

Marinette County, Wisconsin

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2019



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Marinette County, Wisconsin

DECEMBER 31, 2019

Table of Contents

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	18
Statement of Activities	20
Fund Financial Statements	
Balance Sheet - Governmental Funds	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	25
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Health and Human Services Fund	29
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - County Roads and Bridges Fund	30
Statement of Net Position - Proprietary Funds	31
Reconciliation of Fund Balance to Net Position Business-Type Activities	32
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	33
Reconciliation of Change in Net Position of Proprietary Funds to Change in Net Position Business-Type Activities	34
Statement of Cash Flows - Proprietary Funds	35
Statement of Fiduciary Net Position	36
Notes to Basic Financial Statements	37
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net OPEB Liability and Related Ratios	67
Schedule of Employer Contributions - Other Postemployment Benefit Plan	68
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	69
Schedule of Contributions - Wisconsin Retirement System	69
Notes to Required Supplementary Information	70

Marinette County, Wisconsin

DECEMBER 31, 2019

SUPPLEMENTARY INFORMATION

Detailed Comparison of Budgeted and Actual Revenues - General Fund	71
Detailed Comparison of Budgeted and Actual Expenditures - General Fund	74
Combining Balance Sheet - Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	79
Combining Statement of Net Position - Internal Service Funds	82
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	83
Combining Statement of Cash Flows - Internal Service Funds	84
Combining Statement of Fiduciary Net Position	85

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	86
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FEDERAL AND STATE AWARDS

Independent Auditors' Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	88
Schedule of Expenditures of Federal Awards	90
Schedule of Expenditures of State Awards	93
Notes to the Schedules of Expenditures of Federal and State Awards	96
Schedule of Findings and Questioned Costs	98



Independent auditors' report

To the County Board
Marinette County, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marinette County, Wisconsin (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Marinette County Committee on Aging, and the Stephenson Public Library Foundation, which are presented as discretely presented component units of Marinette County, Wisconsin. They represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. These statements were audited by other auditors who reports, have been furnished to us and our opinion, insofar as it relates to the amounts for the discretely presented component units, is based solely upon the reports 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. The financial statements of the Stephenson Public Library foundation were not audited in accordance with *Government Auditing Standards*.

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

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

OPINIONS

In our opinion based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Health and Human Services special revenue fund, and the County Roads and Bridges special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

During 2019 the Association for Business and Industry was determined to not be a component unit of the County since the nature and significance of its relationship to the County does not require inclusion. The Association for Business and Industry is no longer presented as a discretely presented component unit.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and the schedules relating to pensions and other postemployment benefits on pages 67 through 69 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
July 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS



FINANCE DEPARTMENT

Management's Discussion and Analysis December 31, 2019

As management of Marinette County, the Management Discussion and Analysis offers readers our discussion and analysis of the County's financial activities during the fiscal year that ended December 31, 2019. Our discussion and analysis is based on currently known facts, decisions, and conditions of the County.

Financial Highlights

- As of December 31, 2019, the total net position of the County was \$98,336,518, a decrease of \$7,881 from the previous year. Of this amount, a \$71,557 decrease was from Governmental Activities and an increase of \$63,676 from the Business-type Activities. The main source of this decrease in the Governmental activities relates to excess expenditures over revenues. In the Business-type Activities, excess revenues over expenditures is the main source for the increase. In the Governmental Activities, revenues increased \$1,459,319 from \$44,471,994 in 2018 to \$45,931,313 in 2019. Expenses increased \$3,821,449 from \$42,181,421 in 2018 to \$46,002,870 in 2019. These large increases to revenues and expenditures are due to moving to a self-insured health and dental plan. In the Business-type Activities, revenues decreased \$8,566 from \$8,841,017 in 2018 to \$8,401,451 in 2019. Expenses increased \$540,886 from \$7,796,889 in 2018 to \$8,337,775 in 2019.
- Of the total net position, *unrestricted* funds which may be used to meet the County's ongoing obligations to citizens and creditors, increased \$196,849 from \$33,180,061 in 2018 to \$33,376,910 in 2019.
- *Restricted* funds decreased \$1,451,025 from \$2,750,096 in 2018 to \$1,299,071 in 2019. The main source of this decrease was due to the use of fund balances and the close of the 2016 capital improvement project account in 2019.
- The County's operating property tax rate decreased \$.065 to \$4.192 per \$1,000 of property value for the year ended December 31, 2019. The decrease in the operating tax rate was driven by an \$116,440,060 increase in the County's equalized property valuation. In 2019, the debt service property tax levy remained the same at \$0.250 for service debt related to the County's Capital Improvement Plan.
- The operating tax levy increased \$243,105 (2.057%) from the prior year. This increase and the debt service levy were in compliance with the allowable tax levy limits imposed by the State of Wisconsin.
- As of December 31, 2019, the County's combined governmental funds reported ending fund balances totaling \$34,329,290, a decrease of \$1,079,209 from the previous year. Of the December 31, 2019 combined governmental fund balance of \$34,329,290, approximately 89.2% of this total amount, \$30,609,582 is *available for spending* at the County's discretion (*unrestricted fund balance*). The County's unrestricted fund balance of \$30,609,582 is further categorized based on constraints imposed upon the use of those funds. Of the total unrestricted fund balance, \$19,761,134 is committed by County Board action to specific purposes, \$1,667,497 is assigned for specific purpose by the governing body or by the Finance Director with the Administrator's approval, and \$9,180,951 is not committed or assigned (unassigned).

- As of December 31, 2019, the unrestricted fund balance for the general fund was \$25,517,480, or approximately 106% of total 2019 actual general fund operating expenditures of \$24,149,142. The unassigned general fund amount of \$9,311,822 represents 16.1% of the County's 2019 original adopted gross operational and debt service expenditure budgets which totaled \$57,792,698. Under the County's Fund Balance Policy, \$2,413,311 and \$1,898,206 of the \$9,311,822 unassigned general fund balance is classified for contingencies and cash flow requirements respectively.
- The County Roads and Bridges Special Revenue Fund balance decreased \$555,416 to \$1,517,474. Of the \$1,517,474 ending fund balance, \$1,126,718 is committed for specific projects leaving \$390,756 available for discretionary County Road spending. A combination of a decrease in revenues and an increase in County maintenance expenditures was a major reason for the funds decrease.
- The Health and Human Services (HHS) special revenue fund realized a fund balance decrease of \$352,143 for 2019. An increase in expenditures was the main source of the increase. Both high need children in foster care and high placement costs for juvenile boarding, either State mandated or implemented to provide better service to Marinette County residents, continue to affect financial results. For 2019, the ending HHS fund balance was \$(279,857).
- At the end the 2019, the County's general obligation debt was \$22,990,000 compared to \$25,340,000 at the end of 2018. After current year debt service costs, the debt service fund ended the year with a net increase of \$1,684,082. The fund ended 2019 with a fund balance of \$2,518,963, compared to \$834,881 in 2018.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Marinette County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements.

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

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of Marinette County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement 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 Marinette 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 the County include general government; public protection; public ways and facilities; health; culture and recreation; education; forestry; and conservation and development. The business-type activities of the County include highway operations and the joint operation with Oconto County of a landfill (Solid Waste Fund).

The government-wide financial statements can be found on pages 18 - 21 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. Marinette County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 the County's near-term financing requirements.

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 County'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*.

Marinette County maintains 18 individual governmental funds. Information for the County's major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major funds are the general fund; county roads and bridges, and health and human services special revenue funds; and the debt service fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund and for the major special revenue funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22 - 30 of this report.

Proprietary funds. Marinette County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Highway Department operations and 50% of the activities of a landfill operated jointly with Oconto County (Solid Waste Fund). *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Marinette County uses internal service funds to account for the County's various insurance activities, information services department, and motor pool. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Individual fund data for the internal service funds is provided in the *combining statements* elsewhere in this report.

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 on the Highway Department and the jointly operated landfill (Solid Waste Fund). Both funds are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 31 - 35 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 36 of this report.

Notes to the basic 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 basic financial statements can be found on pages 37 - 66 of this report.

Other information. Required supplementary information relating to pensions and other post-employment benefits and the combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the notes to the basic financial statements.

Required supplementary information and the Combining and individual fund statements and schedules can be found on pages 67 - 85.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, the net position at the end of 2019 was \$98,336,518 compared to \$98,344,399 for the year ended 2018.

Marinette County's Net Position							
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	Total	Total	Total Percentage Change
	2018	2018	2019	2019	2018	2019	2018-2019
Current & other assets	\$ 69,622,303	\$ 6,105,567	\$ 66,614,299	\$ 5,721,153	\$ 75,727,870	\$ 72,335,452	-4.48%
Capital assets	79,730,806	7,233,081	79,302,627	7,426,046	86,963,887	86,728,673	-0.27%
Total assets	149,353,109	13,338,648	145,916,926	13,147,199	162,691,757	159,064,125	-2.23%
Deferred outflow of resources	6,172,584	908,016	10,793,634	1,416,000	7,080,600	12,209,634	72.44%
Long-term liabilities outstanding	36,314,065	3,559,498	37,969,264	3,939,596	39,873,563	41,908,860	5.10%
Other liabilities	6,553,278	451,172	7,177,342	471,448	7,004,450	7,648,790	9.20%
Total liabilities	42,867,343	4,010,670	45,146,606	4,411,044	46,878,013	49,557,650	5.72%
Deferred inflow of resources	23,763,564	786,381	22,740,725	638,866	24,549,945	23,379,591	-4.77%
Net position:							
Net investment in capital assets	55,181,160	7,233,082	56,313,297	7,347,240	62,414,242	63,660,537	2.00%
Restricted	2,350,764	399,332	1,172,587	126,484	2,750,096	1,299,071	-52.76%
Unrestricted	31,362,862	1,817,199	31,337,345	2,039,565	33,180,061	33,376,910	0.59%
Net position:	\$ 88,894,786	\$ 9,449,613	\$ 88,823,229	\$ 9,513,289	\$ 98,344,399	\$ 98,336,518	-0.01%

The largest portion of the County's net position (64.7%) reflects its investment in capital assets of \$63,660,537 (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the 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. Currently, Marinette County uses a combination of County sales tax and a debt levy to provide for its debt service.

An additional portion of the County's net position (\$1,299,071) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$33,376,910) may be used to meet the County's ongoing obligations to citizens and creditors.

Change in net position. After the year-end results, the County's net position totaled \$98,336,518. Of the \$7,881 decrease in net position from 2018, Governmental Activities decreased \$71,557 and Business-type Activities increased \$63,676. The key elements affecting the change in net position were as follows:

Governmental Activities:

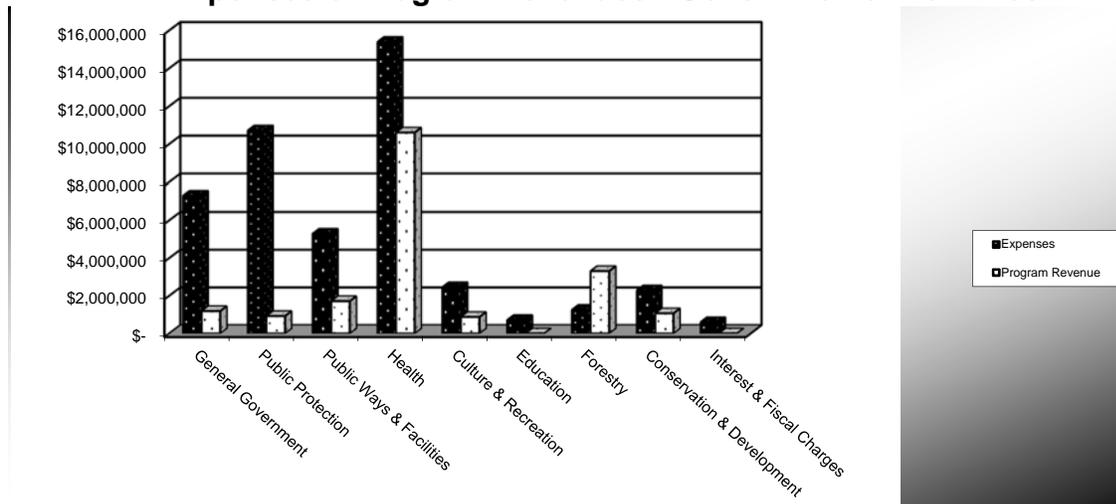
- The main source of the Governmental Activities change in net position relates to excess expenditures over revenues. While revenues in the Governmental Activities increased \$1,459,319 from \$44,471,994 in 2018 to \$45,931,313 in 2019, expenses also increased \$3,821,449 from \$42,181,421 in 2018 to \$46,002,870 in 2019. As stated earlier, these large increases to revenues and expenditures are due to moving to a self-insured health and dental plan in 2019.
- Overall, most County Departments stayed within their original appropriations and returned unspent appropriations to the general fund. Departments with larger budget overages include the Clerk of Courts, Family Court Commissioner, Sheriff, and Jail.
- The Clerk of Courts saw increased expenses related to Guardian ad Litem and attorney fees. When parties cannot afford an attorney and they do not qualify for a public defender, the Judge will appoint a Guardian ad Litem or attorney to represent the best interest of all parties. As the courts worked to process a backlog of cases, the increase in the number of cases completed escalated these expenses.
- The Court Commissioner overage in 2019 was mainly due to the salary and fringes and retirement of staff.
- The main source of the Sheriff Department was due to salary and fringes. Several factors including contract negotiation, changes in elected health and dental plans, the addition of a Recreational Patrol Officer and procedural changes made affecting pay accounted for these overages. Squad-deer claims accounted for the other large portion of unanticipated expenses in the 2019 budget.
- Procedural changes made affecting pay impacted the jail as well, causing salary and fringes to be in excess over budget.
- The general fund had unspent contingency funds of \$4,657. Of the \$840,000 budgeted, \$180,000 was transferred to the Sheriff department for the purchase of an armored rescue vehicle, \$70,000 was transferred to the Parks department for a Program Assistant position, \$135,000 was transferred to the self-insurance fund for start-up expenses, \$15,000 was transferred to Wellness to replace lost grant funding, \$60,000 was left earmarked for the broadband project, \$55,000 was transferred to Maintenance capital expenditures for the purchase of a vacant lot in the City of Marinette for parking, and \$80,000 was transferred to County Land Acquisition for the purchase of approximately 123 acres in the Town of Peshtigo from the Wisconsin Department of Transportation. Smaller transfers include \$9,253 to Corporation Counsel for outside services, and \$8,500 to the District Attorney for LTE prosecutors. The remaining amount of \$222,590 was transferred to cover unexpected 2019 expenses and year-end budget overages.
- Timber sales have been slow to recover to since the 2015 high of \$3,685,654. Timber sales revenue increased from \$2,908,506 in 2018 to \$3,437,914 in 2019. However, beginning in 2019, the County changed accounting practices for full recognition of timber sales in timber sale revenue account and expense the 10% timber sale due districts and the 4% heavy equipment fund. In previous years, these expenses were netted within the revenue account. Overall, the net change in timber sale revenue increased \$457,409 from \$2,970,358 in 2018 to \$3,437,914 in 2019.
- The operating tax levy increased \$243,105 (2.057%) from the prior year in compliance with the State imposed local unit levy limits. This increase was easily absorbed by employee benefit cost increases.

Business-type Activities:

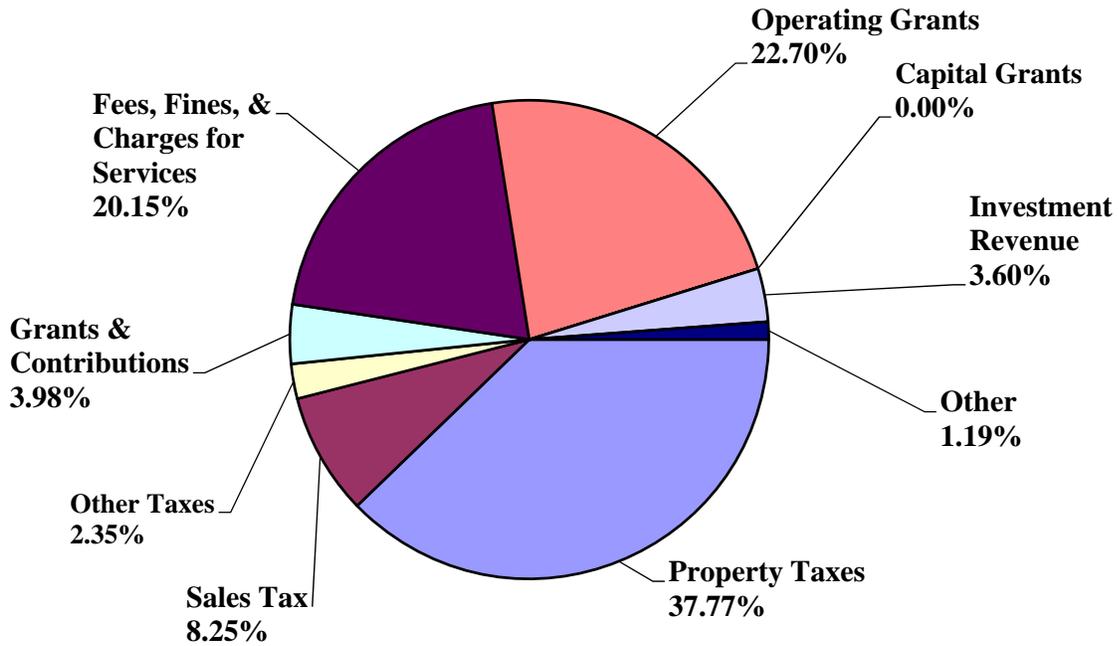
- In 2019, net position increased \$63,676 in 2019 as compared to \$613,128 in 2018. For the Business-type Activities, although revenues exceeded expenditures overall in 2019, revenues decreased \$8,566 from \$8,410,017 in 2018 to \$8,401,451. At the same time, expenses increased \$540,886 from \$7,796,889 in 2018 to \$8,337,775 in 2019.
- The Highway funds net operating gain was \$64,935 in 2019 compared to the 2018 operating gain of \$633,432. The major source of the increase was due to excess revenues of \$7,793,330 over expenditures of \$7,765,536 in 2019. Operating expenses increased significantly from \$7,218,905 in 2018 to \$7,765,536 in 2019. Of the \$546,631 increase in expenditures, \$372,711 was from increases in preventative maintenance of equipment, fuel cost and repairs and \$173,920 was from depreciation expense.
- The Solid Waste Fund's 2019 operating loss was \$165,932 in 2019 compared to the 2018 operating loss of \$34,348. The major source of the loss was due to excess expenditures of \$1,307,891 over revenues of \$1,069,631 in 2019. Interest earnings of \$72,328 mitigated some of the loss. Cash and cash equivalents increased \$281,520 to \$1,805,476 in 2018. Operating results of the landfill reflect the County's policy to provide competitive solid waste disposal alternatives within Marinette and Oconto County's. It is expected that all landfill closure and post closure cost will be fully funded at the end of landfill operations with no additional contributions needed from the Counties. Only 50% of the landfill's operation are shown in Marinette County's financial statements.

