

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARATHON COUNTY, WISCONSIN

FOR THE YEAR ENDED

DECEMBER 31, 2005

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

MARATHON COUNTY, WISCONSIN

Comprehensive Annual Financial Report For the Year Ended December 31, 2005

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FINANCE DEPARTMENT
(715)261-1170

May 9, 2006

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

Supervisors:

Submitted herewith is the Comprehensive Annual Financial Report (CAFR) of Marathon County, Wisconsin (the County) for the year ended December 31, 2005. This report was prepared by the County's Finance Department with assistance from the County Treasurer's Office. For purposes of this CAFR the reference to County typically includes the Central Wisconsin Airport (CWA) (shown as a discretely presented component unit) unless otherwise noted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all financial statements, footnote disclosures, supporting schedules and statistical tables rests with the County. We believe the data, as presented, is accurate in all material respects and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

Distribution of the CAFR is of major importance to its usefulness as a communication tool. Paper copies of this report will be sent to elected officials, County management, bond rating agencies, financial institutions and federal, state and local governmental agencies which have expressed an interest in Marathon County's financial well being. A copy of the 1997 through 2005 CAFRs are also available on the Internet at:

www.co.marathon.wi.us/Government/Departments&Services/Finance/Information Page/

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

MARATHON COUNTY, WISCONSIN

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As the County continues to grow, the demands placed by citizens on their government become more intense. As all counties in the State of Wisconsin operate under a state imposed tax rate freeze, these demands are continually more difficult to finance. Governmental participation in expected growth can no longer be coincidental. We must be a willing planned participant in that growth to make the process successful. In order for us to remain strong, our positive community attitude must reveal itself through these projects.

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

The County is a partner in two major highway construction projects. The County has received Federal and State funding to complete the construction of a western arterial to Interstate 39 and the a new McCleary bridge that spans the Wisconsin River. These multimillion-dollar projects were completed in fall of 2005. The County will participate in a joint Federal, State and local project to improve the Highway 29/Highway Y intersection in Hatley. This project will greatly improve a hazardous intersection.

To better handle the ongoing questions and concerns regarding general infrastructure, a special Capital Improvement Committee (staff committee) has assembled a five year Capital Improvement Plan (CIP) to review and upgrade all facilities that have a need. Each year the plan is updated and a new list of projects approved and a new funding source established. Work began this year for the plan that was budgeted for 2005. Several reconstruction projects were started or continued during the year. The largest and maybe the most important ongoing project is the remodel of the existing Courthouse. The phased approach has allowed the County to complete the project without disrupting services in the courthouse to the public. In 2005, Phase VI was started.

Phase VI of the courthouse remodeling is underway to include remodeling the Clerk of Courts and three courtrooms on the second floor of the courthouse.

FUTURE PLANS

Phase VI will continue into 2006 with updating interior finishes and creating a jury assembly area, and moving Employee Resource and County Administration into their remodeled offices. In 2006, the UWMC South Science Lab remodeling will begin.. This project will improve ventilation and provide additional instruction space. The County will also complete a comprehensive study of the 51.42 Board system and Nursing Home. Finally in 2006, the County will complete its study on options for a jail expansion project based on inmate population and sentencing patterns.

FINANCIAL INFORMATION

Working Capital Policy

In 1988 the County Board of Supervisors established a fund balance policy. This policy sets forth the amount of funds that are to be reserved as a designation for working capital. The funds over and above this designation are to be used to pay for non-departmental capital purchases within the succeeding budget process. Working capital is never to go below a set minimum level of four weeks of operating expenditures or 8.3%. The County Board has approved a slightly higher working capital figure of 10% for the Highway Fund based on its potential for uncontrollable, unexpected operating need. The low points for the County's cash flow are the end of February and the middle of November.

As a policy, the County rolls forward any amounts of unreserved undesignated fund equity/balance into the succeeding year's budget. With the change in the Highway working capital policy its unreserved undesignated funds are moved into the same capital improvement process. Funds not included in this process would include those funds not using tax levy as a basis for operations such as the landfill fund, the insurance funds, the capital improvement fund, highway road improvement fund and any special revenue fund that use grants for operating capital. Marathon County uses this undesignated amount to fund future years capital improvement programs. It is not used to off set following years operating needs. This philosophy assures that current operating needs are funded with current collections. Any amounts required for future years' activities or amounts required for sound business operations must be reserved or designated. Highway is allowed to provide for multi-year funding options for specifically identified high cost projects such as the County Highway R freeway project, and the Hwy 29/Y project.

General Fund Balance

The unreserved undesignated fund balance will be used in the 2007 budget process to help fund some much needed capital improvements. The County has been fairly successful over the years keeping its tax rate stable and using fund balance to pay for non-departmental capital projects. The trend of using fund balance and not raising taxes is expected to continue for years to come. If the trend were not to continue, a lower fund balance would be acceptable because all amounts necessary for sound financial position and good business practice are either reserved or designated.

DEBT ADMINISTRATION

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

CASH MANAGEMENT

Wisconsin State Statutes allow the County Treasurer to invest cash which is temporarily idle in instruments which include demand deposits, certificates of deposit, U. S. Treasury and/or Agency obligations, local government bonds, repurchase agreements, commercial paper, the State of

Wisconsin Local Government Investment Pool (LGIP) and other qualifying investment pools. The County does not invest in any derivatives nor does it leverage any of its funds for investment purposes.

Sponsored by the State Treasurer's Office, the State of Wisconsin has established the LGIP under the direction of the State of Wisconsin Investment Board (SWIB). This fund can be accessed by all units of local government on a day to day basis. The average yield on the investment pool for 2005 was 3.09%. Because of the County's fiduciary responsibility for investments, the County constantly monitors the County's ownership portion of the LGIP. The County's investments represented an average .42% of the total deposits during 2005.

In addition to the LGIP, the County also invests in the Wisconsin Cooperative Liquid Asset Security System (Wisconsin CLASS) operated by MBIA Municipal Investors Service Corporation; the Wisconsin CLASS program is a privately administered pool with participation limited to governmental and public entities. Offering an average yield of 3.11% for 2005, the County's investments represented an average 19.15% of the total Wisconsin CLASS pool.

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

Further diversification of the County's investment portfolio is accomplished with participation in a fully collateralized Certificate of Deposit program. The County began investing in this fully collateralized Certificate of Deposit pool in 1996. This program allows the County to invest excess idle funds for up to 365 days with banks throughout the State of Wisconsin. Investments in this program had an average 2005 return of 3.16%.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were insured by the Federal Depository Insurance Corporation (FDIC) with an additional \$400,000 coverage provided by the State of Wisconsin, or collateralized, or insured through the investment pool. All collateral on deposits was held either by the County, its custodian or the State of Wisconsin. All securities held by the County during the year and at December 31, 2005 were classified in the category of lowest credit risk as defined by the GASB.

The amount of interest earned in 2005 for all Primary Government operations (including the CWA as a discretely presented component unit) was \$3,866,447, an increase from 2004 of 66.49%. The increase was the result of interest rates which continued to climb throughout 2005, as well as higher over-all cash reserves. In addition to the earnings of the primary government unit,(including the CWA as a discretely presented unit) another \$403,076 of interest was earned by the County's (other) discretely presented component units. The following chart illustrates investment earnings for the primary government (including CWA as a discretely presented component unit) for all fund types over the last ten years.

Year	Earnings	Increase (Decrease)	%(Decrease) Change
1996	3,403,114	137,683	4.22
1997	3,654,128	251,014	7.38
1998	*4,093,963	439,835	12.04
1999	4,015,065	(78,898)	(1.93)
2000	5,034,848	1,019,783	25.40
2001	4,660,554	(374,294)	(7.43)
2002	3,270,623	(1,389,931)	(29.82)
2003	1,753,131	(1,517,492)	(46.40)
2004	2,322,326	569,195	32.47
2005	3,866,447	1,544,121	66.49

*Bond sales for the Public Safety Facilities and Airport

RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, and injury to employees. For the fiscal year ended December 31, 2005 the County was self-funded for the following risks: health, one (1) dental program, automobile collision and workers' compensation.

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

This fund covers losses to varying degrees with commercial insurance purchased for claims in excess of the established amounts. The maximum for any individual specific health claim was \$175,000. There is a \$250,000 self insured maximum for any workers' compensation claim.

At the beginning of 1995 the County joined the Wisconsin Municipal Mutual Insurance Company (WMMIC). The County was required to fund a capital contribution of its respective portion of the company at the time of entry. WMMIC consisted of ten (10) counties and two (2) cities prior to our joining. The County's contribution was \$1,519,000. On an occurrence basis WMMIC provides \$5,000,000 per occurrence excess coverage over and above the County's self insured retention (SIR) level for liability coverage with no annual aggregate. On a claims made basis WMMIC provides \$5,000,000 per occurrence excess coverage for errors and omissions coverage and provides \$5,000,000 per occurrence excess coverage for employee benefit liability with a \$15,000,000 annual aggregate.

An internal service fund was established in 1988 to account for the County's property and casualty insurance exposures. Costs for this fund are billed to user departments using a premium calculation based on valuations of property in combination with claims experience/exposure and an actuarial review. Beginning in 1988 the County selected a \$100,000 per occurrence/\$400,000 aggregate deductible, in 1995 the County selected a \$100,000 per occurrence/\$500,000 aggregate deductible and in 1998 changed back to a \$100,000 per occurrence/\$400,000 aggregate deductible for automobile liability, general liability and errors and omission coverage. In 1999 the County

selected a \$400,000 per occurrence and aggregate deductible level for its SIR. The annual aggregate was changed to \$800,000 in 2004.

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

Since 1987 the County has purchased property insurance from the Local Government Property Insurance Fund. This insurance coverage provides protection on a replacement cost basis for approximately \$212,383,173 of physical assets and actual cash value coverage on approximately \$9,184,590 for automobiles. Claims on buildings, contents and contractors equipment have a deductible of \$1,000 and automobile comprehensive has a \$500 deductible.

INDEPENDENT AUDIT

County policy, in accordance with state and federal requirements, is to provide for an annual audit by an independent certified public accountant. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related U. S. Office of Management and Budget Circular A-133. Further, the audit meets the requirements of the State Single Audit Guidelines issued by the Wisconsin Department of Administration. The independent auditors' report on the basic financial statements is included in the financial section of this report. The independent auditors' reports related specifically to the federal and state single audit are included in a separately issued single audit report which is available from the Finance Department.

CERTIFICATE OF ACHIEVEMENT

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

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

MUNICIPAL SECURITIES DISCLOSURE REQUIREMENTS

The Securities and Exchange Commission (SEC) has issued its rules regarding secondary market disclosure for issuers of municipal securities which is SEC Rule 15c2-12. The rule, among other requirements, (referred to as the Annual Undertaking) has set up the requirement for the submission of annual audited financial statements to all Nationally Recognized Municipal Securities Information Repositories (NRMSIR). Wisconsin has not designated nor established a State Information Repository (SIR). Following are eleven (11) specific requirements of the rule and the necessary information to satisfy each. The County failed to file its requirements under the rule for the years 2002 and 2003. The County's audited financial statements, which serve as their continuing disclosure filings, were filed in November of 2005 bringing the County into compliance.

- (1) As a municipal security issuer, the County makes the following disclosure regarding material events. These are referred to as the eleven deadly sins.
 - (a) Principal and interest payment delinquencies; - None
 - (b) Non-payment related defaults; - None
 - (c) Unscheduled draws on debt service reserves reflecting financial difficulties; - None
 - (d) Unscheduled draws on credit enhancements reflecting financial difficulties; - None
 - (e) Substitution of credit or liquidity providers, or their failure to perform; - None
 - (f) Adverse tax opinions or events affecting the tax-exempt status of the security; - None
 - (g) Modifications to rights of security holders; - None
 - (h) Bond calls; - the County currently has a debt issue with eligible call dates as follows:
2003B G.O. Airport issue – 5/01/09
 - (i) Defeasances; - the County currently has one (1) debt issue that qualifies as legal defeasance as follows:
1992A G.O. Library bonds
total defeasance of 2,635,000
For a total amount defeased as of 12/31/05 of \$2,635,000
 - (j) Release, substitution, or sale of property securing repayment of the securities; - None
 - (k) Rating changes;- Moody's Investors Services, Inc. has changed their method of rating governmental agencies. The change breaks out grades by several additional levels. Previously the County rating was Aa and now the rating is Aa2. The County sought its first double rating in 1998 by requesting a rating from Fitch IBCA, Inc. This rating was confirmed at AA.
- (2) The County property values are listed (in various forms) in Schedule 5, 7 & 11 in the Statistical Section of this CAFR.
- (3) Information on the County's legal debt margin can be found in Schedule 11 "Legal Debt Margin Information" in the Statistical Section of this CAFR.
- (4) The detail of outstanding notes and bonds can be found in Schedule 9 "General Bonded Debt Outstanding" in the Statistical Section of this CAFR.

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

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding 12-31-05
04/01/98	5,100,000	Central Wisconsin Airport	10/01/17	0 (b)
04/01/03	555,000	Central Wisconsin Airport	05/01/13	455,000 (a)
04/01/04	5,975,000	CIP	11/01/05	0
08/15/05	1,175,000	Hwy Project	12/01/05	0
12/01/05	4,105,000	CWA Refunding	10/01/17	4,105,000 (b)
				Subtotal 4,560,000
Less Debt Service Funds on Hand (c)				192,658
Total Net Direct Debt				\$4,367,342

- (a) Debt service payments are fully paid by CWA.
- (b) Debt service payments are expected to be supported by passenger facility charges at CWA.
- (c) Debt service funds on hand less state forest aid loan funds of \$36,818.

(5) *The detail for the County's tax rates, levies and collections can be found in Schedule 8 "Property Tax Levies and Collections" in the statistical section of this CAFR. An example of the tax rate in the City of Wausau is as follows:*

Tax Rates*	04/05	05/06
City of Wausau	\$8.72	8.55
State of Wisconsin	.20	.20
Marathon County	5.81	5.71
Wausau School District	11.18	9.94
Northcentral Technical College	1.95	1.93
Gross Tax Rate	27.86	26.33
Less State Credit	(1.39)	(1.27)
Net Tax Rate	\$26.47	25.06
Ratio of assessed value to equalized value	102%	98.14%

*Tax rates per \$1,000 of equalized value

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

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

2005 REVENUE		2005 EXPENDITURES	
Taxes	\$42,730,820	General Government	34,502,496
Sales and misc. taxes	9,480,650	Public Safety	15,896,540
Intergovernmental grants/aid	32,035,195	Transportation	37,900,190
Licenses, Fines and Forfeitures	1,127,155	Health	6,577,902
Charges for services:		Social Services	23,118,161
Public	9,179,144	Leisure and Education	10,821,180
Intergovernmental	18,622,588	Conservation & Economic Development	4,088,237
Miscellaneous Revenue	13,347,814	Debt Service	3,930,043
Transfers	27,049,492	Capital Outlay	7,625,145
		Transfers	9,112,964
TOTALS	\$153,572,858		\$153,572,858

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

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

		General Obligation Direct Debt (a)	General Obligation Underlying Debt	Total Applicable General Obligation Debt
Debt Values		\$0	\$275,249,234	\$275,249,234
Equalized Value (less TID)	\$7,790,289,650	0.0%	3.5%	3.5%
Per capita	131,377	\$0	\$2,095.11	\$2,095.11
Per acre	1,013,760	\$0	\$271.51	\$271.51

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

The County feels that this meets the municipal securities disclosure requirements. The County has also provided a link to this information on its Internet site mentioned above.

INVITATION AND ACKNOWLEDGMENTS

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

The preparation of the CAFR could not be accomplished without the efficient and dedicated services of the entire staff of the Finance and Treasury Departments. We would like to express our appreciation to all members of the Departments who assisted and contributed to its preparation. We would like to extend a special thanks to Tom Schlieff, who was the Director of the Marathon County Historical Society, for his contribution on the brief history on the development of Marathon County. We would offer this special thank you to Roger Luce, the Executive Director of the Chamber of Commerce, for his contributions to the Economic Conditions and Outlook section of this transmittal letter. We would also like to thank the Marathon County Board of Supervisors and the Finance and Property Committee for their interest and support in planning and conducting the financial operations of the County in a responsible manner. The County's excellent financial condition and reasonable tax rate are acknowledgments of their dedication.

Respectfully submitted,

MARATHON COUNTY

*Mort McBain
County Administrator*

MARATHON COUNTY

*Kristi A. Kordus
Finance Director*

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Marathon County,
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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

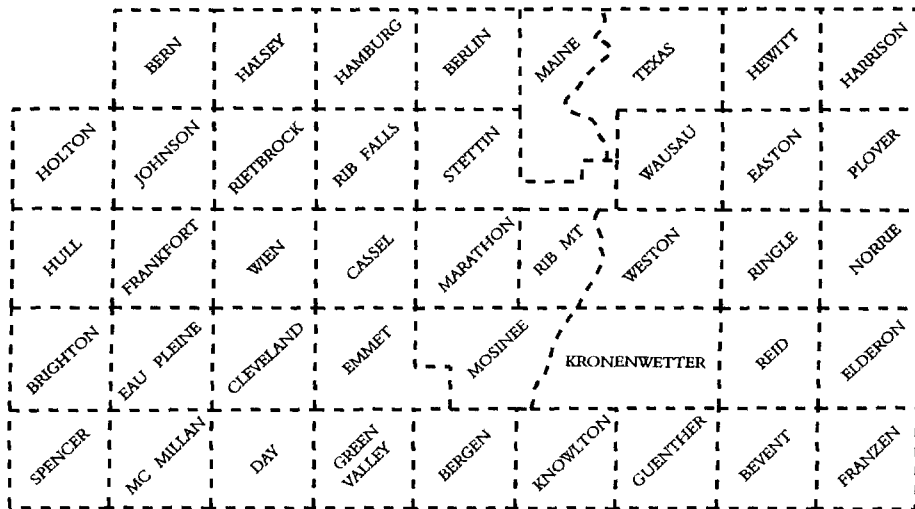
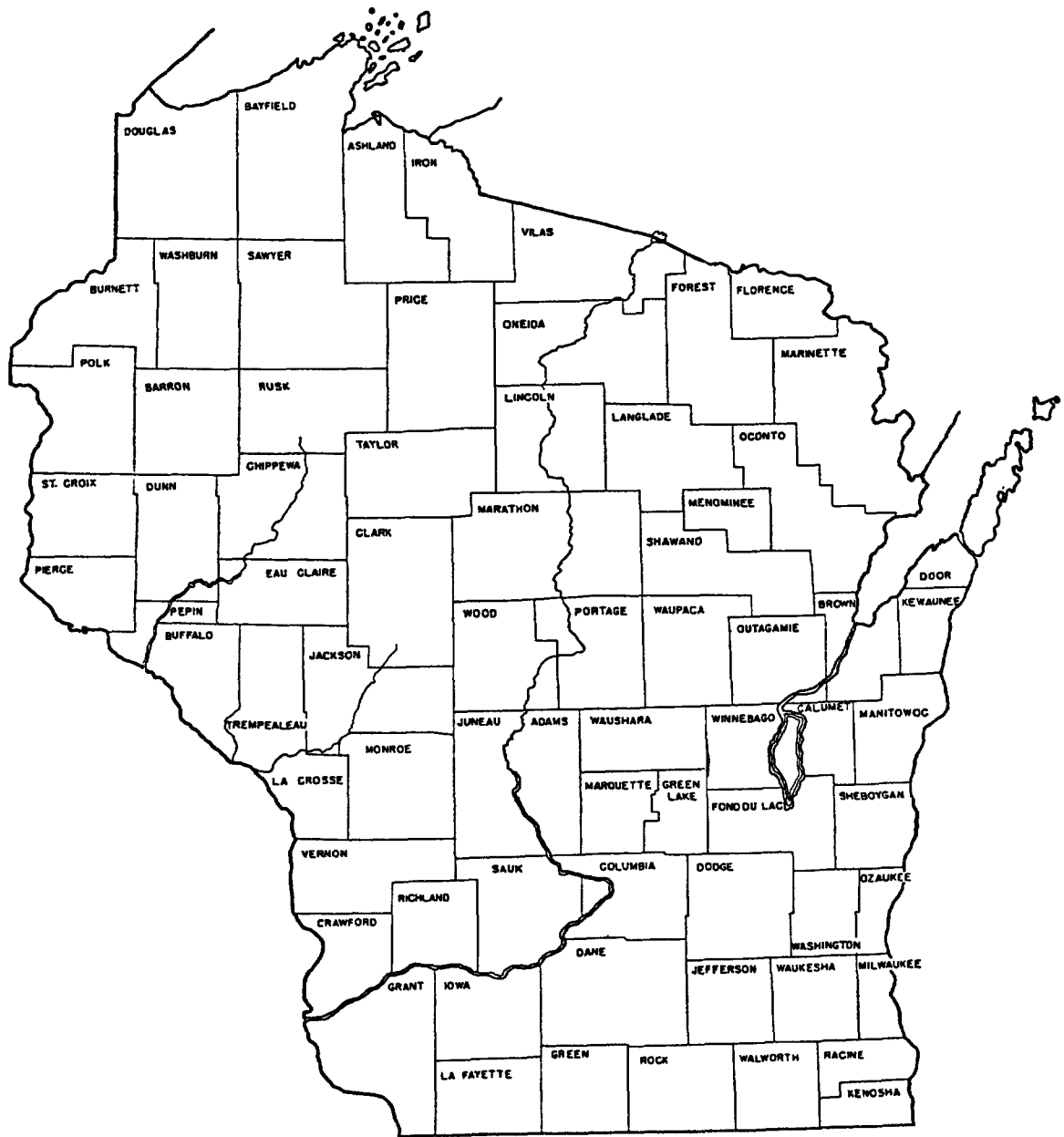


Carla E. Fudge

President

Jeffrey R. Emer

Executive Director



HISTORY OF MARATHON COUNTY

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

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

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

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

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

Tom Schleif, Director
Marathon County Historical Museum

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Rev. Dan McDonald
Paul Schuman, Langlade Co.
Ronald Mittelsteadt, Lincoln Co.

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

Primary Government

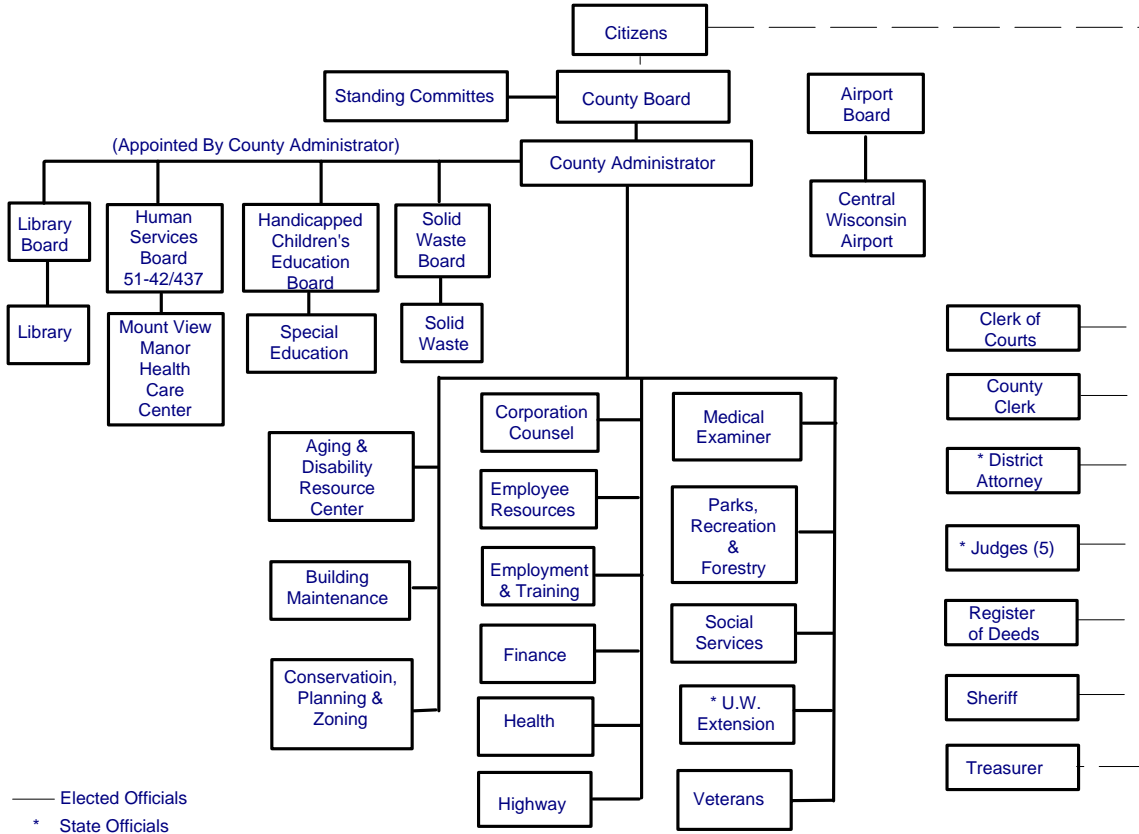
	Mort McBain	County Administrator
	Deb Menacher	Aging & Disability Resource
	Kenneth Mesenberg	Building Maintenance
*	Diane Sennholz	Clerk of Courts
	James Edward Hammer	Conservation, Planning & Zoning
	Thomas Finley	Corporation Counsel
*	Nan Kottke	County Clerk
*●	Jill Falstad	District Attorney
	Frank Matel	Employee Resources
	Mary Lontkowski	Employment & Training
	Kristi Kordus	Finance
	Julie Williams Van Dijk	Health
	Glenn Speich, Jr.	Highway
	Mary Bethke	Library
*	John Larson	Medical Examiner
	William Duncanson	Parks, Recreation & Forestry
*	Michael Sydow	Register of Deeds
*	Randy Hoenisch	Sheriff
	Larry Hagar	Social Services
	Jim Pellitteri	Solid Waste
	Eric Hartwig	Special Education
*	Lorraine I. Beyersdorff	Treasurer
	Mike Wildeck	UW Extension
	Scott Berger	Veterans Service

Discretely Presented Component Units

	James Hansford	Central Wisconsin Airport
	Dave Kluever	City-County Data Commission
	Tim Steller	North Central Community Services

* Elected ● State Employee

MARATHON COUNTY ORGANIZATIONAL CHART 2005



MARATHON COUNTY, WISCONSIN

FINANCIAL STATEMENTS
For the Year Ended December 31, 2005

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marathon County, Wisconsin, as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Marathon County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Central Community Services, which represent 39.0 percent and 88.8 percent, respectively, of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Central Community Services, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marathon County, Wisconsin, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general and social improvement funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

The management discussion and analysis on pages 28 through 38 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we and the other auditors did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marathon County's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Marathon County, Wisconsin. The information has not been audited by us and, accordingly, we express no opinion on such information.

Madison, Wisconsin
May 9, 2006

Yuckow-Krause + Company LLP

Management's Discussion and Analysis

As management of Marathon County, we offer the readers of Marathon County's financial statements this narrative overview and analysis of the financial activities of Marathon County for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-12 of this report.

