

Marathon County

Financial Statements and
Supplementary Information

December 31, 2021

Marathon County

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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, 2021 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, 2021 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 56%, 74% and 32%, 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 27, 2022 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.

Baker Tilly US, LLP

Madison, Wisconsin
July 27, 2022

Marathon County

Statement of Net Position

December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and investments	\$ 103,831,160	\$ 54,643,262	\$ 158,474,422	\$ 17,746,494
Receivables (net):				
Taxes receivable	48,289,893	9,391,485	57,681,378	-
Accounts receivable	2,955,437	1,228,608	4,184,045	9,465,541
Accrued interest receivable	330,124	-	330,124	-
Due from other governments	4,995,530	806,633	5,802,163	4,556,778
Inventories and prepaid items	42,573	1,716,086	1,758,659	891,024
Restricted assets:				
Cash and investments	1,920,750	14,984,531	16,905,281	606,985
Accrued interest receivable	-	30,942	30,942	-
OPEB asset	-	-	-	93,016
Net pension asset	13,858,872	1,777,911	15,636,783	16,680,915
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-
Investment in joint venture	401,006	-	401,006	-
Capital assets:				
Capital assets not depreciated	77,518,806	850,332	78,369,138	31,773,249
Capital assets, net of accumulated depreciation/amortization	222,024,654	20,215,381	242,240,035	109,937,086
Total assets	477,687,805	105,645,171	583,332,976	191,751,088
Deferred Outflows of Resources				
OPEB related amounts	-	-	-	1,676,240
Pension related amounts	23,155,898	3,317,752	26,473,650	27,639,764
Total deferred outflows of resources	23,155,898	3,317,752	26,473,650	29,316,004
Liabilities				
Accounts payable	4,907,914	1,314,140	6,222,054	3,379,859
Accrued items	3,754,022	14,334	3,768,356	2,323,592
Accrued liability, claims payable	3,998,515	-	3,998,515	1,299,761
Due to other governments	1,079,216	1,548,275	2,627,491	2,770,620
Unearned revenues	13,434,691	-	13,434,691	30,567
Liabilities payable from restricted assets:				
Special deposits	1,984,392	-	1,984,392	117,088
Noncurrent liabilities:				
Due within one year:				
Current portion of capital lease liability	-	259,844	259,844	27,987
Current portion of general obligation notes payable	2,425,000	-	2,425,000	1,005,000
Current portion of compensated absences	550,908	81,184	632,092	2,390,925
Due in more than one year:				
General obligation notes payable (including unamortized premium)	59,159,072	-	59,159,072	12,215,137
Forest crop loan payable	1,091,928	-	1,091,928	-
Capital lease	-	524,451	524,451	19,919
Due to other governments	-	-	-	46,514,177
Landfill closure and long-term care payable	-	17,956,739	17,956,739	-
OPEB liability	-	-	-	3,028,071
Compensated absences	3,703,183	730,657	4,433,840	194,683
Total liabilities	96,088,841	22,429,624	118,518,465	75,317,386
Deferred Inflows Of Resources				
Property taxes levied for next period	44,057,239	9,391,485	53,448,724	-
Other deferred revenues	43,296	62,619	105,915	-
OPEB related amounts	-	-	-	602,733
Pension related amounts	30,637,552	4,016,647	34,654,199	36,601,768
Total deferred inflows of resources	74,738,087	13,470,751	88,208,838	37,204,501
Net Position				
Net investment in capital assets	239,278,857	20,281,418	259,560,275	81,928,115
Restricted for:				
Debt service	2,401,060	-	2,401,060	-
Land records	807,632	-	807,632	-
Capital improvements	228,377	-	228,377	-
Jail improvements	397,839	-	397,839	-
Pension	13,789,606	1,777,911	15,567,517	16,680,915
OPEB	-	-	-	93,016
Social services	10,661,175	-	10,661,175	122,438
Passenger facility charges	-	-	-	506,728
Unrestricted	62,452,229	51,003,219	113,455,448	9,213,993
Total net position	\$ 330,016,775	\$ 73,062,548	\$ 403,079,323	\$ 108,545,205

See notes to financial statements

Marathon County

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 33,633,766	\$ 6,712,528	\$ 3,328,801	\$ -	\$ (23,592,437)	\$ -	\$ (23,592,437)	\$ -
Public safety	24,713,387	2,496,696	683,177	855,865	(20,677,649)	-	(20,677,649)	-
Transportation	9,117,542	-	168,535	2,537,200	(6,411,807)	-	(6,411,807)	-
Health	5,542,110	703,313	2,173,774	-	(2,665,023)	-	(2,665,023)	-
Social services	17,027,461	746,490	11,542,287	-	(4,738,684)	-	(4,738,684)	-
Leisure and education	6,320,100	1,118,938	1,049,979	-	(4,151,183)	-	(4,151,183)	-
Conservation and development	1,023,645	623,435	738,180	-	337,970	-	337,970	-
Interest on long-term debt	1,018,074	-	-	-	(1,018,074)	-	(1,018,074)	-
Total governmental activities	98,396,085	12,401,400	19,684,733	3,393,065	(62,916,887)	-	(62,916,887)	-
Business-type activities:								
Landfill	5,481,601	4,518,841	-	-	-	(962,760)	(962,760)	-
Highway	13,096,159	4,870,127	3,478,816	-	-	(4,747,216)	(4,747,216)	-
Total business-type activities	18,577,760	9,388,968	3,478,816	-	-	(5,709,976)	(5,709,976)	-
Total primary government	\$ 116,973,845	\$ 21,790,368	\$ 23,163,549	\$ 3,393,065	(62,916,887)	(5,709,976)	(68,626,863)	-
Component Units								
Governmental activities:								
Children with Disabilities Education Board	8,295,846	6,059,678	1,450,448	-	-	-	-	(785,720)
Business-type activities:								
Central Wisconsin airport	6,190,560	3,477,720	-	13,973,802	-	-	-	11,260,962
North central health care	86,808,386	63,515,461	19,025,365	-	-	-	-	(4,267,560)
Total business-type activities, component units	\$ 92,998,946	\$ 66,993,181	\$ 19,025,365	\$ 13,973,802	-	-	-	6,993,402
General Revenues								
Taxes:								
Property taxes					43,621,012	8,331,159	51,952,171	-
Sales taxes					15,697,552	-	15,697,552	-
Other taxes					1,831,677	-	1,831,677	-
Vehicle registration fee					-	2,995,397	2,995,397	-
Grants and contributions not restricted to specific programs					4,909,786	-	4,909,786	-
Unrestricted investment earnings (loss)					(687,984)	340,627	(347,357)	88,801
Gain on sale of capital assets					12,123	-	12,123	12,230
Unrestricted state and federal aid					-	-	-	4,273,475
Miscellaneous					811,513	225,294	1,036,807	117,569
Transfers					5,329,919	(5,329,919)	-	-
Total general revenues, special item and transfers					71,525,598	6,562,558	78,088,156	4,492,075
Change in net position					8,608,711	852,582	9,461,293	10,699,757
Net Position, Beginning					321,408,064	72,209,966	393,618,030	97,845,448
Net Position, Ending					\$ 330,016,775	\$ 73,062,548	\$ 403,079,323	\$ 108,545,205

See notes to financial statements

Marathon County

Balance Sheet- Governmental Funds
December 31, 2021

	<u>General</u>	<u>Social Improvement</u>	<u>Capital Improvement</u>	<u>Nonmajor Governmental Fund Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investments	\$ 61,595,183	\$ 11,156,183	\$ 9,793,556	\$ 3,144,491	\$ 85,689,413
Receivables:					
Taxes receivable	38,030,119	7,345,562	1,044,731	1,869,481	48,289,893
Accounts receivable	2,187,204	613,526	9,847	-	2,810,577
Accrued interest receivable	330,124	-	-	-	330,124
Due from other governments	3,403,466	1,592,064	-	-	4,995,530
Due from other funds	-	-	25,492	-	25,492
Inventories and prepaid items	10,000	4,098	28,475	-	42,573
Restricted assets:					
Cash and investments	1,781,805	138,945	-	-	1,920,750
Total assets	\$ 107,337,901	\$ 20,850,378	\$ 10,902,101	\$ 5,013,972	\$ 144,104,352
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 2,046,642	\$ 920,937	\$ 1,842,212	\$ -	\$ 4,809,791
Accrued items	2,942,690	-	-	-	2,942,690
Due to other governments	1,066,820	12,396	-	-	1,079,216
Due to other funds	25,492	-	-	-	25,492
Unearned revenue	13,434,691	-	-	-	13,434,691
Liabilities payable from restricted assets:					
Special deposits	347,957	1,636,435	-	-	1,984,392
Total liabilities	19,864,292	2,569,768	1,842,212	-	24,276,272
Deferred Inflows of Resources					
Property taxes levied for next period	33,797,465	7,345,562	1,044,731	1,869,481	44,057,239
Unavailable revenues	1,567,446	273,873	-	-	1,841,319
Total deferred inflows of resources	35,364,911	7,619,435	1,044,731	1,869,481	45,898,558
Fund Balances					
Nonspendable	2,825,521	4,098	28,475	-	2,858,094
Restricted	1,433,848	10,657,077	1,319,469	3,144,491	16,554,885
Assigned	13,741,496	-	6,667,214	-	20,408,710
Unassigned	34,107,833	-	-	-	34,107,833
Total fund balances	52,108,698	10,661,175	8,015,158	3,144,491	73,929,522
Total liabilities, deferred inflows of resources, and fund balances	\$ 107,337,901	\$ 20,850,378	\$ 10,902,101	\$ 5,013,972	\$ 144,104,352

See notes to financial statements

Marathon County

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds \$ 73,929,522

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	35,884,301
Construction in progress	41,634,505
Other capital assets net of accumulated depreciation	222,024,654

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. 1,841,319

The net pension asset does not relate to current financial resources and is not reported in the governmental funds (less internal service funds \$69,266). 13,789,606

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 \$117,981). 23,037,917

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 \$147,523). (30,490,029)

The County's investment in joint venture not a financial resource and, therefore, is not reported in the funds. 401,006

Internal service funds are reported in the statement of net position as governmental funds. 15,566,708

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	(60,430,000)
Forest crop loan	(1,091,928)
Compensated absences	(4,254,091)
Less internal service fund compensated absences	70,789
Accrued interest	(743,432)
Unamortized premium on debt issue	(1,154,072)

Net position of governmental activities \$ 330,016,775

Marathon County

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2021

	General	Social Improvement	Capital Improvement	Nonmajor Governmental Fund Debt Service Fund	Total Governmental Funds
Revenues					
Taxes	\$ 51,147,330	\$ 7,794,648	\$ 370,000	\$ 1,791,910	\$ 61,103,888
Intergovernmental grants and aids	11,240,335	11,006,893	-	-	22,247,228
Licenses and permits	417,751	-	-	-	417,751
Fines and forfeitures	660,748	-	-	-	660,748
Public charges for services	5,713,002	1,681,274	-	180,611	7,574,887
Intergovernmental charges for services	2,247,558	-	-	571,137	2,818,695
Miscellaneous revenue	870,176	65,534	339,707	38,321	1,313,738
Total revenues	72,296,900	20,548,349	709,707	2,581,979	96,136,935
Expenditures					
Current:					
General government	26,363,233	-	-	-	26,363,233
Public safety	25,592,671	-	-	-	25,592,671
Health	5,541,138	-	-	-	5,541,138
Social services	217,825	17,218,710	-	-	17,436,535
Leisure activities and education	7,361,476	-	-	-	7,361,476
Conservation and economic development	1,028,963	-	-	-	1,028,963
Capital outlay	81,720	-	24,130,218	-	24,211,938
Debt service:					
Principal	-	-	-	1,823,904	1,823,904
Bond issue costs	-	-	180,971	-	180,971
Interest and paying agent fees	-	-	-	662,007	662,007
Total expenditures	66,187,026	17,218,710	24,311,189	2,485,911	110,202,836
Excess (deficiency) of revenues over expenditures	6,109,874	3,329,639	(23,601,482)	96,068	(14,065,901)
Other Financing Sources (Uses)					
Transfers in:					
General fund	-	-	4,250,249	-	4,250,249
Social improvement fund	-	-	277,851	-	277,851
Capital improvement fund	296,386	-	-	-	296,386
Sales of capital assets	116,473	-	-	-	116,473
Debt issued	-	-	24,830,000	-	24,830,000
Premium on debt issued	-	-	-	490,838	490,838
State forest loan program debt issued	14,911	-	-	-	14,911
Transfers out:					
General fund	-	-	(296,386)	-	(296,386)
Capital improvement fund	(4,250,249)	(277,851)	-	-	(4,528,100)
Employee benefit fund	(808,113)	-	-	-	(808,113)
County highway fund	-	-	(1,327,600)	-	(1,327,600)
Total other financing sources (uses)	(4,630,592)	(277,851)	27,734,114	490,838	23,316,509
Net change in fund balance	1,479,282	3,051,788	4,132,632	586,906	9,250,608
Fund Balance, Beginning	50,629,416	7,609,387	3,882,526	2,557,585	64,678,914
Fund Balance, Ending	\$ 52,108,698	\$ 10,661,175	\$ 8,015,158	\$ 3,144,491	\$ 73,929,522

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, 2021

Net Change in Fund Balance, Total Governmental Funds \$ 9,250,608

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.	24,211,938
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements.	(693,215)
Depreciation is reported in the government-wide statements.	(14,713,926)
Infrastructure financed by the highway fund.	6,657,519

Contributed capital assets are reported as revenues in the government-wide statements.	3,393,065
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Net book value of assets retired.	(2,300)
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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.	798,193
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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.	6,644
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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	(24,830,000)
Principal repaid	1,823,904

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	577,459
Increase in net pension asset/liability - less internal service funds	6,548,235
Deferred outflows of resources related to pensions - less internal service funds	6,225,698
Deferred inflows of resources related to pensions - less internal service funds	(8,752,479)
Accrued interest on debt	(496,112)

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.

