

Marathon County

Financial Statements and
Supplementary Information

December 31, 2023

Marathon County

Table of Contents
December 31, 2023

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	11
Statement of Cash Flows - Proprietary Funds	12
Statement of Fiduciary Net Position - Fiduciary Funds	14
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	15
Statement of Net Position - Major Discretely Presented Component Units	16
Statement of Revenues, Expenses and Changes in Net Position - Major Discretely Presented Component Units	17
Notes to the Financial Statements	18

Marathon County

Table of Contents
December 31, 2023

	<u>Page</u>
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Social Improvement Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Grant Fund	87
Schedule of Proportionate Share of the Net Pension (Asset)/Liability - Wisconsin Retirement System	90
Schedule of Employer Contributions - Wisconsin Retirement System	90
Notes to Required Supplementary Information	91
Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Improvements Fund - Major Fund	95
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund	96
Combining Statement of Net Position - Internal Service Funds	97
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	98
Combining Statement of Cash Flows - Internal Service Funds	99
Combining Statement of Fiduciary Net Position - Fiduciary Funds	100
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	101
Statement of Net Position - Central Wisconsin Airport	102
Statement of Revenues, Expenses and Changes in Net Position - Central Wisconsin Airport	103
Statement of Cash Flows - Central Wisconsin Airport	104

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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 (the County), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 the County as of December 31, 2023 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.

We did not audit the financial statements of the North Central Health Care, which represents 54%, 76% and 31%, 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 the North Central Health Care is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2024 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's 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 the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
July 30, 2024

Marathon County

Statement of Net Position

December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and investments	\$ 108,599,469	\$ 53,884,226	\$ 162,483,695	\$ 23,480,499
Receivables (net):				
Taxes receivable	52,002,917	10,440,545	62,443,462	-
Accounts receivable	9,256,330	1,073,367	10,329,697	9,225,926
Accrued interest receivable	136,031	-	136,031	-
Due from other governments	15,579,501	772,828	16,352,329	7,345,753
Leases	63,668,426	-	63,668,426	-
Inventories and prepaid items	43,689	1,728,985	1,772,674	887,846
Interfunds	2,371,150	(2,371,150)	-	-
Restricted assets:				
Cash and investments	2,464,128	14,973,832	17,437,960	1,007,624
Accrued interest receivable	-	30,942	30,942	-
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-
Investment in joint venture	1,132,344	-	1,132,344	-
Capital assets:				
Capital assets not depreciated	85,902,898	564,269	86,467,167	4,806,033
Capital assets, net of accumulated depreciation/amortization	260,487,030	24,123,574	284,610,604	111,784,437
Right-to-use leased assets, net of accumulated amortization	-	-	-	60,387,380
Total assets	603,162,913	105,221,418	708,384,331	218,925,498
Deferred Outflows of Resources				
OPEB related amounts	-	-	-	954,649
Pension related amounts	40,376,362	10,073,078	50,449,440	51,347,973
Total deferred outflows of resources	40,376,362	10,073,078	50,449,440	52,302,622
Liabilities				
Accounts payable	5,758,279	2,088,132	7,846,411	4,669,949
Accrued items	4,487,981	332,554	4,820,535	3,593,533
Accrued liability, claims payable	3,886,520	-	3,886,520	1,045,987
Due to other governments	577,586	1,137,150	1,714,736	1,948,181
Unearned revenues	18,399,787	-	18,399,787	540,189
Liabilities payable from restricted assets:				
Special deposits	2,574,970	-	2,574,970	56,800
Noncurrent liabilities:				
Due within one year:				
Current portion of financed purchase	-	263,024	263,024	-
Current portion of lease obligations	-	-	-	857,263
Current portion of software based IT agreement obligation	-	-	-	555,052
Current portion of general obligation notes payable	5,145,000	-	5,145,000	445,000
Current portion of compensated absences	552,269	74,204	626,473	2,209,727
Due in more than one year:				
General obligation notes payable (including unamortized premium)	93,365,517	-	93,365,517	2,333,942
Forest crop loan payable	824,125	-	824,125	-
Lease obligations	-	-	-	71,177,354
Software based IT agreement obligation	-	-	-	254,714
Landfill closure and long-term care payable	-	21,223,401	21,223,401	-
OPEB liability	-	-	-	1,679,237
Net pension liability	10,790,212	2,597,501	13,387,713	13,835,674
Compensated absences	3,129,527	604,791	3,734,318	154,595
Total liabilities	149,491,773	28,320,757	177,812,530	105,357,197
Deferred Inflows Of Resources				
Property taxes levied for next period	47,513,802	10,440,545	57,954,347	-
Other deferred revenues	-	11,955	11,955	-
OPEB related amounts	-	-	-	1,321,912
Lease related amounts	63,668,426	-	63,668,426	-
Pension related amounts	23,094,681	5,131,687	28,226,368	29,288,853
Total deferred inflows of resources	134,276,909	15,584,187	149,861,096	30,610,765
Net Position				
Net investment in capital assets	253,718,423	24,424,819	278,143,242	101,354,525
Restricted for:				
Debt service	1,132,820	-	1,132,820	-
Land records	693,312	-	693,312	-
Capital improvements	186,916	-	186,916	-
Jail improvements	590,298	-	590,298	-
Grants	19,118,759	-	19,118,759	-
Social services	-	-	-	431,476
Passenger facility charges	-	-	-	967,655
Unrestricted	84,330,065	46,964,733	131,294,798	32,506,502
Total net position	\$ 359,770,593	\$ 71,389,552	\$ 431,160,145	\$ 135,260,158

See notes to financial statements

Marathon County

Statement of Activities

Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 32,003,414	\$ 5,262,866	\$ 312,191	\$ -	\$ (26,428,357)	\$ -	\$ (26,428,357)	\$ -
Public safety	29,950,430	2,606,060	720,423	-	(26,623,947)	-	(26,623,947)	-
Transportation	7,597,550	-	52,002	16,709,615	9,164,067	-	9,164,067	-
Health	12,038,153	782,559	1,295,543	-	(9,960,051)	-	(9,960,051)	-
Social services	23,394,158	4,701,589	30,135,290	-	11,442,721	-	11,442,721	-
Leisure and education	9,145,309	1,600,804	762,613	-	(6,781,892)	-	(6,781,892)	-
Conservation and development	5,021,416	717,949	1,237,694	-	(3,065,773)	-	(3,065,773)	-
Interest on long-term debt	2,351,933	-	-	-	(2,351,933)	-	(2,351,933)	-
Total governmental activities	<u>121,502,363</u>	<u>15,671,827</u>	<u>34,515,756</u>	<u>16,709,615</u>	<u>(54,605,165)</u>	<u>-</u>	<u>(54,605,165)</u>	<u>-</u>
Business-type activities:								
Landfill	7,281,726	5,314,848	16,200	-	-	(1,950,678)	(1,950,678)	-
Highway	25,273,036	5,646,057	2,949,272	-	-	(16,677,707)	(16,677,707)	-
Total business-type activities	<u>32,554,762</u>	<u>10,960,905</u>	<u>2,965,472</u>	<u>-</u>	<u>-</u>	<u>(18,628,385)</u>	<u>(18,628,385)</u>	<u>-</u>
Total primary government	<u>\$ 154,057,125</u>	<u>\$ 26,632,732</u>	<u>\$ 37,481,228</u>	<u>\$ 16,709,615</u>	<u>(54,605,165)</u>	<u>(18,628,385)</u>	<u>(73,233,550)</u>	<u>-</u>
Component Units								
Governmental activities:								
Children with Disabilities Education Board	\$ 10,635,320	\$ 6,557,573	\$ 1,822,313	\$ -	-	-	-	(2,255,434)
Business-type activities:								
Central Wisconsin airport	\$ 8,040,994	\$ 3,384,138	\$ -	\$ 14,978,723	-	-	-	10,321,867
North central health care	97,091,823	71,184,319	19,901,192	9,632,560	-	-	-	3,626,248
Total business-type activities, component units	<u>\$ 105,132,817</u>	<u>\$ 74,568,457</u>	<u>\$ 19,901,192</u>	<u>\$ 24,611,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,948,115</u>
General Revenues								
Taxes:								
Property taxes					45,079,196	9,759,464	54,838,660	-
Sales taxes					17,021,106	-	17,021,106	-
Other taxes					1,669,376	-	1,669,376	-
Vehicle registration fee					-	2,984,929	2,984,929	-
Grants and contributions not restricted to specific programs					6,445,536	-	6,445,536	-
Unrestricted investment earnings					8,468,366	1,247,094	9,715,460	540,944
Gain on sale of capital assets					354,948	190,619	545,567	-
Unrestricted state and federal aid					-	-	-	4,275,951
Miscellaneous					783,486	46,327	829,813	212,435
Total general revenues					<u>(805,007)</u>	<u>805,007</u>	<u>-</u>	<u>-</u>
Total general revenues					<u>79,017,007</u>	<u>15,033,440</u>	<u>94,050,447</u>	<u>5,029,330</u>
Change in net position					24,411,842	(3,594,945)	20,816,897	16,722,011
Net Position, Beginning					<u>335,358,751</u>	<u>74,984,497</u>	<u>410,343,248</u>	<u>118,538,147</u>
Net Position, Ending					<u>\$ 359,770,593</u>	<u>\$ 71,389,552</u>	<u>\$ 431,160,145</u>	<u>\$ 135,260,158</u>

See notes to financial statements

Marathon County

Balance Sheet - Governmental Funds
December 31, 2023

	<u>General</u>	<u>Social Improvement</u>	<u>Grant Fund</u>	<u>Capital Improvement</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Fund Park Fund</u>	<u>Total Governmental Funds</u>
Assets							
Cash and investments	\$ 37,855,866	\$ 2,389,228	\$ 27,146,041	\$ 18,571,897	\$ 2,212,981	\$ -	\$ 88,176,013
Receivables:			-				
Taxes receivable	40,334,642	6,935,723	-	-	2,553,100	2,179,452	52,002,917
Accounts receivable	2,481,266	3,297,053	1,210,878	9,819	-	194,595	7,193,611
Accrued interest receivable	136,031	-	-	-	-	-	136,031
Settlements receivable	-	-	2,001,303	-	-	-	2,001,303
Lease receivable	-	-	-	-	63,668,426	-	63,668,426
Due from other governments	3,605,821	498,326	10,353,046	-	-	1,122,308	15,579,501
Advances to other funds	2,371,150	-	-	-	-	-	2,371,150
Due from other funds	1,037,198	-	-	10,792	-	-	1,047,990
Inventories and prepaid items	10,000	4,876	338	28,475	-	-	43,689
Restricted assets:							
Cash and investments	2,305,781	158,347	-	-	-	-	2,464,128
Total assets	<u>\$ 90,137,755</u>	<u>\$ 13,283,553</u>	<u>\$ 40,711,606</u>	<u>\$ 18,620,983</u>	<u>\$ 68,434,507</u>	<u>\$ 3,496,355</u>	<u>\$ 234,684,759</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 1,971,874	\$ 148,065	\$ 1,121,016	\$ 2,213,197	\$ -	\$ 220,239	\$ 5,674,391
Accrued items	2,698,014	127,021	386,898	10,759	-	163,415	3,386,107
Due to other governments	387,999	23,595	-	-	-	165,992	577,586
Due to other funds	-	-	10,792	-	-	1,037,198	1,047,990
Unearned revenue	50,000	-	18,349,787	-	-	-	18,399,787
Special deposits	835,255	5,870	1,724,354	-	-	9,491	2,574,970
Total liabilities	<u>5,943,142</u>	<u>304,551</u>	<u>21,592,847</u>	<u>2,223,956</u>	<u>-</u>	<u>1,596,335</u>	<u>31,660,831</u>
Deferred Inflows of Resources							
Property taxes levied for next period	35,845,527	6,935,723	-	-	2,553,100	2,179,452	47,513,802
Lease-related amount	-	-	-	-	63,668,426	-	63,668,426
Unavailable revenues	698,265	1,109	2,487,636	-	-	9,136	3,196,146
Total deferred inflows of resources	<u>36,543,792</u>	<u>6,936,832</u>	<u>2,487,636</u>	<u>-</u>	<u>66,221,526</u>	<u>2,188,588</u>	<u>114,378,374</u>
Fund Balances							
Nonspendable	5,542,046	4,876	338	28,475	-	-	5,575,735
Restricted	1,470,526	-	16,630,785	5,839,012	2,212,981	-	26,153,304
Assigned	1,896,572	6,037,294	-	10,529,540	-	-	18,463,406
Unassigned (deficit)	38,741,677	-	-	-	-	(288,568)	38,453,109
Total fund balances	<u>47,650,821</u>	<u>6,042,170</u>	<u>16,631,123</u>	<u>16,397,027</u>	<u>2,212,981</u>	<u>(288,568)</u>	<u>88,645,554</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 90,137,755</u>	<u>\$ 13,283,553</u>	<u>\$ 40,711,606</u>	<u>\$ 18,620,983</u>	<u>\$ 68,434,507</u>	<u>\$ 3,496,355</u>	<u>\$ 234,684,759</u>

See notes to financial statements

Marathon County

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2023

Total Fund Balances, Governmental Funds \$ 88,645,554

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	36,043,652
Construction in progress	49,859,246
Other capital assets net of accumulated depreciation	260,487,030

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.

3,196,146

The net pension liability does not relate to current financial resources and is not reported in the governmental funds (less internal service funds \$47,846).

(10,742,366)

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 \$182,436).

40,193,926

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 \$111,298).

(22,983,383)

The County's investment in joint venture not a financial resource and, therefore, is not reported in the funds.

1,132,344

Internal service funds are reported in the Statement of Net Position as governmental funds.

18,018,111

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	(96,620,000)
Forest crop loan	(824,125)
Compensated absences	(3,681,796)
Less internal service fund compensated absences	16,931
Accrued interest	(1,080,160)
Unamortized premium on debt issue	(1,890,517)

Net Position of Governmental Activities

\$ 359,770,593

Marathon County

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2023

	General	Social Improvement	Grant Fund	Capital Improvement	Debt Service Fund	Nonmajor Governmental Fund Park Fund	Total Governmental Funds
Revenues							
Taxes	\$ 52,959,673	\$ 7,410,128	\$ -	\$ -	\$ 3,534,991	\$ -	\$ 63,904,792
Intergovernmental grants and aids	6,468,364	3,462,569	30,883,792	-	-	-	40,814,725
Licenses and permits	404,568	-	-	-	-	500	405,068
Fines and forfeitures	546,040	-	32,370	-	-	-	578,410
Public charges for services	4,495,721	3,909,286	8,036	-	99,152	1,981,803	10,493,998
Intergovernmental charges for services	2,730,371	-	268,537	30,000	-	3,154,414	6,183,322
Miscellaneous revenue	4,861,553	789,242	1,366,209	2,639,026	100,000	76,566	9,832,596
Total revenues	72,466,290	15,571,225	32,558,944	2,669,026	3,734,143	5,213,283	132,212,911
Expenditures							
Current:							
General government	19,711,070	-	1,103,185	-	-	-	20,814,255
Public safety	24,777,235	-	1,348,850	-	-	-	26,126,085
Health	8,795,028	-	3,060,930	-	-	-	11,855,958
Social services	208,779	10,064,886	12,596,113	-	-	-	22,869,778
Leisure activities and education	3,882,412	-	732,562	-	-	6,906,419	11,521,393
Conservation and economic development	2,703,334	-	2,056,488	-	-	253,553	5,013,375
Capital outlay	-	-	7,198,468	20,333,720	-	-	27,532,188
Debt service:							
Principal	-	-	-	-	4,674,370	-	4,674,370
Interest and paying agent fees	-	-	-	-	2,859,561	-	2,859,561
Total expenditures	60,077,858	10,064,886	28,096,596	20,333,720	7,533,931	7,159,972	133,266,963
Excess (deficiency) of revenues over expenditures	12,388,432	5,506,339	4,462,348	(17,664,694)	(3,799,788)	(1,946,689)	(1,054,052)
Other Financing Sources (Uses)							
Transfers in:							
General fund	-	-	1,941,465	6,552,700	3,349,571	1,550,783	13,394,519
Social improvement fund	-	-	13,467,556	250,203	-	-	13,717,759
Parks fund	100,815	-	-	-	-	-	100,815
Grant fund	-	-	-	3,240,246	-	-	3,240,246
Capital improvement fund	561,114	-	-	-	-	-	561,114
Sale of capital assets	18,795	-	-	131,964	-	208,153	358,912
State forest loan program debt issued	-	-	-	-	15,011	-	15,011
Transfers out:							
General fund	-	-	-	(1,200,949)	-	(100,815)	(1,301,764)
Grant fund	(1,941,465)	(13,467,556)	-	-	-	-	(15,409,021)
Parks fund	(1,550,783)	-	-	-	-	-	(1,550,783)
Capital improvement fund	(5,912,865)	(250,203)	(3,240,246)	-	-	-	(9,403,314)
Debt service fund	(3,349,571)	-	-	-	-	-	(3,349,571)
Employee benefit fund	(884,509)	-	-	-	-	-	(884,509)
County highway fund	-	-	-	(805,007)	-	-	(805,007)
Total other financing sources (uses)	(12,958,469)	(13,717,759)	12,168,775	8,169,157	3,364,582	1,658,121	(1,315,593)
Net change in fund balance	(570,037)	(8,211,420)	16,631,123	(9,495,537)	(435,206)	(288,568)	(2,369,645)
Fund Balance, Beginning	48,220,858	14,253,590	-	25,892,564	2,648,187	-	91,015,199
Fund Balance (Deficit), Ending	\$ 47,650,821	\$ 6,042,170	\$ 16,631,123	\$ 16,397,027	\$ 2,212,981	\$ (288,568)	\$ 88,645,554

See 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, 2022

Net Change in Fund Balance, Total Governmental Funds \$ (2,369,645)

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. 27,532,188

Some items reported as capital outlay but are not capitalized in the government-wide statements. (2,739,144)

Depreciation is reported in the government-wide statements. (17,411,711)

Contributed capital assets are reported as revenues in the government-wide statements. 16,709,615

Net book value of assets retired. (1,900)

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. (305,980)

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. (339,957)

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 (15,011)

Principal repaid 4,674,370

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 137,777

Increase in net pension asset/liability - less internal service funds (27,229,545)

Deferred outflows of resources related to pensions - less internal service funds 6,254,958

Deferred inflows of resources related to pensions - less internal service funds 18,200,504

Accrued interest on debt 367,021

Government funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of premium 140,607

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.