Financial Highlights

- The assets of Marathon County exceeded liabilities at the close of the most recent fiscal year by \$310,968,296 (net assets). Of this amount \$87,526,568 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$12,015,848.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,897,000, or 6 percent of total general fund expenditures.
- Marathon County's total debt paid by tax levy was \$0 at the end of 2005. The County paid off the remaining principal of \$2,165,000 on the 2004A GO Note. The County also issued and repaid the 2005A GO Note in the amount of \$1,175,000. This note was issued for Federal, State and County road projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Marathon County's basic financial statements. Marathon County's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Marathon County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Marathon County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Marathon County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

Both of the government-wide financial statements distinguish functions of Marathon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Marathon County include general government, public safety, transportation, health, social services, leisure and education, and conservation and development. The business-type activities of Marathon County include landfill and highway operations.

The government-wide financial statements include not only Marathon County itself (known as the primary government), but also a legally separate school district, airport and health care center for which Marathon County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 39-40 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Marathon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of Marathon County can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Marathon County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, social improvement fund, debt service fund, capital improvement fund and the highway road improvement fund, which are considered to be major funds.

Marathon County adopts an annual appropriated budget for its general fund and social improvement fund. A budgetary comparison statement has been provided for the general fund and social improvement fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 41-45 of this report.

Proprietary funds. Marathon County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. Marathon County uses enterprise funds to account for its landfill and for its highway operations. Internal service funds are an accounting device used to accumulate and allocate costs internally amongst Marathon County's various functions. Marathon County uses internal service funds to account for its property and casualty insurance fund and employee benefits fund. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for landfill and highway operations, both of which are considered to be major funds of Marathon County. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 46-49 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53-86 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Marathon County, assets exceeded liabilities by \$310,968,296 and \$298,952,448 at the end of 2005 and 2004 respectively.

By far the largest portion of Marathon County's net assets, 72 percent, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure); less any related outstanding debt used to acquire those assets. Marathon County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Marathon County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Marathon County's Net Assets for 2005 and 2004

	2005 Governmental Activities	2005 Business Type Activities	2005 Total	2004 Governmental Activities	2004 Business Type Activities	2004 Total
Current and other assets	\$112,817,665	48,825,342	161,643,007	\$109,850,477	44,887,016	154,737,493
Capital assets	211,318,097	13,115,322	224,433,419	204,906,808	12,821,192	217,728,000
Total Assets	324,135,762	61,940,664	386,076,426	314,757,285	57,708,208	372,465,493
Other liabilities	48,909,487	10,109,706	59,019,193	48,984,599	9,452,514	58,437,113
Long-term liabilities	5,466,879	10,622,058	16,088,937	5,178,678	9,897,254	15,075,932
Total liabilities	54,376,366	20,731,764	75,108,130	54,163,277	19,349,768	73,513,045
Net assets:						
Invested in capital assets, net of related debt	210,096,930	13,115,322	223,212,252	201,465,599	12,821,192	214,286,791
Restricted	229,476	3,587,880	3,817,356	152,608	1,731,677	1,884,285
Unrestricted	59,432,990	24,505,698	83,938,688	58,975,801	23,805,571	82,781,372
Total net assets	\$269,759,396	\$41,208,900	\$310,968,296	\$260,594,008	\$38,358,440	\$298,952,448

An additional portion of Marathon County's net assets, 1 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$ 83,938,688 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2005 and 2004, Marathon County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's net assets increased by \$12,015,848 during the current fiscal year.

Governmental activities. Governmental activities increased Marathon County's net assets by \$9,165,388, thereby accounting for 76 percent of the total growth in the net assets of Marathon County. Key elements of this increase are as follows:

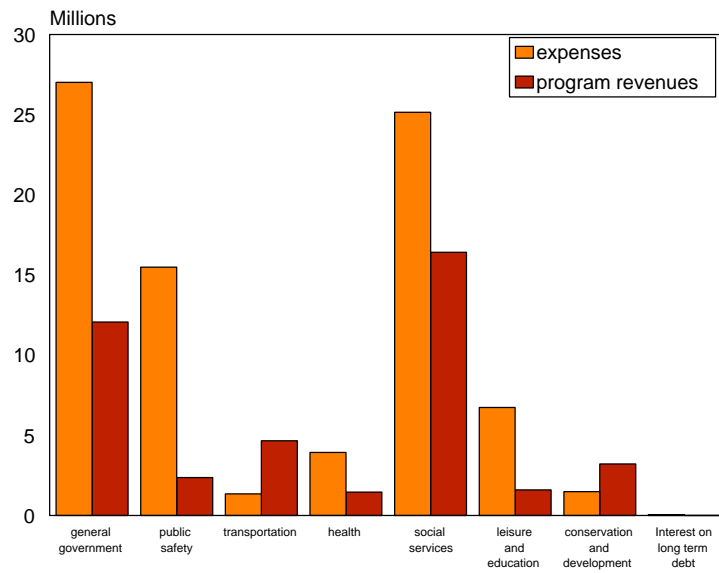
Governmental Activities increased capital assets by \$6,411,289. Most of the increase is from the construction of County Highway R and Y.

Marathon County's Changes in Net Assets

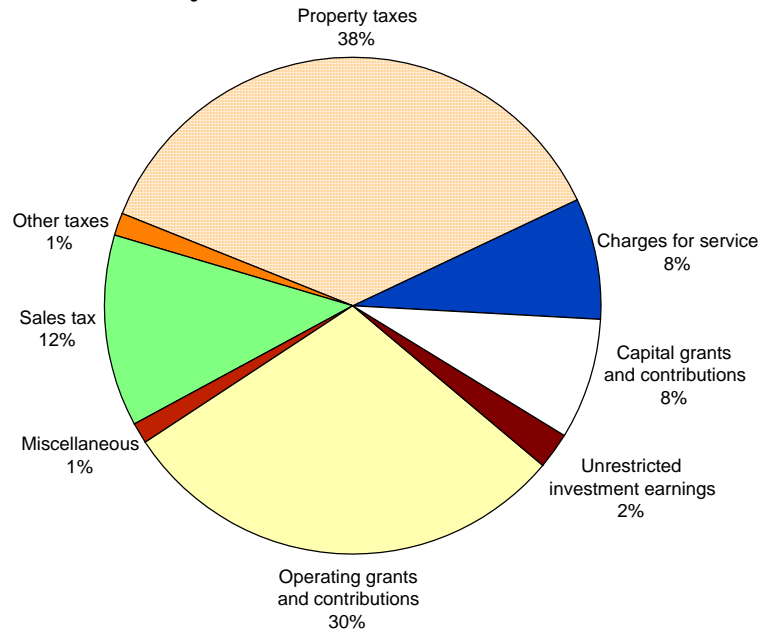
	2005 Governmental Activities	2005 Business Type Activities	2005 Total	2004 Governmental Activities	2004 Business Type Activities	2004 Total
Revenues:						
Program Revenues						
Charges for service	7,140,235	5,545,051	12,685,286	7,417,710	6,462,087	13,879,797
Operating grants and contributions	27,425,323	5,517,802	32,943,125	27,567,036	80,490	27,647,526
Capital grants and contributions	7,232,686	-	7,232,686	21,625,464	3,288,934	24,914,398
General Revenues						
Property taxes	34,267,591	7,974,383	42,241,974	33,160,825	7,650,953	40,811,778
Other taxes	12,684,091	-	12,684,091	12,097,779	-	12,097,779
Other	3,518,428	1,197,199	4,715,627	2,330,173	908,207	3,238,380
Total Revenues	92,268,354	20,234,435	112,502,789	104,198,987	18,390,671	122,589,658
Expenses:						
General government	27,009,709	-	27,009,709	23,552,567	-	23,552,567
Public safety	15,486,511	-	15,486,511	14,921,423	-	14,921,423
Transportation	1,355,601	-	1,355,601	929,306	-	929,306
Health	3,937,860	-	3,937,860	3,606,169	-	3,606,169
Social services	25,148,953	-	25,148,953	24,016,721	-	24,016,721
Leisure and education	6,738,676	-	6,738,676	6,646,879	-	6,646,879
Conservation and development	1,496,596	-	1,496,596	1,393,004	-	1,393,004
Interest on long term debt	59,955	-	59,955	104,096	-	104,096
Landfill	-	2,524,569	2,524,569	-	3,036,936	3,036,936
Highway	-	16,728,511	16,728,511	-	11,350,649	11,350,649
Total expenses	81,233,861	19,253,080	100,486,941	75,170,165	14,387,588	89,557,753
Increase in net assets before transfers	11,034,493	981,355	12,015,848	29,028,822	4,003,083	33,031,905
Transfers	(1,869,105)	1,869,105	-	(800,000)	800,000	-
Increase in net assets	9,165,388	2,850,460	12,015,848	28,228,822	4,803,083	33,031,905
Net assets-January 1	260,594,008	38,358,440	298,952,448	232,365,186	33,555,357	265,920,543
Net assets-December 31	269,759,396	41,208,900	310,968,296	260,594,008	38,358,440	298,952,448

Property taxes were \$42,241,974 for 2005 and \$40,811,778 for 2004. A portion of the property taxes, \$3,408,230, went to payoff outstanding principal plus interest on general obligation notes. The outstanding general obligation debt that Marathon County has at the end of 2005 is for Central Wisconsin Airport improvements. The Central Wisconsin Airport is a discretely presented component unit of Marathon County. The debt service payments for the airport issue is supported by airport revenues. Additional increases went to pay for increasing personal service operating costs such as health insurance and wage increases.

Expenses and Program Revenues - Governmental Activities



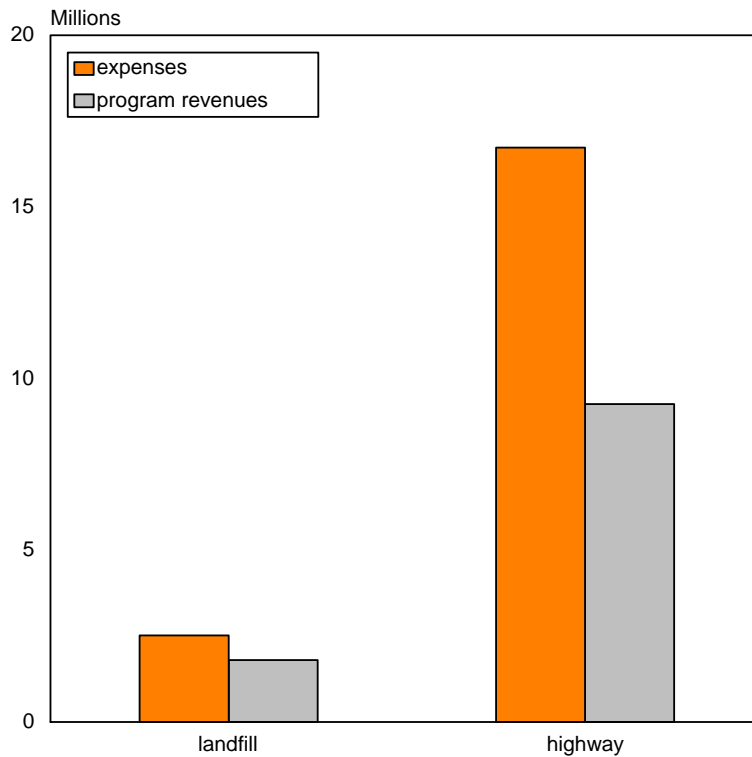
Revenues by Source - Governmental Activities



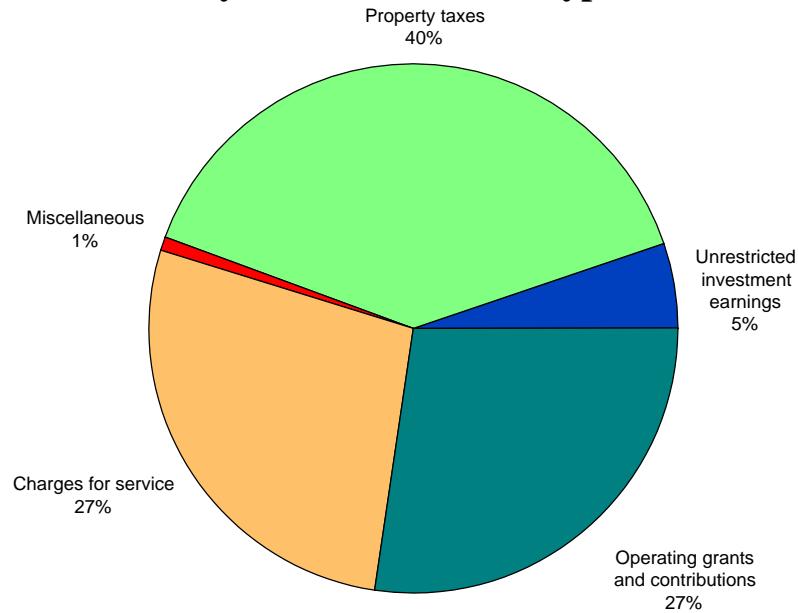
Business-type activities. Business-type activities increased Marathon County's net assets by \$2,850,460. Key elements of this increase are as follows:

- Operating expenses for business type activities increased by \$4,865,492 or 34%. Most of the increase in expenses comes from an increase in contractual services (69%) and salaries and benefits (27%).
- Intergovernmental grants and aids increased by \$2,148,378
- Property Tax revenues increased \$323,430
- Increase in interest income of \$415,136
- Capital contributions from government activities accounted for \$1,869,105
- Deprecation decreased by \$780,837

Expenses and Program Revenues - Business-Type Activities



Revenue By Source - Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, Marathon County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Marathon County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Marathon County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As the end of the current fiscal year, Marathon County's governmental funds reported combined ending fund balances of \$ 51,626,478, an increase of \$ 954,811 in comparison with the prior year. Approximately 7 percent of this total amount, \$ 3,532,227, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed. The reserve balance of \$16,425,066 is made up of the following: 1) \$158,110 to liquidate contracts and purchase orders of the prior period, 2) \$229,476 to pay debt service, 3) \$9,500,388 for capital improvements, 4) \$4,251,562 for compensated absences, 5) \$2,121,878 for delinquent taxes for other governmental entities and 6) \$163,652 for a variety of other restricted purposes.

The designated fund balance for the governmental funds totaled \$31,669,185. This fund balance is not available for spending and has been committed to the following: 1) \$9,523,470 for subsequent years budget, 2) \$16,408,900 for working capital, 3) \$2,933,542 for improvements and 4) \$2,803,273 for carryforwards.

The general fund is the chief operating fund of Marathon County. The unreserved fund balance of the general fund was \$2,897,000 and \$6,292,423 for 2005 and 2004 respectively while the total fund balance reached \$39,418,842 and \$39,585,723 for 2005 and 2004 respectively. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balances represents 6 percent of total general fund expenditures in 2005 and 13 percent in 2004. Total fund balance represents 70 and 84 percent of that same amount in 2005 and 2004 respectively.

The fund balance of Marathon County's general fund decreased by \$166,881 during the current fiscal year. Key factors in this change are as follows:

- An increase in sales tax revenues of \$675,845.
- Revenues from public charges for services of the general fund decreased by \$417,296
- Intergovernmental grants and aids increased \$938,550
- Miscellaneous Revenues of the General Fund increased by \$504,732
- General Government expenditures increased \$2,334,872
- Public Safety expenditures increased \$1,043,107. A large portion of this increase was a result of increased adult inmate cost. Marathon County is transporting inmates to Shawano County due to overcrowding. Inmate medical costs also increased substantially in 2005.

The debt service fund has a total fund balance of \$229,476, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$69,651. As of December 31, 2005, the County has \$0 general obligation debt that is supported by tax levy dollars.

The fund balance for the Capital Improvement Fund increased by \$1,735,145. This includes the roof and remodeling for the fieldhouse at the UW-Marathon County and the next phase of the Courthouse remodeling.

The Highway Road Improvement Fund has a fund balance of \$734,488. The County has deferred revenues of \$107,456 that we are waiting to be reimbursed from the State of Wisconsin for the state's portion of funding the improvement projects. The County repaid the principal of \$2,165,000 on GO Note 2004A to pay for the County's share of these major road projects.

Proprietary funds. Marathon County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the landfill at the end of the year amounted to \$5,200,033, and those for the highway operations amounted to \$19,305,665. The total decrease in net assets for the landfill fund was \$308,672. The net assets of the highway fund increased by \$3,159,132. Other factors concerning the finances of these two funds have already been addressed in the discussion of Marathon County's business-type activities.

General Fund Budgetary Highlights

Difference between the original expenditure budget and the final amended budget was \$4,979,757, which is an increase in appropriations and can be briefly summarized as follows:

- \$ 1,120,860 in miscellaneous increases in general government activities
- \$ 1,479,909 in increases allocated to the public safety
- \$ 1,095,411 in increases allocated to the health
- \$ 6,116 in increases allocated for social services
- \$ 643,545 in increases allocated for leisure and education
- \$ 653,916 in increases allocated for conservation and economic development
- \$ 20,000 decreases allocated for capital outlay

Of this increase, a major portion of this increase \$2,526,066 was to be funded out of increases in intergovernmental grants and aids. The other categories of revenues together funded those increases by \$288,375. The remaining \$2,165,396 was to be budgeted from transfers from other funds. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Marathon County's investment in capital assets for its governmental and business-type activities as of December 31, 2005, amounts to \$224,433,419 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, culverts, bridges and construction in process. The total increase in Marathon County's investment in capital assets for the current fiscal year was \$6,705,419 or 3 percent.

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

- Road construction was on going on the County Highway R and Highway Y interchange on State Highway 29. County Highway R is completed and opened for traffic in 2005.
- Phase VI has been almost completed on the 2nd floor of the Courthouse.
- In the fall of 2005 the County retrofit the storage facility on 72nd Avenue for the Sheriff's Department.
- The County updated the UWMC Fieldhouse, making the locker rooms ADA accessible and correcting structural problems with the roof.

Marathon County's Capital Assets

Governmental Activities	Governmental Activities	Business-type Activities	Total
Construction in process	29,719,886	-	29,719,886
Land	28,874,791	512,038	29,386,829
Buildings	57,081,298	6,436,154	63,517,452
Improvements	7,212,289	17,080,780	24,293,069
Equipment	17,355,121	12,488,037	29,843,158
Infrastructure	154,297,200	-	154,297,200
Library Collection	4,383,700	-	4,383,700
Subtotal	298,924,285	36,517,009	335,441,294
Less: Accumulated Depreciation	(87,606,188)	(23,401,687)	(111,007,875)
TOTAL	211,318,097	13,115,322	224,433,419

Additional information on Marathon County’s capital assets can be found in note F on pages 73-74 of this report.

Long-term debt. At the end of the current fiscal year, Marathon County had \$0 in bonded debt outstanding paid by tax levy revenues. However, the amount of \$4,560,000 in General Obligation Bonds were issued for Marathon County’s discretely presented component unit, Central Wisconsin Airport and are paid by the Airport. This entire amount comprises debt backed by the full faith and credit of the government.

Marathon County’s Outstanding General Obligation Debt for 2005

Central Wisconsin Airport	\$4,560,000
TOTAL	\$4,560,000

Marathon County’s total debt increased during the current fiscal year. Marathon County maintains a Moody’s Rating of Aa2 for a general obligation debt. In 2005, Marathon County issued \$1,175,000 in general obligation notes for its 2005 highway improvements. The 2005A general obligation notes have been rated Aa2 by Moody’s Investor Service.

State statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized valuation. The current debt limitation for Marathon County is \$407,369,000, which is significantly in excess of Marathon County’s outstanding general obligation debt.

Additional information on Marathon County’s long-term debt can be found in note J on pages 77-78 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for Marathon County in 2005 was 4.3 percent. This compares favorably to the state’s average unemployment rate of 4.9 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing Marathon County’s budget for the 2005 fiscal year.

The unreserved fund balance in the general fund at the end of 2005 was \$2,897,000. Marathon County has appropriated this amount to fund the 2007 capital improvement fund. It is intended that this use of available fund balance will avoid the need to raise taxes or borrow to complete capital projects.

Request for information

This financial report is designed to provide a general overview of Marathon County’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Marathon County, 500 Forest Street, Wausau, WI, 54403-5568.

MARATHON COUNTY, WISCONSIN

Statement of Net Assets

December 31, 2005

	Primary government			Component Units	
	Governmental Activities	Business -Type Activities	Total	Major	Non-Major
Assets:					
Current assets:					
Cash and cash equivalents	\$ 56,442,676	22,808,901	79,251,577	1,640,502	1,344,955
Investments	-	-	-	7,811,363	-
Taxes receivable	39,693,390	8,145,306	47,838,696	-	-
Accounts receivable	2,100,270	256,601	2,356,871	5,287,316	54,119
Contracts receivable	-	789,759	789,759	-	-
Accrued interest receivable	552,060	-	552,060	-	-
Penalties and interest receivable	167,592	-	167,592	-	-
Internal balances	9	(9)	-	-	-
Due from other governments	4,451,585	2,292,567	6,744,152	655,531	255,185
Due from discretely presented component unit	2,420	460	2,880	-	-
Prepaid items	250,339	-	250,339	716,578	40,625
Loan receivable	131,461	-	131,461	-	-
Inventories	10,504	945,991	956,495	310,286	-
Total current assets	103,802,306	35,239,576	139,041,882	16,421,576	1,694,884
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	7,496,359	805,418	8,301,777	1,506,841	45,000
Investments	-	12,740,306	12,740,306	376,829	-
Accrued interest receivable	-	15,042	15,042	-	-
Total non-current assets	7,496,359	13,560,766	21,057,125	1,883,670	45,000
Other assets:					
Deferred charges	-	-	-	20,432	-
Advance to discretely presented component unit	-	25,000	25,000	-	-
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000	-	-
Capital Assets not depreciated	58,594,677	512,038	59,106,715	18,037,173	-
Capital Assets net of accumulated depreciation	152,723,420	12,603,284	165,326,704	30,127,288	205,047
Total assets	\$ 324,135,762	61,940,664	386,076,426	66,490,139	1,944,931
Liabilities:					
Current liabilities:					
Accounts payable	\$ 2,828,509	859,730	3,688,239	2,188,477	19,369
Accrued items	884,600	163,348	1,047,948	1,727,779	272,080
Special deposits	2,904,533	-	2,904,533	376,829	-
Accrued Interest payable	-	-	-	16,660	-
Accrued liability - claims payable	4,643,000	-	4,643,000	-	-
Due to other governments	1,157,711	812,040	1,969,751	474,289	356,534
Due to primary government	-	-	-	2,880	-
Unearned revenues	36,365,711	8,248,032	44,613,743	1,074,791	12,606
Current portion of long-term obligations	125,423	26,556	151,979	280,000	-
Total current liabilities	48,909,487	10,109,706	59,019,193	6,141,705	660,589
Long-term liabilities:					
Advance from primary government	-	-	-	25,000	-
General obligation notes payable	-	-	-	4,280,000	-
Non current portion-forest crop loan payable	1,183,167	-	1,183,167	-	-
Landfill closure & long-term care payable	-	9,957,844	9,957,844	-	-
Compensated absences	4,283,712	664,214	4,947,926	2,137,458	71,893
Total long-term liabilities	5,466,879	10,622,058	16,088,937	6,442,458	71,893
Total liabilities	54,376,366	20,731,764	75,108,130	12,584,163	732,482
Net Assets:					
Invested in capital assets, net of related debt	210,096,930	13,115,322	223,212,252	43,579,461	205,047
Restricted					
Debt service	229,476	-	229,476	-	-
Landfill long-term care costs	-	3,587,880	3,587,880	-	-
Passenger facility charges	-	-	-	762,294	-
Member entity investment	-	-	-	2,802,294	-
Unrestricted	59,432,990	24,505,698	83,938,688	6,761,927	1,007,402
Total net assets	\$ 269,759,396	41,208,900	310,968,296	53,905,976	1,212,449

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Activities

For the year ended December 31, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets			Major Component Units	Non-Major Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total		
Primary government:									
Governmental Activities									
General government	\$ 27,009,709	3,190,606	1,394,023	1,630,947	(20,794,133)	-	(20,794,133)	-	-
Public Safety	15,486,511	1,540,650	273,315	554,233	(13,118,313)	-	(13,118,313)	-	-
Transportation	1,355,601	10,790	-	4,646,944	3,302,133	-	3,302,133	-	-
Health	3,937,860	427,583	1,032,103	-	(2,478,174)	-	(2,478,174)	-	-
Social Services	25,148,953	804,538	15,616,222	-	(8,728,193)	-	(8,728,193)	-	-
Leisure and Education	6,738,676	1,144,312	59,066	400,562	(5,134,736)	-	(5,134,736)	-	-
Conservation and Development	1,496,596	21,756	3,197,065	-	1,722,225	-	1,722,225	-	-
Interest on long term debt	59,955	-	-	-	(59,955)	-	(59,955)	-	-
Total governmental activities	<u>81,233,861</u>	<u>7,140,235</u>	<u>21,571,794</u>	<u>7,232,686</u>	<u>(45,289,146)</u>	<u>-</u>	<u>(45,289,146)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Landfill	2,524,569	1,803,249	1,000	-	-	(720,320)	(720,320)	-	-
Highway	16,728,511	3,741,802	5,516,802	-	-	(7,469,907)	(7,469,907)	-	-
Total business-type activities	<u>19,253,080</u>	<u>5,545,051</u>	<u>5,517,802</u>	<u>-</u>	<u>-</u>	<u>(8,190,227)</u>	<u>(8,190,227)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>100,486,941</u>	<u>12,685,286</u>	<u>27,089,596</u>	<u>7,232,686</u>	<u>(45,289,146)</u>	<u>(8,190,227)</u>	<u>(53,479,373)</u>	<u>-</u>	<u>-</u>
Component units:									
Governmental-Type									
Handicapped Children Education Board	4,865,986	2,971,588	826,814	-	-	-	-	-	(1,067,584)
Business-Type									
Central Wisconsin Airport	4,034,676	3,005,536	-	4,528,612	-	-	-	3,499,472	-
North Central Community Services	64,018,052	50,913,153	10,629,479	496,909	-	-	-	(1,978,511)	-
Total business-type component units	<u>\$ 68,052,728</u>	<u>53,918,689</u>	<u>10,629,479</u>	<u>5,025,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,520,961</u>	<u>-</u>
General revenues:									
Taxes:									
Property taxes					34,267,591	7,974,383	42,241,974	-	-
Sales taxes					11,316,392	-	11,316,392	-	-
Other taxes					1,367,699	-	1,367,699	-	-
Grants and contributions not restricted to specific programs					5,853,529	-	5,853,529	-	920,027
Unrestricted investment earnings					2,228,061	1,027,473	3,255,534	466,776	21,849
Gain on sale of capital assets					-	-	-	33,026	-
Miscellaneous					1,290,367	169,726	1,460,093	242	49,331
Transfers					(1,869,105)	1,869,105	-	-	-
Total general revenues and transfers					<u>54,454,534</u>	<u>11,040,687</u>	<u>65,495,221</u>	<u>500,044</u>	<u>991,207</u>
Change in net assets					<u>9,165,388</u>	<u>2,850,460</u>	<u>12,015,848</u>	<u>2,021,005</u>	<u>(76,377)</u>
Net assets-beginning					260,594,008	38,358,440	298,952,448	51,884,971	1,288,826
Net assets-ending					<u>\$ 269,759,396</u>	<u>41,208,900</u>	<u>310,968,296</u>	<u>53,905,976</u>	<u>1,212,449</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Balance Sheet
Governmental Funds