Marinette County's Change in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program revenues:						
Fees, fines, & charges for services	\$ 9,922,318	\$ 9,255,738	\$ 8,364,553	\$ 8,328,146	\$ 18,286,871	\$ 17,583,884
Operating grants and contributions	9,978,061	10,426,946	-	-	9,978,061	10,426,946
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property & sales taxes	20,343,946	21,137,217	-	-	20,343,946	21,137,217
Other taxes	1,079,827	1,081,530	-	-	1,079,827	1,081,530
Grants & contributions not restricted to specific programs	1,842,009	1,829,744	-	-	1,842,009	1,829,744
Other	1,305,833	2,200,138	45,464	73,305	1,351,297	2,273,443
Total revenues	44,471,994	45,931,313	8,410,017	8,401,451	52,882,011	54,332,764
Expenses:						
General government	6,717,518	7,293,634	-	-	6,717,518	7,293,634
Public protection	9,466,058	10,715,336	-	-	9,466,058	10,715,336
Public ways & facilities	4,622,268	5,292,103	-	-	4,622,268	5,292,103
Health	14,526,489	15,392,785	-	-	14,526,489	15,392,785
Culture & recreation	2,433,084	2,454,335	-	-	2,433,084	2,454,335
Education	734,784	710,504	-	-	734,784	710,504
Forestry	1,391,598	1,255,965	-	-	1,391,598	1,255,965
Conservation & development	1,629,429	2,288,057	-	-	1,629,429	2,288,057
Interest & fiscal charges	660,193	600,151	-	-	660,193	600,151
Highway operations	-	-	7,222,033	7,683,830	7,222,033	7,683,830
Solid waste	-	-	574,856	653,945	574,856	653,945
Total expenses	42,181,421	46,002,870	7,796,889	8,337,775	49,978,310	54,340,645
Increase (decrease) in net position	2,290,573	(71,557)	613,128	63,676	2,903,701	(7,881)
Net Position - January 1	86,604,213	88,894,786	8,836,485	9,449,613	95,440,698	98,344,399
Net Position - December 31	\$ 88,894,786	\$ 88,823,229	\$ 9,449,613	\$ 9,513,289	\$ 98,344,399	\$ 98,336,518

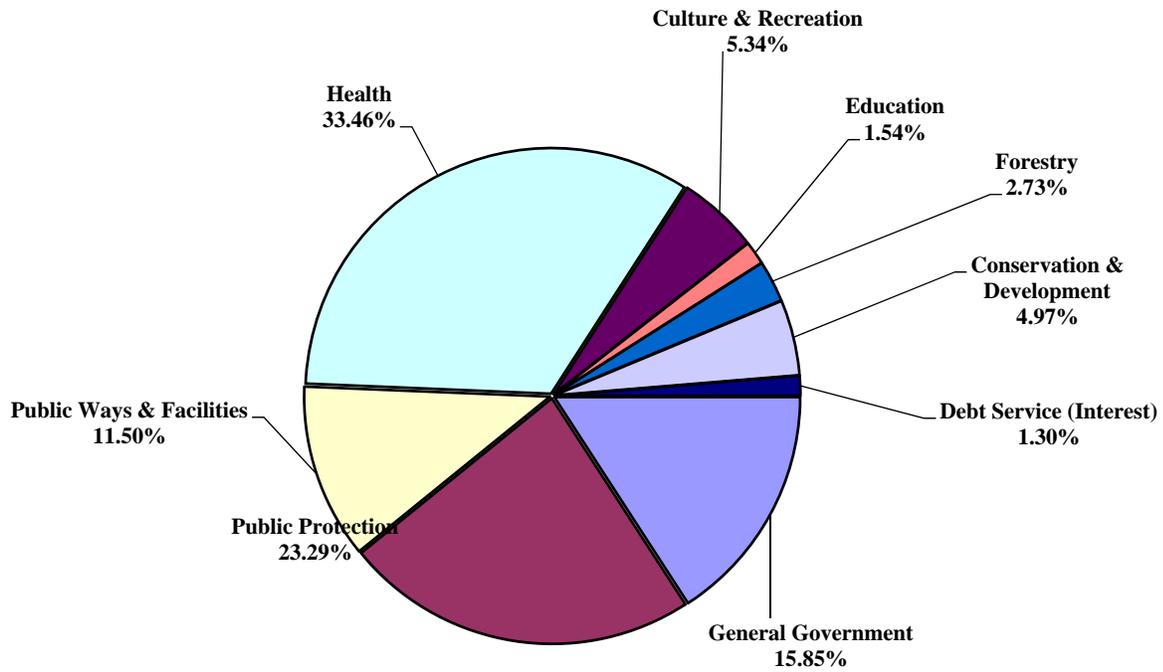
Expenses & Program Revenues - Governmental Activities



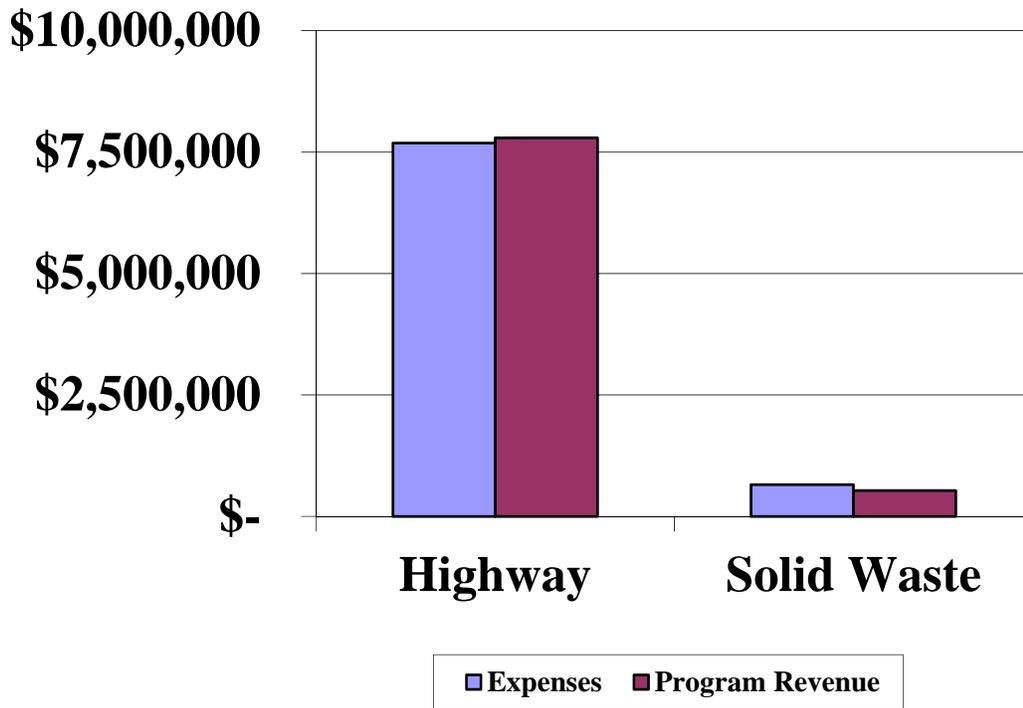
Revenues by Source - Governmental Activities



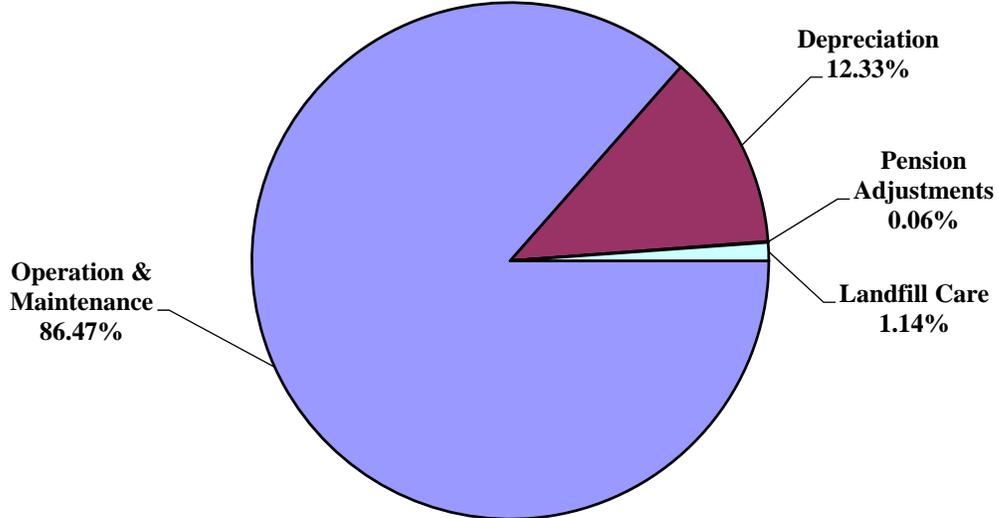
Expenses by Activity - Governmental Activities



Expenses and Program Revenues - Business Type Activities



Expenses by Activity - Business Type Activities



Financial Analysis of Marinette County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Marinette County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, the *unrestricted fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the County's combined governmental funds totaled \$34,329,290, a decrease of \$1,079,209 from the prior year. Approximately 89% of this amount, \$30,609,582 constitutes *unrestricted fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is either classified as non-spendable or restricted to indicate that it is not available for new spending because it has already been committed 1) for current year purchases of inventory and prepayments that benefit periods beyond the end of the current year (\$118,284), 2) for non-liquid delinquent taxes (\$2,405,796) 3) for loans receivable that are not expected to be liquidated in the next year (\$172,855) 4) by grant, donor or other restrictions (\$1,172,587).

The general fund is the chief operating fund of the County. At the end of the current year, the unrestricted fund balance of the general fund was \$25,516,652, while the total fund balance was \$28,377,881. As a measure of the general fund's liquidity, it is useful to compare both the unrestricted fund balance and the total fund balance to total fund expenditures. Unrestricted fund balance represents 105.7% of total 2019 general fund expenditures, while total fund balance represents 117.5% of that same amount. This compares to prior year percentages of 116.9% and 137.9% respectively.

Marinette County's General fund balance decreased by \$843,517 for the year ended December 31, 2019. The decrease in fund balance was mainly due to over budget accounts in the Clerk of Courts, Family Court Commissioner, the Sheriff Department and Jail. Most other County Departments stayed within their original appropriations and returned unspent appropriations to the general fund. Other factors contributing this decrease include the completion of and spend down of the remaining capital improvement borrowing and completion of maintenance capital project funding from previous years.

The County's Health and Human Services (HHS) Special Revenue Fund ended with a deficit fund balance of (\$279,857) in 2019. This compares to a fund balance of \$72,286 in the previous year. Excess expenditures of \$14,471,667 over revenues of \$14,119,524 was the main source of the increase. High placement costs for juvenile boarding and increased foster care expenses continue to strain annual expenditures.

Results for the County's other major funds are listed under the financial highlight section.

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

Unrestricted net position of the highway department enterprise fund at the end of the year was \$2,206,276, a decrease of \$70,867 from 2018. The main source of the decrease to relates to excess expenditures over revenues. Revenues decreased \$35,336 from \$7,828,666 in 2018 to \$7,793,330 in 2019. Comparatively, expenses increased \$546,631 from \$7,218,905 in 2018 to \$7,765,536 in 2019.

The Mar-oco unrestricted net position increased \$115,214 from (\$709,543) in 2018 to (\$594,329) in 2019. An operating loss of \$238,260 was offset by \$72,328 in investment earnings. Overall, a decrease in net position for the solid waste fund in 2019 was \$165,932 from \$1,718,429 in 2018 to \$1,552,497 in 2019.

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Additional expenditure appropriations during the year increased the original general fund expenditure budget by \$1,462,238. The change to the 2019 expenditure appropriations can be summarized as follows:

- A net carryover of unspent appropriations from 2018 to 2019 of \$982,075
- Department requests to carry forward unspent appropriations from 2019 to 2020 of (\$725,601)
- Various other items associated with grant carry-overs, reserved fund carry-overs to complete various capital projects, and onetime expenses that were funded with additional revenues received by departments during the year.

Actual expenditures were less than final budgeted expenditures by \$1,010,963 primarily due to the following:

- Approximately \$585,811 in capital maintenance projects for the Courthouse were not completed during the current year and carried over to 2020.
- Overall positive results from several departments remaining under budget, namely an additional amount of \$60,816 in general government, \$110,411 in public protection, \$87,851 in health, and \$168,390 in conservation and development contributed

Actual revenues were \$896,128 less than projected budget amount in 2019. Both unrealized intergovernmental revenues and charges for services were the main areas of revenue shortfalls. However, they were not a factor in overall results, as the related expenditures also were not realized as mentioned above.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$86,728,673 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery/equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress. The total decrease in the County's net investment in capital assets for the current year was \$235,214 mainly as a result of depreciation exceeding investment in new capital assets.

Additional information on Marinette County's capital assets can be found in Note C.4 on pages 50 - 51 of this report.

Marinette County's Capital Assets (Net of Accumulated Depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Land	\$ 4,925,401	\$ 5,102,873	\$ 238,989	\$ 238,989	\$ 5,164,390	\$ 5,341,862
Construction in progress	499,536	723,974	237,727	119,786	737,263	843,760
Land improvements	-	-	888,619	801,481	888,619	801,481
Buildings & improvements	28,374,868	27,704,234	1,462,049	1,365,128	29,836,917	29,069,362
Machinery & equipment	3,523,305	4,021,134	4,405,697	4,900,662	7,929,002	8,921,796
Infrastructure	42,407,696	41,750,412	-	-	42,407,696	41,750,412
Total	\$79,730,806	\$ 79,302,627	\$ 7,233,081	\$ 7,426,046	\$86,963,887	\$ 86,728,673

Long-term debt. At the end of the year, the County's total general obligation debt outstanding was \$22,990,000. All of this debt is backed by the full faith and credit of the County.

Marinette County's Outstanding Debt						
General Obligation Debt						
	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
General Obligation Debt						
Bonds and notes	\$25,340,000	\$ 22,990,000	\$ -	\$ -	\$25,340,000	\$ 22,990,000

The County's total general-obligation debt balance decreased by \$2,350,000 (9.27%) in 2019. A shift by the Marinette County Board to fund capital improvements through the operational budget and discontinue borrowing will continue to decrease outstanding debt in future years.

The County's general obligation debt is serviced by the ½ % County sales tax and supplemented by a debt service levy. Sales tax revenues, net of principal and interest payments on debt, are left in the debt services fund in anticipation of notes maturing for the 2014, 2015 and 2016 borrowing subject to early call for redemption.

As of December 31, 2019 the Standard and Poor's affirmed rating remains AA/Stable for Marinette County. The good and bad factors in the rating include:

- Very weak local economy;
- Very strong budgetary flexibility;
- Adequate budgetary performance;
- Very strong liquidity
- Strong management

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized valuation. The current debt limitation for the County is \$200,123,040 which is \$177,133,040 in excess of the County's \$22,990,000 in outstanding general obligation debt. The County further constricts its debt through a County Debt Policy.

Economic Factors and Next Year's Budgets and Rates

- On March 24, 2020 Governor Tony Evers issued Wisconsin's Safer at Home in response to the current outbreak of the Coronavirus (COVID19). The order was to remain in effect until May 26, 2020 to help stop the spread of the virus. However, on May 13, 2020, the Wisconsin Supreme Court ruled the Safer at Home Extension unlawful. During this time, only essential services were allowed to remain open and many local businesses were required to close their doors. The effects of the State closure are unknown at this time. In April, 2020, estimates as to the loss of sales tax revenue for Marinette County were provided by Forward Analytics. Forward Analytics projects an annual loss of sales tax revenue from \$464,785 to \$562,184 for 2020. Beginning in 2019, the County began reserving all sales tax revenues in the debt service fund in anticipation of paying down general obligation bonds from 2012, 2014, 2015 and 2016.
- The April, 2020 jobs report from the Bureau of Labor Statistics showed 20.5 million jobs lost in April, following a loss of 870,000 in March, 2020 nationwide. The report also showed the official State unemployment rate increasing from 4.4% in March to 14.7% in April. The unemployment rate in Marinette County increased from 5.1% in March, 2020 to 19.3% in April, 2020. This is an increase of 14.2% in a month period.
- The local economy for Marinette County is still seen as weak by the County's debt rating agency. The debt rating agency attributes the weak local economy to a concentrated employment base, with reliance of the Marinette Marine Corporation, one of the County's larger employers on government contracts. Marinette Marine, having a substantial effect for the local economy, currently employs approximately 2,500 employees as compared to 1,500 a year ago. Their parent company, Fincantieri, has recently completed a \$180 million capital expansion program, with 550,000 square feet of manufacturing, warehouse and receiving space, allowing the ability to build seven Littoral Combat Ships simultaneously. In late April, 2020, the U.S. Navy awarded Fincantieri Marinette Marine the contract to build the first Guided Missile Frigate or FFG(X) ship with an option to build nine more. Each ship has a price tag between \$800 million and \$950 million. Fincantieri anticipates the need to hire 1,000 more workers in addition to the 2,500 already employed.

- Tourism continues to be vital to Marinette County and is anticipated to increase as the County seeks ways and means to promote economic development and tourism. The major retail center is in the City of Marinette and continues to develop as several new major retailers have taken occupancy in the efforts to rejuvenate the Mall area. Retail stores new to the area in 2019 included JoAnn Fabrics, TJ Maxx, and Starbucks Coffee.
- In February, 2020 the Marinette County Board of Supervisors approved hiring three positions to aid in the promotion and development of tourism and economic development. A Program Assistant was approved in Facilities and Parks Department to promote the assets of Marinette County. A Development/Tourism Director position and a Program Assistant position were approved in Administration to focus on tourism and economic development within all County municipalities.
- Also in February, 2020 the Marinette County Board of Supervisors approved entering into an agreement with NEWCAP, Inc. for the purpose of rehabilitation and resale of housing properties within Marinette County. A rehabilitation fund of \$500,000 was established the County's committed property tax reduction fund for start-up funding. The partnership was formed between the County and NEWCAP for the purpose of rehabilitating properties taken through the In-Rem process to assist in increasing property tax values within the County and to improve and grow the amount of housing stock throughout the County. The rehabilitation fund will be monitored by the Marinette County Industrial Development Committee.
- In late 2020, the County anticipates the completion of a \$4.274 million dollar project to renovate the old Law Enforcement Center at 1925 Ella Court. The building, mostly vacant, will provide office space for County operations and will include a green roof to both aid in the reduction of water runoff temperatures in the city sewers and provide a break space for employees. In addition, leasing office space from Northeast Wisconsin Technical College will no longer be necessary and the County will save approximately \$100,000 annually.
- In April, 2019 the County participated in the closure of Marinette County's Community Development Block Grant. Under the closure plan, the Marinette County Revolving Loan purchased the outstanding loans in the Community Development Grant program and returned the cash on hand balance in the fund. Both the de-federalized loan buyouts and return of cash on hand in the fund were made available to the County as grant funding for high-cost projects in low to moderate areas of the County. The closure of the program will result in \$907,973 available as grant money in 2020.

The following factors were considered in preparing the County's 2020 budget:

State levy limit statutes provide that Counties may only increase their annual operating tax levy by the percentage change in new construction less improvements removed from the assessment roll in the last year. The limit can't go below zero. These levy limits are permanent per the 2011-13 state budgets. The statutes established specific penalties for failure to meet the levy requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids. Under the limit, the County's operating tax levy increase for the 2020 budget increased to \$227,407 or 1.414%.

As part of the 2020 general fund budget, the County applied \$1,500 of restricted, \$84,200 of committed, \$627,357 of assigned, and \$7,013,658 of unassigned fund balances. Total general fund amounts applied totaled \$7,726,715. Total restricted and committed special revenue and debt service fund balances applied to the 2020 budget were \$657,460. Of the total funds applied (\$11,587,889) to the 2020 budget, \$11,337,889 represented funds specifically accumulated for special purposes. The County elected to leave expected surplus sales tax collections net of principal and interest payments on debt fund in anticipation of notes maturing for the 2014, 2015 and 2016 borrowing subject to early call for redemption.

