

# Marinette County, Wisconsin

## ANNUAL FINANCIAL REPORT

DECEMBER 31, 2018

# Marinette County, Wisconsin

DECEMBER 31, 2018

---

## Table of Contents

<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS</b>	
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
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	33
Statement of Cash Flows - Proprietary Funds	35
Statement of Fiduciary Net Position	36
Notes to Basic Financial Statements	37
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	66
Schedule of Contributions - Wisconsin Retirement System	66
Schedule of Changes in Net OPEB Liability and Related Ratios	67
Schedule of Employer Contributions - Other Postemployment Benefit Plan	68
Notes to Required Supplementary Information	69

# Marinette County, Wisconsin

DECEMBER 31, 2018

---

## **SUPPLEMENTARY INFORMATION**

Detailed Comparison of Budgeted and Actual Revenues - General Fund	70
Detailed Comparison of Budgeted and Actual Expenditures - General Fund	72
Combining Balance Sheet - Nonmajor Special Revenue Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	77
Combining Statement of Net Position - Internal Service Funds	80
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	81
Statement of Cash Flows - Internal Service Funds	82
Combining Statement of Fiduciary Net Position	83

## **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>	85
---	----

## **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>	87
Schedule of Expenditures of Federal Awards	89
Schedule of State Financial Assistance	92
Notes to the Schedules of Expenditures of Federal and State Awards	95
Schedule of Findings and Questioned Costs	97



## 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, 2018, 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 Committee on Aging, Association for Business & Industry 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 and the Marinette County Association of Business and Industry 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, 2018, 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.

## **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 66 through 68 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, 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 August 8, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
August 8, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---



# FINANCE DEPARTMENT

## Management's Discussion and Analysis December 31, 2018

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, 2018. Our discussion and analysis is based on currently known facts, decisions, and conditions of the County.

### Financial Highlights

- As of December 31, 2018, the total net position of the County was \$98,344,399, an increase of \$2,903,701 from the previous year. Of this amount, a \$2,290,573 increase was from Governmental Activities and \$613,128 from the Business-type Activities. The main source of this increase relates to excess revenues over expenditures. In the Governmental Activities, revenues increased \$2,116,518 from \$42,355,476 in 2017 to \$44,471,994 in 2018. Expenses increased \$1,618,800 from \$40,562,621 in 2017 to \$42,181,421 in 2018. In the Business-type Activities, revenues increased \$954,483 from \$7,455,534 in 2017 to \$8,410,017 in 2018. Expenses increased \$153,495 from \$7,643,394 in 2017 to \$7,796,889 in 2018.
- Of the total net position, *unrestricted* funds which may be used to meet the County's ongoing obligations to citizens and creditors, increased \$1,562,934 from \$31,617,127 in 2017 to \$33,180,061 in 2018.
- *Restricted* funds decreased \$316,151 from \$3,066,247 in 2017 to \$2,750,096 in 2018. The main source of this decrease was due to the reduction of the 2016 capital improvement project account. The remaining 2016 CIP fund has a balance of \$572,344.
- The County's operating property tax rate decreased \$.065 to \$4.257 per \$1,000 of property value for the year ended December 31, 2018. The decrease in the operating tax rate was driven by a \$132,137,700 increase in the County's equalized property valuation. In 2018, the County increase the debt service property tax by \$.012 to \$0.250 for service debt related to the County's Capital Improvement Plan.
- The operating tax levy increased \$332,368 (1.774%) 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, 2018, the County's combined governmental funds reported ending fund balances totaling \$35,408,500, an increase of \$522,932 from the previous year. Of the December 31, 2018 combined governmental fund balance of \$35,408,500, approximately 86.3% of this total amount, \$30,550,069 is *available for spending* at the County's discretion (*unrestricted fund balance*). The County's unrestricted fund balance of \$30,550,069 is further categorized based on constraints imposed upon the use of those funds. Of the total unrestricted fund balance, \$18,763,603 is committed by County Board action to specific purposes, \$2,100,429 is assigned for specific purpose by the governing body or by the Finance Director with the Administrator's approval, and \$9,686,037 is not committed or assigned (unassigned).