December 31, 2005

	<u>General</u>	<u>Social Improvement</u>	<u>Debt Service</u>	<u>Capital Improvement</u>	<u>Highway Road Improvements</u>	<u>Total Governmental Funds</u>
Assets:						
Cash and cash equivalents	\$ 29,756,664	3,023,236	229,476	8,634,783	779,066	42,423,225
Taxes receivable	30,016,380	6,952,010	2,725,000	-	-	39,693,390
Accounts receivable	1,625,486	240,596	-	45	-	1,866,127
Accrued interest receivable	552,060	-	-	-	-	552,060
Penalties and interest receivable	167,592	-	-	-	-	167,592
Due from other governments	2,935,985	1,408,144	-	-	107,456	4,451,585
Due from other funds	4,096	-	-	-	-	4,096
Due from discretely presented component unit	2,420	-	-	-	-	2,420
Prepaid items	-	21,687	-	-	-	21,687
Loan receivable	131,461	-	-	-	-	131,461
Inventories	10,504	-	-	-	-	10,504
Restricted assets:						
Cash and cash equivalents	<u>7,126,178</u>	<u>370,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,496,359</u>
Total assets	<u>\$ 72,328,826</u>	<u>12,015,854</u>	<u>2,954,476</u>	<u>8,634,828</u>	<u>886,522</u>	<u>96,820,506</u>
Liabilities and Fund Balance						
Accounts payable	\$ 984,659	1,540,043	-	214,087	44,578	2,783,367
Accrued items	501,367	329,366	-	-	-	830,733
Special deposits	2,549,766	354,767	-	-	-	2,904,533
Due to other governments	1,144,939	12,772	-	-	-	1,157,711
Due to other funds	122	3,965	-	-	-	4,087
Deferred revenues	<u>27,729,131</u>	<u>6,952,010</u>	<u>2,725,000</u>	<u>-</u>	<u>107,456</u>	<u>37,513,597</u>
Total liabilities	<u>\$ 32,909,984</u>	<u>9,192,923</u>	<u>2,725,000</u>	<u>214,087</u>	<u>152,034</u>	<u>45,194,028</u>
Fund Balances:						
Fund balances:						
Reserved:						
Reserved	\$ 7,018,674	21,687	229,476	8,420,741	734,488	16,425,066
Unreserved:						
Designated	29,503,168	2,166,017	-	-	-	31,669,185
Undesignated	<u>2,897,000</u>	<u>635,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,532,227</u>
Total fund balance	<u>39,418,842</u>	<u>2,822,931</u>	<u>229,476</u>	<u>8,420,741</u>	<u>734,488</u>	<u>51,626,478</u>
Total liabilities and fund balances	<u>\$ 72,328,826</u>	<u>12,015,854</u>	<u>2,954,476</u>	<u>8,634,828</u>	<u>886,522</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (Includes \$227 of net capital assets from Internal Service Funds).	211,318,097
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the fund.	1,147,886
Internal service funds are used by management to charge costs of insurance coverage to individual funds. The assets and liabilities of the internal service funds are included in government activities in the statement of net assets.	11,259,237
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds. (Includes \$29,999 compensated absences from Internal Service Funds).	<u>(5,592,302)</u>
Net assets of government activities	\$ <u>269,759,396</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

Year ended December 31, 2005

	<u>General</u>	<u>Social Improvement</u>	<u>Debt Service</u>	<u>Capital Improvement</u>	<u>Highway Road Improvements</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	\$ 37,119,234	6,711,476	3,408,230	200,000	-	47,438,940
Intergovernmental grants and aids	12,428,669	17,471,568	-	-	722,957	30,623,194
Licenses and permits	260,415	-	-	-	-	260,415
Fines and forfeitures	774,035	-	-	-	-	774,035
Public charges for services	4,346,931	807,256	67,988	12,158	-	5,234,333
Intergovernmental charges for services	506,216	-	-	-	10,790	517,006
Miscellaneous revenues	1,434,784	749,675	74,817	500,750	900	2,760,926
Total revenues	<u>56,870,284</u>	<u>25,739,975</u>	<u>3,551,035</u>	<u>712,908</u>	<u>734,647</u>	<u>87,608,849</u>
Expenditures:						
Current:						
General government	21,744,844	-	-	-	-	21,744,844
Public safety	16,531,522	-	-	-	-	16,531,522
Health	3,970,046	-	-	-	-	3,970,046
Social services	195,342	24,778,914	-	-	-	24,974,256
Leisure activities and education	6,529,195	-	-	-	-	6,529,195
Conservation and economic development	1,468,283	-	-	-	-	1,468,283
Capital outlay	122,443	-	-	5,996,093	3,185,008	9,303,544
Debt service:						
Principal	-	-	3,409,097	-	-	3,409,097
Interest and paying agent fees	-	-	73,826	-	-	73,826
Total expenditures	<u>50,561,675</u>	<u>24,778,914</u>	<u>3,482,923</u>	<u>5,996,093</u>	<u>3,185,008</u>	<u>88,004,613</u>
Excess (deficiency) of revenues over expenditures	<u>6,308,609</u>	<u>961,061</u>	<u>68,112</u>	<u>(5,283,185)</u>	<u>(2,450,361)</u>	<u>(395,764)</u>
Other financing sources (uses):						
Transfers in:						
General Fund	-	-	-	7,155,017	-	7,155,017
Social Improvement Fund	66,496	-	-	409,522	-	476,018
Capital Improvement Fund	548,109	-	-	-	-	548,109
Sale of capital assets	50,867	-	-	1,900	107,214	159,981
General obligation debt issued	-	-	-	-	1,175,000	1,175,000
State loan program debt issued	14,055	-	-	-	-	14,055
Premium on note payable	-	-	1,539	-	-	1,539
Transfers out:						
General Fund	-	(66,496)	-	(548,109)	-	(614,605)
Capital Improvement Fund	<u>(7,155,017)</u>	<u>(409,522)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,564,539)</u>
Total other financing sources (uses)	<u>(6,475,490)</u>	<u>(476,018)</u>	<u>1,539</u>	<u>7,018,330</u>	<u>1,282,214</u>	<u>1,350,575</u>
Net change in fund balance	(166,881)	485,043	69,651	1,735,145	(1,168,147)	954,811
Fund balances, January 1	<u>39,585,723</u>	<u>2,337,888</u>	<u>159,825</u>	<u>6,685,596</u>	<u>1,902,635</u>	<u>50,671,667</u>
Fund balances, December 31	\$ <u>39,418,842</u>	<u>2,822,931</u>	<u>229,476</u>	<u>8,420,741</u>	<u>734,488</u>	<u>51,626,478</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

Year ended December 31, 2005

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance-total governmental funds	\$	954,811
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. This is the amount by which capital outlay exceeded depreciation in the current period.		6,411,750
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds		(508,066)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,218,503
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.		(442,116)
The net revenue of certain activities in the internal service funds is reported with governmental activities.		<u>530,506</u>
Change in net assets of governmental activities	\$	<u><u>9,165,388</u></u>

The accompanying notes to the financial statements are an integral part of this statement

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 2005

	Budgeted Amounts		Actual	Variance favorable/(unfavorable) with final budget
	Original	Final		
Revenues:				
Taxes	\$ 33,917,381	34,096,852	37,119,234	3,022,382
Intergovernmental grants and aids	9,630,911	12,156,977	12,428,669	271,692
Licenses and permits	245,755	245,755	260,415	14,660
Fines and forfeitures	873,900	873,900	774,035	(99,865)
Public charges for services	4,187,957	4,318,562	4,346,931	28,369
Intergovernmental charges for services	773,171	717,168	506,216	(210,952)
Miscellaneous revenues	1,325,189	1,354,640	1,434,784	80,144
Total revenues	<u>50,954,264</u>	<u>53,763,854</u>	<u>56,870,284</u>	<u>3,106,430</u>
Expenditures:				
Current:				
General government	22,082,527	23,203,387	21,744,844	1,458,543
Public safety	15,738,540	17,218,449	16,531,522	686,927
Health	3,870,902	4,966,313	3,970,046	996,267
Social services	199,824	205,940	195,342	10,598
Leisure activities and education	6,854,886	7,498,431	6,529,195	969,236
Conservation and economic development	1,550,003	2,203,919	1,468,283	735,636
Capital outlay	296,501	276,501	122,443	154,058
Total expenditures	<u>50,593,183</u>	<u>55,572,940</u>	<u>50,561,675</u>	<u>5,011,265</u>
Excess (deficiency) of revenues over expenditures	<u>361,081</u>	<u>(1,809,086)</u>	<u>6,308,609</u>	<u>8,117,695</u>
Other financing sources (uses):				
Transfers in:				
Social Improvement Fund	-	-	66,496	66,496
Capital Improvement Fund	-	-	548,109	548,109
Sales of capital assets	33,000	37,851	50,867	13,016
State loan program debt issued	14,055	14,055	14,055	-
Transfers out:				
Capital Improvement Fund	(6,578,224)	(7,155,017)	(7,155,017)	-
Total other financing sources (uses)	<u>(6,531,169)</u>	<u>(7,103,111)</u>	<u>(6,475,490)</u>	<u>627,621</u>
Net change in fund balance	(6,170,088)	(8,912,197)	(166,881)	8,745,316
Fund balances, January 1	<u>39,585,723</u>	<u>39,585,723</u>	<u>39,585,723</u>	-
Fund balances, December 31	\$ <u><u>33,415,635</u></u>	<u><u>30,673,526</u></u>	<u><u>39,418,842</u></u>	<u><u>8,745,316</u></u>

The accompanying notes to the financial statements are an intergral part of this statement.

MARATHON COUNTY, WISCONSIN

SOCIAL IMPROVMENT FUND

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
General property taxes	\$ 6,711,476	6,711,476	6,711,476	-
Intergovernmental grants and aids:				
Federal grants	1,296,339	1,430,174	2,449,287	1,019,113
State grants:				
Provided services and administration	4,596,291	4,736,291	3,752,241	(984,050)
Special services	8,361,717	10,003,570	9,817,883	(185,687)
Other revenues	2,319,806	2,319,806	1,160,780	(1,159,026)
Local grants	337,703	353,091	291,377	(61,714)
Total intergovernmental grants and aids	16,911,856	18,842,932	17,471,568	(1,371,364)
Public charges for services:				
General government	18,900	18,900	24,890	5,990
Public safety	6,000	6,000	5,813	(187)
Social services	715,000	719,500	776,553	57,053
Total public charges for services	739,900	744,400	807,256	62,856
Miscellaneous revenues:				
Donations	568,475	522,132	525,177	3,045
Interest income	117,385	117,170	205,921	88,751
Other revenues	153,089	153,089	18,577	(134,512)
Total miscellaneous revenues	838,949	792,391	749,675	(42,716)
Total revenues	25,202,181	27,091,199	25,739,975	(1,351,224)
Expenditures				
Social services:				
Personal services	10,186,436	10,252,288	9,858,144	394,144
Contractual services	1,187,263	1,352,917	1,247,846	105,071
Materials and supplies	473,549	546,032	475,210	70,822
Fixed charges	482,378	504,878	480,677	24,201
Grants and contributions	13,115,960	14,752,032	12,713,077	2,038,955
Capital outlay	9,628	8,879	3,960	4,919
Total expenditures	25,455,214	27,417,026	24,778,914	2,638,112
Excess (deficiency) of revenues over expenditures	(253,033)	(325,827)	961,061	1,286,888
Transfers out:				
General Fund	-	-	(66,496)	(66,496)
Capital Improvement Fund	(409,522)	(409,522)	(409,522)	-
Total other financing sources (uses)	(409,522)	(409,522)	(476,018)	(66,496)
Net change in fund balance	(662,555)	(735,349)	485,043	1,220,392
Fund balances, January 1	2,337,888	2,337,888	2,337,888	-
Fund balances, December 31	\$ 1,675,333	1,602,539	2,822,931	1,220,392

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Net Assets-Proprietary Funds

December 31, 2005

Assets	Business Type Activities-Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County		
		Highway	Total	
Current assets:				
Cash and cash equivalents	\$ 5,209,887	17,599,014	22,808,901	14,019,451
Taxes receivable	-	8,145,306	8,145,306	-
Accounts receivable	170,251	86,350	256,601	234,143
Contracts receivable	789,759	-	789,759	-
Due from other governments	-	2,292,567	2,292,567	-
Due from other funds	170	29	199	-
Due from discretely presented component unit	-	460	460	-
Prepaid items	-	-	-	228,652
Inventories	26,000	919,991	945,991	-
Total current assets	6,196,067	29,043,717	35,239,784	14,482,246
Restricted assets:				
Cash and cash equivalents	805,418	-	805,418	-
Investments	12,740,306	-	12,740,306	-
Accrued interest receivable	15,042	-	15,042	-
Total restricted assets	13,560,766	-	13,560,766	-
Other assets:				
Deposit in Wisconsin Municipal Mutual Insurance Company	-	-	-	1,519,000
Advance to discretely presented component unit	-	25,000	25,000	-
Total other assets	-	25,000	25,000	1,519,000
Capital Assets:				
Land	257,534	254,504	512,038	-
Buildings	1,295,400	5,140,754	6,436,154	-
Improvements	17,080,780	-	17,080,780	-
Equipment	319,611	12,168,426	12,488,037	58,466
Total capital assets	18,953,325	17,563,684	36,517,009	58,466
Less: accumulated depreciation and depletion	(14,195,667)	(9,206,020)	(23,401,687)	(58,239)
Net capital assets	4,757,658	8,357,664	13,115,322	227
Total assets	\$ 24,514,491	37,426,381	61,940,872	16,001,473
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	\$ 139,682	720,048	859,730	45,142
Accrued items	6,974	156,374	163,348	53,867
Due to other governments	812,040	-	812,040	-
Due to other funds	85	123	208	-
Unearned revenues	-	8,248,032	8,248,032	-
Current portion of long-term obligations	13,786	12,770	26,556	-
Total current liabilities	972,567	9,137,347	10,109,914	99,009
Long-term liabilities				
Landfill closure & long-term care payable	9,957,844	-	9,957,844	-
Accrued liability - claims payable	-	-	-	4,643,000
Compensated absences	38,509	625,705	664,214	29,999
Total long-term liabilities	9,996,353	625,705	10,622,058	4,672,999
Total liabilities	10,968,920	9,763,052	20,731,972	4,772,008
Net Assets				
Invested in Capital Assets, net of related debt	4,757,658	8,357,664	13,115,322	227
Restricted				
Landfill long-term care costs	3,587,880	-	3,587,880	-
Unrestricted	5,200,033	19,305,665	24,505,698	11,229,238
Total Net Assets	\$ 13,545,571	27,663,329	41,208,900	11,229,465

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds

Year ended December 31, 2005

	BusinessType Activities-Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
Operating revenues:				
Licenses and permits	\$ -	19,305	19,305	-
Public charges for services	1,803,249	12	1,803,261	-
Intergovernmental charges for services	-	3,722,485	3,722,485	10,395,632
Total operating revenues	<u>1,803,249</u>	<u>3,741,802</u>	<u>5,545,051</u>	<u>10,395,632</u>
Operating expenses:				
Salaries and benefits	214,567	5,521,766	5,736,333	197,030
Contractual services	1,130,431	172,914	1,303,345	356,070
Materials and supplies	13,500	1,166,943	1,180,443	16,744
Construction and maintenance	-	6,363,222	6,363,222	-
Landfill closure & long-term care	726,514	-	726,514	-
Building and equipment rent	-	2,435,825	2,435,825	-
Insurance and claims	-	-	-	8,622,467
Loss and loss adjustment expense	-	-	-	1,150,000
Insurance and administration costs	5,984	109,966	115,950	241,904
Depreciation	363,515	957,875	1,321,390	461
Other operating expenses	40,058	-	40,058	-
Total operating expenses	<u>2,494,569</u>	<u>16,728,511</u>	<u>19,223,080</u>	<u>10,584,676</u>
Operating (loss)	<u>(691,320)</u>	<u>(12,986,709)</u>	<u>(13,678,029)</u>	<u>(189,044)</u>
Nonoperating revenues and (expenses):				
General property taxes	-	7,974,383	7,974,383	-
Intergovernmental grants and aids	1,000	5,516,802	5,517,802	-
Interest income	911,861	624,388	1,536,249	597,521
Decrease in the fair value of investments	(508,776)	-	(508,776)	-
Insurance recoveries	-	-	-	33,896
Other income	8,563	161,163	169,726	88,133
Other expenses	(30,000)	-	(30,000)	-
Total nonoperating revenues and (expenses), net	<u>382,648</u>	<u>14,276,736</u>	<u>14,659,384</u>	<u>719,550</u>
Income before contributions and transfers	(308,672)	1,290,027	981,355	530,506
Capital contributions-Capital Improvement Fund and Highway Road Improvement Fund	-	1,869,105	1,869,105	-
Change in Net Assets	(308,672)	3,159,132	2,850,460	530,506
Net Assets, January 1	<u>13,854,243</u>	<u>24,504,197</u>	<u>38,358,440</u>	<u>10,698,959</u>
Net Assets, December 31	<u>\$ 13,545,571</u>	<u>27,663,329</u>	<u>41,208,900</u>	<u>11,229,465</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Cash Flows -
Proprietary Funds

Year ended December 31, 2005

	BusinessType Activities-Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
Cash flows from operating activities:				
Cash received from the sale of goods and services	-	3,568,325	3,568,325	-
Collections from landfill disposal services	\$ 2,435,128	-	2,435,128	-
Collections from departments and other insurance purchasers	-	-	-	10,883,174
Cash received from other departments for reimbursement	-	249,519	249,519	-
Cash paid to employees for services	(215,188)	(5,409,959)	(5,625,147)	(198,913)
Cash paid to suppliers for goods and services	(1,765,676)	(9,337,742)	(11,103,418)	(9,831,831)
Cash paid to other departments for reimbursement	-	(146,982)	(146,982)	-
Net cash (used) by operating activities	<u>454,264</u>	<u>(11,076,839)</u>	<u>(10,622,575)</u>	<u>852,430</u>
Cash flows from noncapital financing activities:				
General property taxes	-	7,974,383	7,974,383	-
Cash received from government grants	-	5,516,802	5,516,802	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>13,491,185</u>	<u>13,491,185</u>	<u>-</u>
Cash flows from capital financing activities:				
Payments for capital acquisitions	(334,717)	(1,266,803)	(1,601,520)	-
Payments for contract obligations	(13,000)	-	(13,000)	-
Cash received from other departments for capital projects	-	1,869,105	1,869,105	-
Net cash used by capital financing activities	<u>(347,717)</u>	<u>602,302</u>	<u>254,585</u>	<u>-</u>
Cash flows from investing activities:				
Increase (decrease) in short-term investments	(384,268)	-	(384,268)	-
Interest received on investments	911,861	624,388	1,536,249	597,521
Net cash provided by investing activities	<u>527,593</u>	<u>624,388</u>	<u>1,151,981</u>	<u>597,521</u>
Net increase in cash and cash equivalents	634,140	3,641,036	4,275,176	1,449,951
Cash and cash equivalents, January 1	5,381,165	13,957,978	19,339,143	12,569,500
Cash and cash equivalents, December 31	\$ <u>6,015,305</u>	<u>17,599,014</u>	<u>23,614,319</u>	<u>14,019,451</u>

MARATHON COUNTY, WISCONSIN

Statement of Cash Flows -
Proprietary Funds

Year ended December 31, 2005

	BusinessType Activities-Enterprise Funds			Governmental Activities- Internal Service
	Landfill	County Highway	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (691,320)	(12,986,709)	(13,678,029)	(189,044)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	363,515	957,875	1,321,390	461
Insurance recoveries	-	-	-	33,896
Other income	8,563	161,163	169,726	88,133
Other expense	(30,000)	-	(30,000)	-
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:				
Taxes receivable	-	(170,923)	(170,923)	-
Accounts receivable	95,564	8,427	103,991	482
Contracts receivable	18,172	-	18,172	-
Due from other governments	10,216	223,203	233,419	-
Due from other funds	15,511	108	15,619	-
Due from discretely presented component unit	-	(395)	(395)	-
Prepaid items	-	-	-	(228,652)
Inventories	(26,000)	79,383	53,383	-
Advance to discretely presented component unit	-	(25,000)	(25,000)	-
Accounts payable	(115,955)	512,812	396,857	(12,574)
Accrued expenses	233	(9,466)	(9,233)	10,298
Due to other governments	63,269	-	63,269	-
Due to other funds	(366)	(15,558)	(15,924)	-
Unearned revenues	-	193,333	193,333	-
Contracts payable	13,000	-	13,000	-
Landfill closure & long-term care payable	726,514	-	726,514	-
Accrued liabilities - claims payable	-	-	-	1,150,000
Compensated absences	3,348	(5,092)	(1,744)	(570)
Net cash provided (used) by operating activities	\$ <u>454,264</u>	<u>(11,076,839)</u>	<u>(10,622,575)</u>	<u>852,430</u>
Non-cash investing, capital and non-capital financing activities:				
Fair value adjustment - investments	(508,776)	-	(508,776)	-
Total non-cash investing, capital and non-capital financing activities:	\$ <u>(508,776)</u>	<u>-</u>	<u>(508,776)</u>	<u>-</u>
Reconciliation of cash and cash equivalents:				
Cash and cash equivalents	5,209,887	17,599,014	22,808,901	14,019,451
Cash and cash equivalents - restricted assets	805,418	-	805,418	-
Cash and cash equivalents, December 31	\$ <u>6,015,305</u>	<u>17,599,014</u>	<u>23,614,319</u>	<u>14,019,451</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Net Assets

Major Discretely Presented Component Units

December 31, 2005

	Central Wisconsin Airport	North Central Community Service	Major Discretely Presented Component Units Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,382,579	257,923	1,640,502
Investments	-	7,811,363	7,811,363
Accounts receivable	146,417	5,140,899	5,287,316
Due from other governments	-	655,531	655,531
Prepaid items	-	716,578	716,578
Inventories	-	310,286	310,286
Total current assets	<u>1,528,996</u>	<u>14,892,580</u>	<u>16,421,576</u>
Non-current assets:			
Restricted assets:			
Cash and cash equivalents	1,506,841	-	1,506,841
Investments	-	376,829	376,829
Total non-current assets	<u>1,506,841</u>	<u>376,829</u>	<u>1,883,670</u>
Deferred charges	<u>20,432</u>	<u>-</u>	<u>20,432</u>
Capital assets:			
Land	614,983	963,548	1,578,531
Buildings	12,093,691	18,903,392	30,997,083
Improvements	25,461,671	-	25,461,671
Equipment	5,323,701	12,127,525	17,451,226
Construction in process	16,419,281	39,361	16,458,642
Total capital assets	<u>59,913,327</u>	<u>32,033,826</u>	<u>91,947,153</u>
Less: accumulated depreciation and depletion	<u>(23,175,045)</u>	<u>(20,607,647)</u>	<u>(43,782,692)</u>
Net capital assets	<u>36,738,282</u>	<u>11,426,179</u>	<u>48,164,461</u>
Total assets	<u>\$ 39,794,551</u>	<u>26,695,588</u>	<u>66,490,139</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 177,813	2,010,664	2,188,477
Accrued items	43,506	1,684,273	1,727,779
Special deposits	-	376,829	376,829
Interest payable	16,660	-	16,660
Due to other governments	133,996	340,293	474,289
Due to primary government	2,880	-	2,880
Unearned revenues	-	1,074,791	1,074,791
Current portion of long-term liabilities	280,000	-	280,000
Total current liabilities	<u>654,855</u>	<u>5,486,850</u>	<u>6,141,705</u>
Long-term liabilities:			
Advance from primary government	25,000	-	25,000
General obligations notes payable	4,280,000	-	4,280,000
Compensated absences	141,382	1,996,076	2,137,458
Total long-term liabilities	<u>4,446,382</u>	<u>1,996,076</u>	<u>6,442,458</u>
Total liabilities	<u>5,101,237</u>	<u>7,482,926</u>	<u>12,584,163</u>
Net Assets:			
Invested in Capital Assets, net of related debt	32,153,282	11,426,179	43,579,461
Restricted			
Passenger facility charges	762,294	-	762,294
Member entity investment	-	2,802,294	2,802,294
Unrestricted	1,777,738	4,984,189	6,761,927
Total Net Assets	<u>\$ 34,693,314</u>	<u>19,212,662</u>	<u>53,905,976</u>

The accompanying notes to the financial statements are an integral part of this statement.

MARATHON COUNTY, WISCONSIN

Statement of Revenues, Expenses and Changes in Net Assets

Major Discretely Presented Component Units
Year ended December 31, 2005

	Central Wisconsin Airport	North Central Community Service	Major Discretely Presented Component Units Total
Operating revenues:			
Public charges for services	\$ 2,678,283	30,472,195	33,150,478
Intergovernmental charges for services	327,253	20,440,958	20,768,211
Intergovernmental grants and aids	-	10,629,479	10,629,479
Total operating revenues	<u>3,005,536</u>	<u>61,542,632</u>	<u>64,548,168</u>
Operating expenses:			
Salaries and benefits	1,244,164	40,339,123	41,583,287
Contractual services	658,964	10,972,521	11,631,485
Materials and supplies	377,267	10,407,719	10,784,986
Insurance and administration costs	52,894	-	52,894
Depreciation	1,385,659	1,548,689	2,934,348
Other operating expenses	5,898	-	5,898
Total operating expenses	<u>3,724,846</u>	<u>63,268,052</u>	<u>66,992,898</u>
Operating income (loss)	<u>(719,310)</u>	<u>(1,725,420)</u>	<u>(2,444,730)</u>
Nonoperating revenues and (expenses):			
Intergovernmental grants and aids	-	496,909	496,909
Interest income	85,549	381,227	466,776
Gain on sale of capital assets	6,750	26,276	33,026
Other income	242	-	242
Interest expense	(309,830)	-	(309,830)
Other expenses	-	(750,000)	(750,000)
Total nonoperating revenues and (expenses), net	<u>(217,289)</u>	<u>154,412</u>	<u>(62,877)</u>
(Loss) before contributions	<u>(936,599)</u>	<u>(1,571,008)</u>	<u>(2,507,607)</u>
Capital contributions	<u>4,528,612</u>	<u>-</u>	<u>4,528,612</u>
Change in Net Assets	3,592,013	(1,571,008)	2,021,005
Net Assets, January 1	<u>31,101,301</u>	<u>20,783,670</u>	<u>51,884,971</u>
Net Assets, December 31	\$ <u>34,693,314</u>	<u>19,212,662</u>	<u>53,905,976</u>

The accompanying notes to the financial statements are an integral part of this statement

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MARATHON COUNTY
Notes to the Financial Statements
Year ended December 31, 2005

FOOTNOTE 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, zoning, and general administrative services.

The financial statements of the County have been prepared in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies as promulgated by various statements and interpretations of the GASB:

A. The Reporting Entity:

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

Discretely Presented Component Units:

The Government-wide financial statements include CWA, NCCS and HCEB as discretely presented component units.