The County's 2020 budget contains capital project expenditures of \$12,901,334. Capital project expenditures are currently funded through the operational budget, fund balances and the application of County savings. Of the 2020 budgeted capital project expenditures of \$4,443,610, \$3,179,445 is for county road annual maintenance, \$570,000 is for County road construction, \$225,000 is for maintenance capital expenditures, \$424,165 is for Sheriff Department vehicle replacements, and \$45,000 is for Register of Deeds media conversion,

The debt levy for 2020 of \$979,758 was required to help fund principal and interest payments related to the County's Capital Improvement Plan (CIP). The five year CIP was initiated in 2014. The County uses a combination of sales tax revenues and debt service levy to fund debt service requirements.

The application of surplus funds back in the 2005 budget still significantly magnifies the effect of the State tax levy limits which started with the County's 2006 budget. Without implanting the debt levy, the County would have been forced to reduce capital outlay and services. Beginning in 2019, the sales tax is being used solely for debt service, moving away from its use to fund capital outlay, tourism, and economic development.

The County committed \$19,058,908 to a property tax reduction fund that was received from the 2008 sale of the Bay Area Medical Center facilities and from funds previously committed for county health care. Investment income from this fund is considered in the budget process and used to fund County operations and keep property tax rates reduced if and when levy limits are removed. This fund was reduced in 2017 with a \$7.5 million dollar loan to the City of Marinette. As payments are received over the course of the 20 year loan, principal and interest payments will be deposited back into the fund. The year-end fund balance increased \$359,820 from \$11,708,908 in 2018 to \$12,068,728 in 2019.

During 2011 the County developed and approved a fund balance policy that is in compliance with Government Accounting Standards Board (GASB) 54 and defines the County's goals to maintaining a strong adequate fund balance while addressing future needs both planned as well as unplanned. The County is in compliance with the fund balance policy and considered the policy in the development of the County's 2020 Budget.

Contacting the County's Financial Management

Marinette County's financial report is designed to provide a general overview for those interested in County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Marinette County, 1926 Hall Avenue, Marinette, Wisconsin 54143.

BASIC FINANCIAL STATEMENTS

MARINETTE COUNTY, WISCONSIN

Statement of Net Position

December 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 33,004,604	\$ 2,467,262	\$ 35,471,866
Other cash and investments	-	-	-
Accounts receivable	2,885,314	30,605	2,915,919
Interest receivable	786,711	875	787,586
Taxes receivable	20,124,412	-	20,124,412
Loans receivable	8,091,425	-	8,091,425
Internal balances	(130,454)	130,454	-
Due from other governments	1,156,972	569,249	1,726,221
Inventories and prepaid items	436,148	1,541,257	1,977,405
Unbilled fringe benefit	-	154,948	154,948
Restricted cash and investments	259,167	826,503	1,085,670
Capital assets (net of accumulated depreciation)			
Nondepreciable	5,826,847	358,775	6,185,622
Depreciable	73,475,780	7,067,271	80,543,051
TOTAL ASSETS	145,916,926	13,147,199	159,064,125
DEFERRED OUTFLOWS OF RESOURCES			
Retirement system unfunded liability amortization	-	165,486	165,486
Deferred charge on refunding	171,048	-	171,048
Deferred pension contributions & changes	10,622,586	1,250,514	11,873,100
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,793,634	1,416,000	12,209,634
LIABILITIES			
Accounts payable	1,639,621	457,110	2,096,731
Accrued liabilities	1,591,208	5,063	1,596,271
Due to other governments	81,293	-	81,293
Deposits from others	86,331	-	86,331
Unearned revenue	467,385	-	467,385
Accrued interest	203,290	-	203,290
Long-term obligations			
Unamortized premiums	596,642	-	596,642
Portion due or payable within one year:			
Bonds and notes payable	2,400,000	-	2,400,000
Compensated absences	111,572	9,275	120,847
Portion due or payable after one year:			
Bonds and notes payable	20,590,000	-	20,590,000
Compensated absences	1,004,148	83,472	1,087,620
Post employment insurance	12,457,994	1,368,030	13,826,024
Net pension liability	3,917,122	463,876	4,380,998
Landfill care costs	-	2,024,218	2,024,218
TOTAL LIABILITIES	45,146,606	4,411,044	49,557,650
DEFERRED INFLOWS OF RESOURCES			
Property taxes	17,345,929	-	17,345,929
Deferred pension contributions and changes	5,394,796	638,866	6,033,662
TOTAL DEFERRED INFLOWS OF RESOURCES	22,740,725	638,866	23,379,591
NET POSITION			
Net investment in capital assets	56,313,297	7,347,240	63,660,537
Restricted	1,172,587	126,484	1,299,071
Unrestricted	31,337,345	2,039,565	33,376,910
TOTAL NET POSITION	\$ 88,823,229	\$ 9,513,289	\$ 98,336,518

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

Component Units	
Committee on Aging	Stephenson Public Library Foundation

\$	-	\$	-
	95,915		2,056,317
	98,565		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	45,000		-
	480,659		-
	<u>720,139</u>		<u>2,056,317</u>
	-		-
	-		-
	-		-
	-		-
	29,336		-
	11,692		-
	-		-
	-		-
	-		-
	-		-
	12,577		-
	-		-
	327,321		-
	-		-
	-		-
	-		-
	<u>380,926</u>		-
	-		-
	-		-
	-		-
	-		-
	10,000		-
	<u>329,213</u>		<u>2,056,317</u>
\$	<u>339,213</u>	\$	<u>2,056,317</u>

MARINETTE COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2019

Activities	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental				
General government	\$ 7,293,634	\$ 952,773	\$ 235,420	\$ -
Public protection	10,715,336	562,360	360,042	-
Public ways and facilities	5,292,103	-	1,716,594	-
Health	15,392,785	3,875,681	6,729,106	-
Culture and recreation	2,454,335	476,011	400,081	-
Education	710,504	-	-	-
Forestry	1,255,965	3,176,536	130,291	-
Conservation and development	2,288,057	212,377	855,412	-
Interest and fiscal charges	600,151	-	-	-
Total Governmental Activities	46,002,870	9,255,738	10,426,946	-
Business-type				
Highway	7,683,830	7,793,330	-	-
Solid waste	653,945	534,816	-	-
Total Business-type Activities	8,337,775	8,328,146	-	-
Total Marinette County	\$ 54,340,645	\$ 17,583,884	\$ 10,426,946	\$ -
Component Unit				
Committee on Aging	\$ 949,502	\$ 224,671	\$ 719,666	\$ -
Stephenson Library Trust	19,073	-	-	-
Total Component Units	\$ 968,575	\$ 224,671	\$ 719,666	\$ -

General revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for public ways and facilities
- Property taxes, levied for health
- Property taxes, levied for debt service
- Sales taxes
- Other taxes
- Grants and contributions not restricted to specific programs
- Earnings (loss) on investments
- Lease revenue
- Gain on other property sales
- Miscellaneous

Total general revenues

Change in net position

Net position - January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position			Component Units	
Governmental Activities	Business-type Activities	Total	Committee on Aging	Stephenson Public Library Foundation
\$ (6,105,441)	\$ -	\$ (6,105,441)	\$ -	\$ -
(9,792,934)	-	(9,792,934)	-	-
(3,575,509)	-	(3,575,509)	-	-
(4,787,998)	-	(4,787,998)	-	-
(1,578,243)	-	(1,578,243)	-	-
(710,504)	-	(710,504)	-	-
2,050,862	-	2,050,862	-	-
(1,220,268)	-	(1,220,268)	-	-
(600,151)	-	(600,151)	-	-
<u>(26,320,186)</u>	<u>-</u>	<u>(26,320,186)</u>	<u>-</u>	<u>-</u>
-	109,500	109,500	-	-
-	(119,129)	(119,129)	-	-
-	<u>(9,629)</u>	<u>(9,629)</u>	-	-
<u>\$ (26,320,186)</u>	<u>\$ (9,629)</u>	<u>\$ (26,329,815)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (5,165)	\$ -
-	-	-	-	(19,073)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,165)</u>	<u>\$ (19,073)</u>
10,061,144	-	10,061,144	-	-
2,052,332	-	2,052,332	-	-
4,277,684	-	4,277,684	-	-
957,406	-	957,406	-	-
3,788,651	-	3,788,651	-	-
1,081,530	-	1,081,530	-	-
1,829,744	-	1,829,744	-	-
1,655,052	36,164	1,691,216	-	176,357
92,179	-	92,179	-	-
175,564	-	175,564	-	-
277,343	37,141	314,484	6,920	-
<u>26,248,629</u>	<u>73,305</u>	<u>26,321,934</u>	<u>6,920</u>	<u>176,357</u>
<u>(71,557)</u>	<u>63,676</u>	<u>(7,881)</u>	<u>1,755</u>	<u>157,284</u>
<u>88,894,786</u>	<u>9,449,613</u>	<u>98,344,399</u>	<u>337,458</u>	<u>1,899,033</u>
<u>\$ 88,823,229</u>	<u>\$ 9,513,289</u>	<u>\$ 98,336,518</u>	<u>\$ 339,213</u>	<u>\$ 2,056,317</u>

MARINETTE COUNTY, WISCONSIN

Balance Sheet
Governmental Funds
December 31, 2019

	GENERAL FUND	COUNTY ROADS	HEALTH AND HUMAN SERVICES
ASSETS			
Pooled cash and investments	\$ 24,769,783	\$ 1,516,924	\$ -
Delinquent property taxes	2,778,483	-	-
Accounts receivable	1,298,389	550	731,569
Property taxes levied for subsequent year	10,020,699	1,845,682	4,407,834
Interest receivable	633,224	-	-
Loans receivable	7,272,855	-	-
Due from other funds	1,002,460	-	-
Due from other governments	467,534	-	664,438
Prepaid items	118,284	-	149,814
Restricted assets - pooled cash and investments	-	-	-
Total assets	<u>\$ 48,361,711</u>	<u>\$ 3,363,156</u>	<u>\$ 5,953,655</u>
LIABILITIES			
Accounts payable	\$ 718,585	\$ -	\$ 203,073
Accrued liabilities	1,156,413	-	410,513
Due to general fund	-	-	1,002,460
Due to other governments	72,667	-	8,626
Deposits from others	81,688	-	79
Unearned revenue	244,540	-	200,927
Total liabilities	<u>2,273,893</u>	<u>-</u>	<u>1,825,678</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	10,020,699	1,845,682	4,407,834
Loans payable	-	-	-
Long-term loans receivable	7,100,000	-	-
Interest of delinquent taxes	501,455	-	-
Fines and forfeitures	87,783	-	-
Total deferred inflow of resources	<u>17,709,937</u>	<u>1,845,682</u>	<u>4,407,834</u>
Total liabilities and deferred inflows of resources	<u>19,983,830</u>	<u>1,845,682</u>	<u>6,233,512</u>
FUND BALANCES (DEFICITS)			
Nonspendable	2,696,107	-	149,814
Restricted	164,294	-	-
Committed	14,538,161	1,517,474	-
Assigned	1,667,497	-	-
Unassigned	9,311,822	-	(429,671)
Total fund balances (deficits)	<u>\$ 28,377,881</u>	<u>\$ 1,517,474</u>	<u>\$ (279,857)</u>
Total liabilities and fund balances (deficits)	<u>\$ 48,361,711</u>	<u>\$ 3,363,156</u>	<u>\$ 5,953,655</u>

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

<u>DEBT SERVICE</u>	<u>Total Nonmajor Funds</u>	<u>Governmental Funds</u>
\$ 1,873,399	\$ 2,003,508	\$ 30,163,614
-	-	2,778,483
645,564	3,260	2,679,332
979,758	-	17,253,973
-	1,144	634,368
-	818,570	8,091,425
-	-	1,002,460
-	25,000	1,156,972
-	-	268,098
-	259,167	259,167
<u>\$ 3,498,721</u>	<u>\$ 3,110,649</u>	<u>\$ 64,287,892</u>
\$ -	\$ 97,250	\$ 1,018,908
-	-	1,566,926
-	-	1,002,460
-	-	81,293
-	-	81,767
-	-	445,467
<u>-</u>	<u>97,250</u>	<u>4,196,821</u>
979,758	-	17,253,973
-	818,570	818,570
-	-	7,100,000
-	-	501,455
-	-	87,783
<u>979,758</u>	<u>818,570</u>	<u>25,761,781</u>
<u>979,758</u>	<u>915,820</u>	<u>29,958,602</u>
-	-	2,845,921
-	1,008,293	1,172,587
2,518,963	1,186,536	19,761,134
-	-	1,667,497
-	-	8,882,151
<u>\$ 2,518,963</u>	<u>\$ 2,194,829</u>	<u>\$ 34,329,290</u>
<u>\$ 3,498,721</u>	<u>\$ 3,110,649</u>	<u>\$ 64,287,892</u>

MARINETTE COUNTY, WISCONSIN
 Balance Sheet (Continued)
 Governmental Funds
 December 31, 2019

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page \$ 34,329,290

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets	\$ 79,302,627	
Less: amount included below with internal service funds	<u>(1,318,005)</u>	77,984,622

Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	\$ (22,990,000)	
Loss on advance refunding	171,048	
Refinancing premium	(596,642)	
Compensated absences	(1,115,720)	
Post-employment health insurance	(12,457,994)	
Accrued interest on long-term obligations	<u>(203,290)</u>	(37,192,598)

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Loans receivable	\$ 7,918,570	
Interest on loans	17,987	
Interest on delinquent taxes	501,455	
Clerk of Courts receivable	<u>87,783</u>	8,525,795

The County's proportionate share of the Wisconsin Retirement System pension is not an available financial resource; therefore it is not reported in the financial statements:

Net pension asset (liability)	\$ (3,917,122)	
Deferred outflow of resources	10,622,586	
Deferred outflow of resources - contributions and changes	<u>(5,394,796)</u>	1,310,668

Internal service funds are used by management to charge the costs of reproduction, motor pool, information services and the County's insurance to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 3,865,452

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 18 - 19) \$ 88,823,229

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

MARINETTE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	<u>GENERAL FUND</u>	<u>COUNTY ROADS</u>	<u>HEALTH AND HUMAN SERVICES</u>
REVENUES			
Taxes	\$ 11,038,854	\$ 2,052,332	\$ 4,277,684
Sales tax	-	-	-
Intergovernmental	5,190,251	1,716,594	6,089,720
Regulation and compliance	341,840	-	-
Charges for services	4,779,912	-	3,752,120
Commercial	2,035,089	-	-
Miscellaneous revenues	192,973	5,805	-
Total revenues	<u>23,578,919</u>	<u>3,774,731</u>	<u>14,119,524</u>
EXPENDITURES			
Current:			
General government	7,277,693	-	-
Public protection	10,125,597	-	-
Public ways and facilities	-	4,663,950	-
Health	1,053,454	-	14,471,667
Culture and recreation	2,420,698	-	-
Education	267,605	-	-
Forestry	1,594,088	-	-
Conservation and development	1,410,007	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>24,149,142</u>	<u>4,663,950</u>	<u>14,471,667</u>
Excess (deficiency) of revenues over expenditures	<u>(570,223)</u>	<u>(889,219)</u>	<u>(352,143)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	47,526	333,803	-
Transfers out	(320,820)	-	-
Total other financing sources (uses)	<u>(273,294)</u>	<u>333,803</u>	<u>-</u>
Net change in fund balances	(843,517)	(555,416)	(352,143)
Fund balances - beginning	<u>29,221,398</u>	<u>2,072,890</u>	<u>72,286</u>
Fund balances - ending	<u>\$ 28,377,881</u>	<u>\$ 1,517,474</u>	<u>\$ (279,857)</u>

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

<u>DEBT SERVICE</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 957,406	\$ -	\$ 18,326,276
3,788,651	-	3,788,651
-	91,126	13,087,691
-	143,503	485,343
-	53,061	8,585,093
-	339,392	2,374,481
-	78,565	277,343
<u>4,746,057</u>	<u>705,647</u>	<u>46,924,878</u>
-	319,673	7,597,366
-	32,862	10,158,459
-	10,846	4,674,796
-	6,100	15,531,221
-	227,098	2,647,796
-	-	267,605
-	-	1,594,088
-	910,774	2,320,781
2,350,000	-	2,350,000
711,975	-	711,975
<u>3,061,975</u>	<u>1,507,353</u>	<u>47,854,087</u>
<u>1,684,082</u>	<u>(801,706)</u>	<u>(929,209)</u>
-	270,820	652,149
-	(481,329)	(802,149)
-	(210,509)	(150,000)
1,684,082	(1,012,215)	(1,079,209)
834,881	3,207,044	35,408,499
<u>\$ 2,518,963</u>	<u>\$ 2,194,829</u>	<u>34,329,290</u>

MARINETTE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2019

Reconciliation to the Statement of Activities

Net Change in Fund Balances from previous page \$ (1,079,209)

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

Governmental funds report capital outlays as expenditure. However, in the
statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital assets reported as expenses in governmental fund statements	1,727,297
Depreciation expense reported in the statement of activities	(1,656,954)
Net book value of disposals	(73,204)
Infrastructure adjustments	<u>(657,284)</u>

Governmental funds do not present revenues that are not available to pay
current obligations. In contrast such revenues are reported in the statement
of activities when earned:

Interest receivable on taxes	(9,727)
Clerk of court receivables	1,760
Loans	(250,633)
Revolving loan receivables	<u>(94,083)</u>

Debt issued provides current financial resources to governmental funds, but
issuing debt increases long-term liabilities in the statement of new position.
Repayment of bond principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net position.

Principal repaid	2,350,000
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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 the
governmental funds:

Accrued interest on long-term debt	7,875
Amortization of debt premium net of refunding expense	103,949
Compensated absences	455,074
Other postemployment benefits	(547,644)
Net pension liability	(7,174,721)
Deferred outflows of resources related to pensions	4,679,850
Deferred inflows of resources related to pensions	<u>1,020,202</u>

Internal service funds are used by the County to charge the costs of reproduction,
motor pool, information services and the County's insurance to individual funds. The
net revenue of the internal service funds and is reported with the governmental activities.