- As of December 31, 2018, the unrestricted fund balance for the general fund was \$25,915,553, or approximately 117% of total 2018 actual general fund operating expenditures of \$22,161,167. The unassigned general fund amount of \$9,686,311 represents 16.7% of the County's 2018 original adopted gross operational and debt service expenditure budgets which totaled \$57,889,971. Under the County's Fund Balance Policy, \$2,339,443 and \$1,836,462 of the \$9,686,311 unassigned general fund balance is classified for contingencies and cash flow requirements respectfully.
- The County Roads and Bridges Special Revenue Fund balance decreased \$182,003 to \$2,072,890. Of the \$2,072,890 ending fund balance, \$488,400 is committed for specific projects leaving \$1,584,490 available for discretionary County Road spending. 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 increase of \$527,360 for 2018. A transfer from the general fund of \$455,074 to cover the 2017 fund deficit was the main source of the increase. The general fund also transferred \$220,000 for the purchase of the Marinette County Group Home and \$67,844 to support mental health case management and telehealth psychiatrist services in 2018. 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 2018, the ending HHS fund balance was \$72,286.
- At the end the 2018, the County's general obligation debt was \$25,340,000 compared to \$27,740,000 at the end of 2017. After current year debt service costs, the debt service fund ended the year with a net increase of \$206,768. The fund ended 2018 with a fund balance of \$834,881, compared to \$687,066 in 2017. The debt service fund realized a savings of \$200,000 in principal and \$6,000 in interest due to early retirement of an inter-fund advance from the general fund in 2017.

## 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 - 29 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 30 - 33 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 34 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 35 - 65 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 66 - 86.

## 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 2018 was \$98,344,399 compared to \$95,440,698 for the year ended 2017.

Marinette County's Net Position							
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	Total	Total	Total Percentage Change
	2017	2017	2018	2018	2017	2018	2017-2018
Current & other assets	\$ 65,358,011	\$ 4,824,500	\$ 69,622,303	\$ 6,105,567	\$ 70,182,511	\$ 75,727,870	7.90%
Capital assets	79,948,022	7,143,068	79,730,806	7,233,081	87,091,090	86,963,887	-0.15%
Total assets	145,306,033	11,967,568	149,353,109	13,338,648	157,273,601	162,691,757	3.45%
Deferred outflow of resources	7,168,430	1,076,928	6,172,584	908,016	8,245,358	7,080,600	-14.13%
Long-term liabilities outstanding	39,369,084	1,818,070	36,314,065	3,559,498	41,187,154	39,873,563	-3.19%
Other liabilities	6,847,427	2,013,901	6,553,278	451,172	8,861,328	7,004,450	-20.95%
Total liabilities	46,216,511	3,831,971	42,867,343	4,010,670	50,048,482	46,878,013	-6.33%
Deferred inflow of resources	19,653,739	376,040	23,763,564	786,381	20,029,779	24,549,945	22.57%
Net position:							
Net investment in capital assets	53,614,256	7,143,068	55,181,160	7,233,082	60,757,324	62,414,242	2.73%
Restricted	2,692,390	373,857	2,350,764	399,332	3,066,247	2,750,096	-10.31%
Unrestricted	30,297,567	1,319,560	31,362,862	1,817,199	31,617,127	33,180,061	4.94%
Net position:	\$ 86,604,213	\$ 8,836,485	\$ 88,894,786	\$ 9,449,613	\$ 95,440,698	\$ 98,344,399	3.04%

The largest portion of the County's net position (63.5%) reflects its investment in capital assets of \$62,414,242 (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 (\$2,750,096) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$33,180,061) 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 \$98,344,399. Of the \$2,903,701 increase in net position from 2017, Governmental Activities increased \$2,290,573 and Business-type Activities increased \$613,128. The key elements affecting the change in net position were as follows:

**Governmental Activities:**

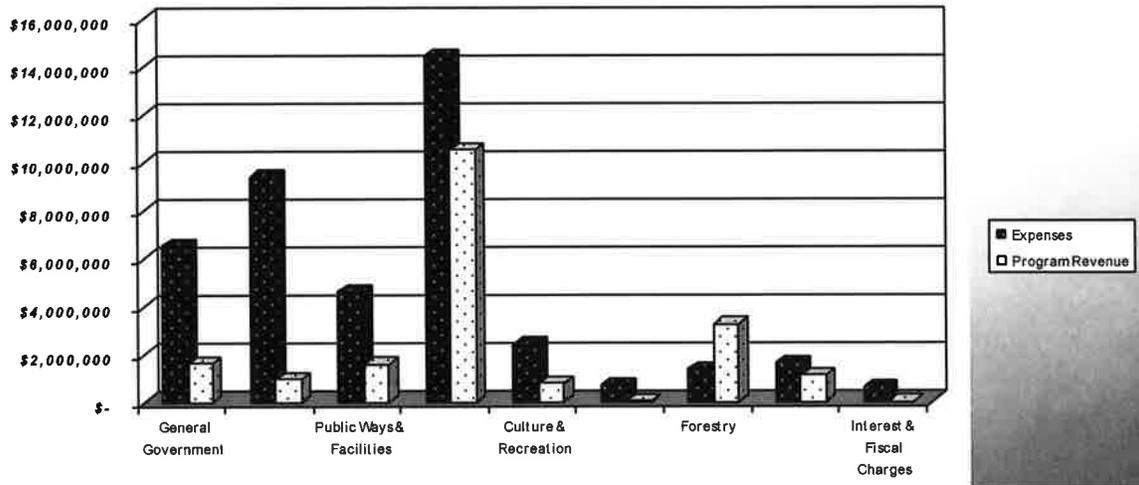
- The main source of the Governmental Activities change in net position relates to excess revenues over expenditures. Revenues in the Governmental Activities increased \$2,116,518 from \$42,355,476 in 2017 to \$44,471,994 in 2018. Expenses increased \$1,618,800 from \$40,562,621 in 2017 to \$42,181,421 in 2018.
- Overall, County Departments stayed within their original appropriations and returned unspent appropriations to the general fund.
- Of the \$750,000 Sheriff Department software funds, \$519,632 remained unspent in 2018 and was carried forward to the 2019 budget. These funds were originally transferred from the 2016 Capital Improvement Project (CIP) funds. Additional Capital maintenance funds of \$572,344 assigned for specific building repair and update projects were also unspent in 2018 and carried over to 2019.
- Of the \$550,000 for radio equipment and consoles in Dispatch, \$420,023 remained unspent and was carried forward to the 2019 budget. This project was expected to be completed in early 2019.
- The general fund had unspent contingency funds of \$35,061. Of the \$575,000 budgeted, \$60,000 was carried forward to 2019 for the broadband project. \$100,000 was transferred to the self-insurance fund for start-up costs associated with the decision to move to a self-insured plan for 2019. The remaining amount of \$379,939 was transferred to cover unexpected 2018 expenses and year-end budget overages
- Timber sales have been slow to recover to since the 2015 high of \$3,685,654. Revenues increased \$37,638 from \$2,854,533 in 2017 to \$2,892,171 in 2018. Low stumpage rates continue to be the major reason for the decreased revenues.
- The operating tax levy increased \$332,368 (1.774%) 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:**

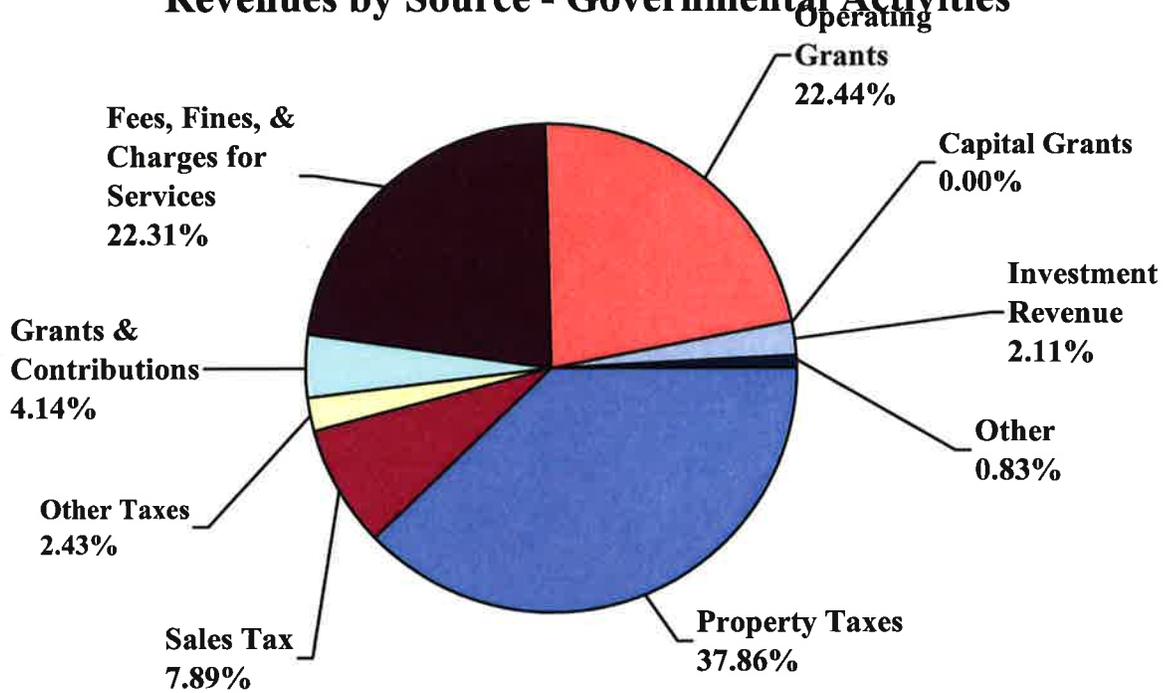
- The main source of the Business-type Activities change in net position also relates to excess revenues over expenditures. Revenues in the Business-type increased \$954,483 from \$7,455,534 in 2017 to \$8,410,017 in 2018. Expenses increased \$153,495 from \$7,643,394 in 2017 to \$7,796,889 in 2018.
- The Solid Waste Fund's 2018 operating loss was \$38,969 compared to the 2017 operating loss of \$68,162. The major source of the loss was due to excess expenditures of \$574,856 over revenues of \$535,887 in 2018. Interest earnings of \$21,793 mitigated some of the loss. Cash and cash equivalents increased \$195,995 to \$761,779 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.