Current year premium	(490,838)
Amortization of discount and premium	140,045

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.

(1,045,727)

Change in Net Position of Governmental Activities \$ 8,608,711

See notes to financial statements

Marathon CountyStatement of Net Position - Proprietary Funds
December 31, 2021

	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	\$ 4,230,900	\$ 50,412,362	\$ 54,643,262	\$ 18,141,747
Taxes receivable	-	9,391,485	9,391,485	-
Accounts receivable (net of allowance)	1,075,160	153,448	1,228,608	144,860
Due from other governments	-	806,633	806,633	-
Inventories	111,498	1,604,588	1,716,086	-
Total current assets	5,417,558	62,368,516	67,786,074	18,286,607
Noncurrent Assets				
Restricted assets:				
Cash and investments	14,984,531	-	14,984,531	-
Net pension asset	226,844	1,551,067	1,777,911	69,266
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	-
Construction work in process	286,063	-	286,063	-
Buildings	1,577,327	6,616,478	8,193,805	-
Improvements	33,699,139	873,723	34,572,862	-
Equipment	3,969,987	19,462,531	23,432,518	58,466
Total capital assets	40,014,981	27,034,536	67,049,517	58,466
Less accumulated depreciation	(27,485,826)	(18,497,978)	(45,983,804)	(58,466)
Net capital assets	12,529,155	8,536,558	21,065,713	-
Total noncurrent assets	27,771,472	10,087,625	37,859,097	1,588,266
Total assets	33,189,030	72,456,141	105,645,171	19,874,873
Deferred Outflows of Resources				
Pension related amounts	351,986	2,965,766	3,317,752	117,981
Liabilities, Deferred Inflows of Resources, and Net Position				
Current Liabilities				
Accounts payable	835,531	478,609	1,314,140	98,123
Accrued items	-	14,334	14,334	67,900
Due to other governments	1,548,275	-	1,548,275	-
Current portion of compensated absences	6,126	75,058	81,184	7,079
Current portion of capital lease payable	259,844	-	259,844	-
Total current liabilities	2,649,776	568,001	3,217,777	173,102
Long-Term Liabilities				
Landfill closure and long-term care payable	17,956,739	-	17,956,739	-
Accrued liability, claims payable	-	-	-	3,998,515
Capital lease payable	524,451	-	524,451	-
Compensated absences	55,137	675,520	730,657	63,710
Total long-term liabilities	18,536,327	675,520	19,211,847	4,062,225
Total liabilities	21,186,103	1,243,521	22,429,624	4,235,327
Deferred Inflows of Resources				
Property taxes levied for next period	-	9,391,485	9,391,485	-
Other deferred revenues	-	62,619	62,619	43,296
Pension related amounts	460,831	3,555,816	4,016,647	147,523
Total deferred inflows of resources	460,831	13,009,920	13,470,751	190,819
Net Position				
Net investment in capital assets	11,744,860	8,536,558	20,281,418	-
Restricted for pension	226,844	1,551,067	1,777,911	69,266
Unrestricted	(77,622)	51,080,841	51,003,219	15,497,442
Total net position	\$ 11,894,082	\$ 61,168,466	\$ 73,062,548	\$ 15,566,708

See notes to financial statements

Marathon County

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Landfill	County Highway	Total	
Operating Revenues				
Licenses and permits	\$ -	\$ 29,516	\$ 29,516	\$ -
Public charges for services	4,518,841	-	4,518,841	-
Intergovernmental charges for services	-	4,840,611	4,840,611	-
Interdepartmental charges for services	-	-	-	14,188,167
Total operating revenues	4,518,841	4,870,127	9,388,968	14,188,167
Operating Expenses				
Salaries and benefits	853,609	3,124,146	3,977,755	1,073,417
Contractual services	1,344,804	793,416	2,138,220	258,019
Materials and supplies	466,808	765,528	1,232,336	24,940
Construction and maintenance	-	3,818,224	3,818,224	-
Landfill closure and long term care	1,296,048	-	1,296,048	-
Building and equipment rent	-	3,172,002	3,172,002	-
Insurance and claims	-	200,269	200,269	14,459,480
Loss and loss adjustment expense	-	-	-	488,901
Insurance and administration costs	41,034	-	41,034	11,300
Depreciation	1,257,412	1,222,574	2,479,986	-
Other operating expenses	221,886	-	221,886	(7,638)
Total operating expenses	5,481,601	13,096,159	18,577,760	16,308,419
Operating loss	(962,760)	(8,226,032)	(9,188,792)	(2,120,252)
Nonoperating Revenues (Expenses)				
General property taxes	-	8,331,159	8,331,159	-
Vehicle registration fee	-	2,995,397	2,995,397	-
Intergovernmental grants and aids	-	3,478,816	3,478,816	-
Investment income	49,320	291,307	340,627	141,909
Insurance recoveries	-	-	-	86,774
Infrastructure construction expense for governmental activities	-	(6,657,519)	(6,657,519)	-
Other income	9,739	215,555	225,294	37,729
Total nonoperating revenues (expenses), net	59,059	8,654,715	8,713,774	266,412
Income (loss) before transfers	(903,701)	428,683	(475,018)	(1,853,840)
Transfers in	-	1,327,600	1,327,600	808,113
Change in net position	(903,701)	1,756,283	852,582	(1,045,727)
Net Position, Beginning	12,797,783	59,412,183	72,209,966	16,612,435
Net Position, Ending	\$ 11,894,082	\$ 61,168,466	\$ 73,062,548	\$ 15,566,708

See notes to financial statements

Marathon County

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	County			Activities-
	Landfill	Highway	Total	Internal
				Service Funds
Cash Flows From Operating Activities				
Cash received from the sale of goods and services	\$ -	\$ 4,737,307	\$ 4,737,307	\$ -
Collections from landfill disposal services	4,317,934	-	4,317,934	-
Collections from departments and other insurance purchasers	-	-	-	14,278,748
Cash paid to employees for services	(853,609)	(3,124,146)	(3,977,755)	(1,078,982)
Cash paid to suppliers for goods and services	(1,790,743)	(9,250,283)	(11,041,026)	(14,791,778)
Net cash provided (used) by operating activities	1,673,582	(7,637,122)	(5,963,540)	(1,592,012)
Cash Flows From Noncapital Financing Activities				
General property taxes	-	8,331,159	8,331,159	-
Transfers	-	-	-	808,113
Intergovernmental grants and aids	-	3,478,816	3,478,816	-
Net cash provided by noncapital financing activities	-	11,809,975	11,809,975	808,113
Cash Flows From Capital Financing Activities				
Payments for capital acquisitions	(763,750)	(542,536)	(1,306,286)	-
Capital lease payments	(261,368)	-	(261,368)	-
Vehicle registration fee	-	2,995,397	2,995,397	-
Transfers	-	1,327,600	1,327,600	-
Infrastructure construction expense for governmental activities	-	(6,657,519)	(6,657,519)	-
Net cash provided (used) by capital financing activities	(1,025,118)	(2,877,058)	(3,902,176)	-
Cash Flows From Investing Activities				
Investments purchased	(32,254)	-	(32,254)	-
Interest received on investments	49,320	291,307	340,627	141,909
Net cash provided (used) by investing activities	17,066	291,307	308,373	141,909
Net increase in cash and cash equivalents	665,530	1,587,102	2,252,632	(641,990)
Cash and Cash Equivalents, Beginning	3,565,370	48,825,260	52,390,630	18,783,737
Cash and Cash Equivalents, Ending	\$ 4,230,900	\$ 50,412,362	\$ 54,643,262	\$ 18,141,747

See notes to financial statements

Marathon County

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	County			Activities-
	Landfill	Highway	Total	Internal
				Service Funds
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities				
Operating loss	\$ (962,760)	\$ (8,226,032)	\$ (9,188,792)	\$ (2,120,252)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	1,257,413	1,222,574	2,479,987	-
Insurance recoveries	-	-	-	86,774
Other income (expense)	9,739	215,555	225,294	37,729
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:				
Accounts receivable	(210,646)	(61,476)	(272,122)	(33,922)
Due from other governments	-	(268,440)	(268,440)	-
Inventories	-	320,990	320,990	-
Prepayments	-	(263,387)	(263,387)	-
Accounts payable	114,709	137,120	251,829	(24,162)
Accrued expenses	-	-	-	(21,825)
Due to other governments	239,503	-	239,503	-
Landfill closure and long-term care payable	1,296,047	-	1,296,047	-
Unearned revenues	-	(15,173)	(15,173)	-
Accrued liabilities, claims payable	-	-	-	356,591
Compensated absences	11,061	(29,078)	(18,017)	127,055
Materials and supplies	508	-	508	-
Pension related deferrals and liabilities	(81,992)	(669,775)	(751,767)	-
Net cash provided (used) by operating activities	<u>\$ 1,673,582</u>	<u>\$ (7,637,122)</u>	<u>\$ (5,963,540)</u>	<u>\$ (1,592,012)</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, 2020

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 2,177,674
Accounts receivable	30,912
Due from other governments	1,247,468
	<hr/>
Total assets	3,456,054
	<hr/>
Liabilities	
Accounts payable	115,532
Accrued liabilities	8,804
Due to other governments	2,334,749
Deposits	404
Other long term liabilities	485,908
Held for inmates	70,779
	<hr/>
Total liabilities	3,016,176
	<hr/>
Net Position	
Restricted	439,878
	<hr/>
Total net position	\$ 439,878
	<hr/> <hr/>

See notes to financial statements

Marathon County

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2021

	Custodial Funds
Additions	
Fines and forfeitures, traffic, bonds and other court items	\$ 6,606,760
Inmate deposits	1,555,905
Intergovernmental	6,140,337
Donations	<u>629,883</u>
Total additions	<u>14,932,885</u>
Deductions	
ADRC activities	6,436,385
Disposition of court collections	6,593,922
Other court	12,838
Capital outlay	125,092
Funds released to former inmates	<u>1,555,905</u>
Total deductions	<u>14,724,142</u>
Change in fiduciary net position	208,743
Net Position, Beginning	<u>231,135</u>
Net Position, Ending	<u><u>\$ 439,878</u></u>

See notes to financial statements

Marathon County

 Statement of Net Position
 Major Discretely Presented Component Units
 December 31, 2021

	North Central Health Care	Central Wisconsin Airport	Children With Disabilities Education Board	Major Discretely Presented Component Units Total
Assets				
Current Assets				
Cash and investments	\$ 2,786,386	\$ 4,064,220	\$ 3,094,826	\$ 9,945,432
Patient accounts receivable (net)	7,649,236	-	-	7,649,236
Accounts receivable	470,135	1,346,170	-	1,816,305
Due from other governments	3,467,305	645,765	443,708	4,556,778
Prepaid items	374,202	-	-	374,202
Inventories	516,822	-	-	516,822
Total current assets	<u>15,264,086</u>	<u>6,056,155</u>	<u>3,538,534</u>	<u>24,858,775</u>
Noncurrent Assets				
Restricted assets:				
Cash and investments	100,257	506,728	-	606,985
OPEB asset	-	-	93,016	93,016
Net pension asset	14,388,349	398,462	1,894,104	16,680,915
Investments	6,801,062	-	-	6,801,062
Assets limited as to use	1,000,000	-	-	1,000,000
Capital assets:				
Land	65,133	614,983	-	680,116
Construction in progress	4,155,549	26,937,584	-	31,093,133
Buildings	90,308,664	39,179,279	-	129,487,943
Improvements	1,944,595	54,485,660	-	56,430,255
Equipment	29,741,671	11,415,501	13,669	41,170,841
Total capital assets	<u>126,215,612</u>	<u>132,633,007</u>	<u>13,669</u>	<u>258,862,288</u>
Total accumulated depreciation and amortization	<u>(55,535,174)</u>	<u>(61,605,843)</u>	<u>(10,936)</u>	<u>(117,151,953)</u>
Net capital assets	<u>70,680,438</u>	<u>71,027,164</u>	<u>2,733</u>	<u>141,710,335</u>
Total noncurrent assets	<u>92,970,106</u>	<u>71,932,354</u>	<u>1,989,853</u>	<u>166,799,297</u>
Total assets	<u>108,234,192</u>	<u>77,988,509</u>	<u>5,528,387</u>	<u>191,751,088</u>
Deferred Outflows of Resources				
OPEB related amounts	1,596,080	-	80,160	1,676,240
Pension related amounts	24,012,816	662,529	2,964,419	27,639,764
Total deferred outflows of resources	<u>25,608,896</u>	<u>662,529</u>	<u>3,044,579</u>	<u>29,316,004</u>
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	2,324,425	209,877	845,557	3,379,859
Accrued items	2,214,313	-	-	2,214,313
Deposits	100,257	16,831	-	117,088
Interest payable	97,298	11,981	-	109,279
Accrued liability, claims payable	1,299,761	-	-	1,299,761
Due to other governments	-	2,770,620	-	2,770,620
Unearned revenues	30,567	-	-	30,567
Current portion of compensated absences	2,272,869	29,090	88,966	2,390,925
Current portion of bonds payable liability	395,000	610,000	-	1,005,000
Current portion of capital lease liability	27,987	-	-	27,987
Total current liabilities	<u>8,762,477</u>	<u>3,648,399</u>	<u>934,523</u>	<u>13,345,399</u>
Long-Term Liabilities				
General obligation notes payable (net of unamortized premiums)	8,403,930	3,811,207	-	12,215,137
Long-term portion of capital lease liability	19,919	-	-	19,919
Due to other governments	46,514,177	-	-	46,514,177
OPEB liability	3,028,071	-	-	3,028,071
Compensated absences	-	194,683	-	194,683
Total long-term liabilities	<u>57,966,097</u>	<u>4,005,890</u>	<u>-</u>	<u>61,971,987</u>
Total liabilities	<u>66,728,574</u>	<u>7,654,289</u>	<u>934,523</u>	<u>75,317,386</u>
Deferred Inflows of Resources				
OPEB related amounts	546,280	-	56,453	602,733
Pension related amounts	31,558,120	891,718	4,151,930	36,601,768
Total deferred inflows of resources	<u>32,104,400</u>	<u>891,718</u>	<u>4,208,383</u>	<u>37,204,501</u>
Net Position				
Net investment in capital assets	15,319,425	66,605,957	2,733	81,928,115
Restricted:				
Pension	14,388,349	398,462	1,894,104	16,680,915
OPEB	-	-	93,016	93,016
Birth to 3 program	-	-	122,438	122,438
Passenger facility charges	-	506,728	-	506,728
Unrestricted	<u>5,302,340</u>	<u>2,593,884</u>	<u>1,317,769</u>	<u>9,213,993</u>
Total net position	<u>\$ 35,010,114</u>	<u>\$ 70,105,031</u>	<u>\$ 3,430,060</u>	<u>\$ 108,545,205</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, 2021