<u>1,125,895</u>

Change in Net Position of Governmental Activities as Reported in the
Statement of Activities (see pages 20 and 21)

<u>\$ (71,557)</u>

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

MARINETTE COUNTY, WISCONSIN
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 11,032,474	\$ 11,032,474	\$ 11,038,854	\$ 6,380
Intergovernmental	5,246,047	5,403,413	5,190,251	(213,162)
Regulation and compliance	346,390	346,390	341,840	(4,550)
Charges for services	5,595,409	5,615,407	4,779,912	(835,495)
Commercial	1,050,217	1,944,204	2,035,089	90,885
Miscellaneous	100,459	133,159	192,973	59,814
Total revenues	<u>23,370,996</u>	<u>24,475,047</u>	<u>23,578,919</u>	<u>(896,128)</u>
EXPENDITURES				
General government	8,223,839	7,924,320	7,277,693	646,627
Public protection	8,558,685	10,236,008	10,125,597	110,411
Health	1,140,137	1,141,305	1,053,454	87,851
Culture and recreation	2,326,816	2,399,382	2,420,698	(21,316)
Education	252,516	275,981	267,605	8,376
Forestry	1,500,369	1,604,712	1,594,088	10,624
Conservation and development	1,695,505	1,578,397	1,410,007	168,390
Total expenditures	<u>23,697,867</u>	<u>25,160,105</u>	<u>24,149,142</u>	<u>1,010,963</u>
Excess (deficiency) of revenues over expenditures	<u>(326,871)</u>	<u>(685,058)</u>	<u>(570,223)</u>	<u>114,835</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	47,526	47,526	-
Transfers out	169,320	320,820	(320,820)	(641,640)
Total other financing sources (uses)	<u>169,320</u>	<u>368,346</u>	<u>(273,294)</u>	<u>(641,640)</u>
Net change in fund balances	(157,551)	(316,712)	(843,517)	(526,805)
Fund balances - beginning	32,749,830	26,677,151	29,221,398	2,544,247
Fund balances - ending	<u>\$ 32,592,279</u>	<u>\$ 26,360,439</u>	<u>\$ 28,377,881</u>	<u>\$ 2,017,442</u>

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

**MARINETTE COUNTY, WISCONSIN
HEALTH AND HUMAN SERVICES**

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,277,684	\$ 4,277,684	\$ 4,277,684	\$ -
Intergovernmental	6,036,451	6,159,768	6,089,720	(70,048)
Charges for services	4,500,295	4,505,901	3,752,120	(753,781)
Total revenues	<u>14,814,430</u>	<u>14,943,353</u>	<u>14,119,524</u>	<u>(823,829)</u>
EXPENDITURES				
Health	<u>14,814,430</u>	<u>14,943,353</u>	<u>14,471,667</u>	<u>471,686</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(352,143)</u>	<u>(352,143)</u>
Net change in fund balances	-	-	(352,143)	(352,143)
Fund balances - beginning	<u>72,286</u>	<u>72,286</u>	<u>72,286</u>	<u>-</u>
Fund balances - ending	<u>\$ 72,286</u>	<u>\$ 72,286</u>	<u>\$ (279,857)</u>	<u>\$ (352,143)</u>

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

MARINETTE COUNTY, WISCONSIN
COUNTY ROADS AND BRIDGES

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,052,332	\$ 2,052,332	\$ 2,052,332	\$ -
Intergovernmental	1,773,031	1,773,031	1,716,594	(56,437)
Miscellaneous revenues	2,000	2,000	5,805	3,805
Total revenues	<u>3,827,363</u>	<u>3,827,363</u>	<u>3,774,731</u>	<u>(52,632)</u>
EXPENDITURES				
Public ways and facilities	<u>4,573,951</u>	<u>4,933,951</u>	<u>4,663,950</u>	<u>270,001</u>
Excess (deficiency) of revenues over expenditures	<u>(746,588)</u>	<u>(1,106,588)</u>	<u>(889,219)</u>	<u>217,369</u>
OTHER FINANCING SOURCES				
Transfers in	<u>333,803</u>	<u>333,803</u>	<u>333,803</u>	<u>-</u>
Net change in fund balances	(412,785)	(772,785)	(555,416)	217,369
Fund balances - beginning	2,072,890	2,072,890	2,072,890	-
Fund balances - ending	<u>\$ 1,660,105</u>	<u>\$ 1,300,105</u>	<u>\$ 1,517,474</u>	<u>\$ 217,369</u>

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

MARINETTE COUNTY, WISCONSIN

Statement of Net Position

Proprietary Funds

December 31, 2019

	Business-type Activities			Governmental
	HIGHWAY	MAR-OCO LANDFILL	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	\$ 1,564,424	\$ 902,538	\$ 2,466,962	\$ 2,840,990
Petty cash	100	200	300	-
Accounts receivable	150	30,455	30,605	340,338
Property taxes levied for subsequent year	-	-	-	91,956
Interest receivable	-	875	875	-
Due from other governments	569,249	-	569,249	-
Prepaid items	18,900	600	19,500	168,050
Inventories	1,521,757	-	1,521,757	-
Unearned fringe benefit	154,948	-	154,948	-
Total current assets	<u>3,829,528</u>	<u>934,668</u>	<u>4,764,196</u>	<u>3,441,334</u>
Noncurrent assets:				
Restricted assets - pooled cash and investments	-	826,503	826,503	-
Land	51,475	187,514	238,989	-
Land improvements	166,291	3,289,437	3,455,728	-
Work in progress	119,786	-	119,786	-
Buildings	5,047,518	17,468	5,064,986	-
Machinery and equipment	11,147,953	448,305	11,596,258	2,499,514
Accumulated depreciation	(10,180,390)	(2,869,311)	(13,049,701)	(1,410,576)
Construction work in progress	-	-	-	229,067
Total noncurrent assets	<u>6,352,633</u>	<u>1,899,916</u>	<u>8,252,549</u>	<u>1,318,005</u>
Total assets	<u>10,182,161</u>	<u>2,834,584</u>	<u>13,016,745</u>	<u>4,759,339</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	1,377,615	38,385	1,416,000	-
Total assets and deferred outflows of resources	<u>11,559,776</u>	<u>2,872,969</u>	<u>14,432,745</u>	<u>4,759,339</u>
LIABILITIES				
Current liabilities:				
Accounts payable	423,086	34,024	457,110	620,713
Accrued liabilities	-	5,063	5,063	24,282
Deposits from others	-	-	-	4,564
Unearned revenue	-	-	-	21,918
Compensated absences payable	9,275	-	9,275	-
Total current liabilities	<u>432,361</u>	<u>39,087</u>	<u>471,448</u>	<u>671,477</u>
Noncurrent liabilities:				
Compensated absences payable	83,472	-	83,472	-
Post employment health insurance	1,368,030	-	1,368,030	-
Net pension liability	449,819	14,057	463,876	-
Accrued landfill closure/post closure care cost	-	2,024,218	2,024,218	-
Total noncurrent liabilities	<u>1,901,321</u>	<u>2,038,275</u>	<u>3,939,596</u>	<u>-</u>
Total liabilities	<u>2,333,682</u>	<u>2,077,362</u>	<u>4,411,044</u>	<u>671,477</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	91,956
Deferred inflows related to pension	619,507	19,359	638,866	-
Total deferred inflows of resources	<u>619,507</u>	<u>19,359</u>	<u>638,866</u>	<u>91,956</u>
Total liabilities and deferred inflows of resources	<u>2,953,189</u>	<u>2,096,721</u>	<u>5,049,910</u>	<u>763,433</u>
NET POSITION				
Net investment in capital assets	6,273,827	1,073,413	7,347,240	1,304,926
Restricted for:				
pension	126,484	-	126,484	-
Unrestricted	2,206,276	(297,165)	1,909,111	2,690,980
Total net position	<u>\$ 8,606,587</u>	<u>\$ 776,248</u>	<u>\$ 9,382,835</u>	<u>\$ 3,995,906</u>

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

MARINETTE COUNTY, WISCONSIN
Statement of Net Position
Reconciliation of Fund Balance to Net Position Business-Type Activities
For the Year Ended December, 31, 2019

Total Fund Balances as shown on previous page	\$ 9,382,835
Some amounts reported for business-type activities in the statement of net position are different because certain internal service assets and liabilities are included with business-type activities.	<u>130,454</u>
Net Position of Business-Type Activities as Reported on the Statement of Net Position (see page 18 - 19)	<u>\$ 9,513,289</u>

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

MARINETTE COUNTY, WISCONSIN
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities			Governmental Activities
	HIGHWAY	MAR-OCO LANDFILL	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 7,793,330	\$ 534,816	\$ 8,328,146	\$ 9,490,199
Donations	-	-	-	14,146
Total operating revenues	<u>7,793,330</u>	<u>534,816</u>	<u>8,328,146</u>	<u>9,504,345</u>
OPERATING EXPENSES				
Administration	-	34,377	34,377	-
Operation and maintenance	6,868,363	377,989	7,246,352	1,394,949
Claims and premiums	-	-	-	7,017,658
Landfill closure/post-closure care costs	-	95,748	95,748	-
Pension adjustments	-	5,258	5,258	-
Depreciation	897,173	140,573	1,037,746	192,136
Total operating expenses	<u>7,765,536</u>	<u>653,945</u>	<u>8,419,481</u>	<u>8,604,743</u>
Operating income (loss)	<u>27,794</u>	<u>(119,129)</u>	<u>(91,335)</u>	<u>899,602</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	-	-	-	103,820
Sale of county property	-	-	-	20,611
Insurance recoveries and dividends	26,617	-	26,617	25,352
Investment earnings	-	36,164	36,164	-
Miscellaneous revenues	10,524	-	10,524	8,216
Total nonoperating revenues (expenses)	<u>37,141</u>	<u>36,164</u>	<u>73,305</u>	<u>157,999</u>
Income (loss) before contributions and transfers	<u>64,935</u>	<u>(82,965)</u>	<u>(18,030)</u>	<u>1,057,601</u>
Transfers in	-	-	-	150,000
Change in net position	<u>64,935</u>	<u>(82,965)</u>	<u>(18,030)</u>	<u>1,207,601</u>
Total net position - beginning	<u>8,541,652</u>	<u>859,213</u>	<u>9,400,865</u>	<u>2,788,305</u>
Total net position - ending	<u>\$ 8,606,587</u>	<u>\$ 776,248</u>	<u>\$ 9,382,835</u>	<u>\$ 3,995,906</u>

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

MARINETTE COUNTY, WISCONSIN

Statement of Revenues, Expenses, and Changes in Net Position

Reconciliation of Change in Net Position of Proprietary Funds to Change in Net Position Business-Type Activities
For the Year Ended December, 31, 2019

Change in Net Position, per above	\$ (18,030)
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	<u>81,706</u>
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities (see pages 20 - 21)	<u>\$ 63,676</u>

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

MARINETTE COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	HIGHWAY	MAR-OCO LANDFILL	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash from interfund	\$ 4,962,193	\$ -	\$ 4,962,193	\$ 2,202,840
Cash receipts from customers	2,473,941	551,911	3,025,852	6,973,921
Payments to employees	(4,047,042)	(112,681)	(4,159,723)	(606,121)
Payments to suppliers	(2,836,998)	(289,766)	(3,126,764)	(6,943,068)
Net cash provided by operating activities	<u>552,094</u>	<u>149,464</u>	<u>701,558</u>	<u>1,627,572</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	-	-	-	103,820
Insurance recoveries	37,790	-	37,790	14,143
Transfer in	-	-	-	150,000
Miscellaneous revenue	10,524	-	10,524	19,424
Net cash provided (used) by noncapital financing activities	<u>48,314</u>	<u>-</u>	<u>48,314</u>	<u>287,387</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(1,259,550)	-	(1,259,550)	(424,103)
Proceeds from sale of assets	17,666	-	17,666	20,611
Net cash provided by capital and related financing activities	<u>(1,241,884)</u>	<u>-</u>	<u>(1,241,884)</u>	<u>(403,492)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	-	36,678	36,678	-
Net increase (decrease) in cash and cash equivalents	(641,476)	186,142	(455,334)	1,511,467
Balances - beginning of year	2,206,000	1,543,099	3,749,099	1,329,523
Balances - end of the year	<u>\$ 1,564,524</u>	<u>\$ 1,729,241</u>	<u>\$ 3,293,765</u>	<u>\$ 2,840,990</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating Income (Loss)	\$ 27,794	\$ (119,129)	\$ (91,335)	\$ 899,602
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	897,173	140,573	1,037,746	192,136
Changes in assets and liabilities:				
Accounts Payable - Supplier	72,190	14,930	87,120	517,823
Customer Receivables	(357,196)	17,096	(340,100)	(339,449)
Inventory	(29,460)	-	(29,460)	17,172
Salaries & Benefits Payable	(112,874)	707	(112,167)	(414)
Increase in postclosure care cost estimates	-	95,748	95,748	-
Prepaid items	(18,900)	(600)	(19,500)	340,702
Post employment benefits	(129,085)	(5,118)	(134,203)	-
Change in pension liability(asset), deferred inflows and outflows	202,452	5,258	207,710	-
Net cash provided by operating activities	<u>\$ 552,094</u>	<u>\$ 149,465</u>	<u>\$ 701,559</u>	<u>\$ 1,627,572</u>
CASH RECONCILIATION				
Actual Balance - end of year	<u>\$ 1,564,524</u>	<u>\$ 1,729,241</u>	<u>\$ 3,293,765</u>	<u>\$ 2,840,990</u>

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

MARINETTE COUNTY, WISCONSIN
Statement of Fiduciary Net Position
December 31, 2019

	<u>Agency funds</u>
ASSETS	
Cash and investments	\$ 6,207,659
Delinquent property taxes	<u>139,892</u>
Total assets	<u><u>\$ 6,347,551</u></u>
LIABILITIES	
Tax collections	\$ 3,698,625
Special assessments	144,785
Accounts payable	8,629
Deposits payable	<u>2,495,512</u>
Total liabilities	<u><u>\$ 6,347,551</u></u>

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

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Marinette County, Wisconsin ("the County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

1. Reporting Entity

Marinette County is a municipal corporation governed by an elected 30-member board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

2. Component Units

BLENDING COMPONENT UNIT

The MAR-OCO Joint Landfill is operated in equal ownership shares by Oconto and Marinette counties. MAR-OCO is managed by a separate committee of six members consisting of three members of each County's Board of Supervisors. Marinette County records 50% of MAR-OCO's financial transactions in an enterprise fund on its financial statements.

DISCRETELY PRESENTED COMPONENT UNITS

The component unit columns in the basic financial statements represent the financial data of the Marinette County Committee on Aging, Inc. (MCCA) and the Stephenson Public Library Foundation, Inc. They are reported in separate columns to emphasize that the entities are legally separate from the County. The MCCA is a not-for-profit corporation that provides services primarily in connection with the "Older Americans Program" for the elderly of Marinette County. The County annually provides significant operating subsidies to the MCCA. Audited financial statements for the MCCA can be obtained from their administrative office in Crivitz, Wisconsin. The MCCA expended less than \$750,000 in federal funds during 2019 and therefore was not required to have an audit performed in accordance with the Uniform Guidance. Because the MCCA received funding of more than \$25,000 from the State of Wisconsin Department of Health Services (DHS) during 2019, the MCCA's audited financial statements include an audit performed in accordance with the DHS's *Provider Agency Audit Guide*. The Stephenson Public Library Foundation, Inc. is a not-for-profit corporation that enhances the Stephenson Public Library by supplementing certain costs of the Library. Audited financial statements for the Stephenson Public Library Foundation, Inc. can be obtained from their administrative office in Marinette, Wisconsin.

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds.

GENERAL FUND

This is the County's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

COUNTY ROADS AND BRIDGES SPECIAL REVENUE FUND

This fund accounts for the County's expenditures related to construction and maintenance of County roads and bridges. A tax levy along with State aid provides the significant revenues for the fund.

HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND

This fund accounts for the County's many comprehensive and integrated programs which deal with the physical, social, mental, emotional, vocational and nutritional needs of individuals and families. Significant revenues include tax levy, Federal and State aid, and fees.

DEBT SERVICE FUND

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. A county sales tax and a debt tax levy provide the revenues for the fund.

The County reports the following major enterprise funds:

HIGHWAY

This fund accounts for the costs associated with the operation and maintenance of the County's highway department facilities including all machinery and the County trunk highway system. Costs are billed to other County departments, the Wisconsin Department of Transportation or local municipalities on an actual cost basis plus a percent of direct labor to cover indirect costs. Machinery and equipment are charged out at an hourly rate basis that includes costs of operations, depreciation and overhead.

MAR-OCO LANDFILL

This fund accounts for the operations and maintenance of a sanitary landfill serving as a solid waste disposal site for the entire County as well as for a materials recycling facility.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

Additionally, the government reports the following fund types:

Internal service funds account for: self-insurance, wellness, information services, and central motor pool services provided to other departments or agencies of the County on a cost reimbursement basis.

The County accounts for assets held for individuals by various departments, funds held for other governmental agencies and property taxes collected on behalf of county municipalities in *agency funds*.

4. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's highway department and the County roads and bridges special revenue fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

5. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred inflows of resources at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's general fund in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes recorded on December 31, 2019 for collection in 2020 are \$17,345,929. The County apportionment is for financing 2020 operations and will be transferred in 2020 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

c. Accounts and Loans Receivable

Accounts receivable are recorded at gross amount 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 to the basic financial statements.

d. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

e. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by non-spendable fund balance to indicate that they do not represent spendable available financial resources.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

f. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by non-spendable fund balance to indicate that they do not represent spendable available financial resources.

g. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	10 - 20	10 - 20
Buildings	50	25 - 50
Improvements other than buildings	25 - 40	10 - 50
Machinery and equipment	2 - 15	3 - 10
Infrastructure	20 - 50	-

h. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements or adopted policies and procedures. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category. 1). The Highway fund retirement system unfunded liability reported in the government-wide and proprietary funds statements of net position. The unfunded liability charge results from the previous pay off of the retirement liability. This amount is deferred and being amortized over a thirty year period. 2). A deferred charge on debt refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 3). The County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category in the government-wide statement of net position. The first is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second is related to the County proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

The County also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources, loans receivable, interest on delinquent taxes and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

j. Long-term Obligations

In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

k. Pensions

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

l. Other Postemployment Benefits Other Than Pensions (OPEB)

Qualifying employees are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the County. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

m. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund balance of governmental funds is reported in various categories based on the nature of any limitation requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the County Board. These constraints can only be removed by the County Board using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of County Management. The County Board has authorized the County's Finance Committee to approve assignment of fund balance per recommendation of the Finance Director and County Administrator.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position - Amount of net position that is subject to restrictions that are imposed 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.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

6. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. October, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. The County Administrator can make budget revisions within the line budget accounts for each activity or department. Budget revisions between activity or department accounts can only be made by the Administrative Committee. The use of contingency funds more than ten percent of the amount budgeted for each activity or department along with all other budget amendments and transfers require approval by the County Board.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

- e. Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2019.

2. Deficit Fund Balance

As of December 31, 2019, the human services fund had a deficit fund balance of \$279,857 respectively. This deficit will be funded with a transfer from the unassigned General Fund balance.

3. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2019 and 2020 budget years, the increase in the maximum allowable tax levy was limited to the greater of the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2019 budget was 1.549%. For the 2020 budget year, the actual limit for the County was 1.284%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In additions, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2006 and in certain other situations.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

PRIMARY GOVERNMENT

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Pooled cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$42,765,195 on December 31, 2019 as summarized below:

Petty cash and cash on hand	\$	4,635
Deposits with financial institutions		6,934,153
Investments		35,826,407
		<u>\$ 42,765,195</u>

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2019

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 35,471,866
Restricted cash and investments	1,085,670
Fiduciary fund statement of net position	
Agency funds	6,207,659
	\$ 42,765,195

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2019:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Federal National Mortgage Association	\$ -	\$ 3,328,016	\$ -
Federal Home Loan Mortgage Corporation	-	3,732,902	-
Governmental National Mortgage Association	-	201,415	-
Negotiable Certificates of Deposit	-	7,894,351	-
Small Business Association	-	359,068	-
Corporate Paper	-	7,109,953	-
Municipal Bonds	-	1,487,260	-
Total investments by fair value level	\$ -	\$ 24,112,965	\$ -

Deposits and investments of the County are subject to various risks. Presented below is a discussion of the specific risks and the County's policy related to the risk.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. All trades of marketable securities are executed by delivery versus payment through an independent third party custodian and evidenced by safekeeping receipts in Marinette County's name.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per depository institution. Deposits with Financial Institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all deposit accounts per official custodian per depository institution. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

As of December 31, 2019, \$4,600,250 of the County's deposits with financial institutions was in excess of federal and state depository insurance limits and uncollateralized.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County further reduces credit risk through its investment policy which limits types of investments, prequalifies institutions, and diversifies the investments. The negotiable CD's listed below are not rated, however these investments per institution are less than \$250,000 each, and are therefore insured by FDIC. Presented below is the actual rating at time of purchase for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Federal National Mortgage Association	\$ 3,328,016	\$ -	\$ 3,328,016	\$ -	\$ -
Federal Home Loan Mortgage Corporation	3,732,902	-	3,732,902	-	-
Governmental National Mortgage Association	201,415	-	201,415	-	-
Negotiable Certificates of Deposit	7,894,351	-	-	-	7,894,351
Small Business Association	359,068	-	359,068	-	-
Corporate Paper	7,109,953	-	7,109,953	-	-
Municipal Bonds	1,487,260	-	1,487,260	-	-
Wisconsin Local Government Investment Pool	10,966,915	-	-	-	10,966,915
Wisconsin Local Government Investment Pool - DNR	746,527	-	-	-	746,527
Totals	\$35,826,407	\$ -	\$16,218,614	\$ -	\$19,607,793

Concentration of Credit Risk

The investment policy of the County contains limitations on the amount that can be invested in any one issuer. The County considers non-negotiable certificates of deposits as investments for limitation purposes. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, certificates of deposit, and external investment pools) are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total
Federal National Mortgage Association (FNMA)	U.S.	\$3,328,016	9.0%
Federal Home Loan Mortgage Corporation (FHLMC)	U.S.	3,732,902	10.1%

As of December 31, 2019, the County is not in violation of diversification limits as imposed by its investment policy.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal National Mortgage Association	\$ 3,328,016	\$ 2,114,923	\$ 259,703	\$ 953,390	\$ -
Federal Home Loan Mortgage Corporation	3,732,902	161,374	881,454	1,825,417	864,657
Governmental National Mortgage Association	201,415	-	-	201,415	-
Negotiable Certificates of Deposit	7,894,351	1,489,986	3,117,030	3,287,335	-
Small Business Association	359,068	-	-	359,068	-
Corporate Paper	7,109,953	1,500,280	2,538,048	3,071,625	-
Municipal Bonds	1,487,260	742,616	744,644	-	-
Wisconsin Local Government Investment Pool	10,966,915	10,966,915	-	-	-
Wisconsin Local Government Investment Pool - DNR	746,527	746,527	-	-	-
Totals	\$35,826,407	\$17,722,621	\$ 7,540,878	\$ 9,698,250	\$ 864,657

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Federal National Mortgage Association	\$ 3,328,016
Federal Home Loan Mortgage Corporation	3,732,902
Governmental National Mortgage Association	201,415
Small Business Association	359,068
Corporate Paper	7,109,953

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$11,713,442 at year-end directly and through the Wisconsin Department of Natural Resources. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

COMPONENT UNITS

At year end, the bank balance of Marinette County Committee on Aging, Inc., component unit, were less than \$250,000 and, accordingly, covered by FDIC insurance.

