & advertising injury aggregate limit: \$25,000,000 Hangar-keepers liability each accident limit: \$40,000,000 Hangar-keepers liability each aircraft limit: \$50,000,000
Self-Funded & Administered 01/01/16 to 01/01/17	Automobile Collision Actual Cash Value Coverage \$13,129,927 as of 12/31/16
Integrity Insurance 01/01/16 to 01/01/17 2665701	Automobile Comprehensive Replacement Cost Coverage \$13,129,927 as of 12/31/16 \$1,000 Deductible

Insurer Policy Number Effective Date	Policy Coverage Limits of Liability Deductibles/Retention (1)
Health Insurance Insurer: Group Health Trust Group # 76-440003 01/01/16 to 01/01/17	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 01/01/16 to 01/01/2017	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 01/01/16 to 01/01/17	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 01/01/16 to 01/01/17	Delta Dental of WI \$500 Maximum annual benefit per person, per calendar year \$25 Single / \$75 Family annual deductible 100% Diagnostic and preventative 80% Ancillary, direct filling restorations, oral surgery, endodontics, and periodontics 50% In-direct filling restorations
Self-Funded & Administered No Policy 01/01/16 to 01/01/17	Workers Compensation Wisconsin Statutory Limits
Wisconsin Municipal Mutual Insurance Company/Safety National WI2016WC13X 01/01/16 to 01/01/17	Excess Workers Compensation and Employers Liability \$550,000 Specific retention Limits of Liability Statutory Workers Comp Employers Liability Bodily Injury by Accident: \$1,000,000 each accident Bodily Injury by Disease: \$1,000,000 each employee

Insurer
Policy Number
Effective Date

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

Municipal Property Insurance Co
MP-01-220005
01/01/16 to 01/01/17

Buildings, Personal Property, Inland Marine, and Property in the Open
Replacement Cost

Deductible \$25,000 each occurrence

Buildings: \$280,657,994

Contents: \$28,753,854

Property in the Open: \$11,862,176

Building Specific Limit – (P3849 Park Road, Aniwa, WI, 736 CTH O Mosinee, WI, 222 N. 7th Ave. Wausau, WI)

Limit: \$247,000

Deductible \$10,000

Contractors Equipment

Replacement Cost

Limit \$17,735,024

Deductible \$5,000

Includes \$25,000 coverage for unscheduled contractor's equipment owned or legally responsible to insure

Business Income

\$1,000,000 – Central Wisconsin Airport

\$1,000,000 – Solid Waste/Landfill

\$1,999,989 – 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 only)

Deductible \$1,000

Pier & Wharf

\$93,824

Deductible \$1,000

Limited Coverage

Property in the Open - unscheduled

\$10,000 maximum per occurrence.

Leased Property Improvements

Destroyed by covered peril: covered if replaced or repaired within a reasonable time; not to exceed 2 years, if not repaired or replaced, fraction of original cost of improvement based on date of loss compared to duration of remaining lease.

Cost of Debris Removal:

Costs of removing debris covered when "covered" property is damaged by an insured peril. Does not cover: extraction of pollutants or contaminants from land or water; costs to remove, restore, replace land or water containing pollutants or contaminants; asbestos abatement.

Lawn, Trees & Shrubs

Within 100 feet of insured buildings for specific perils. Limited to \$500 per tree, shrub or plant and \$1,000 for lawn damage up to a maximum of \$5,000 per occurrence.

Insurer
Policy Number
Effective Date

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

Valuable Records

No dollar limit, covered on or off premises, excluding losses caused by errors & 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.

Buildings or Structures acquired during policy year

Value of \$500,000 or less: Covered (must report on renewal)

Value \$500,000 or more: Covered if reported within 60 days of acquisition

Buildings in Course of Construction: \$1,000,000 for "builders risk" property

Police Dogs & Horses

Up to \$25,000 or cost to replace dog/horse, including costs for training
\$1,000 deductible

The Cincinnati Insurance Co

0578949
0578957
0578959
0578961
0578963
0579000
01/01/16 to 01/01/17

Public Official Schedule Position Bond

Treasurer: \$500,000
Finance Director: \$300,000
Clerk of Courts: \$50,000
County Clerk: \$10,000
Register of Deeds: \$10,000
Sheriff: \$10,000

**Chubb Group of Insurance
Companies**

7643-6017 WCE
01/01/16 to 01/01/17

Boiler & Machinery

\$50,000,000 Blanket Limit – applicable to specific properties
\$10,000 Deductible,
\$1,000,000 Business Income, \$50,000 pollutant, fungus clean up, \$250,000
spoilage, water damage, expediting expense

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
01/01/16 to 01/01/17

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

Insurer
Policy Number
Effective Date

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

**Wisconsin Municipal
Mutual Insurance Company**
WI2016CL13A
01/01/16 to 12/31/17

Cyber and Privacy Liability
WMMIC Member Aggregate Limit \$2,000,000
Aggregate Sub-limits: Privacy Breach Response Services: \$500,000
Deductible \$5,000 per claim

This information represents details contained in our insurance policy and is not to be used to determine coverage.

All coverage questions should be directed to the Risk Manager.