Certain financial data pertaining to the CWA, contained in the notes hereafter, is not separable from the aggregated County data. In those occurrences the specific note will mention "the County (including the CWA as a discretely presented component unit)" so as to inform the reader where the data is not for the primary government alone. All financial data contained in the notes hereafter for the other discretely presented component units is listed separately.

The County has entered into three multigovernmental arrangements classified as discretely presented component units that create organizations that are owned, operated, or governed by two or more

participants as separate and specific activities subject to joint leadership, in which Marathon County retains an ongoing financial interest or an ongoing financial responsibility, as follows:

Central Wisconsin Airport (CWA)

The CWA was created by Wisconsin Statute 114, which allows for the creation of multi-governmental agreements and is a joint function with Marathon and Portage counties. The CWA Board is made up of seven members whose appointments are based on the respective equalized value of each county. The ratio for 2005 (which is revised once every five (5) years) is Marathon County 64% and Portage County 36%. The current CWA Board is made up of four members from Marathon County and three members from Portage County. Therefore, Marathon County appoints a majority of the CWA board. The Board is responsible for fiscal matters of the operations once the respective county boards approve the budget. The CWA Board can make changes in its budget up to \$50,000 without prior approval of the Counties. The CWA Board is responsible for the CWA management. Marathon County is financially accountable for CWA and records its full financial operations as a discretely presented component unit because Marathon County appoints a majority of the CWA board and:

1. Marathon County can impose its will on CWA since the budget for the operations and capital improvements must be approved by the respective County Boards.
2. The CWA has no tax levy authority.
3. There is a financial burden since each county takes responsibility for their respective share of bonded debt for any capital project.

North Central Community Services (NCCS)

The NCCS is a joint function with Marathon, Lincoln and Langlade counties providing medical and nursing care, including mental health care under contractual arrangements with the counties. It is also organized as a 51.42/437 Mental Health Board under Wisconsin Statutes giving the Board separate legal status. The County Board of Supervisors from the three counties appoint members to the Community Services Board. Marathon County appoints the majority of the NCCS board. The fourteen member board is made up of ten members from Marathon County and two members each from Lincoln and Langlade Counties. Annually the three counties fund an amount equal to expenses in excess of federal and state grants and patient fees as it relates to the respective counties proportionate share of operating costs. Capital facilities are the direct responsibility of each county. Nursing care is funded primarily by patient revenues and tax levy support. Marathon County is financially accountable for NCCS and records its full financial operations as a discretely presented component unit because Marathon County appoints a majority of the NCCS and:

1. Marathon County can impose its will on NCCS since the budget must be approved by the three separate County Boards.
2. The NCCS has no tax levy authority.
3. There is a financial burden since NCCS cannot issue debt and each county takes responsibility for their share of debt for capital projects.

Handicapped Children Education Board (HCEB)

Provided for by Wisconsin Statute 115.86 the HCEB must be shown on the financial report of the school district that exercises oversight over their Board or, if that does not occur, the HCEB must be reported on the County's financial reports. The financial reports of the HCEB are reported on a school fiscal year basis ending on June 30 of each year and are not converted to a calendar year report for inclusion in this CAFR. The HCEB provides educational services for six school districts and therefore the Board is made up of six members, one from each participating school district. School Superintendents from each of the districts serve on a special committee to advise the Board on educational matters. Once the budget is approved by the County Board, the HCEB is responsible for all budget and other fiscal related matters. The HCEB is responsible for hiring an Executive Director who in turn is responsible for the overall administration of the programs. Funding for services is recovered through user charges to participating school districts and federal and state grants and aids. The HCEB has the authority to fix cost sharing charges to the participating school districts in an amount sufficient to provide the funds necessary to fully fund operations. Without this

ability, the HCEB would be fiscally dependent on Marathon County and records its full financial operations as a discretely presented component unit because:

1. The budget must be approved by the County Board.
2. The HCEB has no tax levy authority.
3. The HCEB cannot issue debt.

The financial statements for CWA and NCCS are presented as of their most recent fiscal year ended December 31, 2005 and the HCEB's most recent fiscal year ended June 30, 2005 are included in the financial statements. Significant footnote disclosures relating to the discretely presented component units are included within the respective notes to the financial statements. Separately issued financial statements are not available for CWA. Complete financial statements of the NCCS and HCEB can be obtained from their respective administrative offices as follows:

North Central Community Services
1100 Lakeview Drive
Wausau, WI 54403-6799

Handicapped Children's Education Board
1200 Lakeview Drive
Wausau, WI 54403-6799

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities are generally 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 and services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. 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 are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitutes its assets, liabilities, net assets/fund equity, revenues and expenditure/expenses.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

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

Major Governmental Funds

The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Social Improvement Fund – The Social Improvement Fund is used to account for resources legally restricted to support the various community service programs.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs, but excludes debt serviced by proprietary funds and discretely presented component units. The County has designated the debt service fund as a major fund.

Capital Improvement Fund – The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities but excludes those projects financed by the Highway Road Improvement Fund, proprietary funds and discretely presented component units.

Highway Road Improvement Fund – The Highway Road Improvement Fund is used to account for financial resources to be used for the acquisition or construction of major highway road improvements not normally completed by the Highway Department.

Major Enterprise Funds

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods and services.

The County reports the following major enterprise funds:

Landfill Fund – accounts for the operation of the County operated landfill

County Highway Fund – accounts for the operation of the highway systems

In addition, the County reports the following fund types:

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The County reports the following Internal Service Funds:

Property Casualty Fund – Accounts for the property and casualty insurance operations for the County

Employee Benefits Insurance Fund – Accounts for the health, dental, workers compensation and flex benefits of the county employees and eligible retirees.

Discretely Presented Component Units

The CWA, NCCS and HCEB are reported as discretely presented component units of the County.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is 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 revenue. 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.

The business-type activities have elected to follow all pronouncements of the Governmental Accounting Standards Board. The business-type activities have elected not to follow Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

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

Fund Financial Statements

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual or when measurable and available.

Those revenues susceptible to modified accrual are as follows:

1. Property tax collections including penalty and interest received within sixty days after year-end;
2. Sales tax collected and held by the State of Wisconsin at year-end on behalf of the County;
3. Other revenues that are receivable at year-end if actually collected during the first sixty days after year-end.

Other general revenues such as fines, forfeitures, inspection fees and miscellaneous revenues are considered measurable only when received in cash, with the exception of intergovernmental grants and aids that are recorded as revenue when County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

All governmental fund types are accounted for on a flow of current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, such statements present a summary of sources and uses of available spendable resources during a period.

All proprietary funds and CWA and NCCS as discretely presented component units are accounted for using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when a liability is incurred regardless of the timing of related cash flows.

In accordance with GASBS No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the enterprise funds have elected not to follow guidance of FASB Statements and Interpretations issued after November 30, 1989.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the landfill and highway funds are charges to customers for 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.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

For the purposes of the statement of cash flows, cash includes amounts in petty cash, demand deposits, certificates of deposit and other short-term interest-bearing deposits.

Investment of County funds are restricted by state statutes and County resolution. Available investments are limited to:

1. Obligations of the U. S. Treasury, Agencies and Instrumentalities
2. Obligations of Wisconsin governmental units
3. Time deposits with maturities of less than three years in any financial institution in Wisconsin,
4. The State of Wisconsin Local Government Investment Pool and other qualifying investment pools.
5. Any security maturing in seven years or less having the highest or second highest rating category of a nationally recognized rating agency
6. Securities of an open-ended management investment company or investment trust, subject to various conditions and investment options
7. Repurchase agreements with public depositories, with certain conditions.

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; however, potential resulting losses and delays in receiving funds are possible, depending on pool participant demand for funds. At December 31, 2005, the fair value of Marathon County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The CLASS investment (Cooperative Liquid Assets Securities System) is an investment pool established by an intergovernmental agreement dated March 1, 1996. CLASS is available for investment by Wisconsin governmental entities except school districts. CLASS operates consistent with the provisions of a 2a-7 like pool, and invests only in investments legally permissible under Wisconsin law, with a weighted average maturity not exceeding 120 days. The value of pool shares is the same as the fair value position in the pool.

The County only deposits and invests its monies in investments allowed by State Statutes. Most investments are pooled for cash management and investment purposes. Investment earnings, except for unrealized gains and losses, are allocated to funds on the basis of average cash balances. Other funds have been invested in free-standing investment accounts, and those investment earnings are not allocated. Unrealized gains and losses are recognized in the funds for which the investments are held for specific legal reasons, and are shown as restricted assets.

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

Custodial Credit Risk

The County investment policy states that funds in excess of \$500,000 in any bank as a County depository may be subject to collateralization (i.e. a surety bond or other security being required for the amount of the deposit) unless minimum standards are met. These standards include certain capitalization and deposit ratios, earnings and quality of assets criteria.

Credit Risk, Interest Rate Risk

As of December 31, 2005 the county had no formal credit risk or interest rate risk policy.

2. Accounts Receivable

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

3. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. At certain times during the year the various grant programs can be waiting for reimbursement. This may cause the cash to be negative therefore creating the need to use the County's pooled cash for operations. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

4. Prepaid Items

Prepayments are payments made by the County for which benefit extends beyond December 31 or applies to the subsequent budget year.

5. Inventory

Inventories for the governmental funds are stated at cost with value being determined on the first in, first out basis of calculation. Inventories are recorded as expenditures when used rather than when purchased using the consumption method.

Inventory for the internal service funds and discretely presented component units are stated at the lower of cost or market with the value being determined on the first in, first out basis of valuation. Inventory which is accounted for using the consumption method consists of expendable supplies held for future use.

6. Restricted Assets

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

7. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$1,500 for general assets and \$50,000 for infrastructure assets. Capital assets purchased since 1983 are recorded at cost. All other capital assets are valued at either historical cost or estimated historical cost. Prior to 1982, the County did not maintain a record of its capital assets. Donated capital assets are valued at their estimated fair value on the date donated.

Prior to January 2002, infrastructure assets consisting of certain improvements other than buildings, including right of way highways, bridges, drainage systems, and lighting systems, were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required until January 1, 2006 when GASB 34 requires the County to retroactively report all major general infrastructure assets acquired since January 1, 1980. The County has retroactively reported all network infrastructure assets.

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 costs of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed proceeds. \$0 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts and, generally, depreciation expense in year of disposal, together with removal costs less salvage is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities. Accumulated depreciation is reported on the statement of net assets. Depreciation has been charged over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Building	20 - 50 years
Improvements	2 - 20 years
Equipment	3 - 10 years
Infrastructure	5 – 75 years

Fund Financial Statements

Capital assets used in the governmental funds type 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 as in the government-wide statements.

8. Deferred Charges

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

9. Forest Crop Loan

The County participates in a program whereby counties which have established and maintained a county forest are eligible to receive from the state, out of the appropriation under Section 20.370(4)(ar) of the Wisconsin Statutes, an annual payment such as a noninterest-bearing no scheduled payment loan to be used for the purchase, development, preservation and maintenance of the county forest lands.

On timber cut from lands entered as county forest lands, the County pays a severance share of not less than 20 percent 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 not predetermined calendar time periods. Severance share payments will not exceed the balance due.

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.

10. Compensated Absences Liability

The County records compensated absences pursuant to GASBS No. 16 *Accounting for Compensated Absences*. All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

The County's sick pay policy allows employees to earn varying numbers of sick days for each month worked. One-half of the unused accumulated amount vests upon completion of 20 years of service and is converted into the employees Post Employment Health Plan upon retirement. The County's paid leave balance credit policy allows employees to vest any unused paid leave balance credits. The accumulation is recorded as a long-term item in the individual proprietary fund financial statements and is included in the government-wide financial statements.

In addition to pension benefits being provided through the Wisconsin Retirement System described in Note 5, the County provides certain health care and life insurance benefits as provided for by union contracts or management ordinance. Retired employees who qualify are allowed to convert a maximum of 50% of their accumulated sick leave balance at the time of retirement into monetary value and draw down on the amount to pay the costs of health care and life insurance premiums. The expenditure/expense associated with these benefits is recognized during the period benefits are provided. The 2005 funding (including CWA as a discretely presented component unit) was estimated in the annual budget at \$160,277 with an actual cost of \$155,200. There were nineteen (19) employees eligible for benefits as of year-end.

11. Long-Term Obligations/Conduit Debt

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The face value of debt issues is 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.

The County does not engage in conduit debt transactions.

12. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

13. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances if any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – Consists of all other net assets that do not meet the definition of “restricted or “invested in capital assets, net of related debt.”

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

Fund Financial Statements

Under the provision of GASBS No. 1 *Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide*, a county may establish reserves of fund balance and/or retained earnings to segregate that portion of fund equity which is not appropriable for expenditure in future periods, or which is legally segregated for a specific future use. Fund equity designations may also be established to indicate tentative plans for financial resource utilization in a future period.

The nature and purpose for each of the County's reserves and designations are explained as follows:

1. Reserved for Bureau of Aeronautics projects - represents the amount of restricted assets related to capital projects not currently obligated for payment to the Bureau of Aeronautics.
2. Reserved for passenger facility charge - represents the amount of restricted assets set aside for future qualifying construction needs at the CWA.
3. Reserved for capital improvements - represents amounts restricted to fund future capital additions.
4. Reserved for member entity investment – investment by other member counties in the NCCS based on the 66.030 Intergovernmental Agreement.
5. Reserved for debt service - in the Debt Service Fund the amount represents funds available for future payment of principal and interest or obligations of the County. In the Landfill Fund it represents amounts currently included in the tipping fee of the landfill to be used to service future debt service costs.
6. Reserved for encumbrances - represents the commitments related to unperformed contracts for goods and services that will be fulfilled in a subsequent period.
7. Reserved for delinquent taxes from other governmental entities - represents delinquent property taxes that are uncollected by other taxing jurisdictions that have been purchased by the County. The amounts are shown in the tax certificate and tax deed accounts and do not constitute available spendable resources and are a reduction of the receivable when collected.
8. Reserved for prepaid items - represents amounts equal to prepaid items of governmental fund types as these amounts do not constitute available spendable resources.
9. Reserved for inventories - represents amounts equal to inventories of governmental fund types as these amounts do not constitute available spendable resources.
10. Reserved for long-term receivables - represents amounts equal to advances to governmental entities of Marathon County as these amounts do not constitute available spendable resources.
11. Reserved for capital improvements - represents the amount of fund equity to be used in the 2006 operating year to purchase items or continue projects originally appropriated in previous years as determined by the County Board budget ordinance.
12. Reserved for compensated absences - represents action by the County Board to begin setting aside current resources to fund future requirements.
13. Reserve for Landfill long-term care costs-represents the net amount of restricted cash reserve by DNR requirements for the long-term care and closure of the landfill.

14. Designated for capital improvements - represents cash collected in previous years designated for specific projects.
15. Designated for subsequent years budget - represents the amount of fund balance to be used for the 2006 operating budget to continue programs and contracts.
16. Designated for working capital - represents the amount of funds set aside to cover cash flow for the general operations of governmental funds. The policy approved by the County Board for most funds restricts the amount from being used to offset future years' tax levies.
17. Designated for carryforward - represents the amount of unspent funds to be used for programs in the subsequent years.

14. Statement of Cash Flows

For purposes of the statement of cash flows, the County's enterprise, internal service funds and discretely presented component units consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

FOOTNOTE 2-Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between The Governmental Fund Balance Sheet and the Statements of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that “long-term liabilities, including notes payable are not due and payable in the current period and therefore not reportable in the funds”. The details of this \$5,592,302, which includes \$29,999 from Internal Service Funds, difference are as follows:

Forest Crop Loan	\$ 1,221,167
Compensated Absences	<u>4,371,135</u>

Net adjustment to reduce *fund balance-total governmental funds* to arrive at *net assets-governmental activities*

\$ 5,592,302

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “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.” The details of this \$6,411,750 difference are as follows:

Capital Assets additions prior to depreciation	\$43,801,814
Depreciation Expense (less:ISF depreciation expense of \$460)	(8,049,807)
Deletions, Net of Accumulated Depreciation	<u>(29,340,257)</u>

Net Adjustment to increase *net changes in fund balances-total governmental funds*
to arrive at *changes in net assets of governmental activities* \$ 6,411,750

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(2,218,503) difference are as follows:

	Debt issued or incurred:	
	Issuance of general obligation notes	\$ 1,175,000
	Forest crop loan	
14,055	Premium On GO Note	1,539
	Principal repayments:	
	General obligation debt	(3,340,000)
	Forest crop loan	(
<u>69,097)</u>		

Net adjustment to increase *net changes in fund balance – total governmental funds*
to arrive at *changes in net assets of governmental activities* \$(2,218,503)

Another element of that reconciliation states that “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.” The details of this \$442,116 difference are as follows:

	Compensated absences	\$ 455,987
	Amortization of issuance costs	<u>(13,871)</u>
	Net adjusted balance to decrease <i>net changes in fund balance–total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 442,116</u>

FOOTNOTE 3-Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

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 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 Committee is authorized to transfer budget amounts between and within departments; however, any revisions that alter total expenditures at the agency level or authorize funds to be spent out of the Contingent Fund must be approved by the County Board of Supervisors.
6. The budgets for the general, special revenue, debt service and capital project funds are legally adopted on a basis consistent with GAAP.
7. The County Board of supervisors adopts a budget for all funds classified as governmental fund types including those with zero budgets.

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

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue funds and capital project funds. Encumbrances outstanding at year-end, if any, are reported as reservations of fund balances since they do not constitute expenditures or liabilities of the current period. Only those encumbrances that will be honored are reappropriated 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 and Property Committee the authorization for the carry forward of prior year's unexpended appropriations to the ensuing year.

B. Limitations of the County's Tax Levy Rate and Its Ability to Issue New Debt

As part of Wisconsin's State Budget Bill (1993 Act 16), legislation was passed that limits the County's future tax levy rates. Based upon current legislation, the County is limited to its 1992 tax levy rate. However, this limitation does not affect debt authorized prior to August 12, 1993 or refunding bonds.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher rate. The County may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

The state budget bill also imposes restrictions on the County's ability to issue new debt. Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- refunding debt issue
- 75% approval by the County Board
- a reasonable expectation that the new debt can be accommodated within the existing tax rate
- other exceptions as listed in State Statutes Section 67.045

The 2005 tax levy rate is within the limitation contained in the state law.

C. Limitations on the County's Tax Levy

As part of Wisconsin's Act 25 (2005), new legislation was passed that limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the County's equalized value due to new construction, or 2%. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit begins with the 2005 levy collected in 2006 and is set to expire after the 2006 levy.

D. Deficit balances

Generally accepted accounting principals require disclosure of individual funds that have deficit balances at year end. As of December 31, 2005, there are no funds that report a deficit balance.

FOOTNOTE 4-Detailed Notes on All Funds

A. Deposits and Investments

The County (including the CWA as a discretely presented component unit) maintains separate and distinct bank or trust accounts for the following activities; the Clerk of Courts Account; the Landfill Escrows; bond issue escrows; Social Services Protective Payees; Social Services COP Risk Reserve; and jail inmate account. All other funds share common bank and investment accounts. Other discretely presented component units maintain their own bank and investments accounts.

Reconciliation to financial statements

The cash and temporary cash investment balances of the reporting entity at December 31, 2005 are as follows:

Per statements of net assets

Primary Government:

General Fund:

Cash and investments \$ 29,756,664

Cash and investments - restricted 7,126,178

Special revenue fund:

Cash and investments 3,023,236

Cash and investments - restricted 370,181

Debt Service Fund:	
Cash and investments	229,476
Capital Improvement Fund:	
Cash and investments	8,634,783
Highway Road Improvement Fund:	
Cash and investments	779,066
Enterprise Funds:	
Cash and investments	22,808,901
Cash and investments - restricted	805,418
Investments - restricted	12,740,306
Internal service funds:	
Cash and investments	<u>14,019,451</u>
Subtotal Primary Government	100,293,660

Discretely Presented Component Units:
(including CWA as a discretely presented component unit):

Cash and investments	10,796,820
Cash and investments - restricted	<u>1,928,670</u>
Total Reporting Entity	<u>\$113,019,150</u>
Per statement of net assets	
Total	<u>\$113,019,150</u>

At year-end 2005, Marathon County's deposit and investment balance (including all discretely presented component units) were as follows:

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand deposits and cash on hand	\$15,081,222	\$6,161,135	Custodial
U S Treasury Bonds & Notes	17,913,389	18,206,660	Custodial and Interest rate
US Agencies-Implicitly guaranteed	35,100,201	34,829,435	Custodial, Interest rate and credit
Corporate Notes	3,647,627	3,615,324	Custodial, Interest rate, credit, and Investments are highly sensitive to market changes
Commercial Paper	3,969,428	3,967,985	Custodial, Interest rate, credit, and Investments are highly sensitive to market changes
Banker Bank CD program	20,445,000	20,445,000	Custodial
Money Market Mutual Funds	931,899	931,899	Credit and interest rate risk
LGIP and other qualifying investment pools	15,930,384	15,930,384	Credit and interest rate risk
Total	\$113,019,150	\$104,087,822	

All deposits in financial institutions are insured to \$100,000 by federal depository insurance and are guaranteed an additional \$400,000 by the State for each depository for losses incurred subject to the availability of funds in the State's Deposit Guarantee Fund.

Investments in the local government investment pool are guaranteed by Financial Security Assurance, Inc. (FSA) which is a Triple-A-rated financial guaranty insurance company. The FSA policy insures against credit loss for the LGIP's share of covered securities. Covered securities meet defined rating criteria at the time of their purchase and generally include highly rated corporate, bank, asset backed and mortgage backed

securities. Securities not covered under the FSA policy include obligations of the US government and its Agencies, obligations of the State of Wisconsin Agencies and certain Wisconsin banks; these obligations are of the highest credit quality and do not merit the cost of private insurance.

The County maintains \$100,000 of collateral coverage with Bankers Bank.

Custodial Credit Risk

Deposits-Custodial Credit Risk is the risk that in the event of a financial institution failure, the County's deposit may not be returned to the County.

As of December 31, 2005, \$5,144,095 of the County's (including the Central Wisconsin Airport as a discretely presented component unit) total bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized \$5,144,095

Investments-For an investment, custodial credit risk is the risk that, in the event of 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, 2005, the County's investments (including the Central Wisconsin Airport as a discretely presented component unit) were exposed to custodial credit risk as follows:

Securities - Neither insured nor registered and held by counterparty's trust company or agent not in the County's name \$60,619,404

Credit Risk

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

As of December 31, 2005, the County's investments were rated as follows:

Investment Type		Standard and Poor's	Moody's
Commercial Paper	AIG Funding Inc	A-1+	N/A
Commercial Paper	General Electric	A-1+	N/A
Commercial Paper	Toyota Motor	A-1+	N/A
Commercial Paper	UBS Finance	A-1+	N/A
Corp Note	Citigroup Inc	AA-	N/A
Corp Note	General Electric	AAA	N/A
Corp Note	US Bank Notes	AA-	N/A
Corp Note	Wells Fargo Co	AA-	N/A
Federal Agency Bond/Note		AAA	N/A
Federal Agency Discount Note		A-1+	N/A
Money Market Mutual Funds		N/A	AAA

The County also had investments in the following external pools that were not rated:

Local Government Investment Pool
MBIA Investment Pool

Interest Rate Risk

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

Investment Type	Fair Value	Less than 6 months	6 months – 1 year	1 year – 2 years	2 years - 3 years
US Treasuries Bonds and Notes	18,206,660	-	1,841,825	16,364,835	-
US Agencies-Implicitly guaranteed	34,829,435	12,096,902	7,273,561	15,458,972	-
Corporate Notes	3,615,324	-	-	3,615,324	-
Commercial Paper	3,967,985	3,967,985	-	-	-
Money Market Mutual Funds	931,899	931,899	-	-	-
LGIP and other qualified investment pools	15,930,384	15,930,384	-	-	-
Totals	\$77,481,687	\$32,927,170	\$9,115,386	\$35,439,131	-

B. Property Taxes

The County's property taxes are levied on or before December 31 on the equalized valuation as of the prior January 1 for all general property located in the County. Such taxes become a lien on January 1 and are due and payable in the following year. Pursuant to GASBS No. 1, *Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide*, such amounts are recorded as property taxes receivable and deferred revenues in the accompanying financial statements. The aggregate levy of \$44,360,284 will be recognized as revenue during 2006.

Property taxes are recognized in the appropriate fund as revenues in the succeeding year when they are collected and available to finance services. If property taxes are not collected by year-end or within sixty days after year end, the delinquent property taxes are recorded as receivables and deferred revenues in the General Fund. Delinquent property taxes are recognized as revenue when received or available for payment of current expenditures.

The County purchases property taxes from other taxing authorities at the unpaid amount as a cash flow transaction to facilitate the collection of the taxes. The purchases are a financing arrangement per Wisconsin Statute 74.29 and are not included in property tax revenues when collected.

Property taxes as levied are collected by local treasurers typically through the last day of January in each year. At this time, a settlement process between the County Treasurer and local treasurers determines the amount due to the various taxing districts. Tax collection becomes the responsibility of the County and taxes receivable represent unpaid taxes levied for all taxing entities within the County. Real property taxes are payable by taxpayers in full by the last day of January or in two installments due by January 31 and July 31. Personal property taxes are due in full by the last day in January. The municipal treasurer retains collection of personal property taxes and settles with all taxing jurisdictions as if paid in full. If uncollected during the following year, the municipal treasurer may charge back to each taxing jurisdiction its proportionate share of the personal property tax still unpaid as per Wisconsin Statute 74.42. The County share of these uncollected taxes are written off as uncollectible; few if any will ever be collected. Most are defunct corporations or bankrupt companies. 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.

On August 30, all unpaid property taxes are reflected as tax certificates. No allowance for losses on delinquent taxes has been provided because of the County's ability to recover any losses through the sale of the property.

Special assessments and charges on the tax rolls are settled in full if an agreement between the county and local municipality has been signed. The local municipality reimburses the County for losses on special assessments and charges if the tax deed process occurs.

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

Taxes receivable represent current taxes and unpaid taxes for 2005 and prior years as follows:

Year of Settlement	County Tax Levied	County Purchased	Balance December 31, 2005
1995	4,015	16,484	20,4989
1996	5,120	19,622	24,742
1997	4,852	15,279	20,131
1998	5,752	18,426	24,178
1999	15,504	47,945	63,449
2000	18,192	54,961	73,153
2001	18,819	57,395	76,214
2002	37,961	114,192	152,153
2003	78,363	236,151	314,514
2004	180,432	536,938	717,370
2005	462,114	1,408,784	1,870,898
TOTAL TAX CERTIFICATES	831,124	2,526,177	3,357,301
TAX DEEDS			121,111
CURRENT TAXES			44,360,284
TOTAL TAXES RECEIVABLE			\$47,838,696

Delinquent taxes collected within the sixty day period subsequent to year end aggregated \$133,290 and \$404,298 for delinquent taxes levied and purchased by the County, respectively.

C. Due from Other Governments

Amounts due from other governments are for various services provided by the County and its discretely presented component units in advance of payments.