The Stephenson Public Library Foundation, Inc., component unit has a bank balance and investments. The bank balance consists of various certificates of deposits and cash in money market funds. The investments are stated at fair market value and consist of various securities with local financial institution trust departments. At December 31, 2019 the investment cost was \$485,461 with a fair market value of \$631,083.

2. Delinquent Property Taxes - General Fund

Delinquent property taxes of the general fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deed properties.

On December 31, 2019, the County's general fund showed an investment of \$2,778,483 in delinquent taxes as follows:

Tax certificates	\$ 2,622,023
Tax deeds	156,460
Total	<u>\$ 2,778,483</u>

An aging of the total delinquent taxes of \$2,778,483 on December 31, 2019 follows:

Year Acquired	Total	Tax Certificates	Tax Deeds
Prior to 2013	\$ 59,629	\$ 2,192	\$ 57,437
2013	1,867	482	1,384
2014	1,525	686	839
2015	1,376	1,376	-
2016	4,176	1,866	2,310
2017	477,386	477,386	-
2018	835,958	826,549	9,409
2019	1,396,567	1,311,486	85,081
	<u>\$ 2,778,483</u>	<u>\$ 2,622,023</u>	<u>\$ 156,460</u>

Of the total of \$2,778,483 for delinquent taxes, \$373,515 was collected by the County within 60 days after December 31, 2019. The remaining unpaid balance of \$2,404,968 is recorded as non-spendable fund balance for the general fund.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

3. Restricted Assets

Restricted assets on December 31, 2019 totaled \$1,085,670 and consisted of cash and investments held for the following purposes:

Special Revenue Fund	
Solid waste long-term care	\$ 259,167
Enterprise Funds	
Solid waste long-term care/closure	826,503
Total Restricted Assets	<u>\$ 1,085,670</u>

4. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable				
Land	\$ 4,925,401	\$ 177,472	\$ -	\$ 5,102,873
Construction work in progress	499,536	723,974	499,536	723,974
Subtotals	<u>5,424,937</u>	<u>901,446</u>	<u>499,536</u>	<u>5,826,847</u>
Capital assets, depreciable				
Buildings and improvements	45,628,729	318,442	-	45,947,171
Machinery and equipment	12,800,100	1,469,024	602,230	13,666,894
Infrastructure	66,897,355	1,005,375	-	67,902,730
Subtotals	<u>125,326,184</u>	<u>2,792,841</u>	<u>602,230</u>	<u>127,516,795</u>
Less accumulated depreciation for:				
Buildings and improvements	17,253,862	989,075	-	18,242,937
Machinery and equipment	9,276,796	860,016	491,052	9,645,760
Infrastructure	24,489,660	1,662,658	-	26,152,318
Subtotals	<u>51,020,318</u>	<u>3,511,749</u>	<u>491,052</u>	<u>54,041,015</u>
Total capital assets, depreciable, net	<u>74,305,866</u>	<u>(718,908)</u>	<u>111,178</u>	<u>73,475,780</u>
Governmental activities capital assets, net	<u>\$ 79,730,803</u>	<u>\$ 182,538</u>	<u>\$ 610,714</u>	79,302,627
Less related long-term debt outstanding				22,938,001
Less accounts payable related to capital assets				<u>51,329</u>
Net investment in capital assets				<u>\$ 56,313,297</u>

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable				
Land	\$ 238,989	\$ -	\$ -	\$ 238,989
Work in progress	237,727	119,786	237,727	119,786
Subtotals	<u>476,716</u>	<u>119,786</u>	<u>237,727</u>	<u>358,775</u>
Capital assets, depreciable				
Land improvements	3,432,132	23,595	-	3,455,727
Buildings	4,986,241	78,745	-	5,064,986
Machinery and equipment	10,939,619	1,286,187	629,548	11,596,258
Subtotals	<u>19,357,992</u>	<u>1,388,527</u>	<u>629,548</u>	<u>20,116,971</u>
Less accumulated depreciation for:				
Land improvements	2,543,515	110,731	-	2,654,246
Buildings	3,524,192	175,666	-	3,699,858
Machinery and equipment	6,533,918	751,349	589,671	6,695,596
Subtotals	<u>12,601,625</u>	<u>1,037,746</u>	<u>589,671</u>	<u>13,049,700</u>
Total capital assets, depreciable, net	<u>6,756,367</u>	<u>350,781</u>	<u>39,877</u>	<u>7,067,271</u>
Business-type activities capital assets, net	<u>\$ 7,233,083</u>	<u>\$ 470,567</u>	<u>\$ 277,604</u>	7,426,046
Less accounts payable related to capital assets				<u>78,806</u>
Net investment in capital assets				<u>\$ 7,347,240</u>

Depreciation expense was charged to functions of the County as follows:

Governmental activities		
General government		\$ 159,252
Public protection		777,331
Public ways and facilities		1,662,658
Health		86,368
Culture and recreation		62,587
Education		448,226
Forestry		120,985
Conservation and development		2,206
Allocated from internal service funds		192,136
Total depreciation expense - governmental activities		<u>\$ 3,511,749</u>
Business-type activities		
Highway		\$ 897,173
Solid waste		140,573
Total depreciation expense - business-type activities		<u>\$ 1,037,746</u>

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2019

5. Inter-fund Receivable, Payables, and Transfers

Inter-fund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2019 are detailed below:

	Interfund Receivables	Interfund Payables
Cash advance for cash flow/ fund balance deficit		
General Fund	\$ 1,002,460	\$ -
Health and Human Services Fund	-	1,002,460
Totals	<u>\$ 1,002,460</u>	<u>\$ 1,002,460</u>

Inter-fund transfers for the year ended December 31, 2019 were as follows:

	Transfer to:							Totals
	County General Fund	Roads and Bridges	Self- Insurance	Jail Assessment	Teen Court	Property Management	Wellness	
Transfers from:								
General fund	\$ -	\$ -	\$ 135,000	\$ 169,320	\$ 1,500	\$ -	\$ 15,000	\$ 320,820
Forestry & Parks Development	-	-	-	-	-	100,000	-	100,000
2016 capital projects	47,526	333,803	-	-	-	-	-	381,329
Totals	<u>\$ 47,526</u>	<u>\$ 333,803</u>	<u>\$ 135,000</u>	<u>\$ 169,320</u>	<u>\$ 1,500</u>	<u>\$ 100,000</u>	<u>\$ 15,000</u>	<u>\$ 802,149</u>

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2019:

	Outstanding 1/1/19	Issued	Retired	Outstanding 12/31/19	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 7,640,000	\$ -	\$ 1,900,000	\$ 5,740,000	\$ 1,950,000
Notes	17,700,000	-	450,000	17,250,000	450,000
Total General Obligation Debt	<u>25,340,000</u>	<u>-</u>	<u>2,350,000</u>	<u>22,990,000</u>	<u>2,400,000</u>
Debt premium	759,391	-	162,749	596,642	162,749
Compensated absences	<u>1,570,794</u>	<u>-</u>	<u>455,074</u>	<u>1,115,720</u>	<u>111,572</u>
Governmental activities Long-term obligations	<u>\$ 27,670,185</u>	<u>\$ -</u>	<u>\$ 2,967,823</u>	<u>\$ 24,702,362</u>	<u>\$ 2,674,321</u>
Business-type activities:					
Compensated absences	<u>\$ 143,107</u>	<u>\$ -</u>	<u>\$ 50,360</u>	<u>\$ 92,747</u>	<u>\$ 9,275</u>

Total interest paid during the year on long-term debt totaled \$711,975.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds

\$16,615,000 issued 3/15/12; \$125,000 to \$1,875,000 due annually to 2022;
interest 1.50% to 4.00 % \$ 5,740,000

Notes

\$9,435,000 issued 2/12/14; \$635,000 to \$4,000,000 due annually to 2023;
interest 1.00% to 3.00% 7,450,000

\$5,945,000 issued 3/10/15; \$145,000 to \$4,000,000 due annually to 2024;
interest 2.00% to 2.50% 5,200,000

\$5,000,000 issued 4/13/16; \$100,000 to \$2,000,000 due annually to 2026;
interest 2.00% to 2.25% 4,600,000

Total Outstanding General Obligation Debt \$ 22,990,000

Annual principal and interest maturities of the outstanding general obligation debt of \$22,990,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 2,400,000	\$ 653,475	\$ 3,053,475
2021	2,365,000	585,787	2,950,787
2022	5,325,000	454,250	5,779,250
2023	4,700,000	266,000	4,966,000
2024	4,200,000	189,500	4,389,500
2025-2026	4,000,000	278,250	4,278,250
	<u>\$ 22,990,000</u>	<u>\$ 2,427,262</u>	<u>\$ 25,417,262</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2019 was \$179,652,003 as follows:

Equalized valuation of the County	\$ 4,002,460,800
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>200,123,040</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 22,990,000
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>2,518,963</u>
Net outstanding general obligation debt applicable to debt limitation	<u>20,471,037</u>
Legal Margin for New Debt	<u><u>\$ 179,652,003</u></u>

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2019

7. Pension Plan a. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

b. Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

c. Contributions

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

During the reporting period ending December 31, 2019, the WRS recognized \$1,268,862 in contributions from the County.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

- d. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the County reported a liability of \$4,380,998 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.12353686%, which was a decrease of 0.00003906% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized pension expense of \$2,973,137.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,423,080	\$ 6,050,779
Net differences between projected and actual earnings on pension plan investments	6,418,676	-
Changes in assumptions	740,845	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,820	2,242
Employer contributions subsequent to the measurement date	1,319,064	-
Subtotal	<u>11,911,485</u>	<u>6,053,021</u>
Less 50% of MAR-OCO Landfill balances related to another entity	(38,385)	(19,359)
Total	<u>\$ 11,873,100</u>	<u>\$ 6,033,662</u>

\$1,319,064 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	Expense
2020	\$ 1,644,096
2021	417,271
2022	719,452
2023	1,758,581
Total	<u>\$ 4,539,400</u>

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

e. Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2017
Measurement date of net pension liability (asset):	December 31, 2018
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.0%
Discount rate:	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

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

* *Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based upon this experiences study, actuarial assumptions used to measure the Total Pension Liability changed from prior period, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.*

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

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2019

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5%	4.0%	1.5%
Inflation Sensitive Assets	15.5%	3.8%	1.3%
Real Estate	9%	6.5%	3.9%
Private Equity/Debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	7.6%	5.0%
International Equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% from the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
County's proportionate share of the net pension liability (asset)	\$ 17,466,405	\$ 4,395,054	\$ (5,324,509)

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

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2019

f. Payable to the WRS

At December 31, 2019 the County reported a payable of \$200,607 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

8. Other Postemployment Benefits Other Than Pension Benefits (OPEB)

a. Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of Marinette County, including MAR-OCO. Eligible retired employees have access to group medical coverage through the County's group plan. County paid medical benefits are paid for as indicated below. All employees of the County are eligible for the Plan if they meet the following age and service requirements below.

b. Benefits Provided

For employees who were hired before January 1, 2012, and retire from the County after attaining age 55 and 20 years of service, the employee is eligible to remain on the County's medical insurance plan for eight years. For employees who were hired before January 1, 2012, and retire from the County after attaining age 62 and 15 years of service, the employee is eligible to remain on the County's medical insurance plan for eight years.

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments 151

c. Net OPEB Liability

Marinette County's net OPEB liability was measured as of January 1, 2020 with rollback to December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

d. Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2020
Inflation:	2.75%
Salary Increases:	2.0%
Investment Rate of Return:	N/A
Healthcare cost trend rates:	6.75% decreasing by 0.50% every two years down to 5.0%, and level thereafter

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

Mortality rates are a blend of the Death - in-Service and Retired Lives mortality rates from the "Wisconsin Retirement System 2015 - 2017 Experience Study" with the MP-2018 generational improvement scale (multiplied by 50%).

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of the Wisconsin Retirement System's Three-Year Experience Study for the period 2015 through 2017.

Discount rate. The discount rate used to measure the total OPEB liability was 2.75%. The projection of cash flows used to determine the discount rate assumed that Marinette County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

e. Changes in the Net OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
	(a)
Balance at January 1, 2019	\$ 13,417,700
Changes for the year:	
Service cost	278,498
Interest	479,367
Effect of assumption changes	535,408
Differences between expected and actual experience	(68,605)
Contributions - employer	-
Net investment income	-
Benefit payments	(816,344)
Administrative expense	-
Net changes	408,324
Balance at December 31, 2019	\$ 13,826,024

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of Marinette County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease to Discount Rate (1.75%)	Current Discount Rate (2.75%)	1% Increase to Discount Rate (3.75%)
Net OPEB Liability	\$ 14,833,394	\$ 13,826,024	\$ 12,886,256

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of Marinette County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$ 12,637,690	\$ 13,826,024	\$ 15,176,797

For the year ended December 31, 2019, Marinette County recognized OPEB expense of \$852,430.

9. Closure and Post-Closure Care Costs

The Marinette-Oconto (MAR-OCO) Joint Landfill is a solid waste landfill operation owned 50% by Marinette County and 50% by Oconto County. Marinette County records 50% of MAR-OCO's financial transactions in an enterprise fund on its financial statements. Federal and state laws and regulations require MAR-OCO to place covers on landfill increments as they are filled (closure costs) and to perform certain maintenance and monitoring functions (post-closure care) of the landfill site for forty years after the landfill stops accepting waste. Most closure costs are paid when individual landfill increments reach capacity for accepting waste and post-closure care costs will normally only be paid after the entire landfill stops accepting waste. In accordance with GASB Statement No. 18, MAR-OCO annually records an estimate of the closure and post-closure care costs as an operating expense during the life of the landfill based on landfill capacity used compared to total estimated capacity available. The resultant liabilities for these estimated operating expenses are reduced each year for actual payments made. An analysis of the estimated liabilities for closure and post-closure care costs on December 31, 2019 follows:

	Landfill Closure Care	Landfill Post closure Care
Total estimated costs	\$ 1,289,256	\$ 2,451,280
Percentage of storage capacity used as of December 31, 2019	83.04%	66.59%
Total estimated liability for costs as of December 31, 2019	1,070,635	1,632,308
Less closure costs paid	678,725	-
Liabilities as of December 31, 2019	<u>\$ 391,910</u>	<u>\$ 1,632,308</u>

The above total costs of \$391,910 and \$1,632,308 for closure and post-closure care are estimates and subject to changes resulting from inflation/deflation, technology, or changes in applicable laws or regulations.

A portion of the above post-closure care costs of \$3,264,615 is being met through annual deposits into a separate cash and investment account for the enterprise fund. The balance in the account on December 31, 2019 was \$826,503. In addition, MAR-OCO has established an irrevocable letter of credit in the amount of \$900,000 (County share of \$450,000) to provide additional funding for landfill closure. In accordance with Wisconsin Statutes, the Wisconsin Department of Natural Resources is the beneficiary of the letter of credit.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

10. Fund Equity

In the financial statements, the governmental fund balances are classified in the following categories:

NON-SPENDABLE FUND BALANCES

Portions of governmental fund balances are not in a spendable form or are required to be maintained intact. Fund balances in non-spendable form consisted of the following:

General Fund	
Prepaid items	\$ 118,284
Delinquent property taxes	2,404,968
Long-term loans receivable	172,855
Total Nonspendable Fund Balances	<u>\$ 2,696,107</u>

RESTRICTED FUND BALANCES AND NET POSITION

Portions of governmental fund balances are restricted for specific purposes by constraints imposed by external providers. At December 31, 2019, restricted fund balances consisted of the following:

General Fund	
Sheriff Department honor guard uniforms	\$ 3,357
Sheriff Department canine	10,219
Family counseling	26,541
Veterans transportation	51,175
Veterans emergency assistance	16,237
Veterans flag fund	1,000
Wildlife habitat	48,528
County forest land acquisition	7,237
	<u>164,294</u>

Special Revenue Funds	
Land records modernization	323,573
Jail assessments	283,375
Dog licenses	1,000
Nicolet library grant	18,004
Library donations	185,353
Peshtigo library - McCauley trust	176,540
Peshtigo library - Falkenberg trust	19,527
Teen Court	921
	<u>1,008,293</u>

Total Restricted Fund Balances - Governmental Balance Sheet	<u>1,172,587</u>
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Total Restricted Net Position - Statement of Net Position	<u>\$ 1,172,587</u>
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Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

COMMITTED FUND BALANCES

Portions of governmental fund balances have been committed to specific purposes by the County Board. These amounts cannot be used for any other purpose unless the County Board approves the change. At December 31, 2019, committed fund balances consisted of the following:

General Fund	
Property tax reduction fund	\$ 12,068,728
Service level stabilization	2,000,000
Forestry heavy equipment	237,423
Tourism	58,350
Land information	150,000
Environmental site assessment	23,660
	<u>14,538,161</u>
Special Revenue Funds	
County roads and bridges	1,517,474
Solid waste long-term care	259,385
Forest and parks development	296,173
Non-metallic mining	65,577
Property management	100,000
Revolving loan fund	465,401
	<u>2,704,010</u>
Debt Service Fund	<u>2,518,963</u>
Total Committed Fund Balances	<u>\$ 19,761,134</u>

ASSIGNED FUND BALANCES

Portions of governmental fund balances have been assigned to specific purposes by County management with approval of the County's Finance Committee. These amounts cannot be used for any other purpose unless the Finance Committee approves the change. At December 31, 2019, assigned fund balances consisted of the following:

General Fund	
Capital maintenance	\$ 691,896
Subsequent years budget	250,000
County Department budget carryovers	725,601
Total Assigned Fund Balances	<u>\$ 1,667,497</u>

UNASSIGNED FUND BALANCES

General fund unassigned fund balance on December 31, 2019 was \$9,311,822 and after an interfund loan to cover the Human Services negative fund balance of \$279,857, was \$9,031,965 respectively. Of the \$9,311,822 balance, \$2,413,311 was allocated for contingencies and \$1,898,206 was allocated for cash flow requirements.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

11. Minimum Fund Balance Policy

The County has adopted the following fund balance policy:

Total General Fund unassigned fund balance is to be maintained at a level of no less than 17% of total regular budgeted general fund operating expenditures.