	<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	\$ -	\$ 6,190,560	\$ -	\$ 6,190,560
Social services:				
North Central Community Services	86,022,558	-	-	86,022,558
Children with Disabilities Education Board	-	-	3,477,383	3,477,383
Instruction:				
Children with Disabilities Education Board	-	-	4,818,463	4,818,463
Total expenses	<u>86,022,558</u>	<u>6,190,560</u>	<u>8,295,846</u>	<u>100,508,964</u>
Program Revenues				
Charges for service	63,515,461	3,477,720	6,059,678	73,052,859
Operating grants and contributions	19,025,365	-	1,450,448	20,475,813
Capital grants and contributions	-	13,973,802	-	13,973,802
Total program revenues	<u>82,540,826</u>	<u>17,451,522</u>	<u>7,510,126</u>	<u>107,502,474</u>
Net income (expense)	<u>(3,481,732)</u>	<u>11,260,962</u>	<u>(785,720)</u>	<u>6,993,510</u>
General Revenues (Expenses)				
Unrestricted investment earnings	70,938	17,863	-	88,801
Interest expense	(785,828)	-	-	(785,828)
Gain on sale of capital assets	12,230	-	-	12,230
State and federal aids not restricted to specific functions:				
Categorical aid	-	2,310,822	1,962,653	4,273,475
Miscellaneous	-	38,931	78,638	117,569
Total general revenues	<u>(702,660)</u>	<u>2,367,616</u>	<u>2,041,291</u>	<u>3,706,247</u>
Change in net position	(4,184,392)	13,628,578	1,255,571	10,699,757
Net Position, Beginning	<u>39,194,506</u>	<u>56,476,453</u>	<u>2,174,489</u>	<u>97,845,448</u>
Net Position, Ending	<u>\$ 35,010,114</u>	<u>\$ 70,105,031</u>	<u>\$ 3,430,060</u>	<u>\$ 108,545,205</u>

See notes to financial statements

Marathon County

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December 31, 2021

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Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021

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, 2021. 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, 2021. 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, 2021. 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, 2021

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.

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

Marathon County

Notes to Financial Statements
December 31, 2021

The County reports the following major enterprise funds:

Landfill Fund - accounts for operations of the County operated landfill.

County Highway Fund - accounts for operations of the highway systems.

The County reports the following nonmajor governmental fund:

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

In addition, the County reports the following fund types:

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

Property Casualty Insurance

Employee Benefits Insurance

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, 2021

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, 2021

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, 2021

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, 2021, 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 state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other governments on the Statement of Fiduciary Net Position.

Property tax calendar, 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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, 2021

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, 2021, 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 \$473,965 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, 2021

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

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

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, 2021 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 2021 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$478,673 with an actual cost of \$652,423. There were nineteen (19) employees eligible for benefits as of year-end.

Marathon County

Notes to Financial Statements
December 31, 2021

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences. Other 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 position/fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources (revenue) until that future time.

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, 2021

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 \$28,525,474 and is included in unassigned general fund balance. The County also has a minimum fund balance for the highway fund. That policy is to maintain a working capital fund of 10% of the current year budgeted expenditures. The balance at year-end was \$6,559,017 and is included in unrestricted net position.

See Note 3. for further information.

Marathon County

Notes to Financial Statements

December 31, 2021

Pension

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

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Appropriations

The capital improvement fund had \$18,058,595 in expenditures and other financing uses in excess of appropriations at the legal level of budgetary control for the year ended December 31, 2021.

Limitations on the County's Tax Levy

Wisconsin law limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the County's equalized value due to new construction or 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.

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	\$ 53,579,820	\$ 55,420,283	Custodial credit
U.S. Treasuries	43,294,162	43,294,162	Custodial credit, interest rate
U.S. Agencies, implicitly guaranteed	28,138,474	28,138,474	Custodial credit, interest rate, credit, concentration of credit
State and local bonds	977,820	977,820	Custodial credit, interest rate, credit, concentration of credit
National agency bonds and notes	7,357,773	7,357,773	Custodial credit, interest rate, credit, concentration of credit
Corporate bonds	9,029,341	9,029,341	Custodial credit, interest rate, credit, concentration of credit
Certificates of deposits, negotiable	15,558,923	15,558,923	Custodial credit, interest rate, credit, concentration of credit
Commercial paper	5,487,846	5,487,846	Custodial credit, interest rate, credit, concentration of credit
Equity securities/stocks	14,944,534	14,944,534	Custodial credit, concentration of credit
LGIP	3,753,216	3,753,216	Credit, interest rate
Petty Cash	6,416	-	N/A
Total deposits and investments	<u>\$ 182,128,325</u>	<u>\$ 183,962,372</u>	

Marathon County

Notes to Financial Statements
December 31, 2021

	<u>Carrying Value</u>
Reconciliation to the financial statements:	
Per statement of net position:	
Unrestricted cash and investments	\$ 158,474,422
Restricted cash and investments	16,905,281
Per statement of fiduciary net position:	
Custodial funds	2,177,674
Per statement of net position, major discretely presented component unit (CWA):	
Unrestricted cash and investments	4,064,220
Restricted cash and investments	<u>506,728</u>
 Total deposits and investments	 <u>\$ 182,128,325</u>

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, 2021			Total
	Level 1	Level 2	Level 3	
U.S. treasuries	\$ 43,294,162	\$ -	\$ -	\$ 43,294,162
U.S. agencies, implicitly guaranteed	-	28,138,474	-	28,138,474
Certificates of deposit, negotiable	-	15,558,923	-	15,558,923
Corporate bonds	-	9,029,341	-	9,029,341
Commercial paper	-	5,487,846	-	5,487,846
State and local bonds	-	977,820	-	977,820
National agency bonds and notes	-	7,357,773	-	7,357,773
Equity securities/stocks	-	14,944,534	-	14,944,534
 Total	 <u>\$ 43,294,162</u>	 <u>\$ 81,494,711</u>	 <u>\$ -</u>	 <u>\$ 124,788,873</u>

Marathon County

Notes to Financial Statements

December 31, 2021

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, equity securities/stocks	Institutional bond quotes - evaluations based on various market and industry inputs
Commercial paper	\$1 per share
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.

As of December 31, 2021, 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, 2021, \$123,488,873 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.

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021, the County's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>
Corporate bonds	AAA, A-, Aa2, A1, Aa3, A2
U.S. agencies, implicitly guaranteed	AAA, AA+
Commercial paper	A-1, A-1+
National agency bonds and notes	AAA, Aa3
Certificates of deposit, negotiable	A-1, A-1+, P-1
State and local bonds	Aa2, unrated

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

Local Government Investment Pool

Concentration of Credit Risk

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

At December 31, 2021, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Fannie Mae - LT	U.S. agencies – implicitly guaranteed	5.05 %
Freddie Mac - LT	U.S. agencies – implicitly guaranteed	10.53 %

Marathon County

Notes to Financial Statements

December 31, 2021

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, 2021, the County's investments were as follows:

Investment Types	Maturity (In Years)			
	Fair Value	Less Than 1 Year	1-4 Years	Greater Than 4 Years
U.S. Treasuries	\$ 43,294,162	\$ -	\$ 41,848,751	\$ 1,445,411
U.S. Agencies, implicitly guaranteed	28,138,474	3,496,670	24,641,804	-
Corporate bonds	9,029,341	400,464	8,628,877	-
Commercial paper	5,487,846	5,487,846	-	-
National agency bonds and notes	7,357,773	-	7,357,773	-
Certificates of deposit, negotiable	15,558,923	15,558,923	-	-
State and local bonds	977,820	351,425	626,395	-
Total	\$ 109,844,339	\$ 25,295,328	\$ 83,103,600	\$ 1,445,411

As of December 31, 2021, the LGIP investments had an average maturity of 61 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.

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	\$ -	\$ 44,057,239	\$ 44,057,239
Delinquent property taxes receivable	963,742	-	963,742
Other receivables	877,577	-	877,577
Grant amounts not yet received	-	-	-
Total unavailable/unearned revenue for governmental funds	\$ 1,841,319	\$ 44,057,239	\$ 45,898,558

Marathon County

Notes to Financial Statements
December 31, 2021

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	\$ 9,391,485
Revenue collected in advance	<u>62,619</u>
Total deferred revenue for enterprise funds	<u>\$ 9,454,104</u>

Taxes receivable represent current taxes and unpaid taxes for 2021 and prior years as follows:

<u>Year of Settlement</u>	<u>County Tax Levied</u>	<u>County Purchased</u>	<u>Balance December 31, 2021</u>
2020	\$ 268,280	\$ 1,151,388	\$ 1,419,668
2019	153,326	613,344	766,670
2018	106,620	417,447	524,067
2017	69,363	265,941	335,304
2016	61,290	231,485	292,775
2015	37,659	142,404	180,063
2014	23,561	102,991	126,552
2013	22,221	86,027	108,248
2012	17,190	65,042	82,232
2011	15,061	53,712	68,773
2010	8,019	27,829	35,848
2009	2,906	9,616	12,522
Total tax certificates	<u>\$ 785,496</u>	<u>\$ 3,167,226</u>	3,952,722
Tax deeds			279,932
Current taxes			<u>53,448,724</u>
Total taxes receivable			<u>\$ 57,681,378</u>

Delinquent taxes collected within the sixty-day period subsequent to year-end aggregated \$84,067 and \$351,705 for delinquent taxes levied and purchased by the County, respectively.

Marathon County

Notes to Financial Statements
December 31, 2021

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.

Net Pension Asset

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

Following is a list of restricted assets at December 31, 2021:

Restricted assets:	
Land records	\$ 807,632
Jail improvements	397,839
Special deposits and impressed cash accounts	674,834
Community Options Programming	40,445
Landfill long-term care and closure costs	14,984,531
Net pension asset	15,636,783
Accrued interest receivable	<u>30,942</u>
Total restricted assets	<u>\$ 32,573,006</u>

Marathon County

Notes to Financial Statements
December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021 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	\$ 35,834,826	\$ 49,475	\$ -	\$ 35,884,301
Construction in progress	26,990,320	21,563,341	6,919,156	41,634,505
Total capital assets not being depreciated	<u>62,825,146</u>	<u>21,612,816</u>	<u>6,919,156</u>	<u>77,518,806</u>
Capital assets being depreciated:				
Buildings	109,401,611	8,087,120	-	117,488,731
Improvements	23,688,134	268,658	-	23,956,792
Equipment	27,218,405	967,680	268,830	27,917,255
Infrastructure	237,380,486	8,991,600	4,121,440	242,250,646
Library collection	5,161,500	575,500	426,300	5,310,700
Total capital assets being depreciated	<u>402,850,136</u>	<u>18,890,558</u>	<u>4,816,570</u>	<u>416,924,124</u>
Total capital assets	<u>465,675,282</u>	<u>40,503,374</u>	<u>11,735,726</u>	<u>494,442,930</u>
Less accumulated depreciation for:				
Buildings	(65,611,890)	(4,022,713)	-	(69,634,603)
Improvements	(8,626,083)	(572,609)	-	(9,198,692)
Equipment	(22,921,349)	(1,057,474)	268,830	(23,709,993)
Infrastructure	(85,136,792)	(8,611,630)	4,121,440	(89,626,982)
Library collection	(2,703,700)	(449,500)	424,000	(2,729,200)
Total accumulated depreciation	<u>(184,999,814)</u>	<u>(14,713,926)</u>	<u>4,814,270</u>	<u>(194,899,470)</u>
Net capital assets being depreciated	<u>217,850,322</u>	<u>4,176,632</u>	<u>2,300</u>	<u>222,024,654</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 280,675,468</u>	<u>\$ 25,789,448</u>	<u>\$ 6,921,456</u>	<u>\$ 299,543,460</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 3,419,293
Public safety	1,037,587
Transportation	8,611,630
Health	2,316
Leisure and education	1,643,100
Total governmental activities depreciation expense	<u>\$ 14,713,926</u>