807,695

Change in Net Position of Governmental Activities \$ 24,411,842

See notes to financial statements

Marathon County

 Statement of Net Position - Proprietary Funds
 December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	County Highway	Total	Activities- Internal Service Funds
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ -	\$ 53,884,226	\$ 53,884,226	\$ 20,423,456
Taxes receivable	-	10,440,545	10,440,545	-
Accounts receivable (net of allowance)	783,368	289,999	1,073,367	61,416
Due from other governments	175,588	597,240	772,828	-
Inventories	85,506	1,643,479	1,728,985	-
Total current assets	1,044,462	66,855,489	67,899,951	20,484,872
Noncurrent Assets				
Restricted assets:				
Cash and investments	14,973,832	-	14,973,832	-
Accrued interest receivable	30,942	-	30,942	-
Deposit in Wisconsin Municipal Mutual Insurance Company	-	-	-	1,519,000
Capital assets:				
Land	482,465	81,804	564,269	-
Buildings	1,593,782	6,635,478	8,229,260	-
Improvements	38,818,926	873,723	39,692,649	-
Equipment	4,464,492	20,605,376	25,069,868	58,466
Total capital assets	45,359,665	28,196,381	73,556,046	58,466
Less accumulated depreciation	(28,656,897)	(20,211,306)	(48,868,203)	(58,466)
Net capital assets	16,702,768	7,985,075	24,687,843	-
Total noncurrent assets	31,707,542	7,985,075	39,692,617	1,519,000
Total assets	32,752,004	74,840,564	107,592,568	22,003,872
Deferred Outflows of Resources				
Pension related amounts	690,177	9,382,901	10,073,078	182,436
Liabilities, Deferred Inflows of Resources, and Net Position				
Current Liabilities				
Accounts payable	633,483	1,454,649	2,088,132	83,888
Accrued items	40,654	291,900	332,554	21,715
Due to other governments	1,137,150	-	1,137,150	-
Advances from other funds	2,371,150	-	2,371,150	-
Current portion of compensated absences	5,766	68,438	74,204	2,539
Current portion of financed purchase	263,024	-	263,024	-
Total current liabilities	4,451,227	1,814,987	6,266,214	108,142
Long-Term Liabilities				
Landfill closure and long-term care payable	21,223,401	-	21,223,401	-
Accrued liability, claims payable	-	-	-	3,886,520
Net pension liability	182,305	2,415,196	2,597,501	47,846
Compensated absences	45,752	559,039	604,791	14,391
Total long-term liabilities	21,451,458	2,974,235	24,425,693	3,948,757
Total liabilities	25,902,685	4,789,222	30,691,907	4,056,899
Deferred Inflows of Resources				
Property taxes levied for next period	-	10,440,545	10,440,545	-
Other deferred revenues	-	11,955	11,955	-
Pension related amounts	380,157	4,751,530	5,131,687	111,298
Total deferred inflows of resources	380,157	15,204,030	15,584,187	111,298
Net Position				
Net investment in capital assets	16,439,744	7,985,075	24,424,819	-
Unrestricted (deficit)	(9,280,405)	56,245,138	46,964,733	18,018,111
Total net position	\$ 7,159,339	\$ 64,230,213	\$ 71,389,552	\$ 18,018,111

See notes to financial statements

Marathon County

Statement of Revenues, Expenses and Changes in Net Position -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	County Highway	Total	Activities- Internal Service Funds
Operating Revenues				
Licenses and permits	\$ -	\$ 47,915	\$ 47,915	\$ -
Public charges for services	5,314,848	-	5,314,848	-
Intergovernmental charges for services	-	5,598,142	5,598,142	-
Interdepartmental charges for services	-	-	-	14,648,627
Total operating revenues	<u>5,314,848</u>	<u>5,646,057</u>	<u>10,960,905</u>	<u>14,648,627</u>
Operating Expenses				
Salaries and benefits	1,077,942	6,775,352	7,853,294	924,152
Contractual services	2,168,672	6,392,636	8,561,308	725,731
Materials and supplies	409,860	1,738,268	2,148,128	7,239
Construction and maintenance	-	5,846,053	5,846,053	-
Landfill closure and long term care	2,731,761	-	2,731,761	-
Building and equipment rent	-	3,337,047	3,337,047	-
Insurance and claims	-	198,242	198,242	13,724,140
Loss and loss adjustment expense	-	-	-	345,177
Insurance and administration costs	59,790	-	59,790	-
Depreciation	599,277	985,438	1,584,715	-
Other operating expenses	234,424	-	234,424	-
Total operating expenses	<u>7,281,726</u>	<u>25,273,036</u>	<u>32,554,762</u>	<u>15,726,439</u>
Operating loss	<u>(1,966,878)</u>	<u>(19,626,979)</u>	<u>(21,593,857)</u>	<u>(1,077,812)</u>
Nonoperating Revenues (Expenses)				
General property taxes	-	9,759,464	9,759,464	-
Vehicle registration fee	-	2,984,929	2,984,929	-
Intergovernmental grants and aids	16,200	2,949,272	2,965,472	-
Investment income	649,475	597,619	1,247,094	922,049
Insurance recoveries	-	-	-	78,949
Other income	-	46,327	46,327	-
Total nonoperating revenues (expenses), net	<u>665,675</u>	<u>16,337,611</u>	<u>17,003,286</u>	<u>1,000,998</u>
Income (loss) before transfers	<u>(1,301,203)</u>	<u>(3,289,368)</u>	<u>(4,590,571)</u>	<u>(76,814)</u>
Other Financing Sources				
Sale of capital assets	-	190,619	190,619	-
Transfers in	-	805,007	805,007	884,509
Total other financing sources	<u>-</u>	<u>995,626</u>	<u>995,626</u>	<u>884,509</u>
Change in net position	<u>(1,301,203)</u>	<u>(2,293,742)</u>	<u>(3,594,945)</u>	<u>807,695</u>
Net Position, Beginning	<u>8,460,542</u>	<u>66,523,955</u>	<u>74,984,497</u>	<u>17,210,416</u>
Net Position, Ending	<u>\$ 7,159,339</u>	<u>\$ 64,230,213</u>	<u>\$ 71,389,552</u>	<u>\$ 18,018,111</u>

See notes to financial statements

Marathon County

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Landfill	County Highway	Total	
Cash Flows From Operating Activities				
Cash received from the sale of goods and services	\$ -	\$ 5,763,328	\$ 5,763,328	\$ -
Collections from landfill disposal services	5,292,547	-	5,292,547	-
Collections from departments and other insurance purchasers	-	-	-	14,733,270
Cash paid to employees for services	(1,077,942)	(6,775,352)	(7,853,294)	(924,152)
Cash paid to suppliers for goods and services	(3,982,912)	(15,801,101)	(19,784,013)	(14,483,006)
Net cash provided (used) by operating activities	231,693	(16,813,125)	(16,581,432)	(673,888)
Cash Flows From Noncapital Financing Activities				
Transfers	-	805,007	805,007	884,509
Intergovernmental grants and aids	16,200	-	16,200	-
Net cash provided by noncapital financing activities	16,200	805,007	821,207	884,509
Cash Flows From Capital Financing Activities				
Payments for capital acquisitions	(98,760)	(303,422)	(402,182)	-
Financed purchase payments	(259,903)	-	(259,903)	-
Vehicle registration fee	-	2,984,929	2,984,929	-
Contribution received for construction from state	-	2,949,272	2,949,272	-
Taxes receivable	-	9,759,464	9,759,464	-
Net cash provided (used) by capital financing activities	(358,663)	15,390,243	15,031,580	-
Cash Flows From Investing Activities				
Investments purchased	(538,705)	-	(538,705)	-
Interest received on investments	649,475	597,619	1,247,094	922,049
Net cash provided (used) by investing activities	110,770	597,619	708,389	922,049
Net increase in cash and cash equivalents	-	(20,256)	(20,256)	1,132,670
Cash and Cash Equivalents, Beginning	-	53,904,482	53,904,482	19,290,786
Cash and Cash Equivalents, Ending	\$ -	\$ 53,884,226	\$ 53,884,226	\$ 20,423,456

See notes to financial statements

Marathon County

Statement of Cash Flows -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Landfill	County Highway	Total	
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities				
Operating loss	\$ (1,966,878)	\$ (19,626,979)	\$ (21,593,857)	\$ (1,077,812)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	599,278	959,340	1,558,618	-
Insurance recoveries	-	-	-	78,949
Other income (expense)	-	236,946	236,946	-
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:				
Accounts receivable	153,287	(141,305)	11,982	48,990
Due from other governments	(175,588)	21,065	(154,523)	-
Inventories	-	(181,017)	(181,017)	-
Accounts payable	(2,110)	858,494	856,384	(116,699)
Accrued expenses	-	-	-	24,831
Due to other governments	808,384	-	808,384	-
Deferred inflows of resources	-	-	-	(43,296)
Accrued liabilities, claims payable	785,948	292,452	1,078,400	446,480
Compensated absences	(6,146)	(56,906)	(63,052)	(35,331)
Pension related deferrals and liabilities	35,518	824,785	860,303	-
Net cash provided (used) by operating activities	<u>\$ 231,693</u>	<u>\$ (16,813,125)</u>	<u>\$ (16,581,432)</u>	<u>\$ (673,888)</u>
Noncash Investing, Capital and Noncapital Financing Activities				
None				

See notes to financial statements

Marathon County

Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2023

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 2,371,968
Accounts receivable	323,928
Due from other governments	<u>675,254</u>
Total assets	<u>3,371,150</u>
Liabilities	
Accounts payable	167,158
Accrued liabilities	204,046
Due to other governments	974,523
Deposits	2,021
Other long term liabilities	477,326
Held for inmates	<u>43,189</u>
Total liabilities	<u>1,868,263</u>
Net Position	
Restricted	<u>1,502,887</u>
Total net position	<u><u>\$ 1,502,887</u></u>

See notes to financial statements

Marathon County

Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended December 31, 2022

	Custodial Funds
Additions	
Fines and forfeitures, traffic, bonds and other court items	\$ 5,560,847
Inmate deposits	1,204,892
Intergovernmental	6,871,303
Donations	556,222
Investment income	11,480
	<hr/>
Total additions	14,204,744
	<hr/>
Deductions	
ADRC activities	7,227,145
Disposition of court collections	5,680,420
Other court	5,745
Capital outlay	1,198
Funds released to former inmates	1,204,892
	<hr/>
Total deductions	14,119,400
	<hr/>
Change in fiduciary net position	85,344
	<hr/>
Net Position, Beginning	1,417,543
	<hr/>
Net Position, Ending	<u>\$ 1,502,887</u>

See notes to financial statements

Marathon County

Statement of Net Position -
Major Discretely Presented Component Units
December 31, 2023

	North Central Health Care	Central Wisconsin Airport	Children With Disabilities Education Board	Major Discretely Presented Component Units Total
Assets				
Current Assets				
Cash and investments	\$ 14,052,590	\$ 3,670,109	\$ 4,757,800	\$ 22,480,499
Patient accounts receivable (net)	8,358,340	-	-	8,358,340
Accounts receivable	519,764	347,822	-	867,586
Due from other governments	3,526,087	3,585,930	233,736	7,345,753
Prepaid items	517,575	-	-	517,575
Inventories	370,271	-	-	370,271
Total current assets	<u>27,344,627</u>	<u>7,603,861</u>	<u>4,991,536</u>	<u>39,940,024</u>
Noncurrent Assets				
Restricted assets:				
Cash and investments	39,969	967,655	-	1,007,624
Investments	-	-	-	-
Assets limited as to use	1,000,000	-	-	1,000,000
Capital assets:				
Land	65,133	1,320,970	-	1,386,103
Construction in progress	122,208	3,297,722	-	3,419,930
Buildings	-	42,081,507	-	42,081,507
Improvements	-	91,756,506	-	91,756,506
Equipment	17,643,338	16,389,152	13,669	34,046,159
Right-to-use lease assets	115,296,054	-	465,185	115,761,239
Total capital assets	133,126,733	154,845,857	478,854	288,451,444
Total accumulated depreciation and amortization	<u>(42,532,274)</u>	<u>(68,796,852)</u>	<u>(144,468)</u>	<u>(111,473,594)</u>
Net capital assets	<u>90,594,459</u>	<u>86,049,005</u>	<u>334,386</u>	<u>176,977,850</u>
Total noncurrent assets	<u>91,634,428</u>	<u>87,016,660</u>	<u>334,386</u>	<u>178,985,474</u>
Total assets	<u>118,979,055</u>	<u>94,620,521</u>	<u>5,325,922</u>	<u>218,925,498</u>
Deferred Outflows of Resources				
OPEB related amounts	824,691	-	129,958	954,649
Pension related amounts	44,242,294	1,139,292	5,966,387	51,347,973
Total deferred outflows of resources	<u>45,066,985</u>	<u>1,139,292</u>	<u>6,096,345</u>	<u>52,302,622</u>
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	2,495,158	653,432	1,521,359	4,669,949
Accrued items	2,347,029	-	-	2,347,029
Deposits	39,969	16,831	-	56,800
Interest payable	1,155,434	91,070	-	1,246,504
Accrued liability, claims payable	1,045,987	-	-	1,045,987
Due to other governments	33,327	1,914,854	-	1,948,181
Unearned revenues	8,844	531,345	-	540,189
Current portion of compensated absences	2,105,023	27,281	77,423	2,209,727
Current portion of lease obligation	764,132	-	93,131	857,263
Current portion of software based IT agreement obligation	555,052	-	-	555,052
Current portion of bonds payable liability	-	445,000	-	445,000
Total current liabilities	<u>10,549,955</u>	<u>3,679,813</u>	<u>1,691,913</u>	<u>15,921,681</u>
Long-Term Liabilities				
General obligation notes payable (net of unamortized premiums)	-	2,333,942	-	2,333,942
Lease obligation	70,936,099	-	241,255	71,177,354
Software based IT agreement obligation	254,714	-	-	254,714
OPEB liability	1,589,005	-	90,232	1,679,237
Net pension liability	11,877,189	307,876	1,650,609	13,835,674
Compensated absences	-	154,595	-	154,595
Total long-term liabilities	<u>84,657,007</u>	<u>2,796,413</u>	<u>1,982,096</u>	<u>89,435,516</u>
Total liabilities	<u>95,206,962</u>	<u>6,476,226</u>	<u>3,674,009</u>	<u>105,357,197</u>
Deferred Inflows of Resources				
OPEB related amounts	1,260,361	-	61,551	1,321,912
Pension related amounts	25,181,165	652,583	3,455,105	29,288,853
Total deferred inflows of resources	<u>26,441,526</u>	<u>652,583</u>	<u>3,516,656</u>	<u>30,610,765</u>
Net Position				
Net investment in capital assets	18,084,462	83,270,063	-	101,354,525
Restricted:				
Birth to 3 program	-	-	431,476	431,476
Passenger facility charges	-	967,655	-	967,655
Unrestricted	24,313,090	4,393,286	3,800,126	32,506,502
Total net position	<u>\$ 42,397,552</u>	<u>\$ 88,631,004</u>	<u>\$ 4,231,602</u>	<u>\$ 135,260,158</u>