Budgeted 2019 General Fund Operating Expenditures	\$ 23,697,867
	17%
17% of total budgeted regular General Fund Expenditures	<u>\$ 4,028,637</u>

The General Fund unassigned fund balance on December 31, 2019 totaled \$9,311,822.

NOTE D - OTHER INFORMATION

1. 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. Financial transactions for the foregoing are recorded in a self-insurance internal service fund. On December 31, 2019 the self-insurance internal service fund had net position of \$1,713,893 allocated to the following risk management programs:

Property and liability insurance	\$ 17,772
Health and Dental	928,802
Workers compensation	767,319
Net Position	<u>\$ 1,713,893</u>

A description of the County's risk management programs follows:

Property and Liability Insurance

During 1988, the County became a member of the Wisconsin County Mutual Insurance Corporation (WCMIC). WCMIC was created by several governmental units within the State of Wisconsin to provide general, auto and other liability insurance services to its members. The County pays premiums to WCMIC for its liability insurance coverage. The actuary for WCMIC determines charges to its members for the expected losses and loss adjustment expenses on which premiums are based. Premium charges for WCMIC are recorded as expenses of the self-insurance fund and are financed by charges to various funds of the County. The County's self-insured retention limit is \$25,000 for each occurrence with a maximum limit of \$100,000 annually. A separate financial report is issued annually by WCMIC.

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are also recorded as expenses of the self-insurance fund and are recovered by charges to various funds of the County.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

Health Self-Insurance Fund

County employees, retirees and employee dependents are eligible for medical benefits from a health self-insurance fund. Funding is provided by charges to County departments, employees and retirees. The program is supplemented by stop loss protection, which limits the County's annual liability. Fund expenses consist of payments to a third-party administrator for medical claims, stop loss insurance premiums and administrative fees. On December 31, 2019, the fund had a net position balance of \$928,802.

The claims liability of \$574,112 reported in the fund at December 31, 2019 is based on the requirements of GASB Statement No. 10, 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. Changes in the fund's claims liability amount are as follows:

Year	Liability January 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31,
2019	\$ -	\$ 2,174,732	\$ 1,600,620	\$ 574,112

Workers Compensation

The County has established a self-insurance fund to finance workers compensation awards for County employees. The program is funded by charges to County departments. The program also is supplemented by stop loss protection, which limits the County's annual liability. Fund expenses and the accrual of claim liabilities are accounted for in the same manner as discussed previously for the health self-insurance program. Changes in the fund's claims liability amount as follows:

Year	Liability January 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31,
2018	\$ -	\$ 180,663	\$ 180,663	\$ -
2019	-	310,883	310,883	-

2. Contingencies

- a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under Uniform Grant Guidance has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.
- b. From time to time, the County is party to other 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 the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

Marinette County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

3. Subsequent Event

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Marinette County, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes Marinette County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

4. Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. GASB Statement No 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* made this statement effective for reporting periods beginning after December 15, 2019. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. GASB Statement No 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* made this statement effective for reporting periods beginning after June 15, 2021. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

MARINETTE COUNTY, WISCONSIN
Schedule Of Changes In Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2019

	2019	2018	2017
Total OPEB liability			
Service cost	\$ 278,498	\$ 303,647	\$ 293,379
Interest	479,367	474,960	472,332
Benefit payments	(816,344)	(627,557)	(700,879)
Changes of assumptions	535,408	-	-
Differences between expected and actual experience	(68,605)	-	-
Net change in total OPEB liability	408,324	151,050	64,832
Total OPEB liability - beginning	13,417,700	13,266,650	13,201,818
Total OPEB liability - ending (a)	<u>\$ 13,826,024</u>	<u>\$ 13,417,700</u>	<u>\$ 13,266,650</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 5,951,029	\$ 6,526,111	\$ 6,259,908
County's net OPEB liability as a percentage of covered-employee payroll	232.33%	205.60%	211.93%

* The amounts presented for each fiscal year were determined as of the current fiscal year end.
Amounts for prior years were not available.

The notes to the required supplementary information are an integral part of this schedule.

MARINETTE COUNTY, WISCONSIN
Schedule of Employer Contributions
Other Postemployment Benefit Plan
For the Year Ended December 31, 2019

	2019	2018	2017
Actuarially determined contribution (ADC)	\$ 1,109,037	\$ 1,089,976	\$ 1,064,139
Contributions in relation to the ADC	816,344	627,557	1,064,139
Contribution deficiency (excess)	<u>\$ 292,693</u>	<u>\$ 462,419</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,951,029	\$ 6,526,111	\$ 6,259,908
Contributions as a percentage of covered-employee payroll	14%	10%	17%

Key Methods and Assumption Used to Calculate ADC

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method	19 Year Level Dollar
Discount rate	2.75%
Inflation	2.75%

* The amounts presented for each fiscal year were determined as of the current fiscal year end.
Amounts for prior years were not available.

The notes to the required supplementary information are an integral part of this schedule.

MARINETTE COUNTY, WISCONSIN
Schedule of Proportionate Share of the Net Pension Asset
Wisconsin Retirement System

Schedule of Proportionate Share of the Net Pension Liability (Asset)

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.124750%	\$ (3,064,193)	\$ 16,438,902	18.64%	102.74%
12/31/15	0.124306%	\$ 2,019,940	\$ 16,649,208	12.13%	98.20%
12/31/16	0.123600%	\$ 1,018,758	\$ 16,884,519	6.03%	99.12%
12/31/17	0.123576%	\$ (3,669,115)	\$ 16,988,726	21.60%	102.93%
12/31/18	0.123537%	\$ 4,395,054	\$ 17,556,812	25.03%	96.45%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

Schedule of Employer Contributions

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/14	\$ 1,214,799	\$ 1,214,799	\$ -	\$ 16,438,902	7.39%
12/31/15	\$ 1,190,983	\$ 1,190,983	\$ -	\$ 16,649,208	7.15%
12/31/16	\$ 1,178,489	\$ 1,178,489	\$ -	\$ 16,884,519	6.98%
12/31/17	\$ 1,251,290	\$ 1,251,290	\$ -	\$ 16,988,729	7.37%
12/31/18	\$ 1,268,862	\$ 1,268,862	\$ -	\$ 17,556,812	7.23%
12/31/19	\$ 1,319,064	\$ 1,319,064	\$ -	\$ 18,447,781	7.15%

See Notes to Required Supplementary Information.

Marinette County, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75

Changes of benefit terms. There were no changes of benefit terms for any employee or beneficiary

Changes of assumptions. Actuarial assumptions are based on experience study conducted in previous years. The following assumptions have changed since the prior valuation:

1. Claims costs and trends have changed since the prior valuation.
2. Retirement, Withdrawal, Disability, and Mortality rates have changed since the prior valuation.
3. The discount rate changed from 3.5% in the prior valuation to 2.75% in the current valuations.
4. The percent family assumption changed from 70% in the prior valuation to 75% in the current valuation.
5. The Cadillac Tax was secluded in the current valuation.

NOTE B - WISCONSIN RETIREMENT SYSTEM

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. Actuarial assumptions are based on experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.*

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The County is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

The proportionate share of the net pension liability of \$4,395,054 includes \$14,057 of both Oconto and Marinette County's portion of the MAR-OCO landfill.

SUPPLEMENTARY INFORMATION

MARINETTE COUNTY, WISCONSIN
GENERAL FUND
Detailed Comparison of Budgeted and Actual Revenues
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Forest crop	\$ 100,000	\$ 100,000	\$ 146,278	\$ 46,278
General property taxes	9,957,324	9,957,324	9,957,324	-
Interest on taxes	575,000	575,000	528,118	(46,882)
Payment in lieu of taxes	300,000	300,000	301,693	1,693
Real estate transfer fees	100,000	100,000	105,267	5,267
Retained sales tax	150	150	174	24
Total taxes	<u>11,032,474</u>	<u>11,032,474</u>	<u>11,038,854</u>	<u>6,380</u>
Intergovernmental				
Federal aids				
SSA inmate incentive program	10,000	10,000	9,200	(800)
State aids				
Anti-Drug grants	1,000	22,176	18,841	(3,335)
Aquatic invasive species	26,975	46,285	27,468	(18,817)
ATV/Snowmobile trail maintenance and grooming	318,766	389,741	385,659	(4,082)
Child support program	678,101	678,101	628,566	(49,535)
Circuit court grants	181,000	181,000	203,356	22,356
Conservation grants	15,468	101,528	77,316	(24,212)
County clerk grants	-	-	600	600
Emergency government grants	65,313	81,568	81,819	251
Exempt computers	25,000	25,000	26,359	1,359
Forest roads	73,745	73,745	72,944	(801)
Forestry administrator	54,945	54,945	54,468	(477)
Hazard mitigation grant	5,098	5,098	2,879	(2,219)
Hazmat	10,000	10,000	7,475	(2,525)
Homeland security funding	5,000	5,000	4,800	(200)
Personal property aid	82,082	82,082	82,082	-
Police training/ATV/snowmobile/water	143,472	143,472	79,632	(63,840)
Shared and utility taxes	1,803,004	1,725,932	1,721,303	(4,629)
Sheriff department grants	-	16,900	14,725	(2,175)
Sheriff state reimbursements	140,911	140,911	143,550	2,639
S.W.R.M. automation grant	216,000	217,578	216,864	(714)
Targeted run-off management	450,000	450,000	419,607	(30,393)
Transportation	2,200	2,200	820	(1,380)
Veterans service awards	10,000	10,000	10,000	-
Victim witness program	30,000	30,000	31,464	1,464
Wildlife habitat management	111,603	111,603	114,157	2,554
Charges for services - outside agencies				
County Clerk Elections	3,000	3,000	6,107	3,107
Human Resources	20,000	20,000	20,072	72
Land Information	39,000	41,184	42,133	949
Sheriff	15,000	15,000	7,786	(7,214)

MARINETTE COUNTY, WISCONSIN
GENERAL FUND
Detailed Comparison of Budgeted and Actual Revenues
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Charges for services - interdepartmental				
Clerk of Courts	-	-	795	795
Corporation Counsel	-	-	1,339	1,339
Court Commissioner	-	-	1,733	1,733
District Attorney	-	-	316	316
Finance	96,006	96,006	18,770	(77,236)
Forestry	161,743	161,743	204,231	42,488
Human Resources	17,000	17,000	16,903	(97)
Land information	20,000	20,000	20,000	-
Maintenance	414,115	414,115	414,112	(3)
Parks	500	500	-	(500)
Total intergovernmental	<u>5,246,047</u>	<u>5,403,413</u>	<u>5,190,251</u>	<u>(213,162)</u>
Regulation and compliance				
Zoning permits and fees	24,950	24,950	30,185	5,235
Sanitary permits and reviews	97,200	97,200	97,895	695
Non-metallic mining fees	24,000	24,000	24,675	675
Occupational licenses	40	40	-	(40)
County ordinance forfeitures and defaults	126,000	126,000	103,478	(22,522)
County share of state fines and forfeitures	74,200	74,200	74,106	(94)
Bail bond forfeitures	-	-	11,501	11,501
Total regulation and compliance	<u>346,390</u>	<u>346,390</u>	<u>341,840</u>	<u>(4,550)</u>
Charges for services to public				
Accident photos and reports	1,200	1,200	1,954	754
Child support fees	11,500	11,500	8,351	(3,149)
Circuit court fees	162,000	162,000	167,359	5,359
County clerk fees	3,500	3,500	4,040	540
County forest	3,928,602	3,953,156	3,110,261	(842,895)
Corporation counsel fees	650	650	1,200	550
District attorney charges	9,000	9,000	5,434	(3,566)
Extension program	10,457	10,457	10,408	(49)
Family court counseling	8,500	8,500	8,515	15
Guardian ad litem fees	82,250	82,250	100,595	18,345
Inmate reimbursements	120,000	120,000	103,400	(16,600)
Jail canteen	45,000	35,444	35,444	-
Land information fees	35,200	35,200	28,882	(6,318)
Library fees	34,000	34,000	26,423	(7,577)
Medical examiner fees	45,000	50,000	58,060	8,060
Parks fees and reservations	394,000	394,000	439,180	45,180
Prisoner board fees	130,000	130,000	110,300	(19,700)
Register of deeds	240,100	240,100	234,546	(5,554)
Sheriff fees	271,200	271,200	257,151	(14,049)
Treasurer fees	62,250	62,250	67,834	5,584
Witness fees	1,000	1,000	575	(425)
Total charges for services	<u>5,595,409</u>	<u>5,615,407</u>	<u>4,779,912</u>	<u>(835,495)</u>

MARINETTE COUNTY, WISCONSIN
GENERAL FUND
Detailed Comparison of Budgeted and Actual Revenues
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Commercial				
Investment income	500,000	1,395,254	1,517,802	122,548
Loan repayments - Principal	250,000	250,000	250,000	-
Loan repayments - Interest	111,087	109,820	109,820	-
Other - interest	4,715	4,715	4,568	(147)
Rent of county buildings and offices	55,609	55,609	55,873	264
Land leases	22,806	22,806	36,306	13,500
Sale of county property	106,000	106,000	60,720	(45,280)
Total commercial	<u>1,050,217</u>	<u>1,944,204</u>	<u>2,035,089</u>	<u>90,885</u>
Miscellaneous				
Clerk of Courts	25,000	25,000	6,345	(18,655)
Corporation Counsel	1,571	1,571	-	(1,571)
County Board	-	-	412	412
County Clerk	-	-	4	4
District Attorney	11,000	11,000	18,906	7,906
Family Court Commissioner	2,400	2,400	-	(2,400)
Finance Department	39,488	39,488	56,438	16,950
Forestry Department	500	2,321	2,781	460
Land Conservation	500	500	-	(500)
Land Information	-	-	147	147
Maintenance	-	-	8,151	8,151
Medical Examiner	-	-	10	10
Parks Department	1,500	1,500	569	(931)
Sheriff Department	-	-	105	105
Donations	18,500	29,600	18,314	(11,286)
Insurance recoveries and dividends	-	19,779	80,791	61,012
Total miscellaneous	<u>100,459</u>	<u>133,159</u>	<u>192,973</u>	<u>59,814</u>
Total revenues	<u>\$ 23,370,996</u>	<u>\$ 24,475,047</u>	<u>\$ 23,578,919</u>	<u>\$ (896,128)</u>

MARINETTE COUNTY, WISCONSIN
GENERAL FUND
Detailed Comparison of Budgeted and Actual Expenditures
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
General government				
Administrator	\$ 246,913	\$ 263,337	\$ 263,337	\$ -
Corporation counsel	163,218	182,673	175,920	6,753
Circuit court	328,890	419,888	464,506	(44,618)
Clerk of court	499,662	573,486	544,343	29,143
Contingency	450,000	4,657	-	4,657
County board	168,657	207,155	198,705	8,450
County clerk	168,613	189,697	188,330	1,367
Courthouse facilities	2,391,205	2,597,830	2,021,410	576,420
District attorney	255,682	269,758	274,396	(4,638)
Employee health insurance	25,800	25,800	21,576	4,224
Elections	22,200	20,500	11,067	9,433
Family court commissioner	175,775	249,972	249,305	667
Family court commissioner - mediation services	10,000	9,985	10,000	(15)
Finance	1,352,029	618,094	554,294	63,800
Human resources	226,820	250,364	250,339	25
Independent auditing	25,260	25,260	25,260	-
Illegal taxes	2,000	2,000	807	1,193
Land information	409,913	612,224	611,962	262
Law library	4,500	4,367	4,366	1
Medical examiner	150,831	158,225	166,145	(7,920)
Personal property chargeback	-	1,678	1,678	-
Property management	38,643	38,643	38,208	435
Register of deeds	243,259	270,805	267,593	3,212
Retiree health insurance	507,823	545,223	545,206	17
Special accounting	5,850	5,850	5,850	-
State special charges	547	547	547	-
Tax deed expense	28,150	27,150	25,229	1,921
Treasurer	255,849	280,314	288,467	(8,153)
Victim witness program	65,750	68,838	68,847	(9)
Total general government	<u>8,223,839</u>	<u>7,924,320</u>	<u>7,277,693</u>	<u>646,627</u>
Public protection				
Ambulance and rescue squads	32,050	32,050	32,050	-
Central dispatch	1,351,506	1,890,532	1,891,270	(738)
Civil service commission	1,775	1,775	-	1,775
Emergency management	72,012	97,124	68,417	28,707
Emergency management EMPG grant	49,794	61,936	58,999	2,937
Emergency management EPCRA grant	27,117	29,617	21,394	8,223
Emergency management hazmat grant	10,000	10,000	7,475	2,525
Emergency management other grants	5,000	25,628	24,154	1,474
Fire suppression	1,500	1,500	-	1,500
Jail	2,686,357	2,661,812	2,695,781	(33,969)
Sheriff and traffic	4,321,574	5,424,034	5,326,057	97,977
Total public protection	<u>8,558,685</u>	<u>10,236,008</u>	<u>10,125,597</u>	<u>110,411</u>

MARINETTE COUNTY, WISCONSIN
GENERAL FUND
Detailed Comparison of Budgeted and Actual Expenditures
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Health				
Committee on aging	144,479	144,479	144,128	351
Child support program	805,653	805,679	736,029	69,650
Employee wellness	15,000	15,000	-	15,000
Veteran services	175,005	176,147	173,297	2,850
Total health	1,140,137	1,141,305	1,053,454	87,851
Culture and recreation				
Library	1,129,175	1,119,543	1,109,365	10,178
Fairs and exhibits	10,000	10,000	10,000	-
Parks	868,875	880,098	915,726	(35,628)
Snowmobile/ATV trails/Water recreation	318,766	389,741	385,607	4,134
Total culture and recreation	2,326,816	2,399,382	2,420,698	(21,316)
Education				
University extension program	196,516	219,981	213,205	6,776
U.W. Center	56,000	56,000	54,400	1,600
Total education	252,516	275,981	267,605	8,376
Forestry				
County forest	1,193,483	1,273,272	1,312,656	(39,384)
Forest equipment	172,000	172,000	122,793	49,207
Forest roads	134,886	159,440	158,639	801
Total forestry	1,500,369	1,604,712	1,594,088	10,624
Conservation and development				
Aquatic invasive species and other lake grants	9,886	75,108	48,237	26,871
Clean sweep	15,000	17,225	17,225	-
Conservation camp	8,650	7,899	7,449	450
Economic development	206,295	63,490	63,490	-
Environmental site assessment	-	10,000	-	10,000
Hazardous mitigation grant	5,098	8,292	6,074	2,218
Lake Noquebay dam	3,000	3,000	3,000	-
Land Conservation	703,094	541,099	527,229	13,870
Lundgren Lake	-	220	-	220
Non-metallic mining	17,962	8,242	8,917	(675)
Regional planning commission	22,978	22,978	22,978	-
SWRM automation grant	6,922	36,019	29,118	6,901
Targeted run-off management	450,000	450,000	419,607	30,393
Tourism	125,000	150,146	110,700	39,446
Waterway rehabilitation	-	63,059	39,691	23,368
Wildlife habitat management	17,715	17,715	2,905	14,810
Wildlife damage	103,905	103,905	103,387	518
Total conservation and development	1,695,505	1,578,397	1,410,007	168,390
Total expenditures	\$ 23,697,867	\$ 25,160,105	\$ 24,149,142	\$ 1,010,963