Marathon County

Notes to Financial Statements
December 31, 2021

	<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
Construction in progress	38,300	286,063	38,300	286,063
Total capital assets not being depreciated	<u>602,569</u>	<u>286,063</u>	<u>38,300</u>	<u>850,332</u>
Capital assets being depreciated:				
Buildings	8,193,805	-	-	8,193,805
Improvements	34,189,691	383,171	-	34,572,862
Equipment	23,009,367	764,522	341,371	23,432,518
Total capital assets being depreciated	<u>65,392,863</u>	<u>1,147,693</u>	<u>341,371</u>	<u>66,199,185</u>
Total capital assets	<u>65,995,432</u>	<u>1,433,756</u>	<u>379,671</u>	<u>67,049,517</u>
Less accumulated depreciation for:				
Buildings	(6,938,330)	(196,506)	-	(7,134,836)
Improvements	(23,326,559)	(923,532)	-	(24,250,091)
Equipment	(13,491,129)	(1,359,948)	252,200	(14,598,877)
Total accumulated depreciation	<u>(43,756,018)</u>	<u>(2,479,986)</u>	<u>252,200</u>	<u>(45,983,804)</u>
Net capital assets being depreciated	<u>21,636,845</u>	<u>(1,332,293)</u>	<u>89,171</u>	<u>20,215,381</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 22,239,414</u>	<u>\$ (1,046,230)</u>	<u>\$ 127,471</u>	<u>\$ 21,065,713</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Landfill	\$ 1,257,412
Highway	<u>1,222,574</u>
Total business-type activities depreciation expense	<u>\$ 2,479,986</u>

Marathon County

Notes to Financial Statements
December 31, 2021

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
Capital projects fund	General fund	\$ 25,492
Less fund eliminations		<u>(25,492)</u>
Total internal balances - government-wide statement of net position		<u>\$ -</u>

The principal purpose of this 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.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Capital improvement fund	\$ 296,386	Fund facility project staff
Capital improvement fund	General fund	3,964,321	Fund capital projects
Capital improvement fund	General fund	285,928	Fund library fund
Capital improvement fund	Social improvement fund	277,851	Fund capital projects
Highway fund	Capital improvement fund	1,327,600	Fund highway rolling stock
Employee Benefits fund	General fund	<u>808,113</u>	Fund County's HRA
Total fund financial statements		6,960,199	
Less fund eliminations		(5,632,599)	
Less government-wide eliminations		<u>(2,655,200)</u>	
Subtotal		(1,327,600)	
Infrastructure costs assigned by the highway fund to governmental activities		<u>6,657,519</u>	
Total transfers, government-wide statement of activities		<u>\$ 5,329,919</u>	

Marathon County

Notes to Financial Statements
December 31, 2021

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 6,657,519
Business-type activities	Governmental activities	<u>(1,327,600)</u>
Total government-wide financial statements		<u>\$ 5,329,919</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, 2021 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	\$ 37,305,000	\$ 24,830,000	\$ 1,705,000	\$ 60,430,000	\$ 2,425,000
Premium on debt	803,279	490,838	140,045	1,154,072	-
Forest crop loan payable	1,195,921	14,911	118,904	1,091,928	-
Subtotal	<u>39,304,200</u>	<u>25,335,749</u>	<u>1,963,949</u>	<u>62,676,000</u>	<u>2,425,000</u>
Other liabilities:					
Vested compensated absences:					
Governmental funds	4,760,761	-	577,459	4,183,302	543,829
Internal service fund	86,239	-	15,450	70,789	7,079
Total other liabilities	<u>4,847,000</u>	<u>-</u>	<u>592,909</u>	<u>4,254,091</u>	<u>550,908</u>
Total governmental activities long-term liabilities	<u>\$ 44,151,200</u>	<u>\$ 25,335,749</u>	<u>\$ 2,556,861</u>	<u>\$ 66,930,088</u>	<u>\$ 2,975,908</u>

Marathon County

Notes to Financial Statements
December 31, 2021

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
Other liabilities:					
Capital lease	\$ 1,045,663	\$ -	\$ 261,368	\$ 784,295	\$ 259,844
Vested compensated absences	829,858	64,969	82,986	811,841	81,184
Cell A long-term care and postclosure costs	860,404	-	79,522	780,882	-
Cell B closure costs	4,421,110	130,316	-	4,551,426	-
Cell B long-term care and postclosure costs	5,091,037	16,578	-	5,107,615	-
Blue Bird Ridge closure	2,496,585	523,529	-	3,020,114	-
Blue Bird Ridge long-term care and postclosure costs	3,791,556	705,146	-	4,496,702	-
Total business-type activities long-term liabilities	<u>\$ 18,536,213</u>	<u>\$ 1,440,538</u>	<u>\$ 423,876</u>	<u>\$ 19,552,875</u>	<u>\$ 365,383</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, 2021 was \$638,239,445. Total general obligation debt outstanding at year-end was \$64,805,000 (including \$4,375,000 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.

Marathon County

Notes to Financial Statements
December 31, 2021

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.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
Governmental Activities					
General obligation debt:					
General Obligation Promissory Notes Series 2019	12/05/19	12/31/29	2.00%	\$ 9,500,000	\$ 9,500,000
General Obligation Promissory Notes Series 2020A	3/18/20	2/1/30	1.00%-2.00%	8,500,000	8,255,000
General Obligation Promissory Notes Series 2020B	10/7/20	12/31/40	1.00%-2.00%	17,845,000	17,845,000
General Obligation Promissory Notes Series 2021A	3/17/21	2/1/31	1.00%-2.00%	5,830,000	5,830,000
General Obligation Promissory Notes Series 2021B	3/17/21	2/1/41	2.00%-2.125%	19,000,000	19,000,000
Total					<u>\$ 60,430,000</u>

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>
Years ending December 31:		
2022	\$ 2,425,000	\$ 1,214,432
2023	3,375,000	999,400
2024	3,750,000	948,825
2025	3,805,000	893,169
2026	3,865,000	837,094
2027-2031	18,805,000	3,272,413
2032-2036	12,160,000	1,852,200
2037-2041	12,245,000	584,149
Total	<u>\$ 60,430,000</u>	<u>\$ 10,601,682</u>

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021 is \$1,091,928. The current outstanding loan balance is non-capital 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.

Lease Disclosures

Lessor - Operating Leases

The Forestry Department leases (as lessor) land for farmland. The book value and carrying amount of the leased farmland is \$98,805. The future minimum lease receipts as of December 31, 2021 are as follows:

	Governmental Activities Principal
Years ending December 31:	\$
2022	897
2023	897
2024	897
2025	897
2026	897
2027-2064	33,195
Total	<u>\$ 37,680</u>

Marathon County

Notes to Financial Statements
December 31, 2021

Lessee - Capital Leases

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

The future principal and interest payments as of December 31, 2021, are as follows:

	Business-Type Activities		
	Principal	Interest	Total
Years:			
2022	\$ 259,844	\$ 4,784	\$ 264,628
2023	261,428	3,199	264,627
2024	263,023	1,604	264,627
	<u>784,295</u>	<u>9,587</u>	<u>793,882</u>
Subtotal	\$ 784,295	\$ 9,587	793,882
Less amount representing interest			<u>(9,587)</u>
Present value of minimum lease payments			<u>\$ 784,295</u>

Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for forty years after closure. The County completed final closure of cell A in 1993. The County expects to close cell B in the year 2022. Cells B and Blue Bird Ridge remain open at the end of 2021. 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, 2021 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	\$ 780,882	\$ 9,659,041	\$ 7,516,816	\$ 17,956,739
Capacity used at year-end	100%	94.86%	84.73%	

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021, \$14,984,531 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.

Self-Funded Pollution Liability

During 1996, the County Board of Supervisors created an agreement with the Solid Waste Management Board to create a self-funded pollution liability account. In the past, the Landfill Fund carried \$2 million of pollution insurance coverage. The general financing plan, which is funded by a portion of the tipping fee, did not require any additional funding in 2021 because it has surpassed the approximate \$2 million required. All interest earned on these funds are accumulated for this purpose and recorded in the fund. The County Board has pledged its full faith and credit to the financing plan during the years the account is not fully funded. The financing plan was fully funded as of December 31, 2006 and has a balance of \$2,556,730 as of December 31, 2021. No amounts were paid from this account in 2021.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021 includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 35,884,301
Construction in progress	41,634,505
Other capital assets, net of accumulated depreciation	222,024,654
Add unspent bond proceeds	1,319,469
Less long-term capital debt outstanding, net of unamortized premium	<u>(61,584,072)</u>
Total net investment in capital assets	<u>239,278,857</u>

Restricted:

Debt service	2,401,060
Land records	807,632
Capital improvements	228,377
Jail improvements	397,839
Net pension asset	13,789,606
Social services	<u>10,661,175</u>
Total restricted	<u>28,285,689</u>

Unrestricted 62,452,229

Total governmental activities net position \$ 330,016,775

Marathon County

Notes to Financial Statements
December 31, 2021

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	<u>General Fund</u>	<u>Social Improvement</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Total</u>
Fund Balance					
Nonspendable:					
Inventories and prepaid items	\$ 10,000	\$ 4,098	\$ 28,475	\$ -	\$ 42,573
Non-County levy portion of delinquent property taxes receivable	<u>2,815,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,815,521</u>
Total nonspendable	<u>2,825,521</u>	<u>4,098</u>	<u>28,475</u>	<u>-</u>	<u>2,858,094</u>
Restricted for:					
UW dorm capital maintenance	228,377	-	-	-	228,377
Land records	807,632	-	-	-	807,632
Jail assessments	397,839	-	-	-	397,839
Capital projects	-	-	1,319,469	-	1,319,469
Debt service	-	-	-	3,144,491	3,144,491
Social improvement	<u>-</u>	<u>10,657,077</u>	<u>-</u>	<u>-</u>	<u>10,657,077</u>
Total restricted	<u>1,433,848</u>	<u>10,657,077</u>	<u>1,319,469</u>	<u>3,144,491</u>	<u>16,554,885</u>
Assigned to:					
Conservation (ATC powerline easement)	1,142,856	-	-	-	1,142,856
Subsequent year's budget	10,709,086	-	-	-	10,709,086
Compensated absences	1,889,554	-	-	-	1,889,554
Capital projects	<u>-</u>	<u>-</u>	<u>6,667,214</u>	<u>-</u>	<u>6,667,214</u>
Total assigned	<u>13,741,496</u>	<u>-</u>	<u>6,667,214</u>	<u>-</u>	<u>20,408,710</u>
Unassigned	<u>34,107,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,107,833</u>
Total fund balances	<u>\$ 52,108,698</u>	<u>\$ 10,661,175</u>	<u>\$ 8,015,158</u>	<u>\$ 3,144,491</u>	<u>\$ 73,929,522</u>

Business-Type Activities

Investment in capital assets:

Land	\$ 564,269
Construction in progress	286,063
Other capital assets, net of accumulated depreciation	20,215,381
Less long-term capital debt outstanding	<u>(784,295)</u>

Total investment in capital assets 20,281,418

Restricted	1,777,911
Unrestricted	<u>51,003,219</u>

Total business-type activities net position \$ 73,062,548

Marathon County

Notes to Financial Statements
December 31, 2021

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	\$ 2,886,643	\$ 4,365,461	Custodial credit
Certificates of deposit	<u>6,801,062</u>	<u>6,801,062</u>	Custodial credit
Total deposits and investments	<u>\$ 9,687,705</u>	<u>\$ 11,166,523</u>	

Custodial Credit Risk

NCHC bank balances which were not insured, guaranteed or collateralized as of December 31, 2021 totaled \$2,358,680

Marathon County

Notes to Financial Statements

December 31, 2021

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	22,840,218	20,037,924	(38,722,593)	4,155,549	N/A
Depreciable land improvements	1,782,870	161,725	-	1,944,595	10-40
Buildings and building improvements	54,605,848	36,272,977	(570,161)	90,308,664	10-40
Equipment	27,233,831	2,448,399	(70,920)	29,611,310	3-40
Capital lease	130,361	-	-	130,361	5
Software	-	-	-	-	3-15
Less accumulated depreciation/amortization	<u>(52,766,548)</u>	<u>(3,392,711)</u>	<u>624,085</u>	<u>(55,535,174)</u>	
	<u>\$ 53,891,713</u>	<u>\$ 55,528,314</u>	<u>\$ (38,739,589)</u>	<u>\$ 70,680,438</u>	

In 2018, NCHC began planning for a significant master facility project at the Wausau campus. The project, which includes an aquatic pool and a redesign of the Wausau campus is expected to cost approximately \$73.3 million and is expected to be completed in 2022. The project will be financed with proceeds from an aquatic pool capital campaign and general obligation bonds issued by Marathon County. NCHC had commitments to this master facility plan project totaling \$9,500,000 at December 31, 2021.

Construction in progress at December 31, 2021 consisted primarily of master facility plan related costs.

Long-Term Debt

Pursuant to a resolution adopted on November 8, 2016, Lincoln County, Wisconsin (the County) authorized the issuance of \$7,000,000 Taxable Note Anticipation Notes (Series 2016 NANs) to provide interim financing for purposes of paying a portion of the cost of the construction of an addition to Pine Crest, renovation of a portion of the existing Pine Crest nursing home and acquisition of related equipment. The Series 2016 NANs dated December 1, 2016, matured on March 1, 2017. On February 14, 2017, the County issued \$6,950,000 General Obligation Refunding Bonds (the Bonds) maturing December 1, 2036 and \$2,600,000 Note Anticipation Notes (the Notes) maturing December 1, 2021 (collectively the Securities). Proceeds of the Securities were used to refund the Series 2016 NANs at maturity on March 1, 2017, with the remainder available to pay for costs of the construction project.

The Series 2017 Bonds carry interest rates ranging from 2.0% to 3.5%. The Bonds require semiannual interest only payments through June 1, 2018 and semiannual payments of interest and principal (with principal amounts varying from \$350,000 on December 1, 2019, to \$480,000 on December 1, 2036). The Notes carry an interest rate of 2.09% and require semiannual interest only payments with the balance due on December 1, 2021.

On December 1, 2021, Lincoln County issued \$2,595,000 on General Obligation Refunding Bonds (Series 2021 Bonds) to refinance the Notes. The Series 2021 Bonds carry interest rates varying from .65 to 3.0% and mature in varying amounts through December 1, 2038.