See notes to financial statements

Marathon County

Statement of Revenues, Expenses and Changes in Net Position -
Major Discretely Presented Component Units
Year Ended December 31, 2023

	<u>North Central Health Care</u>	<u>Central Wisconsin Airport</u>	<u>Children With Disabilities Education Board</u>	<u>Major Discretely Presented Component Units Total</u>
Expenses				
Transportation:				
Airport	\$ -	\$ 8,040,994	\$ -	\$ 8,040,994
Social services:				
North Central Community Services	95,928,980	-	-	95,928,980
Children with Disabilities Education Board	-	-	4,415,427	4,415,427
Instruction:				
Children with Disabilities Education Board	-	-	6,215,445	6,215,445
Total expenses	<u>95,928,980</u>	<u>8,040,994</u>	<u>10,630,872</u>	<u>114,600,846</u>
Program Revenues				
Charges for service	71,184,319	3,384,138	6,557,573	81,126,030
Operating grants and contributions	19,901,192	-	1,822,313	21,723,505
Capital grants and contributions	<u>9,632,560</u>	<u>14,978,723</u>	<u>-</u>	<u>24,611,283</u>
Total program revenues	<u>100,718,071</u>	<u>18,362,861</u>	<u>8,379,886</u>	<u>127,460,818</u>
Net income (expense)	<u>4,789,091</u>	<u>10,321,867</u>	<u>(2,250,986)</u>	<u>12,859,972</u>
General Revenues (Expenses)				
Unrestricted investment earnings	246,565	240,940	53,439	540,944
Interest expense	(798,633)	-	(4,448)	(803,081)
Loss on sale of capital assets	(364,210)	-	-	(364,210)
State and federal aids not restricted to specific functions:				
Categorical aid	-	2,408,820	1,867,131	4,275,951
Miscellaneous	-	104,452	107,983	212,435
Total general revenues	<u>(916,278)</u>	<u>2,754,212</u>	<u>2,024,105</u>	<u>3,862,039</u>
Change in net position	3,872,813	13,076,079	(226,881)	16,722,011
Net Position, Beginning	<u>38,524,739</u>	<u>75,554,925</u>	<u>4,458,483</u>	<u>118,538,147</u>
Net Position, Ending	<u>\$ 42,397,552</u>	<u>\$ 88,631,004</u>	<u>\$ 4,231,602</u>	<u>\$ 135,260,158</u>

See notes to financial statements

Marathon County

Index to Notes to Financial Statements
December 31, 2023

	<u>Page</u>
1. Summary of Significant Accounting Policies	19
Reporting Entity	19
Government Wide and Fund Financial Statements	20
Measurement Focus, Basis of Accounting and Financial Statement Presentation	22
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	24
Deposits and Investments	24
Receivables	25
Inventories and Prepaid Items	26
Restricted Assets	26
Capital Assets	26
Deferred Outflows of Resources	27
Compensated Absences	27
Long-Term Obligations	28
Deferred Inflows of Resources	28
Equity Classifications	28
Pension	30
2. Stewardship, Compliance and Accountability	30
Excess Expenditures Over Appropriations	30
Deficit Balance	30
Limitations on the County's Tax Levy	30
3. Detailed Notes on All Funds	31
Deposits and Investments	31
Receivables	34
Restricted Assets	36
Capital Assets	37
Interfund Receivables/Payables, Advances and Transfers	39
Long-Term Obligations	40
Lease Disclosures	43
Closure and Postclosure Care Cost	43
Net Position/Fund Balances	44
University of Wisconsin - Marathon County	46
Component Units	46
4. Other Information	67
Employees' Retirement System	67
Public Entity Risk Pool	74
Commitments and Contingencies	76
Related Organizations/Jointly Governed Organizations	76
Other Information	77
Effect of New Accounting Standards on Current Period Financial Statements	78

Marathon County

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

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

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 and (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 three methods, discrete presentation, blended or fiduciary. 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
December 31, 2023

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 to create a possible financial benefit or burden. See Note 3. The information presented is for the fiscal year ended December 31, 2023. 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 3. The information presented is for the fiscal year ended December 31, 2023. 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 3. The information presented is for the fiscal year ended June 30, 2023. Separately issued financial statements of the Children with Disabilities Education Board may be obtained from the Board's office.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Marathon County

Notes to Financial Statements
December 31, 2023

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

The County reports the following major governmental funds:

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

Social Improvement Fund - accounts for and reports grants, local revenues and other resources legally restricted to supporting expenditures for various community service programs.

Grant Fund – special revenue fund is used to account for and report grants legally restricted to supporting program expenditures.

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

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.

Marathon County

Notes to Financial Statements
December 31, 2023

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:

Parks Fund - accounts for and reports local revenues and other resources legally restricted to supporting expenditures for various community parks programs.

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

Custodial funds are used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations and/or other governmental units.

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

Clerk of Courts

Sheriff Adult Inmate

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Marathon County

Notes to Financial Statements
December 31, 2023

Fund Financial Statements

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

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

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

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

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

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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

All Financial Statements

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

Marathon County

Notes to Financial Statements
December 31, 2023

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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

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

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

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

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

The policy does not address concentration of credit risk.

Marathon County

Notes to Financial Statements
December 31, 2023

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, 2023, 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 3. for further information.

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 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 Fiduciary Net Position.

Property tax calendar, 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale - 2023 delinquent real estate taxes	October 2026

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.

Marathon County

Notes to Financial Statements
December 31, 2023

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, 2023, 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 \$474,518 has been recorded in the Employee Benefits Insurance internal service fund to account for workers compensation amounts not likely to be collected.

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.

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.

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, works of art and similar items, in addition to capital assets received in a service concession arrangement, are recorded at their estimated acquisition 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. The cost of renewals and betterments relating to retirement units is added to capital accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from capital accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Marathon County

Notes to Financial Statements
December 31, 2023

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:

	<u>Years</u>
Buildings	20-50
Land improvements	2-20
Machinery and equipment	3-10
Infrastructure	5-75
Library collection	5-25

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.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets 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.

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023 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 4, 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 2023 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$471,258 with an actual cost of \$393,949. There were twenty-nine (29) employees eligible for benefits as of year-end.

Marathon County

Notes to Financial Statements
December 31, 2023

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, financed purchase obligations and accrued compensated absences. 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. This form of debt is not capital-related.

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.

Deferred Inflows of Resources

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

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*.

Marathon County

Notes to Financial Statements
December 31, 2023

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.
- 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 \$29,798,541 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 \$7,172,340 and is included in unrestricted net position.

See Note 3. for further information.

Marathon County

Notes to Financial Statements
December 31, 2023

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Appropriations

The capital improvement fund had \$12,225,415 and the debt service fund had \$149,369 in expenditures and other financing uses in excess of appropriations at the legal level of budgetary control for the year ended December 31, 2023.

Deficit Balance

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

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Reason</u>	<u>Amount</u>
Park fund	Charges for services and other funding sources not sufficient to cover expenditures	\$ 288,568

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 net new construction or 0%. 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.

Marathon County

Notes to Financial Statements
December 31, 2023

3. Detailed Notes on All Funds

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:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits and cash on hand	\$ 17,368,358	\$ 19,161,756	Custodial credit
U.S. Treasuries	56,640,211	56,640,211	Custodial credit, interest rate
U.S. Agencies, implicitly guaranteed	19,789,244	19,789,244	Custodial credit, interest rate, credit, concentration of credit
State and local bonds	428,965	428,965	Custodial credit, interest rate, credit, concentration of credit
National agency bonds and notes	3,616,124	3,616,124	Custodial credit, interest rate, credit, concentration of credit
Corporate bonds	43,295,855	43,295,912	Custodial credit, interest rate, credit, concentration of credit
Commercial Paper	13,576,380	13,576,380	Custodial credit, interest rate, credit, concentration of credit
Certificates of deposits, negotiable LGIP	7,487,031 24,729,219	7,487,031 24,729,219	Custodial credit, interest rate, credit, concentration of credit Credit, interest rate
	<u>\$ 186,931,387</u>	<u>\$ 188,724,842</u>	

	<u>Carrying Value</u>
Reconciliation to the financial statements:	
Per statement of net position:	
Unrestricted cash and investments	\$ 162,483,695
Restricted cash and investments	17,437,960
Per statement of fiduciary net position:	
Custodial funds	2,371,968
Per statement of net position, major discretely presented component unit (CWA):	
Unrestricted cash and investments	3,670,109
Restricted cash and investments	967,655
	<u>967,655</u>
Total deposits and investments	<u>\$ 186,931,387</u>

Marathon County

Notes to Financial Statements
December 31, 2023

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.

Investment Type	December 31, 2023			
	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 56,240,211	\$ -	\$ 56,240,211
U.S. agencies, implicitly guaranteed	-	19,789,244	-	19,789,244
Certificates of deposit, negotiable	-	7,487,031	-	7,487,031
Corporate bonds	8,412,898	34,882,957	-	43,295,855
State and local bonds	-	428,965	-	428,965
Commercial paper	-	13,576,380	-	13,576,380
National agency bonds and notes	-	3,616,124	-	3,616,124
Total	\$ 8,412,898	\$ 136,020,912	\$ -	\$ 144,433,810

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

Investment Type	Valuation Method
Corporate bonds and state and local bonds, national agency bonds and notes and commercial paper	Institutional bond quotes - evaluations based on various market and industry inputs
U.S. agencies, implicitly guaranteed	Institutional bond quotes - evaluations based on various market and industry inputs
U.S. treasuries	Institutional bond quotes - evaluations based on various market and industry inputs
Negotiable certificates of deposit	Institutional bond quotes - evaluations based on various market and industry inputs

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 \$11,000,000 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.

Marathon County

Notes to Financial Statements
December 31, 2023

As of December 31, 2023, the County did not have any bank balances exposed to custodial credit risk.

Investments

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

As of December 31, 2023, \$135,704,492 of the County's investments was neither insured nor registered and held by counterparty's trust department of agent not in the County's name and therefore 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.

As of December 31, 2023, the County's investments were rated as follows:

Investment Type	Standard & Poors	Moody's
Corporate bonds	AAA, AA+, A+, AA, AA-, A1, A-, A	A1, Aa1, Aa2, Aa3, Aaa, P1, A2
U.S. agencies, implicitly guaranteed	AAA, AA+	Aaa
Certificates of deposit, negotiable	Unrated	Unrated
National agency bonds and notes	AAA, A+, AA-	Aaa, Aa3, Aaa, Aa2
State and local bonds	AA+	Aaa

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

Local Government Investment Pool

Marathon County

Notes to Financial Statements

December 31, 2023

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, 2023, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLMC	U.S. agencies, implicitly guaranteed	6.3%

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, 2023, the County's investments were as follows:

Investment Types	Fair Value	Maturity (in Years)		
		Less Than 1 Year	1-5 Years	Greater Than 5 Years
U.S. Treasuries	\$ 56,640,211	\$ 23,001,338	\$ 33,638,873	\$ -
U.S. Agencies, implicitly guaranteed	19,789,244	6,458,669	13,330,575	-
Corporate bonds	43,295,912	1,405,583	41,890,329	-
Certificates of deposit, negotiable	7,487,031	5,766,423	1,720,608	-
State and local bonds	428,965	-	428,965	-
Commercial paper	13,576,380	13,576,380	-	-
National agency bonds and notes	3,616,124	-	3,616,124	-
Total	<u>\$ 144,833,867</u>	<u>\$ 50,208,393</u>	<u>\$ 94,625,474</u>	<u>\$ -</u>

As of December 31, 2023, the LGIP investments had an average maturity of 17 days.

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

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 the long-term portion of the opioid settlement.

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	Total
Property taxes receivable for subsequent year	\$ -	\$ 47,513,802	\$ 47,513,802
Delinquent property taxes receivable	694,227	-	694,227
Other receivables	2,501,919	-	2,501,919
Total unavailable/unearned revenue for governmental funds	<u>\$ 3,196,146</u>	<u>\$ 47,513,802</u>	<u>\$ 50,709,948</u>

Marathon County

Notes to Financial Statements

December 31, 2023

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 deferred 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 deferred revenue reported in the enterprise funds were as follows:

	<u>Deferred</u>
Property taxes receivable for subsequent year	\$ 10,440,545
Revenue collected in advance	<u>11,955</u>
Total deferred revenue for enterprise funds	<u>\$ 10,452,500</u>

Taxes receivable represent current taxes and unpaid taxes for 2023 and prior years as follows:

<u>Year of Settlement</u>	<u>County Tax Levied</u>	<u>County Purchased</u>	<u>Balance December 31, 2023</u>
2022	\$ 289,141	\$ 1,240,198	\$ 1,529,339
2021	141,293	591,027	732,320
2020	80,386	344,997	425,383
2019	74,892	318,586	393,478
2018	56,666	221,861	278,527
2017	43,468	166,659	210,127
2016	43,206	163,183	206,389
2015	25,942	98,099	124,041
2014	18,725	81,850	100,575
2013	17,665	68,392	86,057
2012	12,451	47,111	59,562
2011	13,239	47,213	60,452
2010	7,420	25,749	33,169
2009	<u>2,901</u>	<u>9,601</u>	<u>12,502</u>
Total tax certificates	<u>\$ 827,395</u>	<u>\$ 3,424,526</u>	
Tax deeds			202,640
Current taxes			<u>57,988,901</u>
Total taxes receivable			<u>\$ 62,443,462</u>

Delinquent taxes collected within the sixty-day period subsequent to year-end aggregated \$61,463 and \$263,630 for delinquent taxes levied and purchased by the County, respectively.

Marathon County

Notes to Financial Statements
December 31, 2023

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, 2023:

Restricted assets:	
Land records	\$ 693,312
Jail improvements	590,298
Special deposits and impressed cash accounts	1,140,073
Community Options Programming	40,445
Landfill long-term care and closure costs	14,973,832
Accrued interest receivable	<u>30,942</u>
Total restricted assets	<u>\$ 17,468,902</u>

Marathon County

Notes to Financial Statements
December 31, 2023

Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 36,039,543	\$ 4,109	\$ -	\$ 36,043,652
Construction in progress	37,127,544	30,283,230	17,551,528	49,859,246
Total capital assets not being depreciated	<u>73,167,087</u>	<u>30,287,339</u>	<u>17,551,528</u>	<u>85,902,898</u>
Capital assets being depreciated:				
Buildings	151,839,276	15,228,531	-	167,067,807
Improvements	24,863,603	461,892	-	25,325,495
Equipment	28,987,171	3,770,889	314,885	32,443,175
Infrastructure	244,678,728	8,919,700	4,496,642	249,101,786
Library collection	5,381,300	385,600	453,400	5,313,500
Total capital assets being depreciated	<u>455,750,078</u>	<u>28,766,612</u>	<u>5,264,927</u>	<u>479,251,763</u>
Total capital assets	<u>528,917,165</u>	<u>59,053,951</u>	<u>22,816,455</u>	<u>565,154,661</u>
Less accumulated depreciation for:				
Buildings	(74,567,964)	(5,458,625)	-	(80,026,589)
Improvements	(10,220,870)	(1,030,624)	-	(11,251,494)
Equipment	(24,456,900)	(1,611,757)	314,885	(25,753,772)
Infrastructure	(94,568,815)	(8,871,005)	4,496,642	(98,943,178)
Library collection	(2,801,500)	(439,700)	451,500	(2,789,700)
Total accumulated depreciation	<u>(206,616,049)</u>	<u>(17,411,711)</u>	<u>5,263,027</u>	<u>(218,764,733)</u>
Net capital assets being depreciated	<u>249,134,029</u>	<u>11,354,901</u>	<u>1,900</u>	<u>260,487,030</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 322,301,116</u>	<u>\$ 41,642,240</u>	<u>\$ 17,553,428</u>	<u>\$ 346,389,928</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 5,211,290
Public safety	1,528,444
Transportation	8,871,005
Leisure and education	<u>1,800,972</u>
Total governmental activities depreciation expense	<u>\$ 17,411,711</u>

Marathon County

Notes to Financial Statements
December 31, 2023

	<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
Total capital assets not being depreciated	<u>564,269</u>	<u>-</u>	<u>-</u>	<u>564,269</u>
Capital assets being depreciated:				
Buildings	8,210,260	19,000	-	8,229,260
Improvements	39,258,309	434,340	-	39,692,649
Equipment	24,695,671	475,017	100,820	25,069,868
Total capital assets being depreciated	<u>72,164,240</u>	<u>928,357</u>	<u>100,820</u>	<u>72,991,777</u>
Total capital assets	<u>72,728,509</u>	<u>928,357</u>	<u>100,820</u>	<u>73,556,046</u>
Less accumulated depreciation for:				
Buildings	(7,263,018)	(61,428)	-	(7,324,446)
Improvements	(24,472,853)	(240,749)	-	(24,713,602)
Equipment	(15,655,529)	(1,256,440)	81,814	(16,830,155)
Total accumulated depreciation	<u>(47,391,400)</u>	<u>(1,558,617)</u>	<u>81,814</u>	<u>(48,868,203)</u>
Net capital assets being depreciated	<u>24,772,840</u>	<u>(630,260)</u>	<u>19,006</u>	<u>24,123,574</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 25,337,109</u>	<u>\$ (630,260)</u>	<u>\$ 19,006</u>	<u>\$ 24,687,843</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Landfill	\$ 599,277
Highway	<u>985,438</u>
Total business-type activities depreciation expense	<u>\$ 1,584,715</u>

Marathon County

Notes to Financial Statements
December 31, 2023

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
Capital projects fund	Grant fund	\$ 10,792
General fund	Parks fund	1,037,198
Subtotal		1,047,990
Less fund eliminations		(1,047,990)
Add interfund advances		2,371,150
Total internal balances, government-wide statement of net position		<u>\$ 2,371,150</u>

The principal purpose of the capital projects fund interfund 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. The principal purpose of the park fund interfund is negative cash.