MARINETTE COUNTY, WISCONSIN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2019

	<u>DOG LICENSE FUND</u>	<u>COUNTY LIBRARY</u>	<u>COUNTY REVOLVING LOAN FUND</u>	<u>SOLID WASTE - LONG TERM CARE</u>
ASSETS				
Pooled cash and investments	\$ 6,239	\$ 18,332	\$ 466,111	\$ -
Accounts receivable	6	439	-	-
Interest receivable	-	-	-	218
Loans receivable	-	-	818,570	-
Due from other governments	-	-	-	-
Restricted assets - pooled cash and investments	-	-	-	259,167
Total assets	<u>\$ 6,245</u>	<u>\$ 18,771</u>	<u>\$ 1,284,681</u>	<u>\$ 259,385</u>
LIABILITIES				
Accounts payable	<u>\$ 5,245</u>	<u>\$ 767</u>	<u>\$ 710</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Loans payable	<u>-</u>	<u>-</u>	<u>818,570</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>5,245</u>	<u>767</u>	<u>819,280</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	1,000	18,004	-	-
Committed	-	-	465,401	259,385
Total fund balances (deficits)	<u>\$ 1,000</u>	<u>\$ 18,004</u>	<u>\$ 465,401</u>	<u>\$ 259,385</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,245</u>	<u>\$ 18,771</u>	<u>\$ 1,284,681</u>	<u>\$ 259,385</u>

<u>TEEN COURT</u>	<u>LIBRARY DONATIONS</u>	<u>PESHTIGO LIB MCCAULEY TRUST</u>	<u>PESHTIGO LIB FALKENBERG TRUST</u>	<u>FORESTRY & PARKS DEVELOPMENT</u>	<u>JAIL ASSESSMENT</u>
\$ 925	\$ 187,723	\$ 175,695	\$ 19,446	\$ 400,000	\$ 287,264
-	1,669	-	-	-	1,146
-	-	845	81	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 925</u>	<u>\$ 189,392</u>	<u>\$ 176,540</u>	<u>\$ 19,527</u>	<u>\$ 400,000</u>	<u>\$ 288,410</u>
<u>\$ 4</u>	<u>\$ 4,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,250</u>	<u>\$ 5,035</u>
-	-	-	-	-	-
<u>4</u>	<u>4,039</u>	<u>-</u>	<u>-</u>	<u>38,250</u>	<u>5,035</u>
921	185,353	176,540	19,527	-	283,375
-	-	-	-	361,750	-
<u>\$ 921</u>	<u>\$ 185,353</u>	<u>\$ 176,540</u>	<u>\$ 19,527</u>	<u>\$ 361,750</u>	<u>\$ 283,375</u>
<u>\$ 925</u>	<u>\$ 189,392</u>	<u>\$ 176,540</u>	<u>\$ 19,527</u>	<u>\$ 400,000</u>	<u>\$ 288,410</u>

MARINETTE COUNTY, WISCONSIN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2019

	<u>LAND RECORDS MODERNIZATION</u>	<u>PROPERTY MANAGEMENT</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS			
Pooled cash and investments	\$ 341,773	\$ 100,000	\$ 2,003,508
Accounts receivable	-	-	3,260
Interest receivable	-	-	1,144
Loans receivable	-	-	818,570
Due from other governments	25,000	-	25,000
Restricted assets - pooled cash and investments	-	-	259,167
Total assets	<u>\$ 366,773</u>	<u>\$ 100,000</u>	<u>\$ 3,110,649</u>
LIABILITIES			
Accounts payable	\$ 43,200	\$ -	\$ 97,250
DEFERRED INFLOWS OF RESOURCES			
Loans payable	-	-	818,570
Total liabilities and deferred inflows of resources	<u>43,200</u>	<u>-</u>	<u>915,820</u>
FUND BALANCES (DEFICITS)			
Restricted	323,573	-	1,008,293
Committed	-	100,000	1,186,536
Total fund balances (deficits)	<u>\$ 323,573</u>	<u>\$ 100,000</u>	<u>\$ 2,194,829</u>
Total liabilities and fund balances (deficits)	<u>\$ 366,773</u>	<u>\$ 100,000</u>	<u>\$ 3,110,649</u>

MARINETTE COUNTY, WISCONSIN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special revenue funds

For the Year Ended December 31, 2019

	DOG LICENSE FUND	COUNTY LIBRARY	COUNTY REVOLVING LOAN FUND	COMM DEVELOPMENT BLOCK GRANT
REVENUES				
Intergovernmental	\$ -	\$ 14,422	\$ -	\$ -
Regulation and compliance	6,100	-	-	-
Charges for services	-	-	-	-
Loan repayments - Principal	-	-	77,775	16,911
Loan repayments - Interest	-	-	24,103	6,034
Interest on investments	-	-	18,251	1,272
Sale of county property	-	-	-	-
Donations	-	-	-	-
Total revenues	<u>6,100</u>	<u>14,422</u>	<u>120,129</u>	<u>24,217</u>
EXPENDITURES				
General government	-	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Health	6,100	-	-	-
Culture and recreation	-	11,714	-	-
Conservation and development	-	-	634,487	276,287
Total expenditures	<u>6,100</u>	<u>11,714</u>	<u>634,487</u>	<u>276,287</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,708</u>	<u>(514,358)</u>	<u>(252,070)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	2,708	(514,358)	(252,070)
Fund balances - beginning	1,000	15,296	979,759	252,070
Fund balances - ending	<u>\$ 1,000</u>	<u>\$ 18,004</u>	<u>\$ 465,401</u>	<u>\$ -</u>

SOLID WASTE - LONG TERM CARE	TEEN COURT	LIBRARY DONATIONS	PESHTIGO LIB MCCAULEY TRUST	PESHTIGO LIB FALKENBERG TRUST	FORESTRY & PARKS DEVELOPMENT	JAIL ASSESSMENT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	13,214	46,325
-	-	-	-	-	53,061	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,755	-	-	1,337	134	-	-
-	-	-	-	-	181,348	-
-	200	78,365	-	-	-	-
<u>2,755</u>	<u>200</u>	<u>78,365</u>	<u>1,337</u>	<u>134</u>	<u>247,623</u>	<u>46,325</u>
-	505	-	-	-	-	-
-	-	-	-	-	-	32,862
10,846	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	17,994	3,249	-	194,141	-
-	-	-	-	-	-	-
<u>10,846</u>	<u>505</u>	<u>17,994</u>	<u>3,249</u>	<u>-</u>	<u>194,141</u>	<u>32,862</u>
<u>(8,091)</u>	<u>(305)</u>	<u>60,371</u>	<u>(1,912)</u>	<u>134</u>	<u>53,482</u>	<u>13,463</u>
-	1,500	-	-	-	-	169,320
-	-	-	-	-	(100,000)	-
-	<u>1,500</u>	-	-	-	<u>(100,000)</u>	<u>169,320</u>
(8,091)	1,195	60,371	(1,912)	134	(46,518)	182,783
267,476	(274)	124,982	178,452	19,393	408,268	100,592
<u>\$ 259,385</u>	<u>\$ 921</u>	<u>\$ 185,353</u>	<u>\$ 176,540</u>	<u>\$ 19,527</u>	<u>\$ 361,750</u>	<u>\$ 283,375</u>

MARINETTE COUNTY, WISCONSIN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special revenue funds

For the Year Ended December 31, 2019

	LAND RECORDS MODERNIZATION	PROPERTY MANAGEMENT	2016 CAPITAL PROJECTS	TOTAL NONMAJOR FUNDS
REVENUES				
Intergovernmental	\$ 76,704	\$ -	\$ -	\$ 91,126
Regulation and compliance	77,864	-	-	143,503
Charges for services	-	-	-	53,061
Loan repayments - Principal	-	-	-	94,686
Loan repayments - Interest	-	-	-	30,137
Interest on investments	-	-	9,472	33,221
Sale of county property	-	-	-	181,348
Donations	-	-	-	78,565
Total revenues	<u>154,568</u>	<u>-</u>	<u>9,472</u>	<u>705,647</u>
EXPENDITURES				
General government	118,681	-	200,487	319,673
Public protection	-	-	-	32,862
Public ways and facilities	-	-	-	10,846
Health	-	-	-	6,100
Culture and recreation	-	-	-	227,098
Conservation and development	-	-	-	910,774
Total expenditures	<u>118,681</u>	<u>-</u>	<u>200,487</u>	<u>1,507,353</u>
Excess (deficiency) of revenues over expenditures	<u>35,887</u>	<u>-</u>	<u>(191,015)</u>	<u>(801,706)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100,000	-	270,820
Transfers out	-	-	(381,329)	(481,329)
Total other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>(381,329)</u>	<u>(210,509)</u>
Net change in fund balances	35,887	100,000	(572,344)	(1,012,215)
Fund balances - beginning	287,686	-	572,344	3,207,044
Fund balances - ending	<u>\$ 323,573</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 2,194,829</u>

MARINETTE COUNTY, WISCONSIN

Combining Statement of Net Position

Nonmajor Internal Service Funds

December 31, 2019

	INFORMATION SERVICES	MOTOR POOL	SELF INSURANCE	WELLNESS	Total Nonmajor Internal Service Funds
ASSETS					
Current assets:					
Pooled cash and investments	\$ 901,491	\$ 111,029	\$ 1,803,873	\$ 24,597	\$ 2,840,990
Accounts receivable	19,942	-	320,229	167	340,338
Property taxes levied for subsequent year	-	-	91,956	-	91,956
Prepaid items	-	160	167,890	-	168,050
Total current assets	<u>921,433</u>	<u>111,189</u>	<u>2,383,948</u>	<u>24,764</u>	<u>3,441,334</u>
Noncurrent assets:					
Machinery and equipment	1,791,485	708,029	-	-	2,499,514
Accumulated depreciation	(876,709)	(533,867)	-	-	(1,410,576)
Construction work in progress	229,067	-	-	-	229,067
Total noncurrent assets	<u>1,143,843</u>	<u>174,162</u>	<u>-</u>	<u>-</u>	<u>1,318,005</u>
Total assets	<u>2,065,276</u>	<u>285,351</u>	<u>2,383,948</u>	<u>24,764</u>	<u>4,759,339</u>
LIABILITIES					
Current liabilities:					
Accounts payable	47,016	58	573,535	104	620,713
Accrued liabilities	24,229	-	-	53	24,282
Deposits from others	-	-	4,564	-	4,564
Unearned revenue	21,918	-	-	-	21,918
Total liabilities	<u>93,163</u>	<u>58</u>	<u>578,099</u>	<u>157</u>	<u>671,477</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	91,956	-	91,956
Total liabilities and deferred inflows of resources	<u>93,163</u>	<u>58</u>	<u>670,055</u>	<u>157</u>	<u>763,433</u>
NET POSITION					
Net investment in capital assets	1,130,764	174,162	-	-	1,304,926
Unrestricted	841,349	111,131	1,713,893	24,607	2,690,980
Total net position	<u>\$ 1,972,113</u>	<u>\$ 285,293</u>	<u>\$ 1,713,893</u>	<u>\$ 24,607</u>	<u>\$ 3,995,906</u>

MARINETTE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2019

	INFORMATION SERVICES	MOTOR POOL	SELF INSURANCE	WELLNESS	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 1,661,228	\$ 165,338	\$ 7,663,633	\$ -	\$ 9,490,199
Donations	-	-	-	14,146	14,146
Total operating revenues	<u>1,661,228</u>	<u>165,338</u>	<u>7,663,633</u>	<u>14,146</u>	<u>9,504,345</u>
OPERATING EXPENSES					
Operation and maintenance	1,272,303	122,646	-	-	1,394,949
Claims and premiums	-	-	7,004,903	12,755	7,017,658
Depreciation	121,023	71,113	-	-	192,136
Total operating expenses	<u>1,393,326</u>	<u>193,759</u>	<u>7,004,903</u>	<u>12,755</u>	<u>8,604,743</u>
Operating income (loss)	<u>267,902</u>	<u>(28,421)</u>	<u>658,730</u>	<u>1,391</u>	<u>899,602</u>
NONOPERATING REVENUES (EXPENSES)					
General property taxes	-	-	103,820	-	103,820
Sale of county property	435	20,176	-	-	20,611
Insurance recoveries and dividends	-	10,799	14,553	-	25,352
Miscellaneous revenues	-	-	-	8,216	8,216
Total nonoperating revenues (expenses)	<u>435</u>	<u>30,975</u>	<u>118,373</u>	<u>8,216</u>	<u>157,999</u>
Income before transfers	<u>268,337</u>	<u>2,554</u>	<u>777,103</u>	<u>9,607</u>	<u>1,057,601</u>
Transfers in	-	-	135,000	15,000	150,000
Change in net position	<u>268,337</u>	<u>2,554</u>	<u>912,103</u>	<u>24,607</u>	<u>1,207,601</u>
Total net position - beginning	1,703,776	282,739	801,790	-	2,788,305
Total net position - ending	<u>\$ 1,972,113</u>	<u>\$ 285,293</u>	<u>\$ 1,713,893</u>	<u>\$ 24,607</u>	<u>\$ 3,995,906</u>

MARINETTE COUNTY, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	INFORMATION SERVICES	MOTOR POOL	SELF INSURANCE	WELLNESS	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from interfund	\$ 1,374,871	\$ 165,338	\$ 662,631	\$ -	\$ 2,202,840
Cash receipts from customers	267,187	-	6,692,754	13,980	6,973,921
Payments to employees	(520,848)	-	(84,894)	(379)	(606,121)
Payments to suppliers	(686,139)	(124,826)	(6,119,883)	(12,220)	(6,943,068)
Net cash provided by operating activities	<u>435,071</u>	<u>40,512</u>	<u>1,150,608</u>	<u>1,381</u>	<u>1,627,572</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property taxes	-	-	103,820	-	103,820
Insurance recoveries	-	10,799	3,344	-	14,143
Transfer in	-	-	135,000	15,000	150,000
Miscellaneous revenue	-	-	11,208	8,216	19,424
Net cash provided by noncapital financing activities	<u>-</u>	<u>10,799</u>	<u>253,372</u>	<u>23,216</u>	<u>287,387</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(325,993)	(98,110)	-	-	(424,103)
Proceeds from sale of assets	435	20,176	-	-	20,611
Net cash used by capital and related financing activities	<u>(325,558)</u>	<u>(77,934)</u>	<u>-</u>	<u>-</u>	<u>(403,492)</u>
Net increase (decrease) in cash and cash equivalents	109,513	(26,623)	1,403,980	24,597	1,511,467
Balances - beginning of year	791,978	137,652	399,893	-	1,329,523
Balances - end of the year	<u>\$ 901,491</u>	<u>\$ 111,029</u>	<u>\$ 1,803,873</u>	<u>\$ 24,597</u>	<u>\$ 2,840,990</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income	\$ 267,902	\$ (28,421)	\$ 658,730	\$ 1,391	\$ 899,602
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	121,023	71,113	-	-	192,136
Changes in assets and liabilities:					
Accounts Payable - Supplier	30,377	(2,020)	489,362	104	517,823
Customer Receivables	(19,170)	-	(320,112)	(167)	(339,449)
Inventory	17,172	-	-	-	17,172
Salaries & Benefits Payable	2,156	-	(2,623)	53	(414)
Prepaid items	15,611	(160)	325,251	-	340,702
Net cash provided by operating activities	<u>\$ 435,071</u>	<u>\$ 40,512</u>	<u>\$ 1,150,608</u>	<u>\$ 1,381</u>	<u>\$ 1,627,572</u>
CASH RECONCILIATION					
Actual Balance - end of year	<u>\$ 901,491</u>	<u>\$ 111,029</u>	<u>\$ 1,803,873</u>	<u>\$ 24,597</u>	<u>\$ 2,840,990</u>

MARINETTE COUNTY, WISCONSIN
Combining Statement of Fiduciary Net Position
Agency funds
December 31, 2019

	SECTION 125 FLEX PLAN	DISTRICT TAX COLLECTIONS	MAROCO LANDFILL DEPOSITS	CLERK OF COURTS TRUST DEPOSITS	SHERIFF INMATE DEPOSITS	HHS PROTECTIVE PAYEE DEPOSITS	Total Agency Funds
ASSETS							
Cash and investments	\$ 8,629	\$ 3,703,518	\$ 1,729,241	\$ 618,993	\$ 44,326	\$ 102,952	\$ 6,207,659
Delinquent property taxes	-	139,892	-	-	-	-	139,892
Total assets	<u>8,629</u>	<u>3,843,410</u>	<u>1,729,241</u>	<u>618,993</u>	<u>44,326</u>	<u>102,952</u>	<u>6,347,551</u>
LIABILITIES							
Tax collections	\$ -	\$ 3,698,625	\$ -	\$ -	\$ -	\$ -	\$ 3,698,625
Special assessments	-	144,785	-	-	-	-	144,785
Accounts payable	8,629	-	-	-	-	-	8,629
Deposits payable	-	-	1,729,241	618,993	44,326	102,952	2,495,512
Total liabilities	<u>8,629</u>	<u>3,843,410</u>	<u>1,729,241</u>	<u>618,993</u>	<u>44,326</u>	<u>102,952</u>	<u>6,347,551</u>

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the County Board
Marinette County, Wisconsin

We have audited, in accordance with the 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, the 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 Marinette County, Wisconsin, (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 31, 2020.