The City of Wausau owes \$368,028 for park services performed.

The State of Wisconsin has a two month lag for the remittance of sales tax in the amount of \$1,991,676. The State of Wisconsin and other local districts also owe the County various amounts for the completion of road projects.

D. Capital Assets

Capital asset activity for the year ended December 31, 2005 was as follows:

Governmental Activities	Balance January 1, 2005	Additions 2005	Deletions 2005	Balance December 31, 2005
Construction in progress	\$ 46,086,816	7,307,927	23,674,857	29,719,886
Land	11,829,142	17,057,649	12,000	28,874,791
Subtotal-Capital Assets not being depreciated	57,915,958	24,365,576	23,686,857	58,594,677
Buildings	56,719,488	361,810	-	57,081,298
Improvements	6,955,124	257,165	-	7,212,289
Equipment	16,355,455	1,402,362	402,696	17,355,121
Infrastructure	147,566,700	16,936,100	10,205,600	154,297,200
Library Collection	4,243,000	478,800	338,100	4,383,700
Subtotal-Capital Assets being depreciated	231,839,767	19,436,237	10,946,396	240,329,608
Less: Accumulated Depreciation	(84,848,917)	(8,050,267)	(5,292,996)	(87,606,188)
TOTAL	\$ 204,906,808	35,751,546	29,340,257	211,318,097

Construction in process consists of the following:

Highway Road Improvements	\$ 17,454,343
Courthouse Remodeling	9,721,697
Humane Society Remodeling	177,916
UWMC Fieldhouse	1,136,208
72 nd Avenue Storage Facility	1,100,233
River Walk/Pedestrian Bridge	129,489
Total	<u>\$ 29,719,886</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$ 1,540,487
Public Safety	765,002
Transportation	4,368,700
Health	22,653
Social Services	70,164
Leisure and Education	1,269,927
Conservation and Economic Development	13,334
Total Governmental Activities Depreciation Expense	\$ 8,050,267

The following is a breakdown of accumulated depreciation by assets class for December 31, 2005 as follows:

Governmental Activities Accumulated Depreciation	Balance January 1, 2005	Additions 2005	Deletions 2005	Balance December 31, 2005
Buildings	\$ 26,558,503	\$ 1,694,607	\$ 0	\$ 28,253,110
Improvements	2,047,939	321,654	0	2,369,593
Equipment	12,805,075	1,254,606	402,696	13,656,985
Infrastructure	41,285,000	4,368,700	4,552,600	41,101,100
Library Collection	2,152,400	410,700	337,700	2,225,400
Total	\$ 84,848,917	\$ 8,050,267	\$ 5,292,996	\$ 87,606,188

Capital asset activity for business-type activity at December 31, 2005 is as follows:

Business-type activities	Balance January 1, 2005	Additions 2005	Deletions 2005	Balance December 31, 2005
Land	\$ 512,038	-	-	512,038
Subtotal-Capital assets not being depreciated	512,038	-	-	512,038
Buildings	5,993,540	442,614	-	6,436,154
Improvements	16,735,572	345,208	-	17,080,780
Equipment	12,174,678	961,991	648,632	12,488,037
Subtotal-Capital assets being depreciated	34,903,790	1,749,813	648,632	36,004,971
Less:Accumulated Depreciation	(22,594,636)	(1,348,430)	(541,379)	(23,401,687)
TOTAL	\$ 12,821,192	\$ 401,383	\$ 107,253	\$ 13,115,322

The following is a breakdown of accumulated depreciation by asset class for business-type activities for December 31, 2005 as follows:

Business-type activities	Balance January 1, 2005	Additions 2005	Deletions 2005	Balance December 31, 2005
Depletion Allowance	\$ 9,679	-	-	9,679
Buildings	3,185,359	241,654	-	3,427,013
Improvements	12,739,187	289,660	-	13,028,847
Equipment	6,660,411	817,116	541,379	6,936,148
TOTAL	\$ 22,594,636	1,348,430	541,379	23,401,687

Capital asset activity for discretely presented component units at December 31, 2005 is as follows:

Discretely Presented Component Units	Business-Type		Total Business-type Discretely presented Component Units	Non-Major Component Units-HCEB
	CWA	NCCS		
Construction in Progress	\$ 16,419,281	39,361	16,458,642	-
Land	614,983	963,548	1,578,531	-
Subtotal-Capital assets not being depreciated	17,034,264	1,002,909	18,037,173	-
Buildings	12,093,691	18,903,392	30,997,083	222,877
Improvements	25,461,671	-	25,461,671	-
Equipment	5,323,701	12,127,525	17,451,226	-
Subtotal-Capital assets being depreciated	42,879,063	31,030,917	73,909,980	222,877
Less:Accumulated Depreciation	(23,175,045)	(20,607,647)	(43,782,692)	(17,830)
TOTAL	\$ 36,738,282	11,426,179	48,164,461	205,047

Construction in progress consisted of the following:

CWA-

AIP-31	\$ 842,358
AIP-32	10,728,870
AIP-33	4,801,053
AIP-57	47,000
TOTAL	\$ 16,419,281

NCCS

LVPP Building Envelope	\$ 39,361
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E. Interfund and Interentity Receivables/Payables and Transfers

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

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

The County has the following interfund and interentity receivable and payable balances at December 31, 2005:

	Due From Receivable	Due To Payable
General Fund:		
Due from other funds	\$ 4,096	-
Due to other funds	-	122
Special Revenue Funds:		
Social Improvement Fund:		
Due to other funds	-	3,965
Proprietary Funds:		
Landfill Fund:		
Due from other funds	170	-
Due to other funds	-	85
County Highway Fund:		
Due from other funds	29	-
Due to other funds	-	123
Subtotal Primary Government	4,295	4,295
Less: Fund Eliminations	4,286	4,286
Total Primary Government	\$ 9	\$ 9
General Fund:		
Due from discretely presented component unit	2,420	-
County Highway Fund:		
Due from discretely presented component unit	460	-
Advance to discretely presented component unit	25,000	-
Central Wisconsin Airport		
Due to primary government	-	2,880
Advance from Primary Government	-	25,000
Total-Government Wide Statement of Net Assets	27,880	27,880

The advance to discretely presented component unit is a long-term receivable due within 5 years. All other amounts are due within one year.

Balances resulted from the timing lag between the dates that (1) interfund goods and services are provided and reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The County had the following interfund transfers during 2005

Funds Transferred to:	Funds Transferred from:	Amount	Principal Purpose
General	Social Improvement	\$ 66,496	Return of unspent ADRC Program start-up funds
General	Capital Improvement	548,109	Close out finished capital projects to General Fund
Capital Improvement	General	7,155,017	Fund capital projects
Capital Improvement	Social Improvement	409,522	Fund capital projects
Subtotal-Fund Financial Statements		8,179,144	
Less: Fund Eliminations		(8,179,144)	
Subtotal		-	
Less: Capital Assets transferred to Highway Fund		(1,869,105)	Fund capital projects
Total Transfers Government-Wide Statement of Net Activities		(\$1,869,105)	

For economic development loans, the County is limited by the Wisconsin Department of Commerce to the amount of program income from economic development loans that it may retain and loan to other businesses. Program income includes the principal and interest received from economic development loans repayments. Based upon its current population, the County may generally retain \$750,000. (For additional information, consult the Department of Commerce Administrative Rules Chapter 108.16.)

At December 31, 2005 the County has not exceeded its maximum retention cap. When it does, a liability to the state will be recorded.

F. Litigation

From time to time the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Corporation Counsel that in each case the possibility of material loss, net of amounts reserved, is remote.

G. Operating Leases

The Forestry Department leases (as lessor) land for farmland. In addition, the CWA, as a discretely presented component unit, leases farmland, terminal space, hangar space and parking space. All of the leases are operating leases. The book value and carrying amount of the leased farmland is \$98,805. The book value of the leased space at CWA is \$9,354,221. The carrying amount of the leased space at CWA is \$6,007,724. The following is a schedule by years of future minimum lease receipts for noncancelable operating leases as of December 31, 2005.

Year ended December 31:

	Forestry Department	Discretely Presented Component Units	Total
2006	1,881	1,013,605	1,015,486
2007	1,881	378,838	380,719
2008	1,881	378,838	380,719
2009	1,881	378,838	380,719
2010	1,881	379,195	381,076
2011 & Thereafter	49,344	39,694	89,038
TOTAL MINIMUM LEASE RECEIPTS	\$ 58,749	\$2,569,008	\$2,627,757

There are no commitments under operating lease agreements for building rent as minimum annual payments.

H. Long-term Debt

During the year ended December 31, 2005, the following changes occurred in long term liabilities reported for Governmental Activities:

	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Compensated Absences	\$ 3,995,007	\$ 812,078	\$ 435,950	\$ 4,371,135	\$ 87,423
General Obligation bonds and notes	2,165,000	1,175,000	3,340,000	0	0
Forest crop loan	1,276,209	14,055	69,097	1,221,167	38,000
TOTAL	\$7,436,216	\$2,001,133	\$3,845,047	\$5,592,302	\$125,423

Compensated absences include \$29,999 for internal service funds.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the County. The debt, issued in serial form, is generally issued for terms of up to 10 years. General obligation debt at December 31, 2005 is as follows:

	Date Issued	Maturity	Rate	Original Balance	Current Balance
2003A	06/01/2003	05/01/2013	1.20%-3.30%	555,000	455,000
2005B	12/01/2005	10/01/2017	4.0%-4.5%	4,105,000	4,105,000
TOTAL				\$4,660,000	\$4,560,000

Annual debt service requirements to maturity are as follows at December 31, 2005:

Year	Principal	Interest	Reporting Entity Total
2006	280,000	157,856	437,856
2007	305,000	176,803	481,803
2008	325,000	165,565	490,565
2009	340,000	153,363	493,363
2010	355,000	140,395	495,395
2011-2016	2,475,000	514,413	2,989,413
2017-2019	480,000	21,600	501,600
TOTAL	4,560,000	1,329,995	5,889,995

General obligation bonds and notes - The County issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for discretely presented component unit activities. Bonds expected to be repaid from the associated revenues are reported in the respective funds. CWA, HCEB and NCCS cannot issue debt.

There are no significant limitations or restrictions contained in the County's various bond indentures and loan agreements.

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 non-interest bearing loan has no specific payment schedule and is repaid from the proceeds of the sale of forest crops.

Changes in Business-Type Activities and Discretely Presented Component Unit Long-term Liabilities

Business-types activities and discretely presented component units accrue paid leave balances and sick leave benefits in the period they are earned. A liability of \$690,770 and \$2,209,351 has been established for the purpose of future payments to be made for the enterprise funds and discretely presented component units, respectively.

Revenue sources used to repay the long-term debt in the CWA discretely presented component unit include various public charges for services.

During the year ended December 31, 2005 the following changes occurred in long-term liabilities reported in the business-type activities:

	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Compensated Absences	\$679,514	\$631,225	\$619,969	\$ 690,770	\$26,556
TOTAL	\$679,514	\$ 631,225	\$ 619,969	\$ 690,770	\$ 26,556

During the year ended December 31, 2005 the following changes occurred in general obligation debt reported in the discretely presented component units:

CWA	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2005	Due Within One Year
General Obligation notes- Marathon County	4,745,000	4,105,000	4,290,000	4,560,000	280,000
TOTAL	\$4,745,000	\$ 4,105,000	\$ 4,290,000	\$ 4,560,000	\$280,000

Prior Years Defeasance of Debt

At December 31, 2005 a total of \$2,635,000 of bonds outstanding are considered defeased.

Funds have been deposited in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the county's financial statements. The bonds are callable as follows:

Call Dates

CWA Bonds Series 1998A
CWA Bonds Series 2003B

October 1, 2002 - 2017
May 1, 2004-2013

Current Refunding

On December 1, 2005, Marathon County issued \$4,105,000 in general obligation bonds with an average interest rate of 4.47% to current refund \$4,045,000 of outstanding general obligation airport bonds with an average interest rate of 5.16%. The net proceeds of \$4,057,462 (after payment of \$74,311 in underwriting fees, insurance and other issuance costs) plus an additional \$29,698 sinking fund monies were used pay all future debt service payments on the 1998A GO airport bonds. As a result, the 1998A GO airport bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds prior to the current refunding was \$5,590,045 from 2006 to 2017. The cash flow requirements on the refunding bonds are \$5,376,116 from 2006 to 2017. The current refunding resulted in an economic gain of \$168,729.

I. University of Wisconsin-Marathon Campus

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 remains the responsibility of the State.

J. Landfill Closure and Long-term Care Costs

State and federal laws and regulations required Marathon County Landfill to place a final cover on its Cell A site when it stopped accepting waste in 1993. They also require the landfill to perform certain maintenance and monitoring functions at the site for forty (40) years thereafter, until 2033. Although closure costs have been paid on this cell already, long-term care costs and potential costs for corrective action of known releases could occur annually during the forty (40) year period. The funds associated with the continuing costs were collected during the period Cell A accepted solid waste and had been set up on the financial records prior to GASB No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs, as a restricted asset and a reservation to retained earnings. When GASB No. 18 was implemented in 1994, money set aside for the long term care and corrective action of known releases of the cell was restated as a long-term care payable within the fund. The value of the Cell A fund is impacted by interest earnings – which are credited directly to the account – and the periodic release of funds for Long Term Care expenses incurred – which are authorized by the State of Wisconsin DNR. The fair value of this investment at \$4.7 million is managed with the other investment programs of the County and is reviewed annually by the State of Wisconsin DNR. These earnings are expected to offset the rate of inflation and no additional funds are expected to be contributed to the account. If such earnings are insufficient to cover the ongoing costs, the amount would need to be added to future tipping fees. These amounts represent 100% closure of Cell A. In 2005 the Landfill used and the DNR approved \$263,843 of costs for Cell A long-term care or corrective action for known releases.

Similar state and federal laws and regulations require the landfill to place a final cover on its Cell B site when it stops accepting solid waste, estimated to be in the year 2015. They will also require the Landfill to perform certain maintenance and monitoring functions at the site for forty (40) years thereafter, until approximately 2055. Although these costs will not actually be paid until needed in future years, a prorata share is included in current tipping fees and charged directly to the customers currently using the disposal site. The calculations and estimates follow DNR rules and are being charged as a current operating expense to the fund and set up as a liability and a restricted asset in accordance with GASBS No. 18.

The \$9.96 million reported as Landfill closure and long term care payable at the December 31, 2005 reporting date represents the following:

	Balance January 1, 2005	GASB 18 Entry	Deletions	Balance December 31, 2005
Cell A				
Long-Term Care	\$ 4,671,645	\$212,872	\$263,843	\$4,620,674
Cell B Closure	1,395,271	424,395	-	1,819,666
Cell B				
Long-Term Care	3,164,414	353,090	-	3,517,504
TOTALS	\$9,231,330	\$990,357	\$263,843	\$9,957,844

The \$1.82 million amount represents 100% of estimated closure costs for Cell B with an estimated remaining useful life of eleven (11) years. Total Cell B capacity is estimated at 3,376,000 cubic yards with 2,055,995 cubic yards used as of December 31, 2005, or 61% of the capacity. These amounts are based on current 2005 costs and could change due to inflation, changes in technology or regulations. As with Cell A, the accounts for cell B are managed within the realm of the County's overall investment program with annual review by the DNR. Earnings are credited directly to the account and are expected to fund future inflationary increases in closure, long-term care and corrective action for known release costs. If earnings are insufficient to fund these increases, amounts will be added to future tipping fees.

K. Governmental Activities Net Assets

Governmental activities net assets reported on the government wide statement of net assets at December 31, 2005 includes the following:

GOVERNMENTAL ACTIVITIES

Invested in capital assets, net of related debt	
Construction in progress	\$29,719,886
Land	28,874,791
Other capital assets, net of accumulated depreciation	152,723,420
Less: related long-term debt outstanding	<u>(1,221,167)</u>
Total Invested in Capital Assets	<u>\$ 210,096,930</u>
Restricted	
General debt service	229,476
Unrestricted	<u>59,432,990</u>
Total Governmental Activities Net Assets	<u>\$269,759,396</u>

Governmental fund balances reported on the fund financial statements at December 31, 2005 include the following:

Reserved	
Major Funds	
General Fund	
Delinquent taxes for other governmental entities	\$ 2,121,878
Inventories	10,504
Long-term receivables	131,461
Capital improvements	503,269
Compensated absences	4,251,562
Total	<u>\$ 7,018,674</u>
Social Improvement Fund	
Prepaid items	<u>\$ 21,687</u>
General Debt Service Fund	
Reserved for debt service	<u>\$ 229,476</u>
Capital Improvement Fund	
Capital Improvements	\$ 8,262,631
Encumbrances	158,110
Total	<u>\$ 8,420,741</u>
Highway Road Improvement Fund	
Capital Improvements	<u>\$ 734,488</u>
Total Reserved	<u>\$ 16,425,066</u>
Unreserved –Designated	
Major Funds	
General Fund	
Capital Improvements	\$2,933,542
Subsequent Years Budget	8,079,033
Carryforward	2,081,693
Working capital	16,408,900
Total	<u>\$ 29,503,168</u>
Special Revenue Fund	
Subsequent Years Budget	\$ 1,444,437
Carryforward	721,580
Total	<u>2,166,017</u>
Total Designated	<u>\$ 31,669,185</u>
Undesignated	
Major Funds	
General Fund	
Special Revenue Fund	\$ 2,897,000
Total Undesignated	<u>635,227</u>
Total Undesignated	<u>\$ 3,532,227</u>
Total governmental fund balances	<u>\$ 51,626,478</u>

FOOTNOTE 5-Other Information

A. Pension Plan

All eligible employees of the reporting entity participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. Covered employees in the General/Teacher category are required by statute to contribute 5.8% of their salary, 2.8% for Executives and Elected Officials, 4.9% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for the County employees (including CWA as a discretely presented component unit) covered by the system for the year ended December 31, 2005 was \$30,274,002; the employer's total payroll was \$31,566,812. The total required contribution for the year ended December 31, 2005 was \$3,435,307 which consisted of \$1,723,416 which represents the employer share and \$1,711,891 which represents the employee share. Total contributions for the years ended December 31, 2004 and 2003 were \$3,167,800 and \$2,926,889 respectively, equal to the required contributions for each year. The payroll for the HCEB employees covered by the system for the year ended June 30, 2005 was \$2,459,798. The total required contribution for the year ended June 30, 2005 was \$250,899. The contributions for 2004 and 2003 were \$220,830 and \$221,899 respectively and were the required amounts. The payroll for the NCCS employees covered by the system for the year ended December 31, 2005 was \$26,523,949; the employer's total payroll was \$29,612,824. The total required contribution for the year ended December 31, 2005 was \$2,923,280 which consists of 4.4% of payroll from the employer and 5.8% of payroll from employees. The contributions for 2004 and 2003 were \$2,669,476 and \$2,483,282 respectively and were equal to the required contributions.

Contribution rates based on salary for the various category of employees is as follows:

	Employer	Employee	Benefit Adjuster
General Employees	4.4	5.0	.8
Elected Officials and Executives	8.3	2.8	-
Protective Class (with Social Security)	14.6	4.9	-

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive full retirement benefits. Employees and elected officials may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation after January 1, 1990 and no longer employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of the Wisconsin Statutes. The System issues an annual financial

report which may be obtained by writing to: Department of Employee Trust Funds, P. O. Box 7931, Madison, WI 53707-7931.

The County (including HCEB and CWA as discretely presented component units) and NCCS have paid in full their respective unfunded pension liability. This liability was determined in accordance with GASBS No. 27 *Accounting for Pensions by State and Local Governmental Employers*.

B. Risk Management

The County is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The County has chosen to retain a portion of the risks through self-insurance programs and has also purchased insurance to transfer other risks to outside parties. There is a schedule of all the County's insurance coverages included as a part of the Statistical Section of this CAFR in Schedule 17 "Schedule of Insurance - Fiscal Year Ended December 31, 2005. The majority of the coverage is on a per occurrence basis, however, several claims made policies exist for which tail coverage does exist. At no time in the last three (3) years has any settlement exceeded the limits of coverage. A description of the County's risk management program is presented below:

1. Property Casualty Insurance Fund

Beginning January 1, 1995 the County joined a municipal mutual insurance provider, WMMIC. Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. At December 31, 2005 WMMIC was owned by fourteen municipalities. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

The WMMIC provides occurrence based coverage on all lines of coverage except error and omission public official liability that is covered on a claim made basis. Coverage for members is \$5,000,000 per occurrence with a \$15,000,000 annual aggregate. Errors and omissions public official liability coverage and employee benefit liability coverage, applying to general and auto liability coverage, have a \$15,000,000 aggregate. The WMMIC also reinsures at these levels. The County, being the medium sized member, currently has a \$400,000 per occurrence deductible with an annual aggregated deductible of \$800,000. By December 31, 1996 the County had contributed its total required contribution of \$1,519,000 to the capital of WMMIC which is a non-assessable insurance company and is generally viewed as an excess carrier.

WMMIC was formed pursuant to an Intergovernmental Charter-Contract dated November 1, 1987 by municipal members. WMMIC's initial capitalization was obtained by a \$13,935,000 tax exempt Revenue Bond Issuance. WMMIC forwarded the proceeds of the issuance to FUJI Bank, Ltd. (the "Bank") in return for a letter of credit. Payment of all principal and up to 185 days of interest on the bonds is fully secured by the letter of credit. WMMIC is only contingently liable for payment on the bond indebtedness in the event of failure of the Bank.

Concurrent with Revenue Bond issuance, the municipal members of WMMIC borrowed an equivalent aggregate amount from the Bank and invested the net proceeds in WMMIC. The municipal members are obligated to make principal and interest payments on their indebtedness to the Bank in an amount which is identical to the debt service on the Revenue Bonds.

WMMIC is self-insured for all insurance risks up to a maximum of \$5,000,000 of losses involving two or more of its members. Losses paid by WMMIC plus administrative costs will be recovered through premiums of the participating pool of municipalities. The County's share of such losses is 6.20%. A list of other members and their share of participation is in the WMMIC report.

WMMIC provides its participating members with the broadest protection possible for general liability, automobile liability, police professional liability, public officials liability, and errors and omission coverage. An annual premium is charged to cover expected losses and minor administrative costs.

The County has an annual actuarial evaluation performed on the entire Property Casualty Fund. All lines of coverage are reserved at the 95 percentile and include an amount for catastrophic losses.

The County maintains funds with WMMIC and in the Property Casualty Insurance Fund to pay for any settlements under the self insured retention. A separate financial report is issued annually by WMMIC and is available from the administrative offices of:

Wisconsin Municipal Mutual Insurance Company
4785 Hayes Road
Madison, WI 53704

The State of Wisconsin provides a Local Government Property Insurance Fund to which the County belongs. The full line of coverage provides the needed protection for the County with a \$1,000 per occurrence deductible and a \$500 per occurrence deductible on its fleet comprehensive. Also, the County is self funded for its fleet collision coverage. The annual actuarial evaluation conducted includes the same assurances for these coverages and is reflected in the liabilities of the Property Casualty Insurance Fund.

The 2005 claims liability of \$2,179,000 reported in the fund at December 31, 2005 is based on the requirements of GASBS No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, 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 amount has been fully funded. Changes in the fund's claim liability amount for 2004 and 2005 is as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2005	1,681,000	510,623	(12,623)	2,179,000
2004	1,297,476	430,299	(46,775)	1,681,000

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.

2. Employee Benefit Insurance Plan

Primary Government

The County (including the CWA as a discretely presented component unit) maintains a self-funded group health insurance program, which is administered by Wausau Benefits and operated as a PPO type plan. The number of employees covered is approximately 672. The aggregate stop-loss per policy year is based in a flat fee per employee. The aggregate stop-loss for 2005 is \$9,244,075. Employees are offered a choice of 3 dental plans, a capitated HMO program, a fully-funded PPO program and a self funded program. The claims liability of \$875,000 for health and \$5,000 for dental reported in the fund at December 31, 2005, are based on the requirements of GASB No. 10, which are stated above.

Changes in the fund's claim liability amount for 2004 and 2005 are as follows:

	Health Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2005	300,000	8,037,312	(7,462,312)	875,000
2004	720,000	6,454,049	(6,874,049)	300,000

	Dental Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2005	5,000	132,636	(132,636)	5,000
2004	5,800	120,949	(121,749)	5,000

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 \$250,000 per claim/occurrence. The claims liability of \$1,584,000 reported in the fund at December 31, 2005 is also based on the requirements of GASBS No. 10.

Changes in the fund's claim liability amount for 2004 and 2005 are as follows:

	Worker's Comp Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2005	\$1,507,000	312,851	(235,851)	1,584,000
2004	\$ 1,492,635	(195,686)	(181,321)	1,507,000

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, 2005 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.

3. 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, sets aside an annual amount of \$100,000. In addition to this amount and as a substitute to paying traditional insurance premiums, an amount of \$65,239 and \$63,339 were set aside for the years 2005 and 2004 respectively. This amount is adjusted by an estimated cost of living increase added for all subsequent years until the balance approximates \$2 million. All interest earned on these funds are accumulated for this purpose and recorded in the fund. The County Board has pledged its full faith and credit to the financing plan during the years the account is not fully funded. The financing plan is estimated to be fully funded by the year 2006. The self-funded pollution liability account has a balance of \$1,956,905 as of December 31, 2005.

4. Discretely Presented Component Units

During 2005 the discretely presented component units (excluding CWA) belonged to a fully insured HMO to provide medical care for its employees and dependents. The NCCS provided self funded dental coverage and the HCEB provided an insured dental program.

C. Commitments and Contingencies

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 grant. County management believes such disallowances, if any, would be immaterial.

The County had the following construction commitments shown as encumbrances at December 31, 2005:

Project	Encumbrance
Humane Society Bldg	\$ 1,569
Marathon County Courthouse-Remodel	14,984
Planning – Srv Cop Land Use Plan	19,117
River Drive Remodel	10,251
UWMC Fieldhouse	42,318
WI River Bicycle/Ped Bridge	5,810
Sheriff/Maint Storage Facility	1,795
Sheriff Radio Console	668
Sheriff Radio Tower	26,148
Sheriff/Jail Temp Control	35,450
TOTAL	\$158,110

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from the other units of government, user fees, fines, and permits, and other miscellaneous revenue. The State of Wisconsin provides a variety of aid and grant programs which benefit the County. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the County.

D. Related Organizations/Jointly Governed Organizations

The CCDCC is a joint function with Marathon County and the City of Wausau to provide for the implementation and operation of a data and management information service. The CCDCC is governed by a six-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 Finance Director. To ensure a balance of influence on the Board of Commissioners, one member is appointed at large from within the County. This member 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 and County split the operating costs not recovered through outside user fees 30/70 respectively. Capital is paid for on a 50/50 basis unless otherwise shown to benefit only one owner. Marathon County share of the CCDCC costs for 2005 was \$1,034,857.

Contact the CCDCC at the following address for the financial statements of the entity:

City-County Data Center Commission
Wausau City Hall
407 Grant Street
Wausau, WI 54403-4737

North Central Wisconsin 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 three members from each of the 10 counties. The County's representatives are appointed by the County Board Chairperson and approved by the County Board. Marathon County's 2005 appropriation for NCWRPC was \$0.