Advances

The general fund is advancing funds to the landfill fund in the amount of \$2,371,150 due to negative operating cash. No repayment schedule has been established.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Capital improvement fund	\$ 561,114	Fund facility project staff
General fund	Park fund	100,815	Fund salaried position in parks
Debt service	General fund	3,349,571	To pay NCHC portion of annual debt service payment
Park fund	General fund	1,550,783	To create new park fund
Grants fund	General fund	1,941,465	To create new grants fund
Grants fund	Social improvement fund	13,467,556	To create new grants fund
Capital improvement fund	General fund	5,912,865	Fund capital projects
Capital improvement fund	Grants fund	3,240,246	Fund capital projects
Capital improvement fund	Social improvement fund	250,203	Fund capital projects
Highway fund	Capital improvement fund	805,007	Fund highway rolling stock
Employee Benefits fund	General fund	884,509	Fund County's HRA
Total fund financial statements		32,064,134	
Less fund eliminations		(31,259,127)	
Total transfers, government-wide statement of activities		<u>\$ 805,007</u>	

Marathon County

Notes to Financial Statements
December 31, 2023

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ -
Business-type activities	Governmental activities	805,007
Total government-wide financial statements		<u>\$ 805,007</u>

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

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 101,145,000	\$ -	\$ 4,525,000	\$ 96,620,000	\$ 5,145,000
Premium on debt	2,031,124		140,607	1,890,517	-
Forest crop loan payable	958,720	15,011	149,606	824,125	-
Subtotal	<u>104,134,844</u>	<u>15,011</u>	<u>4,815,213</u>	<u>99,334,642</u>	<u>5,145,000</u>
Other liabilities:					
Vested compensated absences:					
Governmental funds	3,802,642	508,672	646,449	3,664,865	549,729
Internal service fund	70,619	-	53,688	16,931	2,540
Total other liabilities	<u>3,873,261</u>	<u>508,672</u>	<u>700,137</u>	<u>3,681,796</u>	<u>552,269</u>
Total governmental activities long-term liabilities	<u>\$ 108,008,105</u>	<u>\$ 523,683</u>	<u>\$ 5,515,350</u>	<u>\$ 103,016,438</u>	<u>\$ 5,697,269</u>

Marathon County

Notes to Financial Statements
December 31, 2023

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
Other liabilities:					
Finance purchased	\$ 522,927	\$ -	\$ 259,903	\$ 263,024	\$ 263,024
Vested compensated absences	742,047	11,152	74,204	678,995	74,204
Cell A long-term care and postclosure costs	702,874	-	76,523	626,351	-
Cell B closure costs	4,667,493	508,107	-	5,175,600	-
Cell B long-term care and postclosure costs	5,109,106	1,566,894	-	6,676,000	-
Blue Bird Ridge closure	5,544,205	-	1,149,792	4,394,413	-
Blue Bird Ridge long-term care and postclosure costs	4,413,775	-	62,738	4,351,037	-
	<u>\$ 21,702,427</u>	<u>\$ 2,086,153</u>	<u>\$ 1,623,160</u>	<u>\$ 22,165,420</u>	<u>\$ 337,228</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed 5% of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2023 was \$795,568,020. Total general obligation debt outstanding at year-end was \$99,375,000 (including \$2,755,000 issued by Marathon County for the Central Wisconsin Airport - see component unit note).

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note 4.

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.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2023
Governmental Activities					
General obligation debt:					
General Obligation Promissory Notes Series 2019	12/05/19	12/31/29	2.00%	\$ 9,500,000	\$ 6.875.000
General Obligation Promissory Notes Series 2020A	03/18/20	02/01/30	1.00-2.00	8,500,000	6.610.000
General Obligation Promissory Notes Series 2020B	10/07/20	12/31/40	1.00-2.00	17,845,000	16.970.000
General Obligation Promissory Notes Series 2021A	03/17/21	02/01/31	1.00-2.00	5,830,000	5.175.000
General Obligation Promissory Notes Series 2021B	03/17/21	02/01/41	2.00-2.125	19,000,000	19.000.000
General Obligation Promissory Notes Series 2022A	06/15/22	02/01/42	3.00-4.00	23,915,000	22.765.000
General Obligation Promissory Notes Series 2022B	06/15/22	02/01/42	3.00-4.00	19,225,000	<u>19,225.000</u>
Total					<u>\$ 96,620,000</u>

Marathon County

Notes to Financial Statements

December 31, 2023

Debt service requirements to maturity are as follows:

Years Ending December 31:	Governmental Activities General Obligation Debt	
	Principal	Interest
2024	\$ 5,145,000	\$ 2,558,100
2025	5,245,000	2,459,919
2026	5,355,000	2,359,894
2027	5,460,000	2,254,400
2028	5,580,000	2,135,194
2029-2033	24,660,000	8,684,344
2034-2038	23,640,000	5,389,450
2039-2042	21,535,000	1,569,600
Total	\$ 96,620,000	\$ 27,410,901

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, 2023 is \$824,125. The current outstanding loan balance is noncapital related.

Other Debt Information

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

Financed Purchase

Landfill acquired capital assets through a financed purchase agreement. The gross amount of the assets under the agreement is \$1,045,663 and is presented in the capital assets in the business-type activities. The assets acquired through financed purchases are as follows:

The future principal and interest payments as of December 31, 2023, are as follows:

Years	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 263,024	\$ 1,604	\$ 264,628
Subtotal	\$ 263,024	\$ 1,604	
Less amount representing interest			(1,604)
Present value of minimum lease payments			\$ 263,024

Marathon County

Notes to Financial Statements

December 31, 2023

Lease Disclosures

Lessor - Lease Receivables

Debt Service Fund

Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance December 31, 2023
North Central Community Services Program ground facility lease	3/17/2023	12/31/2045	2.05 to 2.64%	\$ 63,668,426

The County recognized \$0 of lease revenue during the fiscal year.

The County recognized \$0 of interest revenue during the fiscal year.

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. Cell B and Blue Bird Ridge remain open at the end of 2023. 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, 2023 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	\$ 626,351	\$ 11,851,600	\$ 8,745,450	\$ 21,223,401
Capacity used at year-end	100.00%	100.00%	79.21%	

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, 2023, \$14,973,832 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. In addition, the landfill maintains an irrevocable letter of credit, issued by U.S. Bank to fulfill its financial responsibility pursuant to state statutes. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable law or regulations, for example), these costs may need to be covered by changes to future landfill users or from future tax revenue.

Marathon County

Notes to Financial Statements
December 31, 2023

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2023 includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 36,043,652
Construction in progress	49,859,246
Other capital assets, net of accumulated depreciation	260,487,030
Add unspent bond proceeds	5,839,012
Less long-term capital debt outstanding, net of unamortized premium	<u>(98,510,517)</u>
Total net investment in capital assets	<u>\$ 253,718,423</u>

Marathon County

Notes to Financial Statements
December 31, 2023

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

	<u>General Fund</u>	<u>Social Improvement</u>	<u>Grant Fund</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Parks Fund</u>	<u>Total</u>
Fund Balance							
Nonspendable:							
Inventories and prepaid items	\$ 10,000	\$ 4,876	\$ 338	\$ 28,475	\$ -	\$ -	\$ 43,689
Advances	2,371,150	-	-	-	-	-	2,371,150
Noncounty levy portion of delinquent property taxes receivable	3,160,896	-	-	-	-	-	3,160,896
Total nonspendable	<u>5,542,046</u>	<u>4,876</u>	<u>338</u>	<u>28,475</u>	<u>-</u>	<u>-</u>	<u>5,575,735</u>
Restricted for:							
UW dorm capital maintenance	186,916	-	-	-	-	-	186,916
Land records	693,312	-	-	-	-	-	693,312
Jail assessments	590,298	-	-	-	-	-	590,298
Capital projects	-	-	-	5,839,012	-	-	5,839,012
Debt service	-	-	-	-	2,212,981	-	2,212,981
Grants	-	-	16,630,785	-	-	-	16,630,785
Total restricted	<u>1,470,526</u>	<u>-</u>	<u>16,630,785</u>	<u>5,839,012</u>	<u>2,212,981</u>	<u>-</u>	<u>26,153,304</u>
Assigned to:							
Conservation (ATC powerline easement)	1,008,672	-	-	-	-	-	1,008,672
Compensated absences	887,900	-	-	-	-	-	887,900
Social improvements	-	6,037,294	-	-	-	-	6,037,294
Capital projects	-	-	-	10,529,540	-	-	10,529,540
Total assigned	<u>1,896,572</u>	<u>6,307,294</u>	<u>-</u>	<u>10,529,540</u>	<u>-</u>	<u>-</u>	<u>18,463,406</u>
Unassigned	<u>38,741,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(288,568)</u>	<u>38,453,109</u>
Total fund balances	<u>\$ 47,650,821</u>	<u>\$ 6,042,170</u>	<u>\$ 16,631,123</u>	<u>\$ 16,397,027</u>	<u>\$ 2,212,981</u>	<u>\$ (288,568)</u>	<u>\$ 88,645,554</u>

Business-Type Activities

Investment in capital assets:

Land	\$ 564,269
Other capital assets, net of accumulated depreciation	24,123,574
Less long-term capital debt outstanding	<u>(263,024)</u>

Total investment in capital assets \$ 24,424,819

Marathon County

Notes to Financial Statements
December 31, 2023

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.

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.

Basis of Accounting/Measurement Focus

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

Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 14,052,590	\$ 15,357,107	Custodial credit
Total deposits and investments	<u>\$ 14,052,590</u>	<u>\$ 15,357,107</u>	

Custodial Credit Risk

NCHC bank balances did not have any balances that were not insured, guaranteed or collateralized as of December 31, 2023.

Marathon County

Notes to Financial Statements

December 31, 2023

Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Land	\$ 65,133	\$ -	\$ -	\$ 65,133	N/A
Construction in progress	18,574,475	16,817,846	(35,270,113)	122,208	N/A
Right-to-use assets, owned by counties	102,084,878	29,586,751	(17,262,889)	114,408,740	10-40
Right-to-use assets, other equipment	130,361	887,314	(130,361)	887,314	5
Other equipment	15,749,624	2,795,381	(901,667)	17,643,338	3-40
Less accumulated depreciation/amortization	<u>(55,567,621)</u>	<u>(4,895,360)</u>	<u>17,930,707</u>	<u>(42,532,274)</u>	
	<u>\$ 81,036,850</u>	<u>\$ 45,191,932</u>	<u>\$ (35,634,323)</u>	<u>\$ 90,594,459</u>	

Leases

NCHC has a ground/facility Lease and use agreement with Marathon County under which NCHC leases facilities on the Wausau Campus from Marathon County. The term of the lease shall match the term of the Tri-County Agreement. The Tri-County Agreement expires May 1, 2027 but can be extended upon agreement among the counties. NCHC also has a nursing home management agreement for management and operation of Pine Crest Nursing Home including use of the Pine Crest Facility owned by Lincoln County. Subsequent to December 31, 2023, Lincoln County entered into an asset purchase agreement for the sale of Pine Crest to an unrelated party. The closing date is expected to occur on August 31, 2024. As part of this transaction, the nursing home management agreement with NCHC related to Pine Crest will be terminated.

Marathon and Lincoln County have both issued long term debt to finance construction and remodeling of the leased space discussed above. Payments under the lease agreements are based on the related long-term debt issued by Marathon and Lincoln County, respectively.

The right of use lease agreement with Marathon County includes annual principal and interest payments, in varying amounts, beginning in 2024 and extending through 2045. Interest rates on the right of use lease agreement with Marathon County vary from 2.05% in 2045 to 2.64% in 2023. The principal and interest payments, through 2045, are intended to reimburse Marathon County for the principal and interest payments of the related long term debt over the term of the debt which extends to 2045.

The right-of-use lease agreement with Lincoln County also includes varying annual principal and interest payments. These principal and interest payments are based on \$6,950,000 General Obligation Refunding Bonds issued in 2017 (the Series 2017 Bonds) maturing December 1, 2036, and \$2,600,000 Note Anticipation Notes issued in 2017 (the Notes) maturing December 1, 2021 (collectively, the Securities). Proceeds of the Securities were used to refund Series 2016 Note anticipation Notes and pay for additional costs of a construction project to enhance the Pine Crest facilities. The Series 2017 Bonds carry interest rates ranging from 2.0% to 3.5%. The Notes carried an interest rate of 2.09% with the balance due on December 1, 2021. On December 1, 2021, Lincoln County issued \$2,595,000 in General Obligation Refunding Bonds (Series 2021 Bonds) to refinance the Notes. The Series 2021 Bonds carry interest rates varying from .65% to 3.00% and mature in varying amounts through December 1, 2038.

In addition, NCHC has lease agreements for other equipment which has a remaining obligation of \$32,443 and \$20,584 at December 31, 2023 and 2022, respectively.

Marathon County

Notes to Financial Statements

December 31, 2023

Lease payable activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Marathon County	\$ 60,621,543	\$ 3,046,884	\$ -	\$ 63,668,427	\$ 316,689
Lincoln County					
Obligation balance	8,060,000	-	(405,000)	7,655,000	415,000
Deferred premium	320,201	-	(22,740)	297,461	-
Other equipment	20,584	99,938	(41,179)	79,343	32,443
Total	\$ 69,022,328	\$ 3,146,822	\$ (468,919)	\$ 71,700,231	\$ 764,132

Future minimum lease payments are as follows:

Years Ending December 31:	Principal	Interest
2024	\$ 764,132	\$ 1,900,051
2025	1,328,751	1,849,319
2026	1,842,054	1,788,246
2027	2,417,297	1,532,703
2028-2032	16,554,476	7,186,443
2033-2037	18,953,361	4,726,846
2038-2042	18,675,571	2,374,478
2043-2045	10,867,127	437,707
Total	\$ 71,402,769	\$ 21,795,793

Subscription-based agreements liability activity for the years ended was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Cerner	\$ 649,215	\$ -	\$ (235,392)	\$ 413,823	\$ 244,982
UKG	533,060	-	(231,013)	302,047	240,425
Abila	37,331	-	(29,715)	7,616	7,616
Modal	-	14,657	(1,156)	13,501	4,739
Onshift	-	69,026	(29,126)	139,900	39,900
Safety Zone	22,533	-	(7,213)	15,320	7,507
Vocera	27,793	-	(10,234)	17,559	9,883
Total	\$ 1,269,932	\$ 83,683	\$ (543,849)	\$ 809,766	\$ 555,052

Marathon County

Notes to Financial Statements
December 31, 2023

The terms and expiration dates of the NCHC's subscription-based agreements liability at December 31, 2023, are as follows:

- Cerner - Agreement dated September 25, 2020, in the original principal amount of \$1,163,249, due in monthly payments of \$21,423, including imputed interest at 4% through September 25, 2025.
- UKG - Agreement dated May 8, 2019, in the original principal amount of \$1,326,064, due in quarterly payments of \$62,033, including imputed interest at 4% through May 8, 2025.
- Abila - Agreement dated December 7, 2022, in the original principal amount of \$39,823, due in monthly payments of \$2,556, including imputed interest at 4% through March 15, 2024.
- Modal - Agreement dated November 17, 2023, in the original principal amount of \$14,658, due in monthly payments of \$433, including imputed interest at 4% through September 30, 2026.
- Onshift - Agreement dated May 1, 2023, in the original principal amount of \$69,026, due in quarterly payments of \$10,193, including imputed interest at 4% through January 1, 2025.
- Safety Zone - Agreement dated November 4, 2023, in the original principal amount of \$30,148, due in annual payments of \$8,024, including imputed interest at 4% through November 4, 2025.
- Vocera - Agreement dated September 15, 2021, in the original principal amount of \$40,877, due in quarterly payments of \$2,610, including imputed interest at 4% through November 15, 2025.