Marathon County

Notes to Financial Statements

December 31, 2021

Long-term debt consisted of the following at December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Series 2017 General Obligation Refunding Bonds with interest of 2.78%	\$ 6,230,000	\$ -	\$ 370,000	\$ 5,860,000	\$ 315,000
Series 2017 Note Anticipation Notes with interest of 2.09%	2,600,000	-	2,600,000	-	-
Series 2021 General Obligation Refunding Bonds	-	2,595,000		2,595,000	80,000
Deferred amounts, premium	307,962	65,188	29,220	343,930	-
Total	<u>\$ 9,137,962</u>	<u>\$ 2,660,188</u>	<u>\$ 2,999,220</u>	<u>\$ 8,798,930</u>	<u>\$ 395,000</u>

Long-term debt service requirements to maturity are as follows:

	Principal	Interest	Total
2022	\$ 395,000	\$ 190,980	\$ 585,980
2023	405,000	227,010	632,010
2024	415,000	216,740	631,740
2025	425,000	206,170	631,170
2026	435,000	195,300	630,300
2027-2031	2,385,000	773,150	3,158,150
2032-2036	2,765,000	392,734	3,157,734
2037-2038	1,230,000	37,000	1,267,000
Total	<u>\$ 8,455,000</u>	<u>\$ 2,239,084</u>	<u>\$ 10,694,084</u>

Amounts Due to Marathon County for Property and Equipment

Marathon County is financing construction of the NCHC Wausau Campus Master Facility project. Through December 31, 2021, Marathon County had issued Series 2019A General Obligation Promissory Notes, Series 2020A General Obligation Promissory Notes, Series 2020B General Obligation Health Care Project Building Bonds and Series 2021B General Obligation Health Care Project Building Bonds (collectively *Project-Related Bonds*) of which \$44,597,054 was used to finance the NCHC Wausau Campus Master Facility Plan project. NCHC will repay Marathon County based on an allocation of principal and interest on Project-Related Bonds.

As of December 31, 2021, Marathon County had issued Project-Related Bonds totaling \$44,443,425 for the NCHC Wausau Campus Master Facility Plan project and expects to finance the remaining amount owed at December 31, 2021, totaling \$2,070,752, along with future NCHC Wausau Campus Master Facility Plan project costs, with bonds to be issued in future years.

The Project-Related Bonds carry interest rates ranging from 2.0% to 2.125% and NCHC's portion of the Project-Related Bonds issued as of December 31, 2021, mature in varying amounts through December 1, 2041.

Amounts owed to Marathon County for property and equipment consisted of the following at December 31:

Marathon County

Notes to Financial Statements

December 31, 2021

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
2020 \$	6,061,225	\$ 22,076,560	\$ -	\$ 28,137,785	\$ 153,629
2021	28,137,785	18,530,021	153,629	46,514,199	839,359

Debt service requirements for amounts owed to Marathon County for NCHC Wausau Campus Master Facility Plan project related costs are as follows:

	Principal	Interest	Total
Project-Related Bonds:			
2022	\$ 839,357	\$ 930,595	\$ 1,769,952
2023	1,736,407	772,180	2,508,587
2024	2,082,867	748,117	2,830,984
2025	2,111,782	719,864	2,831,646
2026	2,134,987	690,629	2,825,616
2027-2031	11,133,025	2,953,491	14,086,516
2032-2036	12,160,000	1,852,200	14,012,200
2037-2041	12,245,000	584,150	12,829,150
Total Project-Related Bonds	44,443,425	9,251,226	53,694,651
Future bonds	2,070,752		
Total owed to Marathon County	\$ 46,514,177		

Compensated Absences

Compensated absences activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 2,353,882	\$ -	\$ 81,013	\$ 2,272,869	\$ 2,272,869

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, 2021, NCHC reported an asset of \$14,388,349 for its proportionate share of the net pension asset. The net pension asset 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 asset 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 asset was based on NCHC's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, NCHC's proportion was .20284075% (a decrease of .02293924% from the prior year).

For the year ended December 31, 2021, NCHC recognized pension expense of \$1,703,610.

During the reporting period, the WRS recognized \$2,603,048 in contributions from the employer.

Marathon County

Notes to Financial Statements
December 31, 2021

At December 31, 2021, NCHC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,824,359	\$ -
Changes in assumptions	326,356	-
Net difference between projected and actual earnings on pension plan investments	-	27,012,953
Changes in proportion and differences between employer contributions and proportionate share of contributions	279,147	4,485,529
Employer contributions subsequent to the measurement date	<u>2,582,954</u>	<u>59,638</u>
Total	<u>\$ 24,012,816</u>	<u>\$ 31,558,120</u>

Deferred outflows of \$2,582,954 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:

	Total
Years ending December 31:	
2021	\$ (2,597,306)
2022	(656,568)
2023	(4,833,445)
2024	(2,040,939)

Marathon County

Notes to Financial Statements
December 31, 2021

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 7.00%, as well as what NCHC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
NCHC's proportionate share of the net pension (asset) liability	\$ 13,695,714	\$ (14,388,349)	\$ (35,015,855)

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, 2021, NCHC reported a payable of \$624,033 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>.

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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Marathon County

Notes to Financial Statements

December 31, 2021

Contribution rates for the plan year reported as of December 31, 2021 are:

Coverage Type	Employer Contributions
25% Post Retirement Coverage	20% of Employee Contribution

During the year ended December 31, 2021, the LRIF recognized \$10,796 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, 2020 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
34-39	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.

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

At December 31, 2021, NCHC reported a liability of \$3,028,071 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, NCHC's proportion was 0.39479299%, which was a decrease of 0.19390931% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, NCHC recognized OPEB expense of \$231,655.

Marathon County

Notes to Financial Statements
December 31, 2021

At December 31, 2021, NCHC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 144,488
Net difference between projected and actual earnings on OPEB pension plan investments	1,177,963	207,767
Changes in assumptions	59,160	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	348,056	194,025
Employer contributions subsequent to the measurement date	10,901	
Total	\$ 1,596,080	\$ 546,280

Deferred outflows of \$10,901 related to OPEB resulting from NCHC's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability 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 as follows:

	Net Deferred Outflows (Inflows) of Resources
Years ending December 31:	
2022	\$ (196,605)
2023	(191,839)
2024	(186,928)
Thereafter	(463,527)

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, 2020
Measurement date of net OPEB liability (asset)	December 31, 2020
Actuarial cost method	Entry Age Normal
20-year tax-exempt municipal bond yield	2.12%
Long-Term expected rate of return	4.3%
Discount Rate:	2.3%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Marathon County

Notes to Financial Statements

December 31, 2021

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total OPEB Liability for December 31, 2020, is based upon a roll-forward of the liability calculated from the January 1, 2020, 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.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. government bonds	Barclays Credit	50.00 %	1.47 %
U.S. mortgages	Barclays MBS	50.00	0.82
Inflation			2.20
Long-term expected rate of return			4.25

Single Discount Rate

The long-term expected rate and expected inflation rate remain unchanged from the prior year at 4.25 and 2.20%, respectively. 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.

A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019, to 2.12% as of December 31, 2020. 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.

Marathon County

Notes to Financial Statements

December 31, 2021

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 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 2.25%, 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 (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
NCHC's proportionate share of the net OPEB liability	\$ 4,119,043	\$ 3,028,071	\$ 2,203,001

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.

The estimated cost of providing care to patients under NCHC's community care policy was approximately \$2,343,000 in 2021, 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 2021, NCHC received \$6,488,918, \$1,217,853 and \$456,273 from Marathon, Lincoln and Langlade Counties, respectively, to assist in meeting operating costs. In 2021, Marathon County (received capital contribution from) contributed capital to NCHC of \$(50,565) for capital assets.

Land and buildings, with a cost of \$86,564,295 at December 31, 2021, utilized by the 51.42/.437 program and MVCC nursing home are held in title by Marathon County. These capital assets, net of accumulated depreciation, are included in the statement of net position under capital assets - net and in net position invested in capital assets. Depreciation on this property is included in the financial statements of NCHC.

Marathon County

Notes to Financial Statements
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Land, buildings and equipment with a cost of \$20,540,508 at December 31, 2021, utilized by Pine Crest nursing home are held in title by Lincoln County. These capital assets, net of accumulated depreciation, are included in the statement of net position under capital assets - net and in net position invested in capital assets. Depreciation on this property is included in the financial statements of NCHC.

At December 31, 2021, NCHC had receivables due from Marathon County of \$37,563. At December 31, 2021, NCHC had amounts payable to Lincoln County of \$165,983. In addition, at December 31, 2021, NCHC had amounts due to Marathon County totaling \$46,514,177 for the master facility plan project previously discussed.

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 21%, 41% and 38%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. In 2021, NCHC paid \$1,661,637 to the Commission for services rendered. At December 31, 2021, NCHC had accounts payable due to CCITC totaling \$64,255.

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 2021, approximately 25% of NCHC's revenues for services provided to patients whose bills are paid in whole or in part by the Medicare program.

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

Medicaid

In 2021, approximately 64% 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.

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021:

	<u>51.42/.437 Program</u>	<u>Nursing Home</u>	<u>Total</u>
Patient accounts receivable	\$ 8,253,322	\$ 3,668,222	\$ 11,921,544
Less allowance for doubtful accounts	(221,144)	(448,396)	(669,540)
Less contractual adjustments	<u>(3,591,636)</u>	<u>(11,132)</u>	<u>(3,602,768)</u>
Patient accounts receivable, net	<u>\$ 4,440,542</u>	<u>\$ 3,208,694</u>	<u>\$ 7,649,236</u>

Marathon County

Notes to Financial Statements
December 31, 2021

Net Patient Service Revenue

Net patient service revenue consisted of the following at December 31, 2021:

	<u>51.42/437 Program</u>	<u>Nursing Home</u>	<u>Total</u>
Gross patient service revenue:			
Medical assistance	\$ 31,908,619	\$ 19,124,298	\$ 51,032,917
Medicare	13,989,786	6,389,484	20,379,270
Private pay	3,016,945	1,634,640	4,651,585
Insurance and other	3,517,470	1,085,875	4,603,345
Total	52,432,820	28,234,297	80,667,117
Less:			
Contractual adjustments	18,745,436	579,521	19,324,957
Provision for bad debts	373,628	120,985	494,613
Net patient service revenue	<u>\$ 33,313,756</u>	<u>\$ 27,533,791</u>	<u>\$ 60,847,547</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>2021</u>	<u>2020</u>
Unpaid claims liability, beginning	\$ 503,000	\$ 670,000
Claims expense	9,627,227	7,965,002
Claim payments	<u>(8,830,466)</u>	<u>(8,132,002)</u>
Unpaid claims liability, ending	<u>\$ 1,299,761</u>	<u>\$ 503,000</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, 2021

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, 2021 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, 2023.

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, 2021:

Medicare	17 %
Medicaid	67
Private pay	10
Insurance and other	<u>6</u>
	<u>100 %</u>
Total	

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 \$4,570,948 and is part of the County's commingled cash. See Note 3.

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021 of \$506,728.

Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 614,983	\$ -	\$ -	\$ 614,983	N/A
Construction in progress	10,888,856	16,156,855	(108,128)	26,937,584	N/A
Buildings	39,101,520	77,759	-	39,179,279	20-50
Improvements	54,485,660	-	-	54,485,660	2-20
Equipment	11,244,749	223,430	(52,678)	11,415,501	3-10
Less accumulated depreciation	(58,363,477)	(3,295,043)	52,678	(61,605,843)	
Total	\$ 57,972,291	\$ 13,163,001	\$ (108,128)	\$ 71,027,164	

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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation debt	\$ 5,040,000	\$ -	\$ 665,000	\$ 4,375,000	\$ 610,000
Add deferred amounts for premiums	53,900	-	7,693	46,207	-
Subtotal	5,093,900	-	672,693	4,421,207	610,000
Other liabilities:					
Vested compensated absences	214,218	35,261	25,706	223,773	29,090
Subtotal	214,218	35,261	25,706	223,773	29,090
Total	\$ 5,308,118	\$ 35,261	\$ 698,399	\$ 4,644,980	\$ 639,090

Marathon County

Notes to Financial Statements

December 31, 2021

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>
2010A General Obligation Promissory Note	12/15/2010	12/1/2025	2.0-4.0%	\$ 2,450,000	\$ 755,000
2012 General Obligation Promissory Note	12/27/2012	12/1/2028	2.0-3.38%	2,650,000	1,300,000
2015 General Obligation Bond	6/1/2015	12/1/2030	3.0-3.5%	2,545,000	<u>2,320,000</u>
Total component unit, general obligation debt					<u>\$ 4,375,000</u>

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.

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 610,000	\$ 143,762	\$ 753,762
2023	620,000	123,662	743,662
2024	635,000	103,212	738,212
2025	650,000	82,262	732,262
2026	455,000	60,762	515,762
2027-2030	<u>1,405,000</u>	<u>108,362</u>	<u>1,513,362</u>
Total	<u>\$ 4,375,000</u>	<u>\$ 622,022</u>	<u>\$ 4,997,022</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.