SUPPLEMENTAL INFORMATION

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Revenues - Budget and Actual

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes:				
General property taxes	\$ 24,652,231	24,652,231	24,657,761	5,530
Forest crop taxes	15,000	15,000	53,883	38,883
Transfer tax	200,000	200,000	356,077	156,077
Sales tax	8,490,150	8,490,150	11,116,637	2,626,487
Interest on delinquent taxes	380,000	530,000	624,012	94,012
Penalties on delinquent taxes	180,000	209,471	310,864	101,393
Total taxes	<u>33,917,381</u>	<u>34,096,852</u>	<u>37,119,234</u>	<u>3,022,382</u>
Intergovernmental grants and aids:				
Wisconsin shared revenue	5,686,846	5,686,846	5,546,064	(140,782)
Exempt computer aid	275,000	275,000	307,465	32,465
Environmental Impact Fee	-	-	1,630,947	1,630,947
Federal grants	367,587	1,053,072	668,427	(384,645)
State grants	3,241,393	5,036,631	4,165,219	(871,412)
Local government grants	60,085	105,428	110,547	5,119
Total intergovernmental grants and aids	<u>9,630,911</u>	<u>12,156,977</u>	<u>12,428,669</u>	<u>271,692</u>
Licenses and permits:				
Licenses	15,755	15,755	14,473	(1,282)
Permits	230,000	230,000	245,942	15,942
Total licenses and permits	<u>245,755</u>	<u>245,755</u>	<u>260,415</u>	<u>14,660</u>
Fines and forfeitures:				
County ordinance fines and forfeitures	361,900	361,900	318,634	(43,266)
County share of state fines and forfeitures	512,000	512,000	455,401	(56,599)
Total fines and forfeitures	<u>873,900</u>	<u>873,900</u>	<u>774,035</u>	<u>(99,865)</u>
Public charges for services:				
General government:				
Recording fees	340,750	340,750	354,823	14,073
Certified copies	45,000	45,000	62,846	17,846
Land record fee	180,000	180,000	173,271	(6,729)
Court fees and costs	592,000	599,915	608,299	8,384
Other charges	174,306	200,412	266,764	66,352
Total general government	<u>1,332,056</u>	<u>1,366,077</u>	<u>1,466,003</u>	<u>99,926</u>
Public safety:				
Board of prisoners	651,000	737,284	748,922	11,638
Processing fees	195,000	195,000	164,656	(30,344)
Other charges	342,184	342,184	356,290	14,106
Total public safety	<u>1,188,184</u>	<u>1,274,468</u>	<u>1,269,868</u>	<u>(4,600)</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Revenues - Budget and Actual

Year ended December 31, 2005

	2005			
	Budgeted Amounts		Actual	Variance favorable/(unfavorable) with final budget
	Original	Final		
Revenues:				
Public charges for services:				
Health:				
General health	118,300	118,300	35,099	(83,201)
Lab contract work	-	-	82,030	82,030
Environmental permits	300,000	300,000	298,739	(1,261)
Other charges	2,000	2,000	5,855	3,855
Total health	<u>420,300</u>	<u>420,300</u>	<u>421,723</u>	<u>1,423</u>
Social services	<u>3,000</u>	<u>3,000</u>	<u>5,163</u>	<u>2,163</u>
Library	<u>79,264</u>	<u>79,264</u>	<u>107,497</u>	<u>28,233</u>
Recreation and public areas:				
Camping fees	85,000	85,000	93,762	8,762
Other charges	11,500	11,500	8,075	(3,425)
Park concessions	16,000	16,000	13,500	(2,500)
Shelter rental and forfeitures	37,000	37,000	19,551	(17,449)
Fairgrounds building rents	102,150	102,150	94,624	(7,526)
Organized hockey rents	195,000	195,000	187,362	(7,638)
Cross country fees	73,000	73,000	45,604	(27,396)
Other charges	170,051	177,051	149,464	(27,587)
Total public areas	<u>689,701</u>	<u>696,701</u>	<u>611,942</u>	<u>(84,759)</u>
Education	<u>30,450</u>	<u>33,750</u>	<u>42,010</u>	<u>8,260</u>
Conservation:				
Forest resources	277,000	277,000	360,083	83,083
Agriculture resources	168,002	168,002	62,642	(105,360)
Total conservation	<u>445,002</u>	<u>445,002</u>	<u>422,725</u>	<u>(22,277)</u>
Total public charges for services	<u>4,187,957</u>	<u>4,318,562</u>	<u>4,346,931</u>	<u>28,369</u>
Intergovernmental charges for services:				
State and federal	275,303	219,303	198,849	(20,454)
Local districts:				
General government	2,400	2,400	-	(2,400)
Register of Deeds services	40,000	40,000	60,470	20,470
Postage	67,000	67,000	65,127	(1,873)
Telephone	16,000	16,000	20,529	4,529
Sheriff's services	10,000	10,000	64,494	54,494
Health	13,572	13,572	4,315	(9,257)
Library charges	5,821	5,821	5,821	-
Other charges	39,841	32,841	73,284	40,443
Local departments	<u>303,234</u>	<u>310,231</u>	<u>13,327</u>	<u>(296,904)</u>
Total intergovernmental charges for services	<u>773,171</u>	<u>717,168</u>	<u>506,216</u>	<u>(210,952)</u>
Miscellaneous revenues:				
Interest income	532,842	532,842	1,009,045	476,203
Increase (decrease) in the fair value of investments		-	(154,323)	(154,323)
Donations	206,957	231,408	275,752	44,344
Rental income	517,886	522,886	241,166	(281,720)
Other revenues	67,504	67,504	63,144	(4,360)
Total miscellaneous revenues	<u>1,325,189</u>	<u>1,354,640</u>	<u>1,434,784</u>	<u>80,144</u>
	<u>\$ 50,954,264</u>	<u>53,763,854</u>	<u>56,870,284</u>	<u>3,106,430</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures:				
General government:				
Legislative:				
Personal services	\$ 244,458	244,458	243,206	1,252
Contractual services	12,880	65,880	55,823	10,057
Materials and supplies	91,389	91,389	78,715	12,674
Total legislative	<u>348,727</u>	<u>401,727</u>	<u>377,744</u>	<u>23,983</u>
Judicial:				
Personal services	1,978,925	1,958,346	1,951,268	7,078
Contractual services	674,575	780,011	780,161	(150)
Materials and supplies	97,300	102,300	95,715	6,585
Fixed charges	5,850	5,850	5,984	(134)
Grants and contributions	250	250	(585)	835
Capital Outlay	250	17,214	16,964	250
Total judicial	<u>2,757,150</u>	<u>2,863,971</u>	<u>2,849,507</u>	<u>14,464</u>
Executive:				
Personal services	296,829	296,829	296,191	638
Contractual services	2,345	2,345	2,591	(246)
Materials and supplies	20,049	20,573	19,487	1,086
Fixed charges	333	333	333	-
Grants and contributions	1,000	1,000	324	676
Total executive	<u>320,556</u>	<u>321,080</u>	<u>318,926</u>	<u>2,154</u>
General administration:				
Personal services	525,959	525,959	445,430	80,529
Contractual services	299,170	317,170	226,742	90,428
Materials and supplies	308,822	308,822	296,638	12,184
Grants and contributions	50,000	30,500	7,500	23,000
Total general administration	<u>1,183,951</u>	<u>1,182,451</u>	<u>976,310</u>	<u>206,141</u>
Financial administration:				
Personal services	830,970	833,630	763,377	70,253
Contractual services	182,950	207,950	209,566	(1,616)
Materials and supplies	50,897	50,897	39,399	11,498
Fixed charges	429,654	429,654	429,654	-
Grants and contributions	10,069,086	10,332,586	10,189,054	143,532
Total financial administration	<u>11,563,557</u>	<u>11,854,717</u>	<u>11,631,050</u>	<u>223,667</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures:				
General government:				
Legal:				
Personal services	1,112,810	1,157,401	932,956	224,445
Contractual services	221,211	259,692	187,062	72,630
Materials and supplies	71,761	76,256	54,250	22,006
Fixed charges	300	300	289	11
Total legal	<u>1,406,082</u>	<u>1,493,649</u>	<u>1,174,557</u>	<u>319,092</u>
Property records and control:				
Personal services	554,749	560,149	524,465	35,684
Contractual services	15,900	15,900	17,563	(1,663)
Materials and supplies	28,703	28,703	21,614	7,089
Fixed charges	900	900	-	900
Capital outlay	-	180,000	144,300	35,700
Total property records and control	<u>600,252</u>	<u>785,652</u>	<u>707,942</u>	<u>77,710</u>
County planning and zoning:				
Personal services	1,364,716	1,395,266	1,306,125	89,141
Contractual services	335,168	696,350	584,929	111,421
Materials and supplies	77,413	78,569	71,332	7,237
Fixed charges	3,062	3,062	1,294	1,768
Grants and contributions	120,350	120,350	65,999	54,351
Capital outlay	500	500	-	500
Total county planning and zoning	<u>1,901,209</u>	<u>2,294,097</u>	<u>2,029,679</u>	<u>264,418</u>
Building maintenance:				
Personal services	1,157,514	1,112,737	878,905	233,832
Contractual services	729,920	779,697	753,890	25,807
Materials and supplies	102,935	102,935	37,245	65,690
Fixed charges	4,674	4,674	4,069	605
Capital outlay	6,000	6,000	5,020	980
Total other general government	<u>2,001,043</u>	<u>2,006,043</u>	<u>1,679,129</u>	<u>326,914</u>
Total general government	<u>22,082,527</u>	<u>23,203,387</u>	<u>21,744,844</u>	<u>1,458,543</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Public safety:				
Sheriff:				
Personal services	7,770,848	8,283,461	8,223,039	60,422
Contractual services	337,554	385,683	393,381	(7,698)
Materials and supplies	625,113	731,707	534,336	197,371
Fixed charges	38,829	38,829	35,794	3,035
Grants and contributions	13,914	53,827	62,593	(8,766)
Capital outlay	472,707	884,145	703,830	180,315
Total sheriff	<u>9,258,965</u>	<u>10,377,652</u>	<u>9,952,973</u>	<u>424,679</u>
Emergency services:				
Personal services	164,096	169,956	129,559	40,397
Contractual services	10,775	18,026	5,272	12,754
Materials and supplies	61,114	66,582	51,885	14,697
Fixed charges	1,188	1,188	1,188	-
Grants and contributions	18,500	18,500	12,222	6,278
Capital outlay	-	280,053	241,705	38,348
Total emergency services	<u>255,673</u>	<u>554,305</u>	<u>441,831</u>	<u>112,474</u>
Adult corrections:				
Personal services	2,931,846	2,852,998	2,851,377	1,621
Contractual services	1,697,329	1,858,627	1,772,596	86,031
Materials and supplies	145,443	138,340	112,083	26,257
Fixed charges	395	395	395	-
Total adult corrections	<u>4,775,013</u>	<u>4,850,360</u>	<u>4,736,451</u>	<u>113,909</u>
Juvenile corrections:				
Personal services	831,557	863,222	863,221	1
Contractual services	67,700	55,172	54,332	840
Materials and supplies	25,400	20,097	10,008	10,089
Fixed charges	950	950	950	-
Total juvenile corrections	<u>925,607</u>	<u>939,441</u>	<u>928,511</u>	<u>10,930</u>
Shelter home:				
Personal services	480,117	453,995	450,284	3,711
Contractual services	23,500	14,578	14,783	(205)
Materials and supplies	19,415	27,868	6,689	21,179
Fixed charges	250	250	-	250
Total shelter home	<u>523,282</u>	<u>496,691</u>	<u>471,756</u>	<u>24,935</u>
Total public safety	<u>15,738,540</u>	<u>17,218,449</u>	<u>16,531,522</u>	<u>686,927</u>

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures:				
Health:				
Personal services	2,789,470	3,285,949	2,766,504	519,445
Contractual services	895,249	1,332,314	990,612	341,702
Materials and supplies	184,383	337,012	207,833	129,179
Grants and contributions	1,800	11,038	5,097	5,941
Total health	3,870,902	4,966,313	3,970,046	996,267
Expenditures:				
Veterans:				
Personal services	181,308	181,308	181,200	108
Contractual services	3,310	3,310	2,768	542
Materials and supplies	11,506	11,506	9,353	2,153
Fixed charges	200	200	-	200
Grants and contributions	3,500	9,616	2,021	7,595
Total veterans	199,824	205,940	195,342	10,598
Total social services	199,824	205,940	195,342	10,598
Leisure activities and education:				
Library:				
Personal services	2,733,390	2,728,776	2,577,907	150,869
Contractual services	133,937	180,734	181,347	(613)
Materials and supplies	436,421	488,547	402,245	86,302
Fixed charges	58,196	58,196	64,660	(6,464)
Total library	3,361,944	3,456,253	3,226,159	230,094
Public areas:				
Personal services	1,948,629	1,948,629	1,810,728	137,901
Contractual services	522,991	1,050,862	753,219	297,643
Materials and supplies	314,127	325,978	277,701	48,277
Fixed charges	134,271	134,271	67,000	67,271
Capital outlay	210,958	178,806	22,285	156,521
Total public areas	3,130,976	3,638,546	2,930,933	707,613
University extension program:				
Personal services	141,066	145,374	144,292	1,082
Contractual services	176,375	186,641	174,666	11,975
Materials and supplies	44,325	71,417	53,145	18,272
Fixed charges	200	200	-	200
Total university extension program	361,966	403,632	372,103	31,529
Total leisure activities and education	6,854,886	7,498,431	6,529,195	969,236

MARATHON COUNTY, WISCONSIN

GENERAL FUND

Schedule of Expenditures - Budget and Actual (concluded)

Year ended December 31, 2005

	2005			
	Budgeted Amounts		Actual	Variance favorable/(unfavorable) with final budget
	Original	Final		
Expenditures:				
Conservation and economic development:				
Forest resources:				
Contractual services	61,698	63,454	1,599	61,855
Materials and supplies	7,290	7,290	-	7,290
Fixed charges	3,898	3,898	-	3,898
Capital outlay	364,750	471,703	-	471,703
Total forest resources	<u>437,636</u>	<u>546,345</u>	<u>1,599</u>	<u>544,746</u>
Agriculture resources:				
Personal services	245,032	256,810	244,530	12,280
Contractual services	45,183	156,919	64,987	91,932
Materials and supplies	21,169	22,532	35,743	(13,211)
Grants and contributions	800,983	834,593	734,705	99,888
Total agriculture resources	<u>1,112,367</u>	<u>1,270,854</u>	<u>1,079,965</u>	<u>190,889</u>
Economic development:				
Grants and contributions	-	386,720	386,719	1
Total economic development	<u>-</u>	<u>386,720</u>	<u>386,719</u>	<u>1</u>
Total conservation and economic development	<u>1,550,003</u>	<u>2,203,919</u>	<u>1,468,283</u>	<u>735,636</u>
Capital outlay:				
Capital projects:				
Contractual services	50,000	30,000	-	30,000
Capital outlay	246,501	246,501	122,443	124,058
Total capital outlay	<u>296,501</u>	<u>276,501</u>	<u>122,443</u>	<u>154,058</u>
	<u>\$ 50,593,183</u>	<u>55,572,940</u>	<u>50,561,675</u>	<u>5,011,265</u>

MARATHON COUNTY, WISCONSIN

DEBT SERVICE FUND

Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ 3,408,230	3,408,230	3,408,230	-
Public charges for services	50,000	50,000	67,988	17,988
Miscellaneous revenues:				
Interest income	-	15,000	74,817	59,817
Total revenues	<u>3,458,230</u>	<u>3,473,230</u>	<u>3,551,035</u>	<u>77,805</u>
Expenditures:				
Debt service:				
Principal retirement	3,408,430	3,427,928	3,409,097	18,831
Interest charges	43,300	55,410	55,409	1
Paying agent fees	6,500	27,820	18,417	9,403
Total expenditures	<u>3,458,230</u>	<u>3,511,158</u>	<u>3,482,923</u>	<u>28,235</u>
Excess (deficiency) of revenues over expenditures	-	(37,928)	68,112	106,040
Other financing sources:				
Premium on note payable	-	-	1,539	1,539
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,539</u>	<u>1,539</u>
Net change in fund balance	-	(37,928)	69,651	107,579
Fund Balances, January 1	<u>159,825</u>	<u>159,825</u>	<u>159,825</u>	-
Fund Balances, December 31	<u>\$ 159,825</u>	<u>121,897</u>	<u>229,476</u>	<u>107,579</u>

MARATHON COUNTY, WISCONSIN

CAPITAL IMPROVEMENTS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes:				
Sales tax	\$ 200,000	200,000	200,000	-
Public charges for services:				
General government	-	-	12,158	12,158
Miscellaneous revenues:				
Interest income	-	73,644	357,453	283,809
Rental Income	135,000	135,000	137,399	2,399
Other revenues	5,898	5,898	5,898	-
Total revenues	<u>340,898</u>	<u>414,542</u>	<u>712,908</u>	<u>298,366</u>
Expenditures:				
Contractual services	-	812,354	245,331	567,023
Capital outlay	7,328,644	13,096,568	5,750,762	7,345,806
Total expenditures	<u>7,328,644</u>	<u>13,908,922</u>	<u>5,996,093</u>	<u>7,912,829</u>
Excess (deficiency) of revenues over expenditures	<u>(6,987,746)</u>	<u>(13,494,380)</u>	<u>(5,283,185)</u>	<u>8,211,195</u>
Other financing sources (uses):				
Transfers in:				
General Fund	6,578,224	7,155,017	7,155,017	-
Social Services Fund	409,522	409,522	409,522	-
Sale of capital assets	-	-	1,900	1,900
General obligation debt issued	1,386,220	1,386,220	-	(1,386,220)
Transfers out:				
General Fund	-	-	(548,109)	(548,109)
Highway Road Improvement fund	(1,386,220)	(1,386,220)	-	1,386,220
Total other financing sources (uses)	<u>6,987,746</u>	<u>7,564,539</u>	<u>7,018,330</u>	<u>(546,209)</u>
Net change in fund balance	-	(5,929,841)	1,735,145	7,664,986
Fund balances, January 1	<u>6,685,596</u>	<u>6,685,596</u>	<u>6,685,596</u>	<u>-</u>
Fund balances, December 31	\$ <u><u>6,685,596</u></u>	<u><u>755,755</u></u>	<u><u>8,420,741</u></u>	<u><u>7,664,986</u></u>

MARATHON COUNTY, WISCONSIN

Highway Road Improvement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual

Year ended December 31, 2005

	2005			Variance favorable/(unfavorable) with final budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental grants and aids:				
State grants	-	-	722,957	722,957
Intergovernmental charges for services	-	-	10,790	10,790
Miscellaneous revenues:				
Rental Income	-	-	900	900
Total revenues	<u>-</u>	<u>-</u>	<u>734,647</u>	<u>734,647</u>
Expenditures:				
Personal service	364,284	364,284	239,589	124,695
Contractual services	-	20,900	733,466	(712,566)
Material and supplies	6,278,000	6,278,000	329,632	5,948,368
Fixed charges	580,000	580,000	108,375	471,625
Capital outlay	-	2,766,556	1,773,946	992,610
Total expenditures	<u>7,222,284</u>	<u>10,009,740</u>	<u>3,185,008</u>	<u>6,824,732</u>
Excess (deficiency) of revenues over expenditures	<u>(7,222,284)</u>	<u>(10,009,740)</u>	<u>(2,450,361)</u>	<u>7,559,379</u>
Other financing sources (uses):				
Transfers in:				
Capital Improvement fund	1,386,220	1,386,220	-	(1,386,220)
Sale of capital assets	-	-	107,214	107,214
General obligation debt issued	-	1,175,000	1,175,000	-
Total other financing sources (uses)	<u>1,386,220</u>	<u>2,561,220</u>	<u>1,282,214</u>	<u>(1,279,006)</u>
Net change in fund balance	<u>(5,836,064)</u>	<u>(7,448,520)</u>	<u>(1,168,147)</u>	<u>6,280,373</u>
Fund balances (deficit), January 1	<u>1,902,635</u>	<u>1,902,635</u>	<u>1,902,635</u>	<u>-</u>
Fund balances, December 31	<u>\$ (3,933,429)</u>	<u>(5,545,885)</u>	<u>734,488</u>	<u>6,280,373</u>

MARATHON COUNTY, WISCONSIN

Combining Statement of Net Assets

Internal Service Funds

December 31, 2005

Assets	Property Casualty Insurance	Employee Benefits Insurance	Totals
Current assets:			
Cash and cash equivalents	\$ 4,002,587	10,016,864	14,019,451
Accounts receivable	77,453	156,690	234,143
Prepaid items	196,033	32,619	228,652
Total current assets	4,276,073	10,206,173	14,482,246
Noncurrent Assets:			
Deposit in Wisconsin Municipal Mutual Insurance Company	1,519,000	-	1,519,000
Capital Assets			
Equipment	53,868	4,598	58,466
Less: accumulated depreciation	(53,868)	(4,371)	(58,239)
Net capital assets	-	227	227
Total assets	\$ 5,795,073	10,206,400	16,001,473
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 28,410	16,732	45,142
Accrued items	2,013	51,854	53,867
Total current liabilities	30,423	68,586	99,009
Long-term liabilities			
Accrued liability - claims payable	2,179,000	2,464,000	4,643,000
Compensated absences	7,409	22,590	29,999
Total long-term liabilities	2,186,409	2,486,590	4,672,999
Total liabilities	2,216,832	2,555,176	4,772,008
Net Assets			
Invested in Capital Assets, net of related debt	-	227	227
Unrestricted	3,578,241	7,650,997	11,229,238
Total Net Assets	\$ 3,578,241	7,651,224	11,229,465

MARATHON COUNTY, WISCONSIN

INTERNAL SERVICE FUNDS

Combining Statement of Revenues, Expenses and Changes in Net Assets

Year ended December 31, 2005

	<u>Property Casualty Insurance</u>	<u>Employee Benefits Insurance</u>	<u>Totals</u>
Operating revenues:			
Intergovernmental charges for services	\$ 732,531	9,663,101	10,395,632
Total operating revenues	<u>732,531</u>	<u>9,663,101</u>	<u>10,395,632</u>
Operating expenses:			
Salaries and benefits	66,253	130,777	197,030
Contractual services	12,316	343,754	356,070
Materials and supplies	5,026	11,718	16,744
Insurance and claims	615,117	8,007,350	8,622,467
Loss and loss adjustment expense	498,000	652,000	1,150,000
Insurance and administration costs	-	241,904	241,904
Depreciation	-	461	461
Total operating expenses	<u>1,196,712</u>	<u>9,387,964</u>	<u>10,584,676</u>
Operating income (loss)	<u>(464,181)</u>	<u>275,137</u>	<u>(189,044)</u>
Nonoperating revenues and (expenses):			
Investment income	298,485	299,036	597,521
Insurance recoveries	31,351	2,545	33,896
Other income	-	88,133	88,133
Total nonoperating revenues and (expenses), net	<u>329,836</u>	<u>389,714</u>	<u>719,550</u>
Increase (decrease) in net assets	(134,345)	664,851	530,506
Net Assets, January 1	<u>3,712,586</u>	<u>6,986,373</u>	<u>10,698,959</u>
Net Assets, December 31	<u>\$ 3,578,241</u>	<u>7,651,224</u>	<u>11,229,465</u>

MARATHON COUNTY, WISCONSIN

INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

Year ended December 31, 2005

	<u>Property Casualty Insurance</u>	<u>Employee Benefits Insurance</u>	<u>Totals</u>
Cash flows from operating activities:			
Collections from departments and other insurance purchasers	\$ 696,679	10,186,495	10,883,174
Cash paid to employees for services	(67,136)	(131,777)	(198,913)
Cash paid to suppliers for goods and services	<u>(844,084)</u>	<u>(8,987,747)</u>	<u>(9,831,831)</u>
Net cash provided (used) by operating activities	<u>(214,541)</u>	<u>1,066,971</u>	<u>852,430</u>
Cash flows from investing activities:			
Interest received on investments	<u>298,485</u>	<u>299,036</u>	<u>597,521</u>
Net cash provided by investing activities	<u>298,485</u>	<u>299,036</u>	<u>597,521</u>
Net increase (decrease) in cash and cash equivalents	83,944	1,366,007	1,449,951
Cash and cash equivalents, January 1	<u>3,918,643</u>	<u>8,650,857</u>	<u>12,569,500</u>
Cash and cash equivalents, December 31	<u>\$ 4,002,587</u>	<u>10,016,864</u>	<u>14,019,451</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (464,181)	275,137	(189,044)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	-	461	461
Insurance recoveries	31,351	2,545	33,896
Other income	-	88,133	88,133
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:			
Accounts receivable	(75,567)	76,049	482
Prepaid items	(196,033)	(32,619)	(228,652)
Accounts payable	(7,533)	(5,041)	(12,574)
Accrued expenses	(116)	10,414	10,298
Accrued liabilities - claims payable	498,000	652,000	1,150,000
Compensated absences	<u>(462)</u>	<u>(108)</u>	<u>(570)</u>
Net cash provided (used) by operating activities	<u>\$ (214,541)</u>	<u>1,066,971</u>	<u>852,430</u>

MARATHON COUNTY, WISCONSIN

CENTRAL WISCONSIN AIRPORT

Statement of Net Assets

December 31, 2005

Assets	2005
Current assets:	
Cash and cash equivalents	\$ 1,382,579
Accounts receivable	146,417
Total current assets	<u>1,528,996</u>
Restricted assets	
Cash and cash equivalents	<u>1,506,841</u>
Total non-current assets	<u>1,506,841</u>
Deferred charges	<u>20,432</u>
Property, plant and equipment:	
Land	614,983
Buildings	12,093,691
Improvements	25,461,671
Equipment	5,323,701
Construction in process	16,419,281
Total property, plant and equipment	<u>59,913,327</u>
Less: accumulated depreciation and depletion	<u>(23,175,045)</u>
Net property, plant and equipment	<u>36,738,282</u>
Total assets	\$ <u>39,794,551</u>
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 177,813
Accrued expenses	43,506
Interest payable	16,660
Due to other governments	133,996
Due to primary government	2,880
Current portion of long-term obligations	280,000
Total current liabilities	<u>654,855</u>
Long-term liabilities:	
Advance from primary government	25,000
General obligations notes payable	4,280,000
Compensated absences	141,382
Total long-term liabilities	<u>4,446,382</u>
Total liabilities	<u>5,101,237</u>
Net Assets	
Invested in Capital Assets, net of related debt	32,153,282
Restricted	
Passenger facility charges	762,294
Unrestricted	1,777,738
Total Net Assets	\$ <u>34,693,314</u>