Our report includes a reference to other auditors who audited the financial statements of Marinette County Committee on Aging, and the Stephenson Public Library Foundation, as described in our report on Marinette County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Stephenson Public Library Foundation were not audited in accordance with Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin

July 31, 2020

FEDERAL AND STATE AWARDS



Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the County Board
Marinette County, Wisconsin

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited Marinette County, Wisconsin's ("the County's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the County's major federal and state programs for the year ended December 31, 2019. The County's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Marinette County's basic financial statements include the operations of the Marinette County Committee on Aging, Inc., as a discretely presented component unit, which expended \$308,950 in federal awards which is not included in Marinette County's schedule of expenditures of federal awards during the year ended December 31, 2019. Our audit, described below, did not include the operations of Marinette County Committee on Aging, Inc. because the component unit issues separate audited financial statements, which included an audit of compliance.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin

July 31, 2020

MARINETTE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19		
U.S. DEPARTMENT OF AGRICULTURE								
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI DHS	154710	\$ (58,345)	\$ 194,823	\$ 30,279	\$ 166,757	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI DHS	154746	-	3,198	-	3,198	-
SNAP Cluster								
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County	61	(1,287)	4,674	1,688	5,075	-
State Administrative Matching Grants for Food Stamp Program	10.561	WI DHS	154661	(6,621)	10,710	5,763	9,852	-
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County	284	(129,969)	397,294	89,121	356,446	-
Total SNAP Cluster				(137,877)	412,678	96,572	371,373	-
WIC Grants To States (WGS)	10.578	Direct Program	154740	-	725	-	725	-
Total U.S. Department of Agriculture				(196,222)	611,424	126,851	542,053	-
U.S. DEPARTMENT OF FISH & WILDLIFE SERVICE								
Sturgeon Habitat Improvement in the Peshtigo River (Kasal Proj)	15.658	Direct Program	240	-	35,000	-	35,000	-
Peshtigo River Fish Habitat and Bank Stabilization Project	15.658	Direct Program	253	-	-	2,209	2,209	-
Total U.S. Department of Fish & Wildlife Service				-	35,000	2,209	37,209	-
U.S. DEPARTMENT OF INTERIOR								
National Fire Plan	15.228	WI DNR	N/A	(4,210)	7,089	-	2,879	-
U.S. DEPARTMENT OF JUSTICE								
Bullet Proof Vest Partnership	16.607	Direct Program	1121-0235	(2,955)	2,955	538	538	-
Cease Grant	16.579	WI DOJ		-	1,156	-	1,156	-
COPS Anti Heroin Task Force	16.710	WI DOJ	HP-WX-0006	(2,211)	3,296	435	1,520	2,380
COPS Anti Methamphetamine	16.710	WI DOJ		(1,219)	8,061	5,743	12,585	7,505
Total U.S. Department of Justice				(6,385)	15,468	6,716	15,799	9,885
U.S. DEPARTMENT OF TRANSPORTATION								
Highway Safety Cluster								
Speed Enforcement	20.601	WI DOT	3360	-	14,725	-	14,725	-
Total Highway Safety Cluster				-	14,725	-	14,725	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	WI DMA	01-10676	-	4,800	-	4,800	-
Total U.S. Department of Transportation				-	19,525	-	19,525	-
DEPARTMENT OF EDUCATION								
Special Education-Grants for Infants and Families	84.181	WI DHS	550	-	37,049	-	37,049	-

MARINETTE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medicare Enrollment Assistance Program	93.071	GWAAR	560620	-	3,693	-	3,693	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.069	WI DHS	155050	-	3,450	-	3,450	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.069	WI DHS	155015	(11,504)	49,641	12,754	50,891	-
Total Public Health Emergency Preparedness Aligned Cooperative Agreements				(11,504)	53,091	12,754	54,341	-
Immunization Cooperative Agreements	93.268	WIDHS	155020	-	9,911	-	9,911	-
Promoting Safe and Stable Families	93.556	WI DCF	3306	-	42,827	-	42,827	-
TANF Cluster								
Temporary Assistance for Needy Families	93.558	WI DHS	561	-	82,991	-	82,991	-
Child Support Enforcement (Title IV-D) All Other Expenditures 66% Federal	93.563	WI DCF	7477	(254,559)	547,752	149,401	442,594	-
Child Support Enforcement Title IV-D) CS Previously Reimbursed Expenditures	93.563	WI DCF	7477C	-	(1,801)	-	(1,801)	-
Child Support Enforcement (Title IV-D) Fees 66% Federal	93.563	WI DCF	7482	1,934	(6,519)	(927)	(5,512)	-
Child Support Enforcement (Title IV-D) Qualifying Non IV-D Activities Federal	93.563	WI DCF	7506	(181)	627	190	636	-
Child Support Enforcement (Title IV-D) County E-Filing	93.563	WI DCF	7332	-	15,652	1,064	16,716	-
Child Support Enforcement (Title IV-D) CY19 Post ARRA Incentives	93.563	WI DCF	7560	-	2,729	-	2,729	-
Child Support Enforcement (Title IV-D) Performance Based Incentives	93.563	WI DCF	7617	-	103,389	-	103,389	-
Total Child Support Enforcement (Title IV-D)				(252,806)	661,829	149,728	558,751	-
Low Income Home Energy Assistance	93.568	WI DOA	G-17B1WILIEA & G-20B1WILIEA	(14,431)	52,707	14,247	52,523	-
Child Care and Development Block Grant	93.575	WI DCF	831	(50)	1,869	358	2,177	-
Child Care and Development Block Grant	93.575	WI DCF	840	-	820	76	896	-
Child Care and Development Block Grant	93.575	WI DCF	852	(8,276)	46,892	8,342	46,958	-
CS Medical Support	93.597	WI DCF	7332	(1,295)	1,295	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3413	(428)	5,278	201	5,051	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3561	-	23,922	-	23,922	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3681	-	1,912	-	1,912	-
Total Stephanie Tubbs Jones Child Welfare Services Program				(428)	31,112	201	30,885	-
Foster Care (Title IV-E)	93.658	WI DCF	3413	(767)	9,464	361	9,058	-
Foster Care (Title IV-E)	93.658	WI DCF	3561	-	268,475	-	268,475	-
Foster Care (Title IV-E)	93.658	WI DCF	3681	-	21,462	-	21,462	-
Total Foster Care (Title IV-E)				(767)	299,401	361	298,995	-
Social Services Block Grant	93.667	WI DHS	561	-	154,705	-	154,705	-
Preventive Health and Health Services Block Grant	93.758	WI DHS	159220	(5,315)	5,315	-	-	-
Children's Health Insurance Program	93.767	Brown County	284	(16,738)	51,737	11,668	46,667	-
Medicaid Cluster								
Medical Assistance Program	93.778	WI DHS	878	(15,766)	15,766	16,644	16,644	-
Medical Assistance Program	93.778	WI DHS	881	(2,112)	2,112	3,047	3,047	-
Medical Assistance Program	93.778	WI DHS	560081	(11,272)	41,233	5,466	35,427	-
Medical Assistance Program	93.778	WI DHS	560087	(31,369)	129,292	25,619	123,542	-
Medical Assistance Program	93.778	WI DHS	560097	(27,573)	100,786	15,248	88,461	-
Medical Assistance Program	93.778	WI DHS	560152	(8,502)	24,111	6,292	21,901	-
Medical Assistance Program	93.778	WI DHS	560155	(12,837)	41,107	13,531	41,801	-
Medical Assistance Program - WIMCR	93.778	WI DHS	N/A	-	242,468	-	242,468	-
Medical Assistance Program	93.778	Brown County	62	(1,287)	4,674	1,688	5,075	-
Medical Assistance Program	93.778	Brown County	284	(165,568)	511,773	115,417	461,622	-
Medical Assistance Program - CLTS TPA	93.778	WI DHS	N/A	-	235,467	-	235,467	-
Total Medicaid Cluster				(276,286)	1,348,789	202,952	1,275,455	-

MARINETTE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)								
Block Grants for Community Mental Health Services	93.958	WI DHS	533277	-	-	13,509	13,509	-
Block Grants for Community Mental Health Services	93.958	WI DHS	515	(1,502)	8,388	1,214	8,100	-
Block Grants for Community Mental Health Services	93.958	WI DHS	569	(4,278)	20,982	2,028	18,732	-
Block Grants for Community Mental Health Services	93.958	WI DHS	570	(45,852)	65,397	-	19,545	-
Total Block Grants for Community Mental Health Services				(51,632)	94,767	16,751	59,886	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	515	(249)	1,366	197	1,314	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	545	-	46,607	-	46,607	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	546	-	9,021	-	9,021	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	533165	-	37,142	10,873	48,015	-
Total Block Grants for Prevention and Treatment of Substance Abuse				(249)	94,136	11,070	104,957	-
Preventive Health and Health Services Block Grant	93.991	WI DHS	159220	-	3,146	6,395	9,541	-
Maternal and Child Health Services Block Grant to the States	93.994	WI DHS	159320	-	16,698	-	16,698	-
Total U.S. Department of Health and Human Services				(639,777)	3,057,731	434,903	2,852,857	-
U.S. DEPARTMENT OF HOMELAND SECURITY								
Hazardous Mitigation Grant	97.017	WI DMA	Unknown	(7,688)	-	22,670	14,982	-
Emergency Management Performance Grants	97.042	WI DMA	C8363	(25,087)	26,296	50,016	51,225	-
Total U.S. Department of Homeland Security				(32,775)	26,296	72,686	66,207	-
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ (879,369)	\$ 3,809,582	\$ 643,365	\$ 3,573,578	\$ 9,885

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

MARINETTE COUNTY, WISCONSIN
Schedule of State Financial Assistance
For the Year Ended December 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19		
<u>DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION</u>								
County Staff and Support	115.150	Direct Program	9214-17-38-00	\$ -	\$ 120,678	\$ -	\$ 120,678	\$ -
Land & Water Resource Management Plan Implementation	115.400	Direct Program	LWP-28	-	-	24,455	24,455	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	LWP-29	-	-	26,731	26,731	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	NM-17-1	-	-	45,000	45,000	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	NM-17-3	(17,002)	17,002	-	-	-
Total Department of Agriculture, Trade and Consumer Protection				(17,002)	137,680	96,186	216,864	-
<u>DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES</u>								
Private Sewage System Replacement and Rehabilitation Program	165.202	Direct Program	N/A	-	9,580	-	9,580	-
<u>DEPARTMENT OF NATURAL RESOURCES</u>								
Boating Enforcement	370.550	Direct Program	NR50.13	-	13,597	16,876	30,473	-
ATV Enforcement	370.551	Direct Program	NR50.125	-	17,855	-	17,855	-
Snowmobile Enforcement	370.552	Direct Program	NR50.12	-	21,597	-	21,597	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	TRC38000AY16	(130,641)	130,641	-	-	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	TRC38000AY19	-	-	103,387	103,387	-
Wildlife Habitat	370.564	Direct Program	37000-FWHIG	-	10,770	-	10,770	-
County Forest Administrator Grants	370.572	Direct Program	N/A	-	54,468	-	54,468	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S5207	44,885	109,633	31,933	186,451	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S5327	-	76,035	(51,152)	24,883	-
Total Recreational Aids - Snowmobile Trail and Area Aid				44,885	185,668	(19,219)	211,334	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4018 (Summer)	-	72,487	10,075	82,562	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4058 (Winter)	-	11,710	(8,169)	3,541	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-4077T (Troutes)	-	1,081	(1,081)	-	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3817 (Summer)	(8,037)	72,487	-	64,450	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3857(Winter)	8,979	11,710	-	20,689	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3876T (Troutes)	1,051	(1,051)	-	-	-
Total All-Terrain Vehicle (ATV) Program				1,993	168,424	825	171,242	-
Nonpoint Source Pollution	370.662	Direct Program	TRC-TRC-38000-Y19A	-	150,000	-	150,000	-
Nonpoint Source Pollution	370.662	Direct Program	TMD38000Y18	-	-	150,000	150,000	-
Nonpoint Source Pollution	370.662	Direct Program	TRC-TRC-38000-Y17	-	-	119,607	119,607	-
Lake Management Planning - Large Scale Grants	370.663	Direct Program	LPL-1562-15	(11,341)	11,341	-	-	-
Invasive Aquatic Species	370.678	Direct Program	AIRR20516	(2,284)	2,284	4,120	4,120	-
Invasive Aquatic Species	370.678	Direct Program	AIRR22918	2,575	-	(1,590)	985	-
Herbicide Enclosure Study	370.678	Direct Program	ACE122719	-	-	16,468	16,468	-
Bass Lake Alum Treatment Evaluation	370.678	Direct Program	LPL167718	12,622	-	(2,327)	10,295	-
Total Department of Natural Resources				(82,191)	766,645	388,147	1,072,601	-
<u>DEPARTMENT OF TRANSPORTATION</u>								
Elderly and Handicapped Transportation Aids	395.101	Direct Program	N/A	-	137,836	-	137,836	-

MARINETTE COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19		
DEPARTMENT OF HEALTH SERVICES								
Fraud Prevention Investigation, State Share	435.060	Brown County	60	(2,574)	9,345	3,375	10,146	-
IMAA State Share	435.283	Brown County	283	-	186,370	1,308	187,678	-
IMAA Federal Share	435.284	Brown County	284	-	4,440	1,480	5,920	-
Adult Protective Services	435.312	Direct Program	312	(15,704)	43,462	8,764	36,522	-
Children's COP	435.377	Direct Program	377	(7,803)	32,582	3,569	28,348	-
Coordinated Services - County	435.515	Direct Program	515	(8,426)	51,427	7,585	50,586	-
Community mental Health	435.516	Direct Program	516	-	240,078	-	240,078	-
Non-Resident - 997	435.531	Direct Program	531	(52,740)	77,754	-	25,014	-
Birth To Three Initiative	435.550	Direct Program	550	-	35,596	-	35,596	-
Basic County Allocation	435.561	Direct Program	561	-	889,894	-	889,894	-
IDP Emergency Funds	435.567	Direct Program	567	-	-	59,464	59,464	-
State/County Match	435.681	Direct Program	681	-	124,043	-	124,043	-
CLTS Waiver GPR	435.871	Direct Program	N/A	-	131,231	-	131,231	-
CLTS Grandfather GPR	435.874	Direct Program	N/A	-	11,933	-	11,933	-
CLTS Other - County Administrative Costs	435.877	Direct Program	877	(6,831)	15,834	11,854	20,857	-
CLTS Autism - County Administrative Costs	435.880	Direct Program	880	(1,948)	1,948	2,170	2,170	-
Flouride Mouth Rinse	435.151735	Direct Program	151735	-	1,302	-	1,302	-
WIC Total Grants	435.154710	Direct Program	154710	-	-	-	-	-
WIC Farmers Market	435.154720	Direct Program	154720	-	1,149	-	1,149	-
Birth Defects/CYSHCN Project	435.154791	Direct Program	154791	(1,500)	1,500	-	-	-
Cons Contracts CHHD LD	435.157720	Direct Program	157720	-	6,310	-	6,310	-
Comm Disease Ctrl & Prev	435.155800	Direct Program	155800	-	4,300	-	4,300	-
TPCP-NP-WINS	435.181004	Oneida County Health Department	181004	-	3,275	-	3,275	-
TPCP-NP-INTRV	435.181010	Oneida County Health Department	181010	-	2,200	200	2,400	-
Aging Disability Resource Center	435.560100	Direct Program	560100	(70,130)	326,063	40,779	296,712	-
ADRC GRS - 12 DPH	435.560131	Direct Program	560131	-	-	327	327	-
Aging Disability Resource Center	435.560132	Direct Program	560132	-	-	327	327	-
ADRC Dementia Care Project	435.560158	Direct Program	560158	(26,484)	84,043	35,441	93,000	-
Elder Abuse	435.560490	GWAAR	560490	(1,771)	24,235	4,618	27,082	-
Total Department of Health Services				(195,911)	2,310,314	181,261	2,295,664	-

MARINETTE COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19		
DEPARTMENT OF CHILDREN AND FAMILIES								
Child Support Fingerprint	437.961	Direct Program	961	-	557	-	557	-
Food Stamp Agency Incentives	437.965	Direct Program	965	(1,484)	16,195	1,697	16,408	-
AFDC Agency Incentives	437.975	Direct Program	975	(38)	317	53	332	-
Medicaid Agency Incentives	437.980	Direct Program	980	(1,036)	13,388	1,167	13,519	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377A	-	61,736	-	61,736	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377B	-	92,720	27,084	119,804	-
Kinship Care Program - Assessment	437.3380	Direct Program	3380A	-	5,266	-	5,266	-
Kinship Care Program - Assessment	437.3380	Direct Program	3380B	-	6,807	2,519	9,326	-
Grants for Foster Parents - Foster Parent Retention	437.3390	Direct Program	3390A	(6,714)	17,422	(3)	10,705	-
Community Intervention Program	437.3410	Direct Program	3410	(2,328)	16,953	3,167	17,792	-
Youth Aids AODA	437.3411	Direct Program	3411	(9,740)	9,740	9,740	9,740	-
Youth Aids	437.3413	Direct Program	3413	(47,991)	591,920	22,586	566,515	-
JJ Community Supervision Services	437.3414	Direct Program	3414	(5,312)	5,312	-	-	-
Basic County Allocation	437.3561	Direct Program	3561	-	274,484	-	274,484	-
State County Match	437.3681	Direct Program	3681	-	21,942	-	21,942	-
Child Support State GPR/PR Funding Allocation	437.7502	Direct Program	7502	-	67,463	-	67,463	-
Child Support Medical Support GPR Earned	437.7606	Direct Program	7606	-	2,222	-	2,222	-
Total Department of Children and Families				(74,643)	1,204,444	68,010	1,197,811	-
DEPARTMENT OF JUSTICE								
Victim and Witness Assistance Program - A Program Cluster	455.503, 455.532, & 455.539	Direct Program	N/A	(17,262)	31,568	17,158	31,464	-
Treatment Alternative and Diversion Program	455.217	Direct Program	2018-TD-02-12630	(39,066)	39,066	-	-	-
Treatment Alternative and Diversion Program	455.217	Direct Program	2019-TD-02-14802	-	55,738	69,819	125,557	-
Total Department of Justice				(56,328)	126,372	86,977	157,021	-
DEPARTMENT OF MILITARY AFFAIRS								
Emergency Training Grant Program	465.337	Direct Program	323.60 Ss.	(7,829)	7,829	15,613	15,613	-
Computer and Hazmat Equipment Grant	465.367	Direct Program	323.61 Ss.	(8,077)	15,552	-	7,475	-
Total Department of Military Affairs				(15,906)	23,381	15,613	23,088	-
DEPARTMENT OF ADMINISTRATION								
Land Information Board	505.110	Direct Program	N/A	-	25,704	-	25,704	-
WLIP Training & Education Grant	505.118			-	1,000	-	1,000	-
WLIP Strategic Initiative Grant	505.166			-	25,000	25,000	50,000	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599971.38 & AD1599972.38	(12,708)	42,850	8,836	38,978	-
Total Department of Administration				(12,708)	94,554	33,836	115,682	-
TOTAL STATE PROGRAMS				\$ (454,689)	\$ 4,810,806	\$ 870,030	\$ 5,226,147	\$ -

The notes to the schedule of state financial assistance are an integral part of this schedule.

Marinette County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the County are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal and state awards include all federal and state awards of the County. Because the schedules present only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the County's 2019 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the County in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded County expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State Single Audit guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3: OVERSIGHT AGENCIES

The federal and state oversight agencies for the County are as follows:

Federal - U.S. Department of Justice

State - Wisconsin Department of Health Services

NOTE 4: TITLE 19 MEDICAL ASSISTANCE PAYMENTS

The Schedules of Expenditures of Federal and State Awards do not include repayments received by the County's Human Service Department for Title 19 Medical Assistance programs. The payments are considered a contract for services between the State and the County and therefore are not reported as federal or state awards.

NOTE 5: PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:

GWAAR - Greater Wisconsin Agency on Aging Resources

WI DCF - Wisconsin Department of Children and Families

WI DHS - Wisconsin Department of Health Services

WI DMA - Wisconsin Department of Military Affairs

WI DNR - Wisconsin Department of Natural Resources

WI DOA - Wisconsin Department of Administration

WI DOJ - Wisconsin Department of Justice

WI DOT - Wisconsin Department of Transportation

Marinette County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6: STATE DIRECT PAYMENTS

Payments made directly to recipients and vendors by the State of Wisconsin under the FoodShare Wisconsin program on behalf of the County are not included in the Schedules of Expenditures of Federal and State Awards.

NOTE 7: STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS & DCF programs agree with the expenditures reported on the May 2019 CARS for the Human Services and Public Health Departments, and the December 2018 SPARC for Child Support and Child Care programs.

Marinette County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Noncompliance material to basic financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program
93.778	Medical Assistance Program

Identification of major state programs:

State ID Number	Name of State Program
370.662	Non Point Source Pollution
435.283	IMAA State Share
435.284	IMMA Federal Share
435.561	Basic County Allocation
435.681	State/County Match
435.871	CLTS Other GPR
435.874	CLTS Autism Fed
435.877	CLTS Other CWA Admin GPR
435.880	CLTS Autism CWA Admin GPR
435.560	ADRC Dementia
435.560100	ADRC
437.3561	Basic County Allocation
437.3681	State/County Match

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	Yes

Marinette County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION IV - OTHER ISSUES

- | | |
|--|----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| Department of Agriculture, Trade and Consumer Protection | No |
| Department of Natural Resources | No |
| Department of Transportation | No |
| Department of Corrections | No |
| Department of Health Services | No |
| Department of Children and Families | No |
| Department of Justice | No |
| Department of Military Affairs | No |
| Department of Administration | No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | No |



4. Name and signature of partner

Jon Trautman, CPA

5. Date of report

July 31, 2020

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