Subscription-based agreements liability activity for the years ended was as follows:

Years Ending December 31:	Principal	Interest
2024	\$ 555,052	\$ 18,176
2025	250,884	3,606
2026	3,830	64
Total	<u>\$ 809,766</u>	<u>\$ 21,846</u>

Marathon County

Notes to Financial Statements
December 31, 2023

Compensated Absences

Compensated absences activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 2,206,848	\$	\$ 101,823	\$ 2,105,023	\$ 2,105,023

Employee Retirement Plan - Wisconsin Retirement System (WRS)

For general employee retirement plan information, see Note 4. Below is information specific to NCHC.

At December 31, 2023, NCHC reported a liability of \$11,877,189 for its proportionate share of the net pension liability. The net pension liability was measured as of the calendar year that falls within NCHC's fiscal year and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation one year prior to that date rolled forward to the measurement date. 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 NCHC's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, NCHC's proportion was 0.22419504% (an increase of 0.0887920% from the prior year).

For the year ended December 31, 2023, NCHC recognized pension expense of \$6,042,741.

During the reporting period, the WRS recognized \$2,609,280 in contributions from the employer.

At December 31, 2023, 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	\$ 18,916,682	\$ -
Changes in assumptions	2,335,547	-
Net difference between projected and actual earnings on pension plan investments	115,604	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,176,601	24,852,272
Employer contributions subsequent to the measurement date	<u>2,697,860</u>	<u>328,893</u>
Total	<u>\$ 44,242,294</u>	<u>\$ 25,181,165</u>

Marathon County

Notes to Financial Statements

December 31, 2023

Deferred outflows of \$2,697,860 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 outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Total
2023	\$ 661,208
2024	3,371,609
2025	3,429,658
2026	8,900,794

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents NCHC's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
NCHC's proportionate share of the net pension (asset) liability	\$ 39,420,003	\$ 11,877,189	\$ (7,069,905)

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available online at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statments>.

At December 31, 2023, NCHC reported a payable of \$614,958 for the outstanding amount of contributions to the pension plan.

Other Postemployment Benefits

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a multiple-employer cost-sharing defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Marathon County

Notes to Financial Statements
December 31, 2023

Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2023 are:

Coverage Type	Employer Contributions
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

During the year ended December 31, 2023, the LRIF recognized \$8,278 in contributions from the employer.

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the plan year ended December 31, 2022 are as listed below:

Life Insurance Employee Contribution Rates* for the Plan Year		
Attained Age	Basic	Supplemental
Under 30	0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

Marathon County

Notes to Financial Statements

December 31, 2023

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2023, NCHC reported a liability of \$1,589,005 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net OPEB liability was based on NCHC's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, NCHC's proportion was 0.41260500%, which was an increase of 0.03118605% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, NCHC recognized OPEB expense (revenue) of \$174,751.

At December 31, 2023, NCHC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 158,841
Net difference between projected and actual earnings on pension plan investments	29,497	-
Changes in actuarial assumptions	564,769	927,884
Changes in proportion and differences between employer contributions and proportionate share of contributions	222,476	178,636
Employer contributions subsequent to the measurement date	<u>7,949</u>	<u>-</u>
Total	<u>\$ 824,691</u>	<u>\$ 1,260,361</u>

Deferred outflows of resources of \$7,949 related to OPEB resulting from NCHC's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<u>Years Ending December 31:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 6,687
2024	14,812
2025	(6,887)
2026	86,980
Thereafter	334,078

Marathon County

Notes to Financial Statements
December 31, 2023

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7

* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The assumed annual adjustment is 1.9% based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets: The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carrier's general fund, specifically 10-year A-Bonds (as a proxy and not tied to any specific investment). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50.00 %	2.45 %
U.S. Mortgages	Bloomberg U.S. MBS	50.00	2.83
Inflation			2.30
Long-term expected rate of return			4.25

Marathon County

Notes to Financial Statements

December 31, 2023

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate

A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021, to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of NCHC's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents NCHC's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what NCHC's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
NCHC's proportionate share of the net OPEB liability (asset)	\$ 2,143,193	\$ 1,589,005	\$ 1,134,166

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

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.

Marathon County

Notes to Financial Statements

December 31, 2023

The estimated cost of providing care to patients under NCHC's community care policy was approximately \$601,000 in 2023, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charges associated with providing community care.

Related-Party Transaction

NCHC 51.42/.437 operations are financed, in part, by Marathon, Langlade and Lincoln Counties. Contributions for operations are based on NCHC budget amounts. A Joint County Human Services Agreement delineates the methodology for calculating each county's actual contribution and the resulting overpayment or underpayment for that particular year. NCHC also receives contributions from Marathon County and Lincoln County for the nursing home operations.

In 2023, NCHC received \$7,304,513, \$1,785,783 and \$399,186 from Marathon, Lincoln and Langlade Counties, respectively, to assist in meeting operating costs. In 2023, NCHC contributed capital to Marathon County, in terms of contributed depreciation expense, of \$40,294 for capital assets.

In 2023, Marathon County awarded NCHC with \$3,115,000 of American Rescue Plan (ARPA) funding to NCHC to support costs of campus renovations and contributed \$1,517,550 of other funding for capital. At December 31, 2023, NCHC had receivables due from Marathon County of \$285,518.

The City-County Information Technology Commission (the Commission) is a joint and cooperative agreement between Marathon County, the City of Wausau and NCHC. The purpose of the commission is to provide for the implementation and operation of a cooperative data and management system and to foster efficiency in the provision of services under the direction of the governing Board of Commissioners. 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 and NCHC CEO and Finance Director. 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 47.6%, 25.0% and 27.4%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. In 2023, NCHC paid \$1,486,224 to the Commission for services rendered. At December 31, 2023, NCHC had accounts payable due to CCITC totaling \$165,522.

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 2023, approximately 17% of NCHC's revenues for services provided to patients whose bills are paid in whole or in part by the Medicare program.

Marathon County

Notes to Financial Statements

December 31, 2023

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

Medicaid

In 2023, approximately 72% 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.

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.

Patient Accounts Receivable - Net

Patient accounts receivable consisted of the following at December 31, 2023:

	51.42/.437 Program	Nursing Home	Total
Patient accounts receivable	\$ 8,179,818	\$ 4,856,600	\$ 13,036,418
Less allowance for doubtful accounts	112,681	354,786	467,467
Less contractual adjustments	4,210,611	-	4,210,611
Patient accounts receivable, net	<u>\$ 3,856,526</u>	<u>\$ 4,501,814</u>	<u>\$ 8,358,340</u>

Marathon County

Notes to Financial Statements

December 31, 2023

Net Patient Service Revenue

Net patient service revenue consisted of the following at December 31, 2023:

	<u>51.42/437 Program</u>	<u>Nursing Home</u>	<u>Total</u>
Gross patient service revenue:			
Medical assistance	\$ 62,595,964	\$ 18,614,036	\$ 81,210,000
Medicare	14,530,316	4,366,459	18,896,775
Private pay	4,002,611	3,353,236	7,355,847
Insurance and other	4,923,184	1,335,305	6,258,489
Total	86,052,075	27,669,036	113,721,111
Less:			
Contractual adjustments	47,514,378	(4,313,543)	43,200,835
Provision for bad debts	1,061,358	336,166	1,397,524
Net patient service revenue	<u>\$ 37,476,339</u>	<u>\$ 31,646,413</u>	<u>\$ 69,122,752</u>

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 \$225,000.

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:

	<u>2023</u>	<u>2022</u>
Unpaid claims liability, beginning	\$ 1,256,661	\$ 1,299,761
Claims expense	7,244,160	9,004,477
Claim payments	<u>(7,454,834)</u>	<u>(9,047,577)</u>
Unpaid claims liability, ending	<u>\$ 1,045,987</u>	<u>\$ 1,256,661</u>

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).

Marathon County

Notes to Financial Statements
December 31, 2023

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, 2023 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 January 1, 2025.

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 previously discussed 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, 2023:

Medicare	14 %
Medicaid	65
Private pay	14
Insurance and other	<u>7</u>
	<u>100 %</u>

Central Wisconsin Airport

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

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

Basis of Accounting/Measurement Focus

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

Deposits and Investments

At year-end, the carrying amount of the CWA's cash and cash equivalents was \$3,670,109 and is part of the County's commingled cash. See Note 3.

Restricted Assets

The following represent the balances of the restricted assets:

Unspent Passenger Facility Charges

Used to finance various FAA approved construction projects.

The CWA had restricted assets from unspent passenger facility charges at December 31, 2023 of \$967,655.

Marathon County

Notes to Financial Statements
December 31, 2023

Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Land	\$ 614,983	\$ 705,987	\$ -	\$ 1,320,970	N/A
Construction in progress	31,966,184	732,566	29,401,028	3,297,722	N/A
Buildings	39,213,826	2,867,681	-	42,081,507	20-50
Improvements	54,485,660	37,270,846	-	91,756,506	2-20
Equipment	11,704,403	4,742,235	57,486	16,389,152	3-10
Less accumulated depreciation	(64,876,321)	(3,972,835)	(52,304)	(68,796,852)	
Total	\$ 73,108,735	\$ 42,346,480	\$ 29,406,210	\$ 86,049,005	

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, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General obligation debt	\$ 3,190,000	\$ -	\$ 435,000	\$ 2,755,000	\$ 445,000
Add deferred amounts for premiums	28,042	-	4,100	23,942	-
Subtotal	3,218,042	-	439,100	2,778,942	445,000
Other liabilities:					
Vested compensated absences	161,248	48,040	27,412	181,876	27,281
Subtotal	161,248	48,040	27,412	181,876	27,281
Total	\$ 3,379,290	\$ 48,040	\$ 466,512	\$ 2,960,818	\$ 472,281

Component Unit General Obligation Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
2012 General Obligation Promissory Note	12/27/2012	12/1/2028	2.0-3.38%	\$ 2,650,000	\$ 900,000
2015 General Obligation Bond	6/1/2015	12/1/2030	3.0-3.5	2,545,000	1,855,000
Total component unit, general obligation debt					\$ 2,755,000

Marathon and Portage County are partners in cooperating and sharing costs of the airport as defined in an agreement signed July 18, 1967. 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

December 31, 2023

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 445,000	\$ 87,612	\$ 532,612
2025	450,000	74,262	524,262
2026	455,000	60,762	515,762
2027	465,000	46,862	511,862
2028	370,000	31,750	401,750
2029-2030	570,000	29,750	599,750
Total	<u>\$ 2,755,000</u>	<u>\$ 330,998</u>	<u>\$ 3,085,998</u>

Employee Retirement System

The CWA employees are included in the Wisconsin Retirement System. Information on the net pension liability (asset) is provided in Note 4.

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.

Basis of Accounting/Measurement Focus

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

Deposits and Investments

	<u>Statement Balances</u>	<u>Carrying Value</u>	<u>Associated Risks</u>
Deposits	\$ 2,139,119	\$ 2,127,291	Custodial credit
LGIP	2,630,509	2,630,509	Credit
Total deposits and investments	<u>\$ 4,769,628</u>	<u>\$ 4,757,800</u>	

Custodial Credit Risk

Deposits

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

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

Marathon County

Notes to Financial Statements
December 31, 2023

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

Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Equipment	\$ 13,669	\$ -	\$ -	\$ 13,669	10
Lease assets	465,185	-	-	465,185	
Less accumulated depreciation	(56,025)	(88,443)	-	(144,468)	
Total	<u>\$ 422,829</u>	<u>\$ (88,443)</u>	<u>\$ -</u>	<u>\$ 334,386</u>	

Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Vested compensated absences	\$ 62,608	\$ 77,423	\$ 62,608	\$ 77,423	\$ 77,423
Lease, buildings	422,829	-	88,443	334,386	93,131
Total	<u>\$ 485,437</u>	<u>\$ 77,423</u>	<u>\$ 151,051</u>	<u>\$ 411,809</u>	<u>\$ 170,554</u>

The compensated absences liability will be liquidated by the general, special revenue – federal handicapped education or birth to 3 funds.

Lease Disclosure

The Department leases office space from Marathon County. The current lease agreement commenced on January 1, 2022, is noncancelable through December 31, 2026, and has renewal options for the five years subsequent to the initial lease term. The imputed interest rate is 1%. The original value of the lease was \$465,185 and the current outstanding balance is \$334,386.

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 93,131	\$ 3,420	\$ 96,551
2025	95,052	2,454	97,506
2026	96,981	1,479	98,460
2027	49,222	247	49,469
Total	<u>\$ 334,386</u>	<u>\$ 7,600</u>	<u>\$ 341,986</u>

Marathon County

Notes to Financial Statements

December 31, 2023

Employee Retirement System

For general employee retirement plan information, see Note 4. Below is information specific to CDEB.

At June 30, 2023, CDEB reported a liability/(asset) of \$1,650,609 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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/(asset) was based on the department's share of Marathon County's contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, CDEB's proportion 0.03115707%, which was a decrease of 0.00020193% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, CDEB recognized pension expense (revenue) of \$820,691.

At June 30, 2023, CDEB reported deferred outflows/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	\$ 2,628,909	\$ 3,453,796
Changes in actuarial assumptions	324,578	-
Net difference between projected and actual earnings on pension plan investments	2,804,003	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,719	1,309
Employer contributions subsequent to the measurement date	<u>204,178</u>	<u>-</u>
Total	<u>\$ 5,966,387</u>	<u>\$ 3,455,105</u>

\$204,178 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 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>Years Ending June 30:</u>	<u>Total</u>
2024	\$ 96,026
2025	477,876
2026	490,472
2027	1,242,730

Marathon County

Notes to Financial Statements
December 31, 2023

Sensitivity of the Department's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the department'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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease to Discount Rate (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase to Discount Rate (7.80%)</u>
CDEB's proportionate share of the net pension liability (asset)	\$ 5,478,318	\$ 1,650,609	\$ (982,526)

Postemployment Benefits Other Than Pensions

CDEB 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.

General Information About the OPEB Plan

Plan Membership

At June 30, 2023, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefit payments	2
Active plan members	<u>127</u>
Total	<u><u>129</u></u>

Contributions

The Board grants the authority to establish and amend the contribution requirements of the department and employees to the department OPEB plan. The Board establishes contributions based on status of the department OPEB plan. For the year ended June 30, 2023, CDEB did not make any contributions to the plan in the current year. Employees are not required to contribute to the plan.

Investments

Investment Policy

The CDEB's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk of investment principal. The Board has determined that CDEB's OPEB plan shall hold its funds in a fixed annuity account that earns a reasonable rate of return with a guarantee minimum rate of return of not less than 3%. The account shall be held with a major insurance company and rated at least A+ by A.M. Best, AA+ by Standard & Poor's and Aa2 by Moody's.