MARATHON COUNTY, WISCONSIN

CENTRAL WISCONSIN AIRPORT

Statement of Revenues, Expenses and
Changes in Net Assets

Year ended December 31, 2005

	<u>2005</u>
Operating revenues:	
Public charges for services	\$ 2,678,283
Intergovernmental charges for services	<u>327,253</u>
Total operating revenues	<u>3,005,536</u>
Operating expenses:	
Salaries and benefits	1,244,164
Contractual services	658,964
Materials and supplies	377,267
Insurance	52,894
Depreciation	1,385,659
Other operating expenses	<u>5,898</u>
Total operating expenses	<u>3,724,846</u>
Operating loss	<u>(719,310)</u>
Nonoperating revenues and (expenses):	
Investment income	85,549
Gain on the sale of fixed assets	6,750
Other income	242
Interest expense	<u>(309,830)</u>
Total nonoperating revenues and (expenses), net	<u>(217,289)</u>
Loss before contributions	(936,599)
Capital Contributions	<u>4,528,612</u>
Increase in net assets	3,592,013
Net Assets, January 1	<u>31,101,301</u>
Net assets, December 31	<u>\$ 34,693,314</u>

MARATHON COUNTY, WISCONSIN

CENTRAL WISCONSIN AIRPORT

Statement of Cash Flows

Year ended December 31, 2005

	2005
Cash flows from operating activities:	
Cash received from the sale of goods and services	\$ 3,037,244
Cash paid to employees for services	(1,229,047)
Cash paid to suppliers for goods and services	(1,037,544)
Cash paid to other departments for reimbursement	(35,292)
Net cash provided (used) by operating activities	735,361
Cash flows from capital financing activities:	
Payments for capital acquisitions	(500,862)
Payments of principal on debt obligations	(245,000)
Payments of interest on debt obligations	(226,812)
Net cash used by capital financing activities	(972,674)
Cash flows from investing activities:	
Interest received on investments	85,549
Net cash provided by investing activities	85,549
Net decrease in cash and cash equivalents	(151,764)
Cash and cash equivalents, January 1	3,041,184
Cash and cash equivalents, December 31	\$ 2,889,420
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (719,310)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	1,385,659
Other income	242
Effects of (increase) decrease in operating assets and increase (decrease) in operating liabilities:	
Accounts receivable	(52,495)
Accounts payable	114,577
Accrued expenses	8,768
Interest payable	(39,040)
Due to other governments	2,316
Due to primary government	(170)
Advance from primary government	25,000
Compensated absences	9,814
Net cash provided by operating activities	\$ 735,361
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	1,382,579
Cash and cash equivalents - restricted assets	1,506,841
Cash and cash equivalents, December 31	\$ 2,889,420

MARATHON COUNTY, WISCONSIN

HANDICAPPED CHILDREN EDUCATION BOARD

Balance Sheet

June 30, 2005

	<u>General Fund</u>	<u>Federal Handicapped Education Fund</u>	<u>Total Governmental Funds</u>
Assets			
Assets:			
Cash and cash equivalents	\$ 976,521	368,434	1,344,955
Accounts receivable	45,043	9,076	54,119
Due from other governments	-	255,185	255,185
Prepaid Expenditures	40,625	-	40,625
Restricted cash and investments	45,000	-	45,000
Total assets	\$ <u>1,107,189</u>	<u>632,695</u>	<u>1,739,884</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 13,797	5,572	19,369
Due to other governments	-	356,534	356,534
Accrued expenditures	1,491	270,589	272,080
Deferred revenue	12,606	-	12,606
Total liabilities	<u>27,894</u>	<u>632,695</u>	<u>660,589</u>
Fund balances:			
Reserved:			
Reserved for compensated absences	45,000	-	45,000
Reserved for prepaid items	40,625	-	40,625
Unreserved:			
Undesignated	<u>993,670</u>	-	<u>993,670</u>
Total fund balances	<u>1,079,295</u>	<u>-</u>	<u>1,079,295</u>
Total liabilities and fund balances	\$ <u>1,107,189</u>	\$ <u>632,695</u>	
Amount reported for governmental activities in the statement of net assets are different because:			
Capital assets used in government activities are not financial resources and, therefore are not reported in the funds.			205,047
Employee absences, are not due and payable in the current period and, therefore are not reported in the funds.			<u>(71,893)</u>
Net Assets of the Government Activities		\$	<u>1,212,449</u>

MARATHON COUNTY, WISCONSIN

HANDICAPPED CHILDREN EDUCATION BOARD

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

Year ended June 30, 2005

	<u>General Fund</u>	<u>Federal Handicapped Education Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Local Sources	\$ 55,647	1,814	57,461
Interdistrict payments within Wisconsin	2,962,853	8,735	2,971,588
Intermediate sources	7,321	6,398	13,719
State sources		920,027	920,027
Federal sources	-	826,814	826,814
Total revenues	<u>3,025,821</u>	<u>1,763,788</u>	<u>4,789,609</u>
Expenditures:			
Leisure activities and education:			
Instruction	-	3,018,383	3,018,383
Support services	421,348	1,405,965	1,827,313
Non-program activities	13,853	-	13,853
Total expenditures	<u>435,201</u>	<u>4,424,348</u>	<u>4,859,549</u>
Other Financing Sources (Uses)			
Transfer in		2,660,560	2,660,560
Transfer out	<u>(2,660,560)</u>		<u>(2,660,560)</u>
Total other financing sources (uses)	<u>(2,660,560)</u>	<u>2,660,560</u>	<u>-</u>
Change in Fund Balance	(69,940)	-	(69,940)
Fund balances, July 1	<u>1,149,235</u>	<u>-</u>	<u>1,149,235</u>
Fund balances, June 30	\$ <u>1,079,295</u>	<u>-</u>	<u>1,079,295</u>
Net changes in Fund Balances-Total Government funds		\$	(69,940)
Amounts reported for governmental activities in the Statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense reported in the government-wide statements.			(4,457)
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. These expenses were changes to compensated absences with an addition of \$1,980.			<u>(1,980)</u>
Change in Net Assets of Governmental Activities		\$	<u><u>(76,377)</u></u>

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STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	109-113
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	114-118
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	119-122
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	123-124
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	125-131

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$146,231,695	\$175,281,174	\$201,465,599	\$210,096,930
Restricted	\$4,693,262	\$2,515,507	\$152,608	\$229,476
Unrestricted	\$49,684,080	\$52,472,205	\$58,975,801	\$59,432,990
Total governmental activities net assets	<u>\$200,609,037</u>	<u>\$230,268,886</u>	<u>\$260,594,008</u>	<u>\$269,759,396</u>
Business-type activities				
Invested in capital assets net of related debt	\$16,395,466	\$13,292,529	\$12,821,192	\$13,115,322
Restricted	\$1,604,174	\$1,535,079	\$1,731,677	\$3,587,880
Unrestricted	\$15,124,560	\$18,727,749	\$23,805,571	\$24,505,698
Total business-type activities net assets	<u>\$33,124,200</u>	<u>\$33,555,357</u>	<u>\$38,358,440</u>	<u>\$41,208,900</u>
Primary government				
Invested in capital assets net of related debt	\$162,627,161	\$188,573,703	\$214,286,791	\$223,212,252
Restricted	\$6,297,436	\$4,050,586	\$1,884,285	\$3,817,356
Unrestricted	\$64,808,640	\$71,199,954	\$82,781,372	\$83,938,688
Total primary government net assets	<u>\$233,733,237</u>	<u>\$263,824,243</u>	<u>\$298,952,448</u>	<u>\$310,968,296</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses				
Governmental activities:				
General Government	\$ 16,818,744	\$ 17,971,601	\$ 23,552,567	\$ 27,009,709
Public Safety	13,707,484	13,771,458	14,921,423	15,486,511
Transportation	-	815,400	929,306	1,355,601
Health	3,532,435	3,763,245	3,606,169	3,937,860
Social Services	23,528,262	23,850,711	24,016,721	25,148,953
Leisure and Education	6,250,024	6,391,862	6,646,879	6,738,676
Conservation and Development	1,874,657	1,338,256	1,393,004	1,496,596
Interest on Long Term Debt	358,634	118,574	104,096	59,955
Total governmental activities	<u>66,070,240</u>	<u>68,021,107</u>	<u>75,170,165</u>	<u>81,233,861</u>
Business-type activities				
Landfill	2,839,215	2,631,547	3,036,939	2,524,569
Highway	12,761,840	11,253,896	11,350,649	16,728,511
Total business-type activities expenses	<u>15,601,055</u>	<u>13,885,443</u>	<u>14,387,588</u>	<u>19,253,080</u>
Total primary government	<u>\$ 81,671,295</u>	<u>\$ 81,906,550</u>	<u>\$ 89,557,753</u>	<u>\$ 100,486,941</u>
Program Revenues				
Government activities:				
Charges for services:				
General Government	2,916,642	3,251,972	3,822,338	3,190,606
Public Safety	1,143,058	1,315,801	1,380,784	1,540,650
Transportation	-	-	4,178	10,790
Health	375,189	400,796	408,699	427,583
Social Services	724,225	858,631	822,505	804,538
Leisure and Education	659,875	883,190	958,447	1,144,312
Conservation and Development	256,297	19,761	20,759	21,756
Operating grants and contributions:				
General Government	7,878,275	7,629,784	6,867,535	1,394,023
Public Safety	615,836	473,204	598,809	273,315
Transportation	-	-	-	-
Health	922,157	1,139,360	1,126,546	1,032,103
Social Services	14,036,528	14,150,449	15,090,598	15,616,222
Leisure and Education	442,463	564,841	500,781	59,066
Conservation and Development	3,310,838	2,939,495	3,382,767	3,197,065
Capital grants and contributions:				
General Government	-	-	-	1,630,947
Public Safety	-	428,287	593,454	554,233
Transportation	-	9,920,798	20,681,976	4,646,944
Health	-	-	-	-
Social Services	-	-	-	-
Leisure and Education	-	59,060	350,034	400,562
Conservation and Development	-	-	-	-
Total governmental activities program revenues	<u>33,281,383</u>	<u>44,035,429</u>	<u>56,610,210</u>	<u>35,944,715</u>
Business-type activities:				
Charges for services:				
Landfill	2,078,437	1,758,144	1,769,291	1,803,249
Highway	3,585,291	3,422,954	4,692,796	3,741,802
Operating grants and contributions:				
Landfill	14,093	21,712	10,216	1,000
Highway	3,342,093	911,691	70,274	5,516,802
Capital grants and contributions:				
Landfill	-	-	-	-
Highway	2,530,675	2,849,817	3,288,934	-
Total business-type activities program revenues	<u>11,550,589</u>	<u>8,964,318</u>	<u>9,831,511</u>	<u>11,062,853</u>
Total primary government program revenues	<u>\$ 44,831,972</u>	<u>\$ 52,999,747</u>	<u>\$ 66,441,721</u>	<u>\$ 47,007,568</u>

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net (Expense) Revenue				
Governmental activities	(32,788,857)	(23,985,978)	(18,559,955)	(45,289,146)
Business-type activities	(4,050,466)	(4,921,125)	(4,556,077)	(8,190,227)
Total primary governmental net expense	<u>\$ (36,839,323)</u>	<u>\$ (28,907,103)</u>	<u>\$ (23,116,032)</u>	<u>\$ (53,479,373)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property Taxes	33,373,230	32,424,631	33,160,825	34,267,591
Sales Taxes	9,785,132	9,942,370	10,640,547	11,316,392
Other Taxes	1,221,319	1,418,865	1,457,232	1,367,699
Grants and contributions not restricted to specific programs	-	-	-	5,853,529
Unrestricted investment earnings	1,857,501	1,093,619	909,249	2,228,061
Miscellaneous	1,937,174	2,837,160	1,420,924	1,290,367
Gain on sale of capital assets	-	-	-	-
Transfers	(3,200,690)	4,414,834	(800,000)	(1,869,105)
Total general revenues and transfers	<u>44,973,666</u>	<u>52,131,479</u>	<u>46,788,777</u>	<u>54,454,534</u>
Change in net assets	<u>\$ 12,184,809</u>	<u>\$ 28,145,501</u>	<u>\$ 28,228,822</u>	<u>\$ 9,165,388</u>
Business-type activities:				
Taxes:				
Property Taxes	6,163,799	7,283,173	7,650,953	7,974,383
Sales Taxes	-	-	-	-
Other Taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings	1,789,481	609,248	693,239	1,027,473
Miscellaneous	146,881	128,729	214,968	169,726
Gain on sale of capital assets	-	-	-	-
Transfers	3,200,690	(4,414,834)	800,000	1,869,105
Total general revenues and transfers	<u>11,300,851</u>	<u>3,606,316</u>	<u>9,359,160</u>	<u>11,040,687</u>
Change in net assets	<u>\$ 7,250,385</u>	<u>\$ (1,314,809)</u>	<u>\$ 4,803,083</u>	<u>\$ 2,850,460</u>
Change in Net Assets				
Governmental activities	200,609,037	230,268,886	260,594,008	269,759,396
Business-type activities	33,124,200	33,555,357	38,358,440	41,208,900
Total primary government	<u>\$ 233,733,237</u>	<u>\$ 263,824,243</u>	<u>\$ 298,952,448</u>	<u>\$ 310,968,296</u>

Note: Accrual-basis financial information for the county government as a whole is only available back to 2002, the year GASB Statement 34 was implemented

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Reserved	\$ 12,195,991	\$ 6,524,949	\$ 6,524,313	\$ 7,018,674
Unreserved				
Designated	15,156,145	27,446,740	26,768,987	29,503,168
Undesignated	8,531,158	6,578,225	6,292,423	2,897,000
Total General Fund	<u>\$ 35,883,294</u>	<u>\$ 40,549,914</u>	<u>\$ 39,585,723</u>	<u>\$ 39,418,842</u>
All Other Governmental Funds				
Reserved	9,986,672	6,588,151	8,774,726	9,406,392
Unreserved				
Designated				
Special Improvement Fund	1,110,826	1,027,397	1,124,584	2,166,017
Undesignated				
Special Improvement Fund	163,217	409,522	1,186,634	635,227
Highway Road Improvement Fund	-	(3,727,952)	-	-
Total all other governmental funds	<u>\$ 11,260,715</u>	<u>\$ 4,297,118</u>	<u>\$ 11,085,944</u>	<u>\$ 12,207,636</u>

Notes: Due to changes in the county's fund structure connected with the implementation of GASB Statement 34, fund balance information is available back to 2002 only

See pages 35 and 36 of Management Discussion and Analysis for an explanation of the decrease in the general fund for 2005.

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues:				
Taxes	\$ 42,876,341	\$ 43,942,891	\$ 45,297,126	\$ 47,438,940
Intergovernmental grants and aids	27,206,097	34,265,362	31,875,679	30,623,194
Licenses and permits	244,147	254,655	249,345	260,415
Fines and forfeitures	720,562	729,036	735,636	774,035
Public charges for services	4,728,387	5,083,627	5,655,255	5,234,333
Intergovernmental charges for services	382,190	404,771	462,721	517,006
Miscellaneous revenues	3,710,052	3,348,853	2,081,304	2,760,926
Total Revenues	<u>\$ 79,867,776</u>	<u>\$ 88,029,195</u>	<u>\$ 86,357,066</u>	<u>\$ 87,608,849</u>
Expenditures:				
Current:				
General government	\$ 17,640,072	\$ 18,405,999	\$ 19,409,972	\$ 21,744,844
Public safety	13,007,817	14,106,604	15,478,415	16,531,522
Health	3,499,673	3,721,693	3,640,156	3,970,046
Social services	23,325,610	23,770,911	24,171,797	24,974,256
Leisure activities and education	5,789,820	6,508,954	6,821,038	6,529,195
Conservation and economic development	1,626,397	1,353,665	1,431,258	1,468,283
Capital outlay	4,133,431	23,220,742	10,890,708	9,303,544
Debt service:				
Principal	11,013,284	4,956,583	3,847,244	3,409,097
Interest and paying agent fees	426,631	110,303	102,170	73,826
Total expenditures	<u>\$ 80,462,735</u>	<u>\$ 96,155,454</u>	<u>\$ 85,792,758</u>	<u>\$ 88,004,613</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (594,959)</u>	<u>\$ (8,126,259)</u>	<u>\$ 564,308</u>	<u>\$ (395,764)</u>
Other financing sources (uses):				
Transfers in:				
General Fund	\$ 8,286,907	\$ 3,296,658	\$ 8,731,740	\$ 7,155,017
Social Improvement Fund	1,410,188	103,374	163,340	476,018
Capital Improvement Fund	5,197,433	1,366,223	9,933,342	548,109
Highway	-	4,414,834	-	-
Sale of Capital Assets	27,823	252,514	24,089	159,981
Component unit transfer in	95,696	95,696	-	-
General obligation debt issued	4,350,000	800,000	5,975,000	1,175,000
State loan program debt issued	163,510	380,750	14,055	14,055
Premium on bond/note payable	26,115	-	47,183	1,539
Transfers out:				
General Fund	(899,937)	(37,181)	(1,237,149)	(614,605)
Social Improvement Fund	-	(42,037)	(90,000)	-
Debt Service Fund	(10,941,012)	(566,223)	-	-
Capital Improvement Fund	(3,053,579)	(3,320,814)	(8,804,958)	(7,564,539)
Highway Road Improvement Fund	-	-	(8,696,315)	-
County Highway Fund	(3,200,690)	(800,000)	(800,000)	-
Internal service fund	-	(14,500)	-	-
Component unit transfer out	-	(118,417)	-	-
Total other financing sources (uses)	<u>\$ 1,462,454</u>	<u>\$ 5,810,877</u>	<u>\$ 5,260,327</u>	<u>\$ 1,350,575</u>
Net change in fund balance	867,495	(2,315,382)	5,824,635	954,811
Fund balances (deficit) January 1	<u>\$ 46,276,514</u>	<u>\$ 47,144,009</u>	<u>\$ 44,847,032</u>	<u>\$ 50,671,667</u>
Fund balances, December 31	<u>\$ 47,144,009</u>	<u>\$ 44,828,627</u>	<u>\$ 50,671,667</u>	<u>\$ 51,626,478</u>
Debt service as a percentage of noncapital expenditures	17.6%	7.4%	5.5%	4.6%

Schedule 5
Marathon County
Equalized Value and Actual Value of Taxable Property (A)
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	Total	Total Less TID	Total Direct Tax Rate
	Residential Property	Commercial Property	Manufacturing Property	Other				
1996	\$ 2,820,528,600	\$ 711,681,500	\$ 172,994,900	\$ 496,833,300	\$ 203,341,140	\$ 4,508,550,900	\$ 4,405,379,440	\$ 6.2083
1997	3,025,369,600	729,300,800	178,805,600	535,628,700	211,322,240	4,810,137,600	4,680,426,940	6.2107
1998	3,201,809,400	874,223,400	231,058,300	559,600,500	257,539,300	5,124,230,900	4,967,829,640	6.2112
1999	3,506,647,700	964,215,700	250,375,300	617,023,000	204,615,400	5,542,877,100	5,368,291,040	6.2149
2000	3,767,714,700	1,046,253,500	269,733,900	639,898,200	216,180,900	5,939,781,200	5,738,954,640	6.2138
2001	4,030,770,000	1,177,080,000	292,845,800	748,085,000	242,096,000	6,490,876,800	6,259,667,840	6.0945
2002	4,233,297,800	1,242,511,400	317,896,400	773,410,900	232,051,300	6,799,167,800	6,544,609,540	6.0884
2003	4,487,578,500	1,313,654,400	325,059,400	808,353,600	217,727,200	7,152,373,100	6,930,455,450	5.8943
2004	4,878,179,500	1,378,948,100	340,798,400	816,056,300	226,190,000	7,640,172,300	7,373,747,250	5.7950
2005	5,260,170,000	1,508,410,200	357,415,500	777,797,800	243,587,100	8,147,380,600	7,790,289,650	5.6943

Source: The County receives it's equalized value annually from the Wisconsin Department of Revenue on August 15.

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

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

DISTRICT	NET TAX RATE - YEAR LEVIED (1) (A) (B) (C)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOWN										
BERGEN	24.40	21.51	21.27	20.38	21.95	19.36	17.97	16.12	16.84	16.07
BERLIN	25.52	21.39	19.89	20.60	20.44	20.04	20.45	19.97	21.11	18.96
BERN	26.01	22.34	21.45	20.65	18.78	18.36	19.34	17.42	17.90	16.64
BEVENT	18.99	20.44	20.62	19.99	20.36	18.67	18.24	18.13	18.08	17.28
BRIGHTON	27.33	23.06	22.30	23.56	22.55	20.61	20.89	20.75	19.19	18.36
CASSEL	23.17	17.46	16.73	17.34	17.62	17.48	17.43	16.16	16.42	18.23
CLEVELAND	28.51	18.65	18.52	18.49	18.11	18.29	17.42	17.81	17.40	18.09
DAY	25.59	19.45	18.78	18.74	17.84	17.72	17.50	17.89	18.66	17.50
EASTON	20.96	19.88	19.02	20.01	20.76	19.92	20.60	19.25	18.90	18.92
EAU PLEINE	27.19	18.43	16.69	17.64	16.55	15.72	16.49	16.22	16.13	15.36
ELDERON	17.79	19.50	18.00	17.72	17.36	16.05	16.19	16.30	16.91	16.30
EMMET	26.65	20.80	22.76	20.44	20.69	19.48	17.75	26.69	16.59	17.99
FRANKFORT	25.12	17.26	19.11	20.16	20.89	19.74	20.21	20.19	18.47	18.04
FRANZEN	23.43	16.15	17.56	22.12	20.22	18.87	17.97	18.64	18.48	18.61
GREEN VALLEY	30.45	20.58	20.75	20.95	21.25	20.99	19.25	18.26	18.42	17.70
GUENTHER	24.73	21.95	21.52	21.42	21.25	20.42	18.36	18.01	18.79	17.76
HALSEY	26.13	20.74	19.70	20.52	18.68	18.27	19.28	17.37	18.93	16.93
HAMBURG	25.90	22.24	20.94	21.19	20.32	19.80	20.76	19.32	19.74	19.41
HARRISON	26.49	19.58	19.19	18.70	18.34	17.82	17.41	17.35	16.94	16.46
HEWITT	28.59	22.94	23.99	22.28	22.20	21.29	20.86	20.77	22.44	20.44
HOLTON	26.92	17.45	18.26	20.09	20.90	18.89	19.20	19.04	17.47	16.30
HULL	28.42	30.23	20.91	20.67	21.24	19.50	19.63	19.59	19.31	17.31
JOHNSON	23.37	19.68	18.70	19.63	17.87	17.80	19.03	16.66	18.38	16.38
KNOWLTON	29.14	21.00	21.06	19.80	19.97	18.93	17.37	15.72	16.51	15.85
KRONENWETTER (D)	25.77	22.74	22.93	21.99	23.05	21.88	20.06	19.98		
MAINE	19.85	21.40	20.56	20.31	20.19	20.18	19.95	19.65	19.84	19.28
MARATHON	23.45	18.55	17.98	17.24	17.34	16.80	17.97	16.40	15.83	18.27
MCMILLIAN	24.36	22.48	21.48	24.04	22.93	21.52	21.98	21.92	19.43	20.14
MOSINEE	22.81	21.82	21.95	20.64	21.45	19.91	18.26	16.47	17.06	18.52
NORRIE	22.40	19.09	16.97	16.72	16.46	1.73	17.85	17.06	16.96	16.71
PLOVER	29.80	21.23	23.16	21.41	21.07	20.13	18.89	19.64	20.19	19.36
REID	26.33	21.67	21.74	20.76	21.32	19.93	18.29	17.44	17.08	17.43
RIB FALLS	25.10	20.75	20.25	20.76	19.05	18.50	19.48	18.94	18.93	18.29
RIB MOUNTAIN	27.87	22.70	21.99	21.65	21.68	21.33	21.16	20.17	21.14	19.79
RIETBROCK	27.72	21.76	20.76	20.78	19.26	18.69	19.96	18.09	19.73	17.38
RINGLE	21.43	16.96	16.36	16.55	17.61	17.44	17.83	16.95	16.76	16.73
SPENCER	20.45	20.57	19.30	20.92	21.53	19.51	18.65	18.86	15.94	17.74
STETTIN	19.04	18.89	18.66	19.22	19.20	19.99	21.87	20.18	21.13	20.07
TEXAS	20.96	20.80	20.19	19.71	19.89	19.72	19.52	19.25	19.92	18.34
WAUSAU	19.87	20.63	20.11	20.04	20.15	20.41	20.20	19.77	20.40	19.01
WESTON	25.45	17.44	18.05	18.58	19.85	17.64	17.32	16.55	16.15	16.20
WIEN	27.06	21.45	22.62	20.87	19.24	18.69	19.61	18.14	19.13	17.07

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

DISTRICT	NET TAX RATE - YEAR LEVIED (1) (A) (B) (C)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ATHENS	34.35	28.87	27.66	26.69	24.93	25.33	26.67	23.48	24.25	22.14
BIRNAMWOOD	17.86	18.54	18.37	18.86	18.63	17.99	17.98	18.46	18.94	18.12
BROKAW	33.33	21.50	21.10	23.71	23.40	23.83	22.63	22.43	27.52	23.68
DORCHESTER	28.88	23.55	23.77	23.27	24.01	23.78	24.51	24.65	23.09	21.47
EDGAR	21.13	20.72	20.56	20.90	21.31	21.38	20.15	19.79	19.94	20.36
ELDERON	24.52	20.19	18.69	19.02	18.64	17.37	17.63	17.47	18.03	17.23
FENWOOD	24.44	19.10	16.75	17.46	19.02	18.78	16.88	16.85	17.05	17.02
HATLEY	17.69	17.49	16.78	16.53	17.45	16.90	17.27	16.66	16.55	17.00
KRONENWETTER (D)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.18	18.98	19.28
MARATHON	25.70	22.36	21.87	21.38	21.12	20.41	21.66	20.40	20.14	23.04
ROTHSCHILD	19.99	20.88	20.99	21.49	22.96	22.59	23.14	22.25	21.71	21.82
SPENCER	28.16	28.06	26.49	26.17	25.85	24.68	23.95	24.22	21.56	23.21
STRATFORD	30.59	22.71	21.78	22.11	20.88	19.88	20.27	19.87	18.84	19.09
UNITY	28.93	21.78	22.41	22.44	23.29	21.59	20.62	21.11	19.42	17.99
WESTON	28.54	21.53	20.79	20.67	21.56	21.15	21.72	20.89	20.79	20.95
CITY										
ABBOTSFORD	29.05	26.77	25.15	23.60	23.67	24.60	25.87	24.14	22.41	20.88
COLBY	26.11	25.80	26.46	25.20	26.13	24.83	24.66	24.66	22.87	22.21
MARSHFIELD	30.40	25.20	26.11	25.67	26.67	24.48	23.67	24.32	23.60	23.18
MOSINEE	26.66	26.73	26.50	25.44	26.01	24.66	22.83	20.92	21.31	20.27
SCHOFIELD	28.51	24.83	23.21	22.79	24.05	22.84	23.33	22.34	22.14	22.11
WAUSAU	26.09	27.22	26.90	26.78	26.87	26.50	26.37	25.93	26.47	25.06

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

- NOTES: (A) Tax rate per \$1,000 of equalized value
(B) Reduced by state credit
(C) When a municipality has more than one taxing district, the highest tax rate is the one listed on this table
(D) The Village of Kronenwetter was created in 2002 as a new village when the town split, therefore previous history does not exist