Lease Disclosures

Lessor-Operating Leases

The CWA leases farmland, terminal space, hanger space and parking space. The cost of the leased space is \$13,423,812. The carrying amount of the leased space at CWA is \$4,158,135. The difference between the two figures is the accumulated depreciation of \$9,265,677. The future minimum lease receipts as of December 31, 2021 are as follows:

	<u>Principal</u>
Years ending December 31:	
2022	\$ 76,716
2023	<u>55,236</u>
Total	<u>\$ 131,952</u>

Marathon County

Notes to Financial Statements
December 31, 2021

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>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 2,012,886	\$ 2,106,550	Custodial credit
LGIP	<u>1,081,940</u>	<u>1,081,940</u>	Credit
Total deposits and investments	<u>\$ 3,094,826</u>	<u>\$ 3,188,490</u>	

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

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

Local Government Investment Pool

Restricted Assets

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

Marathon County

Notes to Financial Statements
December 31, 2021

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
Less accumulated depreciation	<u>(8,202)</u>	<u>(2,734)</u>		<u>(10,936)</u>	
Total	<u>\$ 5,467</u>	<u>\$ (2,734)</u>	<u>\$</u>	<u>\$ 2,733</u>	

Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2021 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	\$ 123,953	\$ 88,966	\$ 123,953	\$ 88,996	\$ 88,966
Total	<u>\$ 123,953</u>	<u>\$ 88,966</u>	<u>\$ 123,953</u>	<u>\$ 88,966</u>	<u>\$ 88,996</u>

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

Employee Retirement System

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

At June 30, 2021, CDEB reported a liability/(asset) of (\$1,894,104) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, CDEB's proportion was 0.03033897%, which was an increase of 0.00270552% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, CDEB recognized pension expense of \$216,708. During the reporting period, the WRS recognized \$340,235 in contributions from the employer.

Marathon County

Notes to Financial Statements

December 31, 2021

At June 30, 2021, CDEB reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,741,350	\$ 590,482
Changes in actuarial assumptions	42,962	-
Net difference between projected and actual earnings on pension plan investments	-	3,556,026
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,422
Employer contributions subsequent to the measurement date	180,107	
Total	<u>\$ 2,964,419</u>	<u>\$ 4,151,930</u>

\$180,107 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:

	Total
Years ending June 30:	
2022	\$ (352,782)
2023	(96,714)
2024	(644,971)
2025	(273,151)

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
CDEB's proportionate share of the net pension liability (asset)	\$ 1,802,924	\$ (1,894,104)	\$ (4,609,543)

Lease Disclosures

CDEB leases office space from North Central Health Care on an annual basis. Rent expensed by CDEB for the current fiscal year totaled \$33,247.

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefit payments	2
Active plan members	<u>129</u>
Total	<u><u>131</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, 2021, 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.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 2.25%. 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, 2021 and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2020.

Marathon County

Notes to Financial Statements
December 31, 2021

Actuarial Assumptions

The total OPEB liability/asset in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	3.0%, plus merit increases based on years of service ranging from 0.2% to 5.6%
Investment rate of return	2.25%
Healthcare cost trend rates	6.5%, decreasing 0.1% per year to 5.0% and level thereafter

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study conducted in 2015 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 2.25%. 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.

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, 2020	\$ 298,611	\$ 375,565	\$ (76,954)
Changes for the year:			
Service cost	27,982	-	27,982
Interest	7,033	-	7,033
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(17,046)	-	(17,046)
Changes in assumptions or other input	(27,285)	-	(27,285)
Net investment income	-	6,746	(6,746)
Benefit payments	-	-	-
Net changes	(9,316)	6,746	(16,062)
Balance at June 30, 2021	\$ 289,295	\$ 382,311	\$ (93,016)

Marathon County

Notes to Financial Statements

December 31, 2021

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 (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Net OPEB liability (asset)	\$ (81,718)	\$ (93,016)	\$ (104,247)

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 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% Decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Net OPEB liability (asset)	\$ (96,335)	\$ (93,016)	\$ (89,466)

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

At June 30, 2021, 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	\$ 55,665	\$ 15,981
Changes of assumptions or other input	12,523	40,472
Net difference between projected and actual earnings on OPEB plan investments	11,972	
Total	<u>\$ 80,160</u>	<u>\$ 56,453</u>

Marathon County

Notes to Financial Statements
December 31, 2021

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

	Net Deferred Outflows (Inflows) of Resources (Net)
Years ending June 30:	
2022	\$ 7,064
2023	5,097
2024	3,077
2025	1,542
Thereafter	6,927

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>.

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.

Marathon County

Notes to Financial Statements

December 31, 2021

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	(1.2)%	11.0%
2012	(7.0)	(7.0)
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

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 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 \$2,808,872 in contributions from the County and \$71,450 from the CWA.

Marathon County

Notes to Financial Statements
December 31, 2021

Contribution rates as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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

At December 31, 2021, the County reported a liability/(asset) of \$15,636,783 for its proportionate share of the net pension liability/(asset) and CWA reported a net pension asset of \$398,462 for its share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the County's proportion was 0.25046871%, which was a decrease of 0.00132395% from its proportion measured as of December 31, 2020. The CWA's proportion was 0.00637122%, which was a decrease of 0.00003368% from its proportioned measure.

For the year ended December 31, 2021, the County recognized pension expense of (\$2,130,987) and CWA recognized pension expense of (\$54,206).

Marathon County

Notes to Financial Statements
December 31, 2021

At December 31, 2021, 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 expected and actual experience	\$ 22,988,454	\$ 5,160,585	\$ 582,549	\$ 121,913
Changes in actuarial assumptions	373,641	-	8,595	-
Net differences between projected and actual earnings on pension plan investments	-	29,447,301	-	768,654
Changes in proportion and differences between employer contributions and proportionate share of contributions	30	46,313	(1)	1,151
Employer contributions subsequent to the measurement date	<u>3,111,525</u>	<u>-</u>	<u>71,386</u>	<u>-</u>
Total	<u>\$ 26,473,650</u>	<u>\$ 34,654,199</u>	<u>\$ 662,529</u>	<u>\$ 891,718</u>

\$3,111,525 for the County and \$71,386 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>Net County</u>	<u>Net CWA</u>
Years ending December 31:		
2022	\$ (2,913,526)	\$ (78,359)
2023	(798,735)	(21,482)
2024	(5,326,623)	(143,259)
2025	(2,253,190)	(57,475)

Marathon County

Notes to Financial Statements

December 31, 2021

Actuarial assumptions

The total pension asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

- * No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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:

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115.0	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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

Marathon County

Notes to Financial Statements

December 31, 2021

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (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, 2020. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 7.00%, 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 (7.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
County's proportionate share of the net pension liability/(asset)	\$ 14,884,360	\$ (15,636,783)	\$ (38,054,900)
CWA's proportionate share of the net pension liability/(asset)	378,616	(398,462)	(968,010)

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, 2021, the County reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021, 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, 2021

The 2021 claims liability of \$2,219,878 reported in the Property Casualty Insurance fund at December 31, 2021 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 2020 and 2021 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>
2020	\$ 2,086,338	\$ 980,705	\$ (980,705)	\$ 2,086,338
2021	2,086,338	1,172,438	(1,038,898)	2,219,878

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are recorded as expenditures or expenses in various other funds of the County. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. All funds of the County participate in the risk management program. Amounts payable to the fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$3,487,492 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 \$1,778,637 reported in the Employee Benefits Insurance fund at December 31, 2021 is also based on the requirements of GASB.

Changes in the fund's claim liability amount for 2020 and 2021 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>
2020	\$ 1,771,810	\$ (275,691)	\$ (72,843)	\$ 1,423,276
2021	1,423,276	434,463	(79,102)	1,778,637

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, 2021 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, 2021

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.

The County and North Central Community Services Program (NCCSP) are in the process of finalizing a ground facility lease and use agreement. When this agreement is finalized, it will require NCCSP to pay the County for costs the County incurred for improvements at the North Central Health Care (NCHC) campus. These improvements were financed with the issuance of the 2018, 2019, 2020 and 2021 promissory notes. As of December 31, 2021, the amount of costs accumulated for these improvements was approximately \$44.4M.

Related Organizations/Jointly Governed Organizations

City-County Information Technology Commission

The City-County Information Technology Commission (CCITC) is a joint function with Marathon County, the City of Wausau and NCHC to provide for the implementation and operation of a data and management information service. The CCITC is governed by an eight member board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County chairman of the Board of Supervisors, County Administrator, NCHC CEO and Finance Director. To ensure a balance of influence on the Board of Commissioners, two members are appointed at large from within the County. These members must have a professional background in data processing services. The Board of Commissioners has the authority to fix cost sharing charges for members in an amount sufficient to provide the funds required by the budget. Funding for services is recovered through three sources. The City, County and NCHC split the operating costs not recovered through outside user fees 21%, 41% and 38%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. Marathon County contributed \$1,398,612 for operating assessments, \$463,077 for maintenance support and \$319,745 for capital contributions. The County has an equity interest of \$401,006 in the commission that is accounted for in the governmental activities.

Financial information of the CCITC as of December 31, 2021 is available directly from the commission's office.

Regional Planning Commission

The County, in conjunction with Vilas, Forest, Oneida, Lincoln, Langlade, Portage, Wood, Juneau and Adams counties and major cities within these counties, has created the North Central Wisconsin Regional Planning Commission (NCWRPC). NCWRPC's governing body is comprised of two members from each of the ten counties and a representative from each major city. The County's representatives are appointed by the County Board Chair and approved by the County Board. Marathon County's 2021 appropriation for NCWRPC was \$72,500.

Marathon County

Notes to Financial Statements
December 31, 2021

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, 2021 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.

Subsequent Events

On June 15, 2022, the County issued general obligation notes, Series 2022A, in the amount of \$23,915,000 with an interest rate of 3.00 – 4.00%. This amount will be used to fund County capital projects.

On June 15, 2022, the County issued general obligation Health Care Project Building Bonds, Series 2022B, in the amount of \$19,225,000 with an interest rate of 3.00 – 4.00%. This amount will be used to fund the health care building project.

Marathon County

Notes to Financial Statements
December 31, 2021

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32.*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

REQUIRED SUPPLEMENTARY INFORMATION

Marathon CountySchedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes:				
General property taxes	\$ 33,654,388	\$ 33,654,388	\$ 33,618,101	\$ (36,287)
Forest crop taxes	65,300	65,300	206,950	141,650
Transfer tax	354,000	354,000	489,425	135,425
Sales tax	13,533,150	13,533,150	15,697,552	2,164,402
Interest on delinquent taxes	400,000	400,000	757,755	357,755
Penalties on delinquent taxes	400,000	400,000	377,547	(22,453)
Total taxes	48,406,838	48,406,838	51,147,330	2,740,492
Intergovernmental grants and aids:				
Wisconsin shared revenue	5,830,223	5,830,223	5,742,910	(87,313)
Exempt computer aid	318,844	318,844	481,122	162,278
Environmental impact fee	-	-	57,683	57,683
Federal grants	381,673	490,244	355,485	(134,759)
State grants	3,618,439	7,392,885	4,598,135	(2,794,750)
Local government grants	19,478	19,478	5,000	(14,478)
Total intergovernmental grants and aids	10,168,657	14,051,674	11,240,335	(2,811,339)
Licenses and permits:				
Licenses	48,550	48,550	40,401	(8,149)
Permits	347,600	347,600	377,350	29,750
Total licenses and permits	396,150	396,150	417,751	21,601
Fines and forfeitures:				
County ordinance fines and forfeitures	150,000	150,000	117,168	(32,832)
County share of state fines and forfeitures	500,080	500,080	543,580	43,500
Total fines and forfeitures	650,080	650,080	660,748	10,668
Public charges for services:				
General government:				
Recording fees	390,000	390,000	439,630	49,630
Certified copies	78,000	78,000	81,532	3,532
Land record fees	201,970	201,970	233,600	31,630
Court fees and costs	767,000	767,000	953,159	186,159
Other charges	546,152	546,152	625,834	79,682
Total general government	1,983,122	1,983,122	2,333,755	350,633
Public safety:				
Board of prisoners	309,000	309,000	257,926	(51,074)
Processing fees	180,000	180,000	96,351	(83,649)
Other charges	647,275	647,275	612,139	(35,136)
Total public safety	1,136,275	1,136,275	966,416	(169,859)

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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Health:				
General health	\$ 8,140	\$ 8,140	\$ 6,728	\$ (1,412)
Lab contract work	88,000	88,000	97,030	9,030
Environmental permits	477,000	477,000	541,840	64,840
Other charges	30,427	30,427	57,715	27,288
Total health	603,567	603,567	703,313	99,746
Social services	5,000	5,000	2,826	(2,174)
Library	50,000	50,000	34,507	(15,493)
Recreation and public areas:				
Camping fees	215,400	215,400	299,221	83,821
Park concessions	37,150	37,150	20,427	(16,723)
Shelter rental and forfeitures	29,300	29,300	30,241	941
Fairgrounds building rents	109,311	109,311	85,439	(23,872)
Organized hockey rents	225,000	225,000	220,229	(4,771)
Cross country fees	68,531	68,531	58,368	(10,163)
Other charges	359,875	359,875	357,568	(2,307)
Total recreation and public areas	1,044,567	1,044,567	1,071,493	26,926
Education	21,900	21,900	13,468	(8,432)
Conservation:				
Forest resources	341,500	341,500	541,445	199,945
Agricultural resources	36,500	36,500	45,779	9,279
Total conservation	378,000	378,000	587,224	209,224
Total public charges for services	5,222,431	5,222,431	5,713,002	490,571
Intergovernmental charges for services:				
State and federal	541,237	591,237	650,305	59,068
Local districts:				
General government	206,000	206,000	61,716	(144,284)
Register of deeds services	80,000	80,000	119,660	39,660
Postage	60,000	60,000	40,544	(19,456)
Telephone	8,000	8,000	2,045	(5,955)
Sheriff's services	323,840	323,840	310,030	(13,810)
Other charges	318,199	411,327	779,312	367,985
Local departments	486,132	486,132	283,946	(202,186)
Total intergovernmental charges for services	2,023,408	2,166,536	2,247,558	81,022
Miscellaneous revenue:				
Investment income (loss)	986,100	986,100	(999,457)	(1,985,557)
Rental income	662,101	662,101	616,370	(45,731)
Donations	365,222	385,222	445,642	60,420
Other revenues	4,875,002	6,296,022	807,621	(5,488,401)
Total miscellaneous revenue	6,888,425	8,329,445	870,176	(7,459,269)
Total revenues	\$ 73,755,989	\$ 79,223,154	\$ 72,296,900	\$ (6,926,254)