Marathon County

Notes to Financial Statements
December 31, 2023

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 3.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability/Asset

The CDEB's net OPEB liability/asset was measured as of June 30, 2023 and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability/asset in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.0%, plus merit increases based on years of service ranging from 0.2% to 5.6%
Investment rate of return	3.50%
Healthcare cost trend rates	6.5%, decreasing 0.1% per year to 5.0% and level thereafter

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

Since plan assets are invested in a fixed interest account, the long-term expected rate of return on OPEB plan investments was based upon the 20-year AA municipal bond rate and applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. This rate is equivalent to the Bond Buyer Go 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Marathon County

Notes to Financial Statements
December 31, 2023

Changes in the Net OPEB Liability/Asset

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance at June 30, 2022	\$ 243,754	\$ 326,987	\$ (83,233)
Changes for the year:			
Service cost	20,762	-	20,762
Interest	7,944	-	7,944
Changes of benefit terms	81,185	-	81,185
Differences between expected and actual experience	67,450	-	67,450
Changes in assumptions or other input	147	-	147
Net investment income	-	4,023	(4,023)
Benefit payments	(54,325)	(54,325)	-
Net changes	123,163	(50,302)	173,465
Balance at June 30, 2023	\$ 366,917	\$ 276,685	\$ 90,232

Sensitivity of the Net OPEB Liability (Asset) To Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the CDEB, as well as what the CDEB's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability (asset)	\$ 108,660	\$ 90,232	\$ 72,371

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the department, as well as what the department's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 3.5%) or 1-percentage-point higher (7.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (6% Decreasing to 4.5%)	1% Increase (7.5% Decreasing to 5.5%)
Net OPEB liability (asset)	\$ 74,141	\$ 90,232	\$ 109,296

Marathon County

Notes to Financial Statements
December 31, 2023

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the department reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,054	\$ 13,851
Changes of assumptions or other input	10,872	47,700
Net difference between projected and actual earnings on OPEB plan investments	9,032	-
Total	<u>\$ 129,958</u>	<u>\$ 61,551</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30:	Net Deferred Outflows (Inflows) of Resources (Net)
2024	\$ 8,493
2025	6,958
2026	6,617
2027	6,072
2028	4,777
Thereafter	35,490

4. Other Information

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Marathon County

Notes to Financial Statements

December 31, 2023

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.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

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
2013	(9.6)%	9.0%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10)
2020	1.7	21
2021	5.1	13.0
2022	7.4	15.0

Marathon County

Notes to Financial Statements

December 31, 2023

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. Starting January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. 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 \$2,955,378 in contributions from the County and \$68,078 from the CWA.

Contribution rates as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

Pension Liability/(Asset), Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows Related to Pensions

At December 31, 2023, the County reported a liability/(asset) of \$13,387,713 for its proportionate share of the net pension liability/(asset) and CWA reported a net pension liability/(asset) of \$307,876 for its share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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/(asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the County's proportion was 0.25270682%, which was a decrease of 0.00136431% from its proportion measured as of December 31, 2021. The CWA's proportion was 0.00582120%, which was a decrease of 0.00003143% from its proportioned measure.

For the year ended December 31, 2023, the County recognized pension expense (revenue) of \$6,875,912 and CWA recognized pension expense (revenue) of \$158,389.

Marathon County

Notes to Financial Statements
December 31, 2023

At December 31, 2023, the County and CWA reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>County Deferred Outflows of Resources</u>	<u>County Deferred Inflows of Resources</u>	<u>CWA Deferred Outflows of Resources</u>	<u>CWA Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 21,201,037	\$ 28,215,023	\$ 540,900	\$ 652,236
Changes in actuarial assumptions	2,630,588	-	60,310	-
Net differences between projected and actual earnings on pension plan investments	23,284,802	-	444,885	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,251	11,345	877	347
Employer contributions subsequent to the measurement date	<u>3,294,762</u>	<u>-</u>	<u>92,320</u>	<u>-</u>
Total	<u>\$ 50,449,440</u>	<u>\$ 28,226,368</u>	<u>\$ 1,139,292</u>	<u>\$ 652,583</u>

\$3,294,762 for the County and \$92,320 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 in the subsequent year. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Net County</u>	<u>Net CWA</u>
2024	\$ 787,714	\$ 16,820
2025	3,920,109	83,703
2026	4,023,436	85,910
2027	10,197,051	207,956

Marathon County

Notes to Financial Statements
December 31, 2023

Actuarial Assumptions

The total pension asset in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

- * No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Marathon County

Notes to Financial Statements
December 31, 2023

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

Marathon County

Notes to Financial Statements
December 31, 2023

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's *20-year Municipal GO AA Index* as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

Sensitivity of the County's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the County's and CWA's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.80%, as well as what the County's and CWA'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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
County's proportionate share of the net pension liability/(asset)	\$ 44,433,203	\$ 13,387,713	\$ (7,969,013)
CWA's proportionate share of the net pension liability/(asset)	1,023,536	307,876	(183,569)

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/about-eftr/reports-and-studies/financial-reports-and-statements>.

At December 31, 2023, the County reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

Marathon County

Notes to Financial Statements
December 31, 2023

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, 2023, WMMIC consisted of twenty 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 (60.0%) and Governmental Entities Mutual (GEM) Insurance Company (40.0%) for excess of loss reinsurance. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$1,500,000 per occurrence up to the maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,500,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$12,000,000 per occurrence or greater than \$15,000,000 of aggregate losses for public officials' liability only. GEM has established and funded a trust account for its anticipated loss obligations to WMMIC to satisfy state regulatory requirements due to its current status as an unauthorized reinsurer in Wisconsin.

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 \$550,000 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
December 31, 2023

The 2023 claims liability of \$2,176,944 reported in the Property Casualty Insurance fund at December 31, 2023 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 2022 and 2023 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>
2022	\$ 2,219,878	\$ 603,921	\$ (992,032)	\$ 1,831,767
2023	1,831,767	1,829,653	(1,484,476)	2,176,944

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. \$4,179,343 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 \$1,709,576 reported in the Employee Benefits Insurance fund at December 31, 2023 is also based on the requirements of GASB.

Changes in the fund's claim liability amount for 2022 and 2023 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>
2022	\$ 1,778,637	\$ 372,324	\$ (542,688)	\$ 1,608,273
2023	1,608,273	366,238	(264,935)	1,709,576

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, 2023 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.

Marathon County

Notes to Financial Statements
December 31, 2023

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.

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 25%, 48% and 27%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. Marathon County contributed \$1,731,135 for operating assessments, \$479,720 for maintenance support and \$685,049 for capital contributions. The County has an equity interest of \$1,132,344 in the commission that is accounted for in the governmental activities.

Financial information of the CCITC as of December 31, 2023 is available directly from the commission's office.

Marathon County

Notes to Financial Statements
December 31, 2023

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 2023 appropriation for NCWRPC was \$41,500.

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, 2023 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.

Other Information

County Guaranty

Marathon County, Wisconsin (the County) entered into an Intergovernmental Agreement dated December 1, 2021 with other Participating Wisconsin Counties appointing Fond du Lac County, Wisconsin, as conduit issuer for the \$70,000,000 Fond du Lac County, Wisconsin Taxable Revenue Bonds, Series 2021 (Bug Tussel 1, LLC Project) (the Series 2021 Bonds). The Series 2021 Bonds were issued for the purpose of constructing protected fiber optic transport facilities, wireless communication towers, wireless broadband equipment and other infrastructure (the Project) to provide and promote broadband services to businesses, governmental units and residents of rural communities.

Fond du Lac County (the Issuer) entered into a Loan Agreement with Bug Tussel 1, LLC (the Borrower) dated December 1, 2021 to deliver the proceeds of the Series 2021 Bonds to U.S. Bank National Association (the Trustee). The Borrower has the primary obligation to make all scheduled principal and interest payments on the Series 2021 Bonds when due, and the required payments on the Loan Agreement represent the Pledged Revenues on the Series 2021 Bonds. The Issuer and Trustee also executed a Trust Indenture which establishes separate Project, Capitalized Interest, Debt Service Reserve and Bond Issuance Cost Accounts to deposit the proceeds of the Series 2021 Bonds. The Series 2021 Capitalized Interest Account will be used to pay interest maturities on the Series 2021 Bonds through November 1, 2024. The Series 2021 Debt Service Reserve Account represents the Maximum Annual Debt Service on the Series 2021 Bonds and may be utilized by the Trustee if Pledged Revenues received from the Borrower are insufficient to satisfy the debt service requirements of the Series 2021 Bonds. The Borrower has agreed that it shall deposit with the Trustee sufficient resources to cure any deficit in the Debt Service Reserve Account.

Marathon County

Notes to Financial Statements
December 31, 2023

Concurrently with the issuance of the 2021 Bonds, Marathon County entered into a Guaranty Agreement with the Trustee to guarantee the payment of its Pro Rata Share of principal and interest on the Bonds in an aggregate principal amount not to exceed \$25,000,000. If Pledged Revenues are insufficient and the Borrower fails to replenish a deficiency in the Series 2021 Debt Service Reserve Account, the County has guaranteed replenishment of the Debt Service Reserve Account in an amount equal to the County's pro rata share (35.7%) of the Series 2021 Bonds. The Guaranty Agreement pledges the County's full faith and credit taxing power to replenish its pro rata share of any deficiency in the Debt Service Reserve Account. At December 31, 2023, the County's pro rata share of the Debt Service Reserve Account is \$1,505,794. To secure its interest, the County entered into a Reimbursement Agreement with the Borrower which requires the Borrower to reimburse the County within five business days of the County making payment under the Guaranty Agreement. In addition, the County executed a Guaranty Agreement with Hilbert Communications, LLC, sole owner of borrower, for the full and prompt payment to the County of all amounts when due from the Borrower pursuant to, and the performance of all other obligations, covenants and agreements of the Borrower under the Reimbursement Agreement or other security interests filed on assets acquired using proceeds of the Series 2021 Bonds.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*

REQUIRED SUPPLEMENTARY INFORMATION

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues			
Taxes:			
General property taxes	\$ 36,117,510	\$ 36,869,191	\$ 751,681
Forest crop taxes	65,300	206,161	140,861
Transfer tax	400,000	427,844	27,844
Sales tax	12,895,300	14,421,106	1,525,806
Interest on delinquent taxes	300,000	600,866	300,866
Penalties on delinquent taxes	272,074	434,505	162,431
Total taxes	<u>50,050,184</u>	<u>52,959,673</u>	<u>2,909,489</u>
Intergovernmental grants and aids:			
Shared revenue	6,335,533	6,442,318	106,785
Federal grants	(8,000)	14,886	22,886
State grants	447,442	11,160	(436,282)
Total intergovernmental grants and aids	<u>6,774,975</u>	<u>6,468,364</u>	<u>(306,611)</u>
Licenses and permits:			
Licenses	41,500	41,630	130
Permits	390,000	362,938	(27,062)
Total licenses and permits	<u>431,500</u>	<u>404,568</u>	<u>(26,932)</u>
Fines and forfeitures:			
County share of state fines and forfeitures	670,013	546,040	(123,973)
Total fines and forfeitures	<u>670,013</u>	<u>546,040</u>	<u>(123,973)</u>
Public charges for services:			
General government:			
Recording fees	300,000	247,810	(52,190)
Certified copies	70,000	176,211	106,211
Land record fees	198,092	132,112	(65,980)
Court fees and costs	750,183	1,565,895	815,712
Other charges	10,000	293,515	283,515
Total general government	<u>1,328,275</u>	<u>2,415,543</u>	<u>1,087,268</u>
Public safety:			
Board of prisoners	547,250	359,500	(187,750)
Other charges	546,661	199,999	(346,662)
Total public safety	<u>1,093,911</u>	<u>559,499</u>	<u>(534,412)</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Health:			
General health	\$ 757,690	\$ 782,559	\$ 24,869
Total health	<u>757,690</u>	<u>782,559</u>	<u>24,869</u>
Library	<u>50,000</u>	<u>54,068</u>	<u>4,068</u>
Education	<u>21,900</u>	<u>7,946</u>	<u>(13,954)</u>
Conservation:			
Forest resources	752,600	582,534	(170,066)
Agricultural resources	<u>46,500</u>	<u>93,572</u>	<u>47,072</u>
Total conservation	<u>799,100</u>	<u>676,106</u>	<u>(122,994)</u>
Total public charges for services	<u>4,050,876</u>	<u>4,495,721</u>	<u>444,845</u>
Intergovernmental charges for services:			
State and federal	435,985	431,891	(4,094)
Local districts:			
Sheriff's services	912,500	1,491,370	578,870
Other charges	<u>965,489</u>	<u>807,110</u>	<u>(158,379)</u>
Total intergovernmental charges for services	<u>2,313,974</u>	<u>2,730,371</u>	<u>416,397</u>
Miscellaneous revenue:			
Investment income (loss)	712,120	3,745,178	3,033,058
Rental income	638,054	646,402	8,348
Donations	47,750	256,405	208,655
Other revenues	<u>175,012</u>	<u>213,568</u>	<u>38,556</u>
Total miscellaneous revenue	<u>1,572,936</u>	<u>4,861,553</u>	<u>3,288,617</u>
Total revenues	<u>\$ 65,864,458</u>	<u>\$ 72,466,290</u>	<u>\$ 6,601,832</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Expenditures			
General government:			
Legislative:			
Personal services	\$ 311,486	\$ 290,167	\$ 21,319
Contractual services	32,000	26,221	5,779
Materials and supplies	99,200	70,476	28,724
Total legislative	<u>442,686</u>	<u>386,864</u>	<u>55,822</u>
Judicial:			
Personal services	3,172,558	2,932,684	239,874
Contractual services	1,185,020	1,395,578	(210,558)
Materials and supplies	94,100	84,507	9,593
Fixed charges	4,800	1,800	3,000
Total judicial	<u>4,456,478</u>	<u>4,414,569</u>	<u>41,909</u>
General administration:			
Personal services	2,447,088	1,515,493	931,595
Contractual services	1,666,608	3,982,023	(2,315,415)
Materials and supplies	480,950	277,505	203,445
Fixed charges	22,300	62,528	(40,228)
Grants and contributions	226,133	399,629	(173,496)
Capital Outlay	-	8,393	(8,393)
Total general administration	<u>4,843,079</u>	<u>6,245,571</u>	<u>(1,402,492)</u>
Financial administration:			
Personal services	1,241,084	998,903	242,181
Contractual services	261,223	568,860	(307,637)
Materials and supplies	56,000	64,387	(8,387)
Grants and contributions	42,300	154,957	(112,657)
Total financial administration	<u>1,600,607</u>	<u>1,787,107</u>	<u>(186,500)</u>
Legal:			
Personal services	2,037,395	1,861,519	175,876
Contractual services	46,172	101,977	(55,805)
Materials and supplies	66,630	61,374	5,256
Capital outlay	-	6,071	(6,071)
Total legal	<u>2,150,197</u>	<u>2,030,941</u>	<u>119,256</u>
Property records and control:			
Personal services	370,591	314,390	56,201
Contractual services	11,800	8,529	3,271
Materials and supplies	18,150	6,495	11,655
Fixed charges	800	-	800
Total property records and control	<u>401,341</u>	<u>329,414</u>	<u>71,927</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Building maintenance:			
Personal services	\$ 2,536,884	\$ 2,131,166	\$ 405,718
Contractual services	2,558,910	1,884,701	674,209
Materials and supplies	239,410	189,305	50,105
Fixed charges	19,187	15,740	3,447
Capital outlay	317,600	295,692	21,908
	<u>5,671,991</u>	<u>4,516,604</u>	<u>1,155,387</u>
Total building maintenance			
	<u>5,671,991</u>	<u>4,516,604</u>	<u>1,155,387</u>
Total general government	<u>19,566,379</u>	<u>19,711,070</u>	<u>(144,691)</u>
Public safety:			
Sheriff:			
Personal services	10,558,975	10,623,211	(64,236)
Contractual services	414,460	351,177	63,283
Materials and supplies	1,158,990	1,082,433	76,557
Fixed charges	400	1,472	(1,072)
Grants and contributions	1,000	14	986
Capital outlay	2,000	20,741	(18,741)
	<u>12,135,825</u>	<u>12,079,048</u>	<u>56,777</u>
Total sheriff			
	<u>12,135,825</u>	<u>12,079,048</u>	<u>56,777</u>
Emergency services:			
Personal services	3,098,239	2,906,988	191,251
Contractual services	654,180	598,493	55,687
Materials and supplies	74,000	42,179	31,821
Fixed charges	-	(1,082)	1,082
Capital outlay	-	17,384	(17,384)
	<u>3,826,419</u>	<u>3,563,962</u>	<u>262,457</u>
Total emergency services			
	<u>3,826,419</u>	<u>3,563,962</u>	<u>262,457</u>
Adult corrections:			
Personal services	6,485,644	5,424,099	1,061,545
Contractual services	3,444,675	3,388,793	55,882
Materials and supplies	281,356	208,366	72,990
Fixed charges	-	467	(467)
	<u>10,211,675</u>	<u>9,021,725</u>	<u>1,189,950</u>
Total adult corrections			
	<u>10,211,675</u>	<u>9,021,725</u>	<u>1,189,950</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Other public safety:			
Personal services	\$ 98,943	\$ 80,937	\$ 18,006
Contractual services	23,300	23,797	(497)
Materials and supplies	21,740	2,805	18,935
Fixed charges	4,500	4,961	(461)
Total other public safety	<u>148,483</u>	<u>112,500</u>	<u>35,983</u>
Total public safety	<u>26,322,402</u>	<u>24,777,235</u>	<u>1,545,167</u>
Health:			
Personal services	2,921,578	2,443,821	477,757
Contractual services	355,133	294,427	60,706
Materials and supplies	246,682	173,265	73,417
Fixed charges	13,190	(2,565)	15,755
Grants and contributions	9,492,263	5,886,080	3,606,183
Total health	<u>13,028,846</u>	<u>8,795,028</u>	<u>4,233,818</u>
Social services:			
Veterans:			
Personal services	228,488	193,121	35,367
Contractual services	4,600	5,728	(1,128)
Materials and supplies	14,075	3,999	10,076
Grants and contributions	550	5,931	(5,381)
Total veterans	<u>247,713</u>	<u>208,779</u>	<u>38,934</u>
Total social services	<u>247,713</u>	<u>208,779</u>	<u>38,934</u>
Leisure activities and education:			
Library:			
Personal services	2,865,626	2,754,995	110,631
Contractual services	129,100	109,946	19,154
Materials and supplies	760,080	619,595	140,485
Fixed charges	109,961	106,313	3,648
Total library	<u>3,864,767</u>	<u>3,590,849</u>	<u>273,918</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Public areas:			
Personal services	\$ -	\$ 12	\$ (12)
Total public areas	<u>-</u>	<u>12</u>	<u>(12)</u>
University extension program:			
Contractual services	238,600	241,292	(2,692)
Materials and supplies	<u>113,591</u>	<u>50,259</u>	<u>63,332</u>
Total university extension program	<u>352,191</u>	<u>291,551</u>	<u>60,640</u>
Total leisure activities and education	<u>4,216,958</u>	<u>3,882,412</u>	<u>334,546</u>
Conservation and economic development:			
Forest resources:			
Personal services	2,060,502	1,992,088	68,414
Contractual services	808,630	450,481	358,149
Materials and supplies	237,336	103,275	134,061
Fixed charges	53,964	2,032	51,932
Capital outlay	<u>-</u>	<u>67,246</u>	<u>(67,246)</u>
Total forest resources	<u>3,160,432</u>	<u>2,615,122</u>	<u>545,310</u>
Agricultural resources:			
Grants and contributions	<u>83,000</u>	<u>88,212</u>	<u>(5,212)</u>
Total agricultural resources	<u>83,000</u>	<u>88,212</u>	<u>(5,212)</u>
Total conservation and economic development	<u>3,243,432</u>	<u>2,703,334</u>	<u>540,098</u>
Total expenditures	<u>66,625,730</u>	<u>60,077,858</u>	<u>6,547,872</u>
Excess of revenues over expenditures	<u>(761,272)</u>	<u>12,388,432</u>	<u>13,149,704</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Other Financing Sources and Uses			
Transfers in:			
Capital Improvement Fund	\$ -	\$ 561,114	\$ 561,114
Parks Fund	-	100,815	100,815
Sales of capital assets	500	18,795	18,295
Transfers out:			
Grants Fund	-	(1,941,465)	(1,941,465)
Parks Fund	-	(1,550,783)	(1,550,783)
Capital Improvement Fund	-	(5,912,865)	(5,912,865)
Debt Service Fund	-	(3,349,571)	(3,349,571)
Employee Benefits Fund	-	(884,509)	(884,509)
Total other financing sources and uses	<u>500</u>	<u>(12,958,469)</u>	<u>(12,958,969)</u>
Net change in fund balance	(760,772)	(570,037)	190,735
Fund Balance, Beginning	<u>48,220,858</u>	<u>48,220,858</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 47,460,086</u>	<u>\$ 47,650,821</u>	<u>\$ 190,735</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Social Improvement Fund Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues			
General property taxes	\$ 7,153,853	\$ 7,410,128	\$ 256,275
Intergovernmental grants and aids			
State grants	250,202	3,462,569	3,212,367
Public charges for services:			
Social services	2,612,885	3,909,286	1,296,401
Miscellaneous revenue:			
Other revenues	65,738	789,242	723,504
	<u>10,082,678</u>	<u>15,571,225</u>	<u>5,488,547</u>
Total revenues			
Expenditures			
Social services:			
Personal services	5,223,465	4,805,287	418,178
Contractual services	674,098	881,081	(206,983)
Materials and supplies	171,469	192,073	(20,604)
Fixed charges	295,802	192,591	103,211
Grants and contributions	23,290	3,993,602	(3,970,312)
Capital outlay	-	252	(252)
	<u>6,388,124</u>	<u>10,064,886</u>	<u>(3,676,762)</u>
Total expenditures			
Excess of revenues over expenditures	<u>3,694,554</u>	<u>5,506,339</u>	<u>1,811,785</u>
Other Financing Uses			
Transfers in:			
General Fund	46,740	-	(46,740)
Transfers out:			
General Fund	(3,741,294)	-	3,741,294
Grants Fund	-	(13,467,556)	(13,467,556)
Capital improvement fund	-	(250,203)	(250,203)
	<u>(3,694,554)</u>	<u>(13,717,759)</u>	<u>(10,023,205)</u>
Total other financing uses			
Net change in fund balance	-	(8,211,420)	(8,211,420)
Fund Balance, Beginning	<u>14,253,590</u>	<u>14,253,590</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 14,253,590</u>	<u>\$ 6,042,170</u>	<u>\$ (8,211,420)</u>