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

Taxpayer	Fiscal Year 2005			Fiscal Year 1996		
	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value	Equalized Value	Rank	Percentage of Total County Taxable Equalized Value
Wausau-Mosinee Papers	\$41,309,000	1	0.5070%	\$13,549,600	3	0.3005%
Employers Insurance of Wausau	\$40,190,800	2	0.4933%	\$53,309,400	1	1.1824%
Marshfield Clinic	\$36,840,700	3	0.4522%	--	-	--
Wausau Hospitals/Aspirus	\$27,478,700	4	0.3373%	--	-	--
The Lodge at Cedar Creek	\$27,035,700	5	0.3318%	--	-	--
Walmart	\$24,710,900	6	0.3033%	--	-	--
Greenheck Fan Corp	\$21,020,500	7	0.2580%	\$8,251,100	10	0.1830%
Wausau Joint Venture	\$19,417,500	8	0.2383%	--	-	--
Saint Claires Hospital	\$18,669,900	9	0.2292%	--	-	--
Menard Inc & John	\$17,251,900	10	0.2117%	--	-	--
Wausau Joint Venture	--	-	--	\$15,425,200	2	0.3421%
Creske Corporation	--	-	--	\$13,023,600	4	0.2889%
SNE Corporation	--	-	--	\$12,818,200	5	0.2843%
Ghidorzi	--	-	--	\$12,396,300	6	0.2750%
Wausau Medical Center Prop.	--	-	--	\$9,988,300	7	0.2215%
M & I First American Nati Bank	--	-	--	\$9,111,200	8	0.2021%
W S A, Inc.	--	-	--	\$8,425,000	9	0.1869%
TOTAL	\$273,925,600.00		3.3621%	\$81,187,800.00		3.4667%

Source: City County Data Communication Center

NOTE (A) Total equalized value for 2005 of \$8,147,380,600 includes the increment value of tax increment districts (TID)
(B) Total equalized value for 1996 of \$4,508,550,900 includes the increment value of tax increment districts (TID)

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

Levy Year	Settlement Year	Total Tax Levy	As of December 31 of Settlement Year			Cumulative as of December 31, 2005 (C)		
			Amount Collected	Amount Delinquent	Percent Delinquent	Amount Collected	Amount Delinquent (D)	Percent Delinquent
1995	1996	25,111,275	24,864,864	246,411	0.9813%	25,106,155	5,120	0.0204%
1996	1997	27,349,954	27,077,312	272,642	0.9969%	27,345,102	4,852	0.0177%
1997	1998	29,068,916	28,795,852	273,064	0.9394%	29,063,164	5,752	0.0198%
1998	1999	30,856,382	30,534,426	321,956	1.0434%	30,840,878	15,504	0.0502%
1999	2000	33,363,392	32,979,833	383,559	1.1496%	33,345,200	18,192	0.0545%
2000	2001	35,660,957	35,103,411	557,546	1.5635%	35,642,138	18,819	0.0528%
2001	2002	38,149,579	37,644,343	505,236	1.3244%	38,111,618	37,961	0.0995%
2002	2003	39,846,548	39,375,609	470,939	1.1819%	39,768,185	78,363	0.1967%
2003	2004	40,850,300	40,416,211	434,089	1.0626%	40,669,868	180,432	0.4417%
2004 (B)	2005	42,730,820	42,268,706	462,114	1.0815%	42,268,706	462,114	1.0815%

Source: Annual audited financial statements and adopted budgets for Marathon County

Notes: (A) Wisconsin Statute 75.20 allows tax certificates to be carried for eleven years

(B) The tax for levy year 2006 is \$44,360,284

(C) Totals do not include uncollected amounts due on tax deed parcels of \$121,111

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

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income ^(b)	Percentage of Actual Value ^(a) of Taxable Property	Per Capita ^(b)
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
1996	\$23,381,472	(\$364,915)	\$23,016,557	0.92%	0.52%	1,136.00
1997	\$19,332,681	(\$163,579)	\$19,169,102	0.73%	0.41%	908.14
1998	\$25,319,412	(\$160,011)	\$25,159,401	0.90%	0.49%	1,127.31
1999	\$20,812,559	(\$144,515)	\$20,668,044	0.69%	0.37%	870.05
2000	\$15,833,755	(\$149,421)	\$15,684,334	0.50%	0.26%	632.92
2001	\$10,196,892	(\$37,642)	\$10,159,250	0.31%	0.16%	390.61
2002	\$9,150,955	(\$68,362)	\$9,082,593	0.27%	0.13%	349.21
2003	\$5,144,896	(\$76,952)	\$5,067,944	0.14%	0.07%	179.24
2004	\$6,910,000	(\$121,898)	\$6,788,102	0.18%	0.09%	233.24
2005 (c)	\$4,560,000	(\$192,658)	\$4,367,342	0.11%	0.05%	145.62

Notes:

(a) See Schedule 5 for property value data

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

(c) Remaining \$36,819 is restricted for Forest Aid Loan

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2005

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable To Marathon County</u>
TOWN:			
BERGEN	\$ 299,709	100.00 %	\$ 299,709
BEVENT	71,641	100.00	71,641
CLEVELAND	213,333	100.00	213,333
DAY	60,000	100.00	60,000
EASTON	106,000	100.00	106,000
EAU PLEINE	36,250	100.00	36,250
ELDERON	26,612	100.00	26,612
GREEN VALLEY	247,371	100.00	247,371
HAMBURG	57,148	100.00	57,148
HEWITT	109,096	100.00	109,096
HULL	81,046	100.00	81,046
KNOWLTON	586,670	100.00	586,670
MAINE	438,437	100.00	438,437
MCMILLIAN	23,135	100.00	23,135
REID	66,300	0.00	0
RIB MOUNTAIN	5,697,222	100.00	5,697,222
RINGLE	181,357	100.00	181,357
SPENCER	205,942	0.00	0
TEXAS	235,127	100.00	235,127
WAUSAU	230,510	100.00	230,510
TOWN TOTAL	<u>8,972,906</u>	100.00	<u>8,700,664</u>
VILLAGE:			
ATHENS	397,032	100.00	397,032
BROKAW	545,346	100.00	545,346
DORCHESTER	938,473	0.00	0
EDGAR	1,317,836	100.00	1,317,836
HATLEY	651,107	100.00	651,107
KRONENWETTER	11,878,327	100.00	11,878,327
MARATHON	3,892,535	100.00	3,892,535
ROTHSCHILD	11,892,000	100.00	11,892,000
SPENCER	2,505,571	100.00	2,505,571
STRATFORD	1,866,457	100.00	1,866,457
WESTON	18,335,345	100.00	18,335,345
VILLAGE TOTAL	<u>54,220,029</u>		<u>53,281,556</u>

Schedule 10
Marathon County
Direct and Overlapping Governmental Activities Debt
As of December 31, 2005

<u>Governmental Unit</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to Marathon County</u>	<u>Net General Obligation Debt Applicable To Marathon County</u>
CITY:			
ABBOTSFORD	337,649	34.73	117,265
COLBY	1,636,161	24.40	399,223
MARSHFIELD	24,347,325	7.36	1,790,989
MOSINEE	2,164,957	100.00	2,164,957
SCHOFIELD	2,962,565	100.00	2,962,565
WAUSAU	49,596,196	100.00	49,596,196
CITY TOTAL	<u>81,044,853</u>		<u>57,031,196</u>
SCHOOL:			
ABBOTSFORD	1,935,322	42.43	821,157
ANTIGO	8,211,246	4.54	372,791
ATHENS	605,060	100.00	605,060
AUBURNDALE	6,548,000	2.97	194,345
COLBY	2,750,000	43.13	1,186,075
D.C. EVEREST	49,685,000	100.00	49,685,000
EDGAR	2,268,324	100.00	2,268,324
MARATHON	8,523,000	100.00	8,523,000
MARSHFIELD	13,742,583	14.83	2,038,025
MEDFORD	3,195,000	0.53	16,860
MERRILL	19,454,159	3.50	680,896
MOSINEE	1,544,812	100.00	1,544,812
ROSHOLT	4,650,000	25.98	1,208,002
SPENCER	1,884,532	87.63	1,651,432
STRATFORD	3,248,300	100.00	3,248,300
WAUSAU	72,680,000	100.00	72,680,000
WITT-BIRN	645,000	52.56	339,012
MID-STATE TECH COLLEGE	15,455,000	2.45	378,648
NORTHCENTRAL TECH	12,715,000	57.73	7,340,370
SCHOOL TOTAL	<u>229,740,338</u>		<u>154,782,107</u>
SPECIAL DISTRICTS:			
RIB MTN METRO SEWAGE	1,452,481	100.00	1,452,481
SPECIAL DISTRICTS TOTAL	<u>1,452,481</u>		<u>1,452,481</u>
TOTAL APPLICABLE UNDERLYING DEBT	<u>375,430,607</u>		<u>275,248,004</u>
DIRECT DEBT			
MARATHON COUNTY (A)	4,560,000	100.00	4,560,000
TOTAL DEBT APPLICABLE TO MARATHON COUNTY	\$ <u>379,990,607</u>		\$ <u>279,808,004</u>

(A) Direct Debt of Marathon County is for capital projects of CWA, a discretely presenting component unit of Marathon County and road improvement projects.

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

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

	Fiscal Year									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Equalized Value of Property (A)	\$4,508,551	\$4,810,138	\$5,124,231	\$5,542,877	\$5,939,781	\$6,490,877	\$6,799,168	\$7,152,373	\$7,640,172	\$8,147,381
Debt Limit, 5% of Equalized Value	\$225,428	\$240,507	\$256,212	\$277,144	\$296,989	\$324,544	\$339,958	\$357,619	\$382,009	\$407,369
(Wisconsin statutory limitation)										
Amount of debt applicable to debt limitation:										
General obligation promissory notes (B)	\$23,381	\$19,333	\$25,319	\$20,813	\$15,834	\$10,197	\$9,151	\$5,145	\$6,910	\$4,560
Less: Amount available for debt service	<u>(\$365)</u>	<u>(\$164)</u>	<u>(\$160)</u>	<u>(\$145)</u>	<u>(\$149)</u>	<u>(\$38)</u>	<u>(\$68)</u>	<u>(\$77)</u>	<u>(\$122)</u>	<u>(\$193) (C)</u>
Total amount of debt applicable to debt margin	\$23,017	\$19,169	\$25,159	\$20,668	\$15,684	\$10,159	\$9,083	\$5,068	\$6,788	\$4,367
Legal Debt Margin-(debt capacity)	<u>\$202,411</u>	<u>\$221,338</u>	<u>\$231,052</u>	<u>\$256,476</u>	<u>\$281,305</u>	<u>\$314,385</u>	<u>\$330,876</u>	<u>\$352,551</u>	<u>\$375,221</u>	<u>\$403,002</u>
Percent of Debt capacity used	10.21%	7.97%	9.82%	7.46%	5.28%	3.13%	2.67%	1.42%	1.78%	1.07%

NOTES: (A) Equalized values include the increment value of tax increment districts (TID)

(B) Amount includes Marathon County's portion of the debt for CWA as general obligation debt, even though payments are expected to be paid from the respective revenue sources

(C) Debt service less amount available for Forest Aid Loan of \$36,819

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment (3)</u>	<u>Private School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1996	123,258	\$2,497,330,338	\$20,261	19,933	3,285	3.9
1997	124,309	\$2,623,914,372	\$21,108	20,030	3,231	3.7
1998	125,491	\$2,800,708,138	\$22,318	19,845	3,354	3.5
1999	126,393	\$3,002,465,715	\$23,755	19,914	3,238	2.9
2000	125,834 (5)	\$3,118,292,354	\$24,781	19,731	3,206	2.4
2001	126,743	\$3,296,458,687	\$26,009	19,638	3,162	3.9
2002	127,968	\$3,328,319,712	\$26,009	19,662	3,086	4.5
2003	128,823	\$3,642,341,502	\$28,274	19,471	2,985	4.6
2004	129,962	\$3,782,284,086	\$29,103	19,471 (6)	2,790	4.1
2005	131,377	\$3,940,258,984	\$29,992	19,505	2,790	4.3

- Sources: (1) Wisconsin Department of Administration
 (2) Wisconsin Department of Revenue, Division of Research and Analysis (information has a two year lag. example - information listed as 2005 is actual 2003 data and is the most current available)
 (3) Wisconsin Department of Public Instruction
 (4) U.S. Department of Labor, Bureau of Labor Statistics/Wisconsin Department of Workforce Development. (Wausau, MSA)(average for the year, not seasonally adjusted)
 (5) Actual census figures
 (6) Public School Enrollment for K-12 (2004-05) were unavailable at press time, due to a WI DPI software change

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

<u>Employer</u>	<u>2005</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Aspirus (Community Health Care)	3,223	1	4.65%	-	-	-
Aspirus (Wausau Hospital)	2,325	2	3.35%	1,804	2	2.71%
Kolbe & Kolbe Millworks, Inc.	1,830	3	2.64%	1,470	4	2.21%
Wausau Insurance/Liberty Mutual	1,680	4	2.42%	1,900	1	2.86%
Greenheck Fan Corp.	1,650	5	2.38%	1,400	5	2.11%
Wausau School District	1,300	6	1.87%	1,325	7	1.99%
Wausau Paper Corp.	1,175	7	1.69%	1,150	9	1.73%
Peachtree Companies (SNE)	1,138	8	1.64%	1,500	3	2.26%
Wausau Benefits, Inc.	1,100	9	1.59%	-	-	-
Footlocker.com/Eastbay	1,081	10	1.56%	1,350	6	2.03%
Marathon Cheese Corp	-	-	-	1,300	8	1.96%
Apogee Wausau Group	-	-	-	1,000	10	1.50%

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

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

Full-time Equivalent Employees as of December 31										
<u>Function / Program</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Government	130.55	132.60	135.48	141.73	143.98	144.68	154.55	151.30	149.50	151.50
Public Safety	155.00	156.00	174.50	184.50	176.50	176.50	177.50	174.50	174.00	174.00
Transportation	106.50	106.50	107.50	108.50	109.50	109.50	110.10	102.10	102.10	102.10
Health	39.25	40.25	40.25	40.25	40.75	42.25	42.85	41.65	44.45	45.95
Social Services	130.95	130.55	118.80	119.70	136.91	139.91	147.47	143.22	146.76	149.41
Leisure Activities & Education	254.65	250.91	258.71	248.34	247.03	246.06	213.90	208.03	201.10	200.55
Conservation & Economic Development	24.25	24.75	36.75	37.75	39.75	40.00	28.00	31.00	19.00	19.00
Total	841.15	841.56	871.99	880.77	894.42	898.90	874.37	851.80	836.91	842.51

Source: County Budget Information

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

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

Function/Program	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Court cases filed	22,047	19,528	19,147	21,885	22,594	22,146	22,957	22,864	24,240	23,446
Traffic citations processed	11,236	8,726	8,913	10,438	11,022	11,276	9,845	10,031	13,703	13,002
Marriage licenses processed	878	860	843	811	878	849	786	870	825	847
Divorces granted	326	411	344	443	429	462	413	427	825	410
Traffic and criminal fines collected	\$2,205,613	\$2,331,058	\$2,302,079	\$2,493,965	\$3,017,402	\$2,881,209	\$2,875,219	\$2,912,064	\$3,224,572	\$3,222,489
Total coroner cases	375	364	394	467	458	532	491	531	512	509
Public Safety										
Hazardous materials incidents investigated	25	35	22	23	21	18	13	7	7	8
Transportation										
Cost of road maintenance per lane mile	-	-	-	-	-	-	-	-	-	\$3,495
Health										
Public health nurse home visits	-	-	-	-	-	-	2,358	2,172	2,381	2,983
Laboratory tests	15,324	16,470	19,351	19,115	18,741	17,501	17,868	15,755	14,325	14,105
Licenses issued for public facilities	680	827	900	881	807	689	796	779	902	914
Number of immunizations given	-	-	-	-	-	-	3,127	2,661	3,617	3,414
Social Services										
Number served at nutrition centers	1,602	1,563	1,144	1,202	1,320	1,284	486	735	300	273
Number of volunteers	400	218	215	113	125	126	30	64	28	56
Volunteer hours	22,156	18,193	15,718	12,315	12,434	14,899	12,675	7,845	6,288	4,956
Number served home delivered meals	-	-	-	-	-	-	-	-	464	451
Number served through SNAC program	-	-	-	-	-	-	-	-	825	796
Child support money collected and disbursed	\$14,975,643	\$15,826,778	\$17,000,750	\$17,000,750	\$19,080,408	\$19,342,978	\$19,077,714	\$19,488,287	\$19,652,157	\$19,196,370
Economic support cases	3,255	1,551	1,594	1,795	1,873	2,023	2,102	2,840	7,622	8,229
Leisure and Education										
Library items checked out	-	-	-	-	-	-	-	-	745,779	812,824
Library number of visitors	-	-	-	-	-	-	-	-	490,925	554,745
Conservation and Development										
Wood removed (cord equivalent)	5,977	5,970	6,343	7,420	9,487	9,487	15,599	8,830	8,520	13,170

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

Function/Program	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Number of courtrooms	7	7	7	7	7	7	7	7	7	7
Public Safety										
County buildings maintained	10	10	10	10	10	10	10	10	10	11
Jail capacity/number of beds	-	-	-	279	279	279	279	279	279	279
Sheriff Department vehicles	-	-	-	-	-	-	-	-	-	94
Transportation										
Miles of County highways/roads	620	620	620	617	617	617	617	613	611	618
County sponsored airports	1	1	1	1	1	1	1	1	1	1
Health										
Landfill total capacity (cubic yards)	-	-	-	-	-	-	-	3,376,000	3,376,000	3,376,000
Landfill remaining capacity (cubic yards)	-	-	-	-	-	-	-	1,614,500	1,489,400	1,320,005
Social Services										
Nutrition centers	10	10	7	6	6	6	6	2	2	2
Leisure and Education										
Libraries - Headquarters	1	1	1	1	1	1	1	1	1	1
Libraries - Branches	8	8	8	8	8	8	7	7	7	8
Volumes books & audio-visual materials	269,573	277,764	296,159	332,317	352,022	364,742	366,526	375,351	373,243	372,052
Number of County parks	16	19	19	19	19	19	19	19	18	18
Number of acres	3,661	3,905	3,905	3,379	3,379	3,379	3,406	3,407	3,407	3,407
Public access beaches	6	7	7	7	7	7	7	4	4	4
Miles of bicycle trails	18	18	18	18	18	18	18	28	28	28
Number of public campgrounds	5	5	5	5	5	5	5	4	4	4
Number of shooting ranges	1	1	1	1	1	1	1	1	1	1
Number of softball complexes	1	1	1	1	1	1	1	1	1	1
Number of lakes and rivers with public boat launches	14	14	14	14	14	14	14	6	6	6
Indoor ice arenas	2	3	3	3	3	3	3	2	2	2
Miles of snowmobile trails	641	641	641	645	650	750	800	800	800	782
Miles of ATV trails - winter	528	528	531	531	548	692	692	680	690	690
Miles of ATV trails - summer	14	14	14	14	14	19	23	23	24	25
Miles of cross country ski trails	31	31	31	31	31	31	31	31	31	31
Conservation and Development										
Number of County forest units	7	9	9	9	9	10	10	9	9	9
Number of acres	27,142	27,631	27,650	28,044	28,324	28,423	28,662	28,662	28,662	28,662

**Schedule 17
Marathon County
Schedule of Insurance
Fiscal Year Ended December 31, 2005**

Insurer Policy Numbers <u>Effective Dates</u>	Policy Coverage Limits of Liability <u>Deductibles/Retention (1)</u>
<p>Wisconsin Municipal Mutual Insurance Company WI2005CSI3A 01/01/05 to 01/01/06</p>	<p>General Liability/Automobile Liability/Police Professional liability Owned, non-owned and hired auto \$5,000,000 Limit of liability per occurrence/\$10,000,000 Annual aggregate \$400,000 Per occurrence deductible \$800,000 Annual aggregate deductible</p> <p>Uninsured Motorist \$25,000-50,000 Limit of liability</p> <p>Employee Benefit Liability \$5,000,000 Limit of liability per benefit error \$15,000,000 General aggregate \$400,000 Per occurrence deductible \$800,000 Annual aggregate deductible</p> <p>All premiums adjusted annually Excludes coverage for pollution liability, nursing homes, Health centers, medical facilities and airport</p>
<p>Wisconsin Municipal Mutual Insurance Company W12005EO13A 01/01/05 to 01/01/06</p>	<p>Errors and Omission Public Officials Liability Claims Made \$5,000,000 Limit of liability per wrongful act \$15,000,000 General aggregate \$400,000 Per occurrence deductible \$800,000 Annual aggregate deductible</p>
<p>Self-Funded & Administered 01/01/05 to 01/01/06</p>	<p>Workers Compensation Employer Liability State Statutes First \$250,000 per claim/occurrence</p>
<p>Wisconsin Municipal Mutual Insurance Company WI2005 WC13XS 01/01/05 to 01/01/06</p>	<p>Specific Excess Workers Compensation \$250,000 Specific retention Limits of Liability Statutory Workers Comp \$1,000,000 Employers Liability \$1,000,000 Workers Comp/Emp Liability Combined</p>

Insurer
Policy Numbers
Effective dates

Local Government
Property Insurance Fund
120038
01/01/05 to 01/01/06

Policy Coverage
Limits of Liability
Deductibles/Retention (1)

Buildings, personal Property, Inland Marine & Property in the Open

Listed on the statement of values:
Limit \$199,557,440 - Replacement Cost Coverage
Deductible \$2,500

Contractors Equipment

Limit \$12,825,733 Replacement Value
Deductible \$1,000

Automobile Comprehensive

Limit \$9,184,590 Actual Cash Value
Deductible \$500

Business Interruption

(Applies to operations of North Central Health Care Center only)
\$1,999,999
Deductible \$2,500

Monies & Securities

\$850,000
Increased to \$3,000,000
from 7/29/2005 to 08/03/2005

Personal Property within 100 feet of
listed buildings-replacement cost coverage

Property in the open within 100 feet of listed property
Limited to \$1,000 any one item up to \$10,000 maximum

Leased Property Improvements destroyed
by covered peril are covered if replaced or repaired within
a reasonable time; if not repaired or replaced, original
cost new less specified fraction

Cost of Debris Removal: covered

Pollution limitation: \$50,000 annually, however
\$10,000 maximum applies for covered expenses
incurred in each annual policy period for removal of
pollutants/contaminants from land or water at
described premises caused by a covered peril

Lawn, Trees & Shrubs within 100 feet of
insured buildings
limited to \$500 per tree or shrub
and \$1,000 for lawn up to a
maximum of \$5,000 per occurrence
including debris removal

Personal Property in Transit up to \$2,500 limit

Valuable Records - No dollar limit; covered on
or off premises excluding losses caused by errors
and omissions or negligence in processing or copying.

Policy Coverage

Insurer

Policy Numbers
Effective dates

**Local Government Property
Insurance Fund
120038
01/01/05 to 01/01/06**

**Old Republic Surety Company
MSA-1049631
01/01/05 to 01/01/06**

**Old Republic Surety Company
MFA-1049619
01/01/05 to 01/01/06**

**Hartford Steam Boiler
Inspection & Insurance Co.
FBP4910023
01/01/05 to 01/01/06**

Self Funded

**Global Aerospace Inc
General Liability
Associate Aviation Underwriters
ALI 159641
01/01/05 to 01/01/06**

**Self-Funded & Administered
Automobile Collision:
01/01/05 to 01/01/06**

**Landmark American Insurance
LHA 103408
7/25/05 to 1/25/06**

Limits of Liability
Deductibles/Retention (1)

Personal Property of Others while on our property per occurrence,
and not covered by other insurance, limit of \$10,000

Employees Personal Property \$500 any one employee up to
\$10,000 per occurrence maximum if not covered by other insurance

Extra Expenses automatically covered to maintain normal operations
No dollar limit

Acquired Property or Being Constructed
if over \$250,000 and value is reported within 90 days

**Public Employee Blanket
Position Bond**
\$500,000 Limit of liability per employee
Including \$5,000 forgery

Public Official schedule Position Bond
Limits vary by officials who are required
by law to be individually bonded

Boiler & Machinery
\$25,000,000 Equipment Limit
\$5,000 Deductible

Pollution Legal Liability
Marathon County Landfill
\$2,000,000 Limit of liability
per claim and in aggregate
Claims-made

Occurrence
Airport General Liab
General Aggregate-\$25,000,000
Products/Completed Oper Aggr-\$25,000,000
Personal & Advertising Injury-\$5,000,000
Each Occurrence-\$25,000,000
Fire Damage (any one fire) - \$100,000
Medical Expense (any one person) - \$5,000

HGKLL 25,000,000-Loss
HGKLL 25,000,000-Aircr

Actual Cash value Coverage

Railroad Protective Liability
(Hwy project – Removal of road)
Limit of Liability: \$2,000,000 per occurrence
\$6,000,000 aggregate

Insurer

Policy Coverage

Policy Numbers
Effective dates

**Self-Funded Health/
Administered by
Wausau Benefits
Grp # 76-010136
01/01/05 to 01/01/06**

Limits of Liability
Deductibles/Retention (1)

Health Benefit Plan PPO
\$2,000,000 Per person life time benefit
100% of most covered medical expense in network
90% out of network
80% of medical supplies and equipment in network,
70% out of network
Prescription Drugs:
0% Co-insurance generics; 15% Co-insurance brands w/\$25
maximum out of pocket per prescription/\$250 annual
maximum out of pocket
Deductibles
\$200 Single
\$600 Family
\$175,000 Specific stop loss
125% Aggregate stop-loss on an incurred basis
\$7,794,772 Annual Aggregate

**Hartford Life & Accident Insurance Co
GRH-710807
01/01/05 to 01/01/06**

Excess Loss Insurance
Specific Deductible per person: \$175,000
Maximum Lifetime Reimbursement per Eligible Participant: \$2,000,000

**Dental Insurance
Dental Blue
Grp # 12181
01/01/05 to 01/01/06**

DentalBlue
HMO-Dentacare 100 Plan
Unlimited
No deductible
100% Coverage usual and customary most procedures

**Self-Funded Dental/
Administered by
Delta Dental of Wisconsin
Grp # 92896
07/01/05 to 07/01/06**

Delta Dental of Wisconsin
\$25 Deductible per calendar year
\$75 Deductible maximum per family
100% Diagnostic and preventive*
80% Ancillary, direct filling restorations, oral
surgery, endodontics, and periodontics
50% Indirect filling restorations
\$500 Maximum payment amount-per person, per calendar year

**Income Continuation Insurance
Prudential Financial
Grp #24162 Marathon County**

The Prudential Insurance Company of America
Long Term Disability
Offers 70% of your monthly Retirement earnings for the first 0 - 1,500
you earn per month and 65% for earnings over \$1,500 per month.
Maximum benefit is \$3,000 per month
Minimum is \$50 per month if you qualify
180, 150, 120, 90, 60, & 30 day elimination period available

- (1) This information represents details contained in our insurance policy and is not to be used to determine coverage.
- (2) All coverage questions should be directed to the Risk Manager.

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