See notes to required supplementary information

Marathon CountySchedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
General government:				
Legislative:				
Personal services	\$ 379,422	\$ 379,422	\$ 342,671	\$ 36,751
Contractual services	46,994	146,832	41,395	105,437
Materials and supplies	86,600	86,600	163,223	(76,623)
Total legislative	513,016	612,854	547,289	65,565
Judicial:				
Personal services	2,920,330	2,926,931	2,853,356	73,575
Contractual services	1,171,720	1,176,445	1,298,216	(121,771)
Materials and supplies	106,598	113,502	101,222	12,280
Fixed charges	4,800	4,800	2,069	2,731
Total judicial	4,203,448	4,221,678	4,254,863	(33,185)
Executive:				
Personal services	478,308	478,308	335,158	143,150
Contractual services	55,110	55,110	61,846	(6,736)
Materials and supplies	35,546	35,546	6,536	29,010
Grants and contributions	228,133	228,133	227,223	910
Total executive	797,097	797,097	630,763	166,334
General administration:				
Personal services	791,133	791,133	807,579	(16,446)
Contractual services	232,025	232,025	206,881	25,144
Materials and supplies	270,200	270,200	276,432	(6,232)
Total general administration	1,293,358	1,293,358	1,290,892	2,466
Financial administration:				
Personal services	1,299,654	1,299,654	1,033,843	265,811
Contractual services	195,890	295,890	128,159	167,731
Materials and supplies	54,300	54,300	31,017	23,283
Grants and contributions	8,770,061	8,770,061	8,556,166	213,895
Total financial administration	10,319,905	10,419,905	9,749,185	670,720
Legal:				
Personal services	2,019,793	2,019,793	1,987,998	31,795
Contractual services	59,682	59,682	55,011	4,671
Materials and supplies	185,648	185,648	64,657	120,991
Total legal	2,265,123	2,265,123	2,107,666	157,457
Property records and control:				
Personal services	454,648	454,648	429,202	25,446
Contractual services	43,600	43,600	894	42,706
Materials and supplies	29,975	29,975	45,239	(15,264)
Fixed charges	1,200	1,200	-	1,200
Total property records and control	529,423	529,423	475,335	54,088

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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
County planning and zoning:				
Personal services	\$ 1,866,434	\$ 1,866,434	\$ 1,830,256	\$ 36,178
Contractual services	549,603	822,044	520,128	301,916
Materials and supplies	90,383	87,704	57,741	29,963
Fixed charges	4,451	4,451	4,518	(67)
Grants and contributions	25,000	25,000	26,669	(1,669)
Total county planning and zoning	<u>2,535,871</u>	<u>2,805,633</u>	<u>2,439,312</u>	<u>366,321</u>
Building maintenance:				
Personal services	2,592,966	2,592,966	2,279,967	312,999
Contractual services	2,153,180	2,213,485	2,067,704	145,781
Materials and supplies	213,110	213,110	196,211	16,899
Fixed charges	20,928	20,928	15,015	5,913
Capital outlay	317,600	317,600	309,031	8,569
Total building maintenance	<u>5,297,784</u>	<u>5,358,089</u>	<u>4,867,928</u>	<u>490,161</u>
Total general government	<u>27,755,025</u>	<u>28,303,160</u>	<u>26,363,233</u>	<u>1,939,927</u>
Public safety:				
Sheriff:				
Personal services	12,751,410	12,793,633	12,755,199	38,434
Contractual services	1,099,798	1,179,065	983,242	195,823
Materials and supplies	1,186,537	1,333,903	1,133,212	200,691
Grants and contributions	6,100	48,323	78,991	(30,668)
Capital outlay	-	19,500	60,355	(40,855)
Total sheriff	<u>15,043,845</u>	<u>15,374,424</u>	<u>15,010,999</u>	<u>363,425</u>
Emergency services:				
Personal services	230,265	231,265	220,164	11,101
Contractual services	14,400	69,775	66,931	2,844
Materials and supplies	68,250	61,250	17,707	43,543
Fixed charges	5,500	5,500	4,823	677
Grants and contributions	25,000	25,000	12,370	12,630
Total emergency services	<u>343,415</u>	<u>392,790</u>	<u>321,995</u>	<u>70,795</u>
Adult corrections:				
Personal services	5,819,195	5,819,195	5,439,800	379,395
Contractual services	4,141,440	4,141,440	4,046,742	94,698
Materials and supplies	289,688	288,669	150,022	138,647
Fixed charges	37,800	37,800	34,281	3,519
Capital outlay	3,000	3,000	32,560	(29,560)
Total adult corrections	<u>10,291,123</u>	<u>10,290,104</u>	<u>9,703,405</u>	<u>586,699</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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
Juvenile corrections:				
Contractual services	\$ 37,300	\$ 37,300	\$ 34,739	\$ 2,561
Materials and supplies	12,734	12,734	13,300	(566)
Total juvenile corrections	<u>50,034</u>	<u>50,034</u>	<u>48,039</u>	<u>1,995</u>
Shelter home:				
Personal services	548,477	548,477	499,475	49,002
Contractual services	12,500	12,500	8,743	3,757
Materials and supplies	1,000	1,000	15	985
Total shelter home	<u>561,977</u>	<u>561,977</u>	<u>508,233</u>	<u>53,744</u>
Total public safety	<u>26,290,394</u>	<u>26,669,329</u>	<u>25,592,671</u>	<u>1,076,658</u>
Health:				
Personal services	3,359,938	5,310,615	3,150,372	2,160,243
Contractual services	1,027,879	2,162,874	2,188,106	(25,232)
Materials and supplies	205,555	741,956	202,660	539,296
Total health	<u>4,593,372</u>	<u>8,215,445</u>	<u>5,541,138</u>	<u>2,674,307</u>
Social services:				
Veterans:				
Personal services	208,338	208,338	201,191	7,147
Contractual services	5,100	5,100	4,589	511
Materials and supplies	14,725	14,725	7,622	7,103
Grants and contributions	550	20,062	4,423	15,639
Total veterans	<u>228,713</u>	<u>248,225</u>	<u>217,825</u>	<u>30,400</u>
Total social services	<u>228,713</u>	<u>248,225</u>	<u>217,825</u>	<u>30,400</u>
Leisure activities and education:				
Library:				
Personal services	2,843,509	2,843,509	2,387,997	455,512
Contractual services	236,600	236,600	205,595	31,005
Materials and supplies	587,153	635,026	657,690	(22,664)
Fixed charges	87,500	87,500	92,635	(5,135)
Total library	<u>3,754,762</u>	<u>3,802,635</u>	<u>3,343,917</u>	<u>458,718</u>

See notes to required supplementary information

Marathon CountySchedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
Public areas:				
Personal services	\$ 2,365,477	\$ 2,365,477	\$ 2,247,269	\$ 118,208
Contractual services	1,388,853	1,388,853	965,859	422,994
Materials and supplies	599,100	629,607	538,749	90,858
Fixed charges	144,676	144,676	45,186	99,490
Capital outlay	287,186	262,715	10,553	252,162
Total public areas	4,785,292	4,791,328	3,807,616	983,712
University extension program:				
Personal services	98,243	23,130	22,773	357
Contractual services	172,000	247,113	166,282	80,831
Materials and supplies	89,830	153,717	20,888	132,829
Total university extension program	360,073	423,960	209,943	214,017
Total leisure activities and education	8,900,127	9,017,923	7,361,476	1,656,447
Conservation and economic development:				
Forest resources:				
Personal services	94,791	105,362	87,289	18,073
Contractual services	80,276	80,276	17,185	63,091
Materials and supplies	7,310	8,203	892	7,311
Fixed charges	3,898	3,898	1,898	2,000
Capital outlay	400,242	424,713	-	424,713
Total forest resources	586,517	622,452	107,264	515,188
Agricultural resources:				
Personal services	307,717	367,203	267,689	99,514
Contractual services	67,000	89,500	98,716	(9,216)
Materials and supplies	92,157	108,266	5,245	103,021
Grants and contributions	461,443	1,005,765	550,049	455,716
Total agricultural resources	928,317	1,570,734	921,699	649,035
Total conservation and economic development	1,514,834	2,193,186	1,028,963	1,164,223
Capital outlay:				
Capital projects:				
Contractual services	125,000	125,000	41,123	83,877
Capital outlay	200,000	13,278,290	40,597	13,237,693
Total capital outlay	325,000	13,403,290	81,720	13,321,570
Total expenditures	69,607,465	88,050,558	66,187,026	21,863,532
Excess of Revenues Over Expenditures	4,148,524	(8,827,404)	6,109,874	14,937,278

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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other Financing Sources and Uses				
Transfers in:				
Capital Improvement Fund	\$ 296,386	\$ 296,386	\$ 296,386	\$ -
Sales of capital assets	4,500	4,500	116,473	111,973
State loan program debt issued	14,911	14,911	14,911	-
Transfers out:				
Capital Improvement Fund	(3,964,321)	(3,964,321)	(4,250,249)	(285,928)
Employee Benefits Fund	(808,113)	(808,113)	(808,113)	-
Total other financing sources and uses	<u>(4,456,637)</u>	<u>(4,456,637)</u>	<u>(4,630,592)</u>	<u>(173,955)</u>
Net change in fund balance	(308,113)	(13,284,041)	1,479,282	14,763,323
Fund Balance, Beginning	<u>50,629,416</u>	<u>50,629,416</u>	<u>50,629,416</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 50,321,303</u>	<u>\$ 37,345,375</u>	<u>\$ 52,108,698</u>	<u>\$ 14,763,323</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
General property taxes	\$ 7,794,648	\$ 7,794,648	\$ 7,794,648	\$ -
Intergovernmental grants and aids:				
Federal grants	1,354,965	1,354,965	1,586,282	231,317
State grants:				
Provided services and administration	5,152,836	5,152,836	4,739,354	(413,482)
Special services	3,192,894	3,240,557	4,462,047	1,221,490
Other revenues	259,015	259,015	219,210	(39,805)
Total intergovernmental grants and aids	<u>9,959,710</u>	<u>10,007,373</u>	<u>11,006,893</u>	<u>999,520</u>
Public charges for services:				
General government	9,200	9,200	6,069	(3,131)
Social services	2,066,076	2,066,076	1,675,205	(390,871)
Total public charges for services	<u>2,075,276</u>	<u>2,075,276</u>	<u>1,681,274</u>	<u>(394,002)</u>
Miscellaneous revenue:				
Interest income	34,000	34,000	65,534	31,534
Other revenues	196,883	196,883	-	(196,883)
Total miscellaneous revenue	<u>230,883</u>	<u>230,883</u>	<u>65,534</u>	<u>(165,349)</u>
Total revenues	<u>20,060,517</u>	<u>20,108,180</u>	<u>20,548,349</u>	<u>440,169</u>
Expenditures				
Social services:				
Personal services	10,271,000	10,271,000	9,136,363	1,134,637
Contractual services	597,348	612,348	430,236	182,112
Materials and supplies	334,779	334,779	181,010	153,769
Fixed charges	317,620	317,620	322,637	(5,017)
Grants and contributions	8,261,919	8,294,582	7,148,464	1,146,118
Total expenditures	<u>19,782,666</u>	<u>19,830,329</u>	<u>17,218,710</u>	<u>2,611,619</u>
Excess of revenues over expenditures	<u>277,851</u>	<u>277,851</u>	<u>3,329,639</u>	<u>3,051,788</u>
Other Financing Uses				
Transfers out:				
Capital improvement fund	(277,851)	(277,851)	(277,851)	-
Total other financing uses	<u>(277,851)</u>	<u>(277,851)</u>	<u>(277,851)</u>	<u>-</u>
Net change in fund balance	-	-	3,051,788	3,051,788
Fund Balance, Beginning	<u>7,609,387</u>	<u>7,609,387</u>	<u>7,609,387</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,609,387</u>	<u>\$ 7,609,387</u>	<u>\$ 10,661,175</u>	<u>\$ 3,051,788</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, 2021

	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	12/31/21	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	12/31/21	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, 2021

	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	12/31/21	\$ 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	12/31/21	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
December 31, 2021

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 2021. 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
December 31, 2021

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.

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. No significant change in assumptions were noted from the prior year.