See notes to required supplementary information

Marathon CountySchedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Grant Fund
Year Ended December 31, 2023

	<u>Budgeted</u>		<u>Variance With</u>
	<u>Amounts Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
General property taxes	\$ 805,244	\$ -	\$ (805,244)
Fines and forfeitures	20,000	32,370	12,370
Public charges for services	-	8,036	8,036
Intergovernmental grants and aids			
Federal grants	6,397,685	16,011,974	9,614,289
State grants	14,583,102	14,866,818	283,716
Local government grants	19,256	5,000	(14,256)
Total intergovernmental grants and aids	<u>21,000,043</u>	<u>30,883,792</u>	<u>9,883,749</u>
Intergovernmental public charges for services:			
State	196,729	190,678	(6,051)
Local government	356,943	77,859	(279,084)
Total intergovernmental public charges for services	<u>553,672</u>	<u>268,537</u>	<u>(285,135)</u>
Miscellaneous revenue:			
Interest income	-	1,200,325	1,200,325
Other revenues	359,054	165,884	(193,170)
Total miscellaneous revenue	<u>359,054</u>	<u>1,366,209</u>	<u>1,007,155</u>
Total revenues	<u>22,738,013</u>	<u>32,558,944</u>	<u>9,820,931</u>
Expenditures			
General Government			
Judicial:			
Personal services	24,500	26,472	(1,972)
Contractual services	206,300	10,439	195,861
Materials and supplies	25,200	10,782	14,418
Total judicial	<u>256,000</u>	<u>47,693</u>	<u>208,307</u>
General administration:			
Personal services	-	17,180	(17,180)
Contractual services	488,666	629,207	(140,541)
Materials and supplies	45,738	18,788	26,950
Fixed charges	-	211	(211)
Total general administration	<u>534,404</u>	<u>665,386</u>	<u>(130,982)</u>
Financial administration:			
Materials and supplies	-	1,000	(1,000)
Total financial administration	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Legal:			
Personal services	292,479	360,291	(67,812)
Contractual services	1,300	16,494	(15,194)
Materials and supplies	18,408	12,321	6,087
Total general administration	<u>312,187</u>	<u>389,106</u>	<u>(76,919)</u>
Total general government	<u>1,102,591</u>	<u>1,103,185</u>	<u>(594)</u>

See notes to required supplementary information

Marathon CountySchedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Grant Fund
Year Ended December 31, 2023

	<u>Budgeted</u>		<u>Variance With</u>
	<u>Amounts Final</u>	<u>Actual</u>	<u>Final Budget</u>
Public Safety			
Sheriff			
Personal services	\$ 170,675	\$ 198,198	\$ (27,523)
Contractual services	2,000,659	117,743	1,882,916
Materials and supplies	289,871	238,754	51,117
Grants and contributions	92,923	73,524	19,399
Capital outlay	114,007	25,125	88,882
Total sheriff	<u>2,668,135</u>	<u>653,344</u>	<u>2,014,791</u>
Adult corrections:			
Contractual services	31,000	526,032	(495,032)
Materials and supplies	65,864	17,299	48,565
Capital outlay	3,000	749	2,251
Total general administration	<u>99,864</u>	<u>544,080</u>	<u>(444,216)</u>
Other public safety:			
Personal services	131,231	130,419	812
Contractual services	29,740	18,676	11,064
Materials and supplies	19,556	4,849	14,707
Fixed charges	-	(2,518)	2,518
Total other public safety	<u>180,527</u>	<u>151,426</u>	<u>29,101</u>
Total public safety	<u>2,948,526</u>	<u>1,348,850</u>	<u>1,599,676</u>
Public health services			
Personal services	1,090,022	917,936	172,086
Contractual services	506,143	238,259	267,884
Materials and supplies	45,365	57,363	(11,998)
Fixed charges	-	1,850,000	(1,850,000)
Grants and contributions	-	(2,628)	2,628
Total public health services	<u>1,641,530</u>	<u>3,060,930</u>	<u>(1,419,400)</u>
Social services			
General			
Personal services	5,782,654	5,588,439	194,215
Contractual services	1,281,611	3,304,894	(2,023,283)
Materials and supplies	164,560	117,387	47,173
Fixed charges	6,075	236,637	(230,562)
Grants and contributions	8,407,089	3,313,106	5,093,983
Capital outlay	-	980	(980)
Total general	<u>15,641,989</u>	<u>12,561,443</u>	<u>3,080,546</u>
Veteran services:			
Personal services	-	32,035	(32,035)
Contractual services	15,325	-	15,325
Materials and supplies	3,775	1,443	2,332
Grants and contributions	1,955	1,192	763
Total veterans services	<u>21,055</u>	<u>34,670</u>	<u>(13,615)</u>
Total social services	<u>15,663,044</u>	<u>12,596,113</u>	<u>3,066,931</u>
Leisure activities and education			
Public areas			
Personal services	21	-	21
Contractual services	-	14,000	(14,000)
Fixed charges	-	1,630	(1,630)
Capital outlay	250,000	-	250,000
Total public areas	<u>250,021</u>	<u>15,630</u>	<u>234,391</u>

See notes to required supplementary information

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - Grant Fund
 Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Parks:			
Personal services	\$ 838,059	\$ 713,300	\$ 124,759
Contractual services	-	100	(100)
Materials and supplies	-	2,174	(2,174)
Fixed charges	-	1,358	(1,358)
Total parks	<u>838,059</u>	<u>716,932</u>	<u>121,127</u>
Total leisure activities and education	<u>1,088,080</u>	<u>732,562</u>	<u>355,518</u>
Conservation and development			
Forest resources			
Personal services	694,985	656,187	38,798
Contractual services	958,927	482,716	476,211
Materials and supplies	51,789	11,547	40,242
Fixed charges	3,898	(2,373)	6,271
Total forest resources	<u>1,709,599</u>	<u>1,148,077</u>	<u>561,522</u>
Agriculture resources			
Grants and contributions	1,679,061	908,411	770,650
Total agriculture resources	<u>1,679,061</u>	<u>908,411</u>	<u>770,650</u>
Total conservation and development	<u>3,388,660</u>	<u>2,056,488</u>	<u>1,332,172</u>
Capital outlay			
General administration	-	1,332,073	(1,332,073)
General public buildings	-	5,689,074	(5,689,074)
Sewage service	-	1,600	(1,600)
Parks	-	168,809	(168,809)
Economic development	-	6,912	(6,912)
Total capital outlay	<u>-</u>	<u>7,198,468</u>	<u>(7,198,468)</u>
Total expenditures	<u>25,832,431</u>	<u>28,096,596</u>	<u>(2,264,165)</u>
Excess of revenues over expenditures	<u>(3,094,418)</u>	<u>4,462,348</u>	<u>7,556,766</u>
Other Financing Uses			
Transfers in:			
General Fund	3,305,945	1,941,465	(1,364,480)
Social Improvement Fund	-	13,467,556	13,467,556
Transfers out:			
Capital improvement fund	(250,203)	(3,240,246)	(2,990,043)
Total other financing uses	<u>3,055,742</u>	<u>12,168,775</u>	<u>9,113,033</u>
Net change in fund balance	<u>(38,676)</u>	<u>16,631,123</u>	<u>16,669,799</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (38,676)</u>	<u>\$ 16,631,123</u>	<u>\$ 16,669,799</u>

See notes to required supplementary information

Marathon County

Schedule of Proportionate Share of the Net Pension (Asset)/Liability -
 Wisconsin Retirement System
 Year Ended December 31, 2023

	Fiscal Year Ending	Proportion of the Net Pension (Asset)/Liability	Proportionate Share of the Net Pension (Asset)/Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
County	12/31/23	0.252706820 %	\$ 13,387,713	\$ 40,893,469	32.74 %	95.72 %
County	12/31/22	0.253034730 %	(20,395,231)	39,430,687	51.72 %	106.02 %
County	12/31/21	0.250468706 %	(15,636,783)	38,011,215	41.14 %	105.26 %
County	12/31/20	0.255426200 %	(8,235,765)	37,615,420	21.89 %	102.96 %
County	12/31/19	0.259975017 %	9,249,121	37,251,102	24.83 %	96.45 %
County	12/31/18	0.257342718 %	(7,640,810)	36,019,977	21.21 %	102.93 %
County	12/31/17	0.252273859 %	2,079,395	35,060,575	5.93 %	99.12 %
County	12/31/16	0.250021250 %	4,062,797	33,800,281	12.02 %	98.20 %
County	12/31/15	0.251000350 %	(6,165,255)	33,120,068	18.61 %	102.74 %
Component Unit - CWA	12/31/23	0.005821200 %	307,876	941,997	32.68 %	95.72 %
Component Unit - CWA	12/31/22	0.005791660 %	(467,917)	902,521	51.85 %	106.02 %
Component Unit - CWA	12/31/21	0.006371223 %	(398,462)	966,899	41.21 %	105.26 %
Component Unit - CWA	12/31/20	0.006528072 %	(210,464)	961,359	21.89 %	102.96 %
Component Unit - CWA	12/31/19	0.006401658 %	228,031	925,329	24.61 %	96.45 %
Component Unit - CWA	12/31/18	0.006392504 %	(189,801)	946,767	20.05 %	102.93 %
Component Unit - CWA	12/31/17	0.006630890 %	54,633	884,567	6.18 %	99.12 %
Component Unit - CWA	12/31/16	0.006307952 %	102,503	852,768	12.02 %	98.20 %
Component Unit - CWA	12/31/15	0.006297910 %	(154,694)	831,021	18.61 %	102.74 %

Schedule of Employer Contributions - Wisconsin Retirement System
 Year Ended December 31, 2023

	Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
County	12/31/23	\$ 3,294,762	\$ 3,294,762	\$ -	\$ 38,911,390	8.47 %
County	12/31/22	3,188,944	3,188,944	-	36,064,502	8.84 %
County	12/31/21	3,111,525	3,111,525	-	34,434,565	9.04 %
County	12/31/20	2,734,524	2,734,524	-	34,378,913	7.95 %
County	12/31/19	2,651,892	2,651,892	-	34,585,023	7.67 %
County	12/31/18	2,660,983	2,660,983	-	34,026,814	7.82 %
County	12/31/17	2,608,893	2,608,893	-	33,129,952	7.87 %
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	12/31/23	92,320	92,320	-	896,339	10.30 %
Component Unit - CWA	12/31/22	73,336	73,336	-	825,473	8.88 %
Component Unit - CWA	12/31/21	71,386	71,386	-	875,919	8.15 %
Component Unit - CWA	12/31/20	69,682	69,682	-	878,641	7.93 %
Component Unit - CWA	12/31/19	67,769	67,769	-	851,626	7.67 %
Component Unit - CWA	12/31/18	65,605	65,605	-	845,241	7.76 %
Component Unit - CWA	12/31/17	64,806	64,806	-	870,804	7.87 %
Component Unit - CWA	12/31/16	63,568	63,568	-	815,512	7.49 %
Component Unit - CWA	12/31/15	60,970	60,970	-	852,768	7.15 %

See notes to required supplementary information

Marathon County

Notes to Required Supplementary Information
Year Ended December 31, 2023

1. 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 1.

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 2022. 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
Year Ended December 31, 2023

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.

Marathon County

Notes to Required Supplementary Information
Year Ended December 31, 2023

Excess expenditures over appropriations are as follows:

	<u>Amended Budget</u>	<u>Actual Expenditures</u>	<u>Excess</u>
General Fund			
Current expenditures:			
General administration	\$ 4,843,079	\$ 6,245,571	\$ 1,402,492
Financial administration	1,600,607	1,787,107	186,500
Agricultural resources	83,000	88,212	5,212
Social Improvement Fund			
Current expenditures:			
Social services	6,388,124	10,064,886	3,676,762
Grants Fund			
Current expenditures:			
General administration	534,404	665,386	130,982
Financial administration	-	1,000	1,000
Legal	312,187	389,106	76,919
Adult corrections	99,864	544,080	444,216
Public health services	1,641,530	3,060,930	1,419,400
Veterans services	21,055	34,670	13,615
Capital outlay	-	7,198,468	7,198,468

2. 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. Based on a three-year experience study conducted in 2022 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2022, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Marathon County

Notes to Required Supplementary Information
Year Ended December 31, 2023

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Capital Improvements Fund - Major Fund
Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues			
Intergovernmental charges for services	\$ -	\$ 30,000	\$ 30,000
Miscellaneous revenues:			
Investment income	175,000	2,578,822	2,403,822
Miscellaneous	50,000	60,204	10,204
Total revenues	<u>225,000</u>	<u>2,669,026</u>	<u>2,444,026</u>
Expenditures			
Capital outlay	<u>8,748,140</u>	<u>20,333,720</u>	<u>(11,585,580)</u>
Total expenditures	<u>8,748,140</u>	<u>20,333,720</u>	<u>(11,585,580)</u>
Deficiency of revenues over expenditures	<u>(8,523,140)</u>	<u>(17,664,694)</u>	<u>(9,141,554)</u>
Other Financing Sources (Uses)			
Transfers in			
General fund	7,043,438	6,552,700	(490,738)
Grants fund	2,790,823	3,240,246	449,423
Social improvement fund	-	250,203	250,203
Sale of capital assets	55,000	131,964	76,964
Transfers out			
General fund	(561,114)	(1,200,949)	(639,835)
County highway fund	<u>(805,007)</u>	<u>(805,007)</u>	<u>-</u>
Total other financing sources (uses)	<u>8,523,140</u>	<u>8,169,157</u>	<u>(353,983)</u>
Net change in fund balance	-	(9,495,537)	(9,495,537)
Fund Balance, Beginning	<u>25,892,564</u>	<u>25,892,564</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 25,892,564</u>	<u>\$ 16,397,027</u>	<u>\$ (9,495,537)</u>

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Debt Service Fund
Year Ended December 31, 2023

	<u>Budgeted</u> <u>Amounts Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues			
Taxes	\$ 3,534,991	\$ 3,534,991	\$ -
Public charges for services	-	99,152	99,152
Miscellaneous revenues	100,000	100,000	-
	<u>3,634,991</u>	<u>3,734,143</u>	<u>99,152</u>
Expenditures			
Debt service:			
Principal	4,674,370	4,674,370	-
Interest	2,710,192	2,859,561	(149,369)
	<u>7,384,562</u>	<u>7,533,931</u>	<u>(149,369)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,749,571)</u>	<u>(3,799,788)</u>	<u>(50,217)</u>
Other Financing Sources			
State forest loan program debt issued	-	15,011	15,011
Transfer in	3,749,571	3,349,571	(400,000)
	<u>3,749,571</u>	<u>3,364,582</u>	<u>(384,989)</u>
Net change in fund balance	-	(435,206)	(435,206)
Fund Balance, Beginning	<u>2,648,187</u>	<u>2,648,187</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,648,187</u>	<u>\$ 2,212,981</u>	<u>\$ (435,206)</u>

Marathon County

Combining Statement of Net Position -
Internal Service Funds
December 31, 2023

	<u>Property Casualty Insurance</u>	<u>Employee Benefits Insurance</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	\$ 7,316,857	\$ 13,106,599	\$ 20,423,456
Accounts receivable (net of allowance)	14,110	47,306	61,416
Total current assets	<u>7,330,967</u>	<u>13,153,905</u>	<u>20,484,872</u>
Noncurrent Assets			
Restricted assets:			
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000
Total noncurrent assets	<u>1,519,000</u>	<u>-</u>	<u>1,519,000</u>
Capital Assets			
Equipment	53,868	4,598	58,466
Less accumulated depreciation	<u>(53,868)</u>	<u>(4,598)</u>	<u>(58,466)</u>
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>1,519,000</u>	<u>-</u>	<u>1,519,000</u>
Total assets	<u>8,849,967</u>	<u>13,153,905</u>	<u>22,003,872</u>
Deferred Outflows of Resources			
Pension related amounts	63,820	118,616	182,436
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	55,463	28,425	83,888
Accrued items	67	21,648	21,715
Compensated absences	<u>-</u>	<u>2,539</u>	<u>2,539</u>
Total current liabilities	<u>55,530</u>	<u>52,612</u>	<u>108,142</u>
Long-Term Liabilities			
Accrued liability, claims payable	2,176,944	1,709,576	3,886,520
Compensated absences	-	14,391	14,391
Net pension liability	<u>12,922</u>	<u>34,924</u>	<u>47,846</u>
Total long-term liabilities	<u>2,189,866</u>	<u>1,758,891</u>	<u>3,948,757</u>
Total liabilities	<u>2,245,396</u>	<u>1,811,503</u>	<u>4,056,899</u>
Deferred Inflows of Resources			
Pension related amounts	34,495	76,803	111,298
Total deferred inflows of resources	<u>34,495</u>	<u>76,803</u>	<u>111,298</u>
Net Position			
Unrestricted	<u>6,633,896</u>	<u>11,384,215</u>	<u>18,018,111</u>
Total net position	<u>\$ 6,633,896</u>	<u>\$ 11,384,215</u>	<u>\$ 18,018,111</u>

Marathon County

Combining Statement of Revenues, Expenses and Changes in Net Position -

Internal Service Funds

Year Ended December 31, 2023

	Property Casualty Insurance	Employee Benefits Insurance	Total
Operating Revenues			
Interdepartmental charges for services	\$ 618,984	\$ 14,029,643	\$ 14,648,627
Total operating revenues	618,984	14,029,643	14,648,627
Operating Expenses			
Salaries and benefits	45,987	878,165	924,152
Contractual services	9,095	716,636	725,731
Materials and supplies	1,117	6,122	7,239
Insurance and claims	1,139,299	12,584,841	13,724,140
Loss and loss adjustment expense	345,177	-	345,177
Total operating expenses	1,540,675	14,185,764	15,726,439
Operating income (loss)	(921,691)	(156,121)	(1,077,812)
Nonoperating Revenues			
Investment income	360,697	561,352	922,049
Insurance recoveries	78,949	-	78,949
Total nonoperating revenues	439,646	561,352	1,000,998
Income before transfers	(482,045)	405,231	(76,814)
Transfer in	-	884,509	884,509
Change in net position	(482,045)	1,289,740	807,695
Net Position, Beginning	7,115,941	10,094,475	17,210,416
Net Position, Ending	\$ 6,633,896	\$ 11,384,215	\$ 18,018,111

Marathon CountyCombining Statement of Cash Flows -
Internal Service Funds
Year Ended December 31, 2023

	Property Casualty Insurance	Employee Benefits Insurance	Total
Cash Flows From Operating Activities			
Collections from departments and other insurance purchasers	\$ 694,209	\$ 14,039,061	\$ 14,733,270
Cash paid to employees for services	(45,987)	(878,165)	(924,152)
Cash paid to suppliers for goods and services	<u>(1,213,857)</u>	<u>(13,269,149)</u>	<u>(14,483,006)</u>
Net cash provided (used) by operating activities	<u>(565,635)</u>	<u>(108,253)</u>	<u>(673,888)</u>
Cash Flows From Noncapital Financing Activities			
Transfers	<u>-</u>	<u>884,509</u>	<u>884,509</u>
Cash Flows From Investing Activities			
Interest received on investments	<u>360,697</u>	<u>561,352</u>	<u>922,049</u>
Net increase in cash and cash equivalents	(204,938)	1,337,608	1,132,670
Cash and Cash Equivalents, Beginning	<u>7,521,795</u>	<u>11,768,991</u>	<u>19,290,786</u>
Cash and Cash Equivalents, Ending	<u>\$ 7,316,857</u>	<u>\$ 13,106,599</u>	<u>\$ 20,423,456</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (921,691)	\$ (156,121)	\$ (1,077,812)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Non-operating income	78,949	-	78,949
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:			
Accounts receivable	(3,724)	52,714	48,990
Accounts payable	(43,709)	(72,990)	(116,699)
Pension related deferrals and liabilities	4,117	20,714	24,831
Deferred inflow of resources	-	(43,296)	(43,296)
Compensated absences	(24,754)	(10,577)	(35,331)
Accrued liabilities, claims payable	<u>345,177</u>	<u>101,303</u>	<u>446,480</u>
Net cash provided (used) by operating activities	<u>\$ (565,635)</u>	<u>\$ (108,253)</u>	<u>\$ (673,888)</u>
Noncash Investing, Capital and Noncapital Financing Activities			
None			

Marathon County

Combining Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2023

	Custodial Funds			Total Custodial Funds
	ADRC-W	Sheriff Inmate	Clerk of Courts	
Assets				
Cash and investments	\$ 267,526	\$ 43,189	\$ 2,061,253	\$ 2,371,968
Receivables:				
Accounts receivable	323,928	-	-	323,928
Due from other governments	675,254	-	-	675,254
Total assets	<u>1,266,708</u>	<u>43,189</u>	<u>2,061,253</u>	<u>3,371,150</u>
Liabilities				
Accounts payable	167,158	-	-	167,158
Accrued liabilities	204,046	-	-	204,046
Due to other governmental units	-	-	974,523	974,523
Deposits	2,021	-	-	2,021
Other long term liabilities	477,326	-	-	477,326
Held for inmates	-	43,189	-	43,189
Total liabilities	<u>850,551</u>	<u>43,189</u>	<u>974,523</u>	<u>1,868,263</u>
Net Position				
Restricted	<u>\$ 416,157</u>	<u>\$ -</u>	<u>\$ 1,086,730</u>	<u>\$ 1,502,887</u>

Marathon County

Combining Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended December 31, 2023

	Custodial Funds			Total Custodial Funds
	ADRC-W	Sheriff Inmate	Clerk of Courts	
Additions				
Fines and forfeitures, traffic, bonds and other court items	\$ -	\$ -	\$ 5,560,847	\$ 5,560,847
Inmate deposits	-	1,204,892	-	1,204,892
Intergovernmental	6,871,303	-	-	6,871,303
Donations	556,222	-	-	556,222
Investment income	11,480	-	-	11,480
Total additions	<u>7,439,005</u>	<u>1,204,892</u>	<u>5,560,847</u>	<u>14,204,744</u>
Deductions				
ADRC activities	7,227,145	-	-	7,227,145
Disposition of court collections	-	-	5,680,420	5,680,420
Other court	-	-	5,745	5,745
Capital outlay	1,198	-	-	1,198
Funds released to former inmates	-	1,204,892	-	1,204,892
Total deductions	<u>7,228,343</u>	<u>1,204,892</u>	<u>5,686,165</u>	<u>14,119,400</u>
Change in fiduciary net position	210,662	-	(125,318)	85,344
Net Position, Beginning	<u>205,495</u>	<u>-</u>	<u>1,212,048</u>	<u>1,417,543</u>
Net Position, Ending	<u>\$ 416,157</u>	<u>\$ -</u>	<u>\$ 1,086,730</u>	<u>\$ 1,502,887</u>

Marathon County

Statement of Net Position -
Central Wisconsin Airport
December 31, 2023

Assets and Deferred Outflows of Resources

Current Assets

Cash and investments	\$ 3,670,109
Accounts receivable	347,822
Due from other governments	<u>3,585,930</u>
Total current assets	<u>7,603,861</u>

Noncurrent Assets

Restricted assets:	
Cash and investments	967,655
Property, plant and equipment:	
Land	1,320,970
Buildings	42,081,507
Improvements	91,756,506
Equipment	16,389,152
Construction in process	<u>3,297,722</u>
Total property, plant and equipment	154,845,857
Less accumulated depreciation	<u>(68,796,852)</u>
Net property, plant and equipment	<u>86,049,005</u>
Total noncurrent assets	<u>87,016,660</u>
Total assets	<u>94,620,521</u>

Deferred Outflows of Resources

Pension related amounts	<u>1,139,292</u>
-------------------------	------------------

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities

Accounts payable	653,432
Deposits	16,831
Interest payable	91,070
Due to other governments	1,914,854
Unearned revenues	531,345
Current portion of compensated absences	27,281
Current portion of general obligation notes payable	<u>445,000</u>
Total current liabilities	<u>3,679,813</u>

Long-Term Liabilities

General obligation notes payable (net of unamortized premiums)	2,333,942
Net pension liability	307,876
Compensated absences	<u>154,595</u>
Total long-term liabilities	<u>2,796,413</u>
Total liabilities	<u>6,476,226</u>

Deferred Inflows of Resources

Pension related amounts	<u>652,583</u>
-------------------------	----------------

Net Position

Net investment in capital assets	83,270,063
Restricted for:	
Passenger facility charges	967,655
Unrestricted	<u>4,393,286</u>
Total net position	<u>\$ 88,631,004</u>

Marathon County

Statement of Revenues, Expenses and Changes in Net Position -

Central Wisconsin Airport

Year Ended December 31, 2023

Operating Revenues

Public charges for services	\$ 2,829,407
-----------------------------	--------------

Operating Expenses

Salaries and benefits	2,000,235
Contractual services	1,369,993
Materials and supplies	440,471
Insurance	161,986
Depreciation	3,972,835

Total operating expenses	<u>7,945,520</u>
--------------------------	------------------

Operating loss	<u>(5,116,113)</u>
----------------	--------------------

Nonoperating Revenues (Expenses)

Investment income	240,940
Passenger facility charges	343,731
Customer facility charges	211,000
Intergovernmental grants	2,408,820
Property sales	104,452
Interest expense	(95,474)

Total nonoperating revenues (expenses)	<u>3,213,469</u>
--	------------------

Loss before contributions	(1,902,644)
---------------------------	-------------

Capital Contributions

	<u>14,978,723</u>
--	-------------------

Change in net position	13,076,079
------------------------	------------

Net Position, Beginning

	<u>75,554,925</u>
--	-------------------

Net Position, Ending

	<u><u>\$ 88,631,004</u></u>
--	-----------------------------

Marathon County

Statement of Cash Flows -
Central Wisconsin Airport
Year Ended December 31, 2023

Cash Flows From Operating Activities

Cash received from the sale of goods and services	\$ 2,625,834
Cash paid to employees for services	(2,000,235)
Cash paid to suppliers for goods and services	<u>(1,338,761)</u>
Net cash provided by operating activities	<u>(713,162)</u>

Cash Flows From Capital and Related Financing Activities

Payments for capital acquisitions	(260,956)
Passenger facility charges received	343,731
Customer facility charges received	211,000
Debt paid	(435,000)
Interest paid	<u>(96,562)</u>
Net cash used for capital financing and related activities	<u>(237,787)</u>

Cash Flows From Investing Activities

Interest received on investments	<u>240,940</u>
Net increase in cash and cash equivalents	(710,009)

Cash and Cash Equivalents, Beginning

5,347,773

Cash and Cash Equivalents, Ending

\$ 4,637,764

Reconciliation of Operating Loss to Net Cash Used for Operating Activities

Operating loss	\$ (5,116,113)
Nonoperating income	2,408,820
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	3,972,835
Amortization of premium	(4,100)
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:	
Accounts receivable	(3,143,738)
Pension related deferrals and liabilities	66,490
Accounts payable	550,671
Deferred inflow of resources	531,345
Compensated absences	<u>20,628</u>

Net Cash Provided by Operating Activities

\$ (713,162)

Noncash Investing, Capital and Noncapital Financing Activities

Capital contributions	<u>\$ 14,978,723</u>
Amortization of premium	<u>\$ 4,100</u>

Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents	\$ 3,670,109
Cash and cash equivalents, restricted assets	<u>967,655</u>

Cash and Cash Equivalents, Ending

\$ 4,637,764