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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 370,000	\$ 370,000	\$ 370,000	\$ -
Miscellaneous revenues:				
Investment income (loss)	200,000	200,000	(135,786)	(335,786)
Miscellaneous	507,156	507,156	475,493	(31,663)
Total revenues	1,077,156	1,077,156	709,707	(367,449)
Expenditures				
Capital outlay	4,455,914	6,252,594	24,130,218	(17,877,624)
Debt issuance costs	-	-	180,971	(180,971)
Total expenditures	4,455,914	6,252,594	24,311,189	(18,058,595)
Deficiency of revenues over expenditures	(3,378,758)	(5,175,438)	(23,601,482)	(18,426,044)
Other Financing Sources (Uses)				
Transfers in:				
General fund	3,964,321	3,964,321	4,250,249	285,928
Social improvement fund	277,851	277,851	277,851	-
General obligation debt issued	-	-	24,830,000	24,830,000
Transfers out:				
General fund	(296,386)	(296,386)	(296,386)	-
County highway fund	(1,327,600)	(1,327,600)	(1,327,600)	-
Total other financing sources (uses)	2,618,186	2,618,186	27,734,114	25,115,928
Net change in fund balance	(760,572)	(2,557,252)	4,132,632	6,689,884
Fund Balance, Beginning	3,882,526	3,882,526	3,882,526	-
Fund Balance, Ending	\$ 3,121,954	\$ 1,325,274	\$ 8,015,158	\$ 6,689,884

Marathon County

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Debt Service Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,791,910	\$ 1,791,910	\$ 1,791,910	\$ -
Public charges for services	150,000	150,000	180,611	30,611
Intergovernmental	-	-	571,137	571,137
Miscellaneous revenues	-	-	38,321	38,321
Total revenues	<u>1,941,910</u>	<u>1,941,910</u>	<u>2,581,979</u>	<u>640,069</u>
Expenditures				
Debt service:				
Principal	1,855,000	1,855,000	1,823,904	31,096
Interest	621,857	621,857	662,007	(40,150)
Total expenditures	<u>2,476,857</u>	<u>2,476,857</u>	<u>2,485,911</u>	<u>(9,054)</u>
Excess (deficiency) of revenues over expenditures	<u>(534,947)</u>	<u>(534,947)</u>	<u>96,068</u>	<u>631,015</u>
Other Financing Sources				
Premium on debt issued	-	-	490,838	490,838
Net change in fund balance	(534,947)	(534,947)	586,906	1,121,853
Fund Balance, Beginning	<u>2,557,585</u>	<u>2,557,585</u>	<u>2,557,585</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,022,638</u>	<u>\$ 2,022,638</u>	<u>\$ 3,144,491</u>	<u>\$ 1,121,853</u>

Marathon County

Combining Statement of Net Position

Internal Service Funds

December 31, 2021

	Property Casualty Insurance	Employee Benefits Insurance	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	\$ 7,846,115	\$ 10,295,632	\$ 18,141,747
Accounts receivable (net of allowance)	61,211	83,649	144,860
Total current assets	<u>7,907,326</u>	<u>10,379,281</u>	<u>18,286,607</u>
Noncurrent Assets			
Restricted assets:			
Net pension asset	18,390	50,876	69,266
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000
Total noncurrent assets	<u>1,537,390</u>	<u>50,876</u>	<u>1,588,266</u>
Capital Assets			
Equipment	53,868	4,598	58,466
Less accumulated depreciation	(53,868)	(4,598)	(58,466)
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>1,537,390</u>	<u>50,876</u>	<u>1,588,266</u>
Total assets	<u>9,444,716</u>	<u>10,430,157</u>	<u>19,874,873</u>
Deferred Outflows of Resources			
Pension related amounts	<u>33,043</u>	<u>84,938</u>	<u>117,981</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	91,530	6,593	98,123
Accrued items	-	67,900	67,900
Compensated absences	2,718	4,361	7,079
Total current liabilities	<u>94,248</u>	<u>78,854</u>	<u>173,102</u>
Long-Term Liabilities			
Accrued liability, claims payable	2,219,878	1,778,637	3,998,515
Compensated absences	24,458	39,252	63,710
Total long-term liabilities	<u>2,244,336</u>	<u>1,817,889</u>	<u>4,062,225</u>
Total liabilities	<u>2,338,584</u>	<u>1,896,743</u>	<u>4,235,327</u>
Deferred Inflows of Resources			
Other	-	43,296	43,296
Pension related amounts	34,046	113,477	147,523
Total deferred inflows of resources	<u>34,046</u>	<u>156,773</u>	<u>190,819</u>
Net Position			
Restricted for pension	18,390	50,876	69,266
Unrestricted	7,086,739	8,410,703	15,497,442
Total net position	<u>\$ 7,105,129</u>	<u>\$ 8,461,579</u>	<u>\$ 15,566,708</u>

Marathon County

Combining Statement of Revenues, Expenses and Changes

In Net Position - Internal Service Funds

Year Ended December 31, 2021

	Property Casualty Insurance	Employee Benefits Insurance	Total
Operating Revenues			
Interdepartmental charges for services	\$ 532,591	\$ 13,655,576	\$ 14,188,167
Total operating revenues	<u>532,591</u>	<u>13,655,576</u>	<u>14,188,167</u>
Operating Expenses			
Salaries and benefits	63,056	1,010,361	1,073,417
Contractual services	2,546	255,473	258,019
Materials and supplies	11,409	13,531	24,940
Insurance and claims	1,038,898	13,420,582	14,459,480
Loss and loss adjustment expense	133,540	355,361	488,901
Other general government	(7,638)	-	(7,638)
Insurance and administration costs	-	11,300	11,300
Total operating expenses	<u>1,241,811</u>	<u>15,066,608</u>	<u>16,308,419</u>
Operating income (loss)	<u>(709,220)</u>	<u>(1,411,032)</u>	<u>(2,120,252)</u>
Nonoperating Revenues			
Investment income	84,619	57,290	141,909
Insurance recoveries	45,486	41,288	86,774
Other income	1	37,728	37,729
Total nonoperating revenues	130,106	136,306	266,412
Income before transfers	(579,114)	(1,274,726)	(1,853,840)
Transfer in	-	808,113	808,113
Change in net position	(579,114)	(466,613)	(1,045,727)
Net Position, Beginning	<u>7,684,243</u>	<u>8,928,192</u>	<u>16,612,435</u>
Net Position, Ending	<u>\$ 7,105,129</u>	<u>\$ 8,461,579</u>	<u>\$ 15,566,708</u>

Marathon County

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2021

	Property Casualty Insurance	Employee Benefits Insurance	Total
Cash Flows From Operating Activities			
Collections from departments and other insurance purchasers	\$ 527,253	\$ 13,751,495	\$ 14,278,748
Cash paid to employees for services	(68,621)	(1,010,361)	(1,078,982)
Cash paid to suppliers for goods and services	<u>(1,059,566)</u>	<u>(13,732,212)</u>	<u>(14,791,778)</u>
Net cash provided (used) by operating activities	<u>(600,934)</u>	<u>(991,078)</u>	<u>(1,592,012)</u>
Cash Flows From Noncapital Financing Activities			
Transfers	<u>-</u>	<u>808,113</u>	<u>808,113</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>808,113</u>	<u>808,113</u>
Cash Flows From Investing Activities			
Interest received on investments	<u>84,619</u>	<u>57,290</u>	<u>141,909</u>
Net increase in cash and cash equivalents	(516,315)	(125,675)	(641,990)
Cash and Cash Equivalents, Beginning	<u>8,362,430</u>	<u>10,421,307</u>	<u>18,783,737</u>
Cash and Cash Equivalents, Ending	<u>\$ 7,846,115</u>	<u>\$ 10,295,632</u>	<u>\$ 18,141,747</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (709,220)	\$ (1,411,032)	\$ (2,120,252)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Insurance recoveries	45,487	41,287	86,774
Other income	-	37,729	37,729
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:			
Accounts receivable	(50,825)	16,903	(33,922)
Accounts payable	(15,581)	(8,581)	(24,162)
Pension related deferrals and liabilities	(5,565)	(16,260)	(21,825)
Compensated absences	133,540	(6,485)	127,055
Accrued liabilities, claims payable	<u>1,230</u>	<u>355,361</u>	<u>356,591</u>
Net cash provided (used) by operating activities	<u>\$ (600,934)</u>	<u>\$ (991,078)</u>	<u>\$ (1,592,012)</u>
Noncash Investing, Capital and Noncapital Financing Activities			
None			

Marathon County

Combining Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	Custodial Funds			Total Custodial Funds
	ADRC-W	Sheriff Inmate	Clerk of Courts	
Assets				
Cash and investments	\$ -	\$ 70,779	\$ 2,106,895	\$ 2,177,674
Receivables:				
Accounts receivable	30,912	-	-	30,912
Due from other governments	1,247,468	-	-	1,247,468
Total assets	1,278,380	70,779	2,106,895	3,456,054
Liabilities				
Accounts payable	115,532	-	-	115,532
Accrued liabilities	8,804	-	-	8,804
Due to other governmental units	227,854	-	2,106,895	2,334,749
Deposits	404	-	-	404
Other long term liabilities	485,908	-	-	485,908
Held for inmates	-	70,779	-	70,779
Total liabilities	838,502	70,779	2,106,895	3,016,176
Net Position				
Restricted	\$ 439,878	\$ -	\$ -	\$ 439,878

Marathon County

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2021

	Custodial Funds			Total Custodial Funds
	ADRC-W	Sheriff Inmate	Clerk of Courts	
Additions				
Fines and forfeitures, traffic, bonds and other court items	\$ -	\$ -	\$ 6,606,760	\$ 6,606,760
Inmate deposits	-	1,555,905	-	1,555,905
Intergovernmental	6,140,337	-	-	6,140,337
Donations	<u>629,883</u>	<u>-</u>	<u>-</u>	<u>629,883</u>
Total additions	<u>6,770,220</u>	<u>1,555,905</u>	<u>6,606,760</u>	<u>14,932,885</u>
Deductions				
ADRC activities	6,436,385	-	-	6,436,385
Disposition of court collections	-	-	6,593,922	6,593,922
Other court	-	-	12,838	12,838
Capital outlay	125,092	-	-	125,092
Funds released to former inmates	<u>-</u>	<u>1,555,905</u>	<u>-</u>	<u>1,555,905</u>
Total deductions	<u>6,561,477</u>	<u>1,555,905</u>	<u>6,606,760</u>	<u>14,724,142</u>
Change in fiduciary net position	208,743	-	-	208,743
Net Position, Beginning	<u>231,135</u>	<u>-</u>	<u>-</u>	<u>231,135</u>
Net Position, Ending	<u>\$ 439,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,878</u>

Marathon County

Statement of Net Position

Central Wisconsin Airport

December 31, 2021

Assets and Deferred Outflows of Resources

Current Assets

Cash and investments	\$ 4,064,220
Accounts receivable	1,346,170
Due from other governments	645,765
Total current assets	<u>6,056,155</u>

Noncurrent Assets

Restricted assets:	
Cash and investments	506,728
Net pension asset	398,462
Property, plant and equipment:	
Land	614,983
Buildings	39,179,279
Improvements	54,485,660
Equipment	11,415,501
Construction in process	26,937,584
Total property, plant and equipment	132,633,007
Less accumulated depreciation	(61,605,843)
Net property, plant and equipment	<u>71,027,164</u>
Total noncurrent assets	<u>71,932,354</u>
Total assets	<u>77,988,509</u>

Deferred Outflows of Resources

Pension related amounts	<u>662,529</u>
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Liabilities, Deferred Inflows of Resources, and Net Position

Current Liabilities

Accounts payable	209,877
Deposits	16,831
Interest payable	11,981
Due to other governments	2,770,620
Current portion of compensated absences	29,090
Current portion of general obligation notes payable	610,000
Total current liabilities	<u>3,648,399</u>

Long-Term Liabilities

General obligation notes payable (net of unamortized premiums)	3,811,207
Compensated absences	194,683
Total long-term liabilities	<u>4,005,890</u>
Total liabilities	<u>7,654,289</u>

Deferred Inflows of Resources

Pension related amounts	<u>891,718</u>
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Net Position

Net investment in capital assets	66,605,957
Restricted for:	
Passenger facility charges	506,728
Pension	398,462
Unrestricted	2,593,884
Total net position	<u>\$ 70,105,031</u>

Marathon County

Statement of Revenues, Expenses and Changes in Net Position

Central Wisconsin Airport

Year Ended December 31, 2021

Operating Revenues

Public charges for services	\$ 2,936,730
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Operating Expenses

Salaries and benefits	1,510,572
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Contractual services	758,306
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Materials and supplies	499,159
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Insurance	84,681
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Depreciation	3,295,043
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Total operating expenses	<u>6,034,073</u>
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Operating loss	<u>(3,097,343)</u>
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Nonoperating Revenues (Expenses)

Investment income	17,863
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Passenger facility charges	371,148
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Customer facility charges	169,842
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Intergovernmental grants	2,310,822
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Other income	38,931
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Interest expense	<u>(156,487)</u>
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Total nonoperating revenues (expenses)	<u>2,752,119</u>
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Loss before contributions	(345,224)
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Capital Contributions

	<u>13,973,802</u>
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Change in net position	13,628,578
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Net Position, Beginning

	<u>56,476,453</u>
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Net Position, Ending

	<u><u>\$ 70,105,031</u></u>
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Marathon County

Statement of Cash Flows
Central Wisconsin Airport
Year Ended December 31, 2021

Cash Flows From Operating Activities

Cash received from the sale of goods and services	\$ 4,195,947
Cash paid to employees for services	(1,470,150)
Cash paid to suppliers for goods and services	<u>(1,510,572)</u>
Net cash provided by operating activities	<u>1,215,225</u>

Cash Flows From Capital and Related Financing Activities

Payments for capital acquisitions	(917,733)
Contribution received for construction	272,750
Passenger facility charges received	371,148
Customer facility charges received	169,842
Debt paid	(665,000)
Interest paid	<u>(158,295)</u>
Net cash used for capital financing and related activities	<u>(927,288)</u>

Cash Flows From Investing Activities

Interest received on investments	<u>17,863</u>
Net increase in cash and cash equivalents	305,800

Cash and Cash Equivalents, Beginning

4,265,148

Cash and Cash Equivalents, Ending

\$ 4,570,948

Reconciliation of Operating Loss to Net Cash Used for Operating Activities

Operating loss	(3,097,343)
Nonoperating income	2,349,753
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	3,295,043
Amortization of premium	(7,693)
Effects of (increase) decrease in operating assets, deferred outflows, and increase (decrease) in operating liabilities and deferred inflows:	
Accounts receivable	(1,090,536)
Pension related deferrals and liabilities	(113,688)
Due to other governments	(129,866)
Compensated absences	<u>9,555</u>

Net Cash Provided by Operating Activities

\$ 1,215,225

Noncash Investing, Capital and Noncapital Financing Activities

Capital contributions	<u>\$ 13,701,052</u>
Amortization of premium	<u>\$ 7,693</u>

Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents	\$ 4,064,220
Cash and cash equivalents, restricted assets	<u>506,728</u>

Cash and Cash Equivalents, Ending

\$ 4,570,948