Marinette County's Change in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2017	2018	2017	2018	2017	2018
<b>Revenues:</b>						
<b>Program revenues:</b>						
Fees, fines, & charges for services	\$ 9,434,335	\$ 9,922,318	\$ 7,407,635	\$ 8,364,553	\$ 16,841,970	\$ 18,286,871
Operating grants and contributions	9,342,367	9,978,061	-	-	9,342,367	9,978,061
Capital grants and contributions	43,746	-	-	-	43,746	-
<b>General revenues:</b>						
Property & sales taxes	19,891,853	20,343,946	-	-	19,891,853	20,343,946
Other taxes	1,018,852	1,079,827	-	-	1,018,852	1,079,827
<b>Grants &amp; contributions not restricted to specific programs</b>						
Other	1,665,806	1,842,009	-	-	1,665,806	1,842,009
Other	958,517	1,305,833	47,899	45,464	1,006,416	1,351,297
<b>Total revenues</b>	<b>42,355,476</b>	<b>44,471,994</b>	<b>7,455,534</b>	<b>8,410,017</b>	<b>49,811,010</b>	<b>52,882,011</b>
<b>Expenses:</b>						
General government	7,220,567	6,717,518	-	-	7,220,567	6,717,518
Public protection	9,103,871	9,466,058	-	-	9,103,871	9,466,058
Public ways & facilities	3,817,716	4,622,268	-	-	3,817,716	4,622,268
Health	14,205,778	14,526,489	-	-	14,205,778	14,526,489
Culture & recreation	2,336,218	2,433,084	-	-	2,336,218	2,433,084
Education	636,105	734,784	-	-	636,105	734,784
Forestry	1,439,298	1,391,598	-	-	1,439,298	1,391,598
Conservation & development	1,075,065	1,629,429	-	-	1,075,065	1,629,429
Interest & fiscal charges	728,003	660,193	-	-	728,003	660,193
Highway operations	-	-	7,101,270	7,222,033	7,101,270	7,222,033
Solid waste	-	-	542,124	574,856	542,124	574,856
<b>Total expenses</b>	<b>40,562,621</b>	<b>42,181,421</b>	<b>7,643,394</b>	<b>7,796,889</b>	<b>48,206,015</b>	<b>49,978,310</b>
Increase (decrease) in net position	1,792,855	2,290,573	(187,860)	613,128	1,604,995	2,903,701
<b>Cumulative Effect of Change in Accounting Principle</b>						
Prior Period Adjustment	(5,323,983)	-	(1,338,935)	-	(6,662,918)	-
Prior Period Adjustment	-	-	41,106	-	41,106	-
<b>Net Position - January 1</b>	<b>90,135,341</b>	<b>86,604,213</b>	<b>10,322,174</b>	<b>8,836,485</b>	<b>100,457,515</b>	<b>95,440,698</b>
<b>Net Position - December 31</b>	<b>\$ 86,604,213</b>	<b>\$ 88,894,786</b>	<b>\$ 8,836,485</b>	<b>\$ 9,449,613</b>	<b>\$ 95,440,698</b>	<b>\$ 98,344,399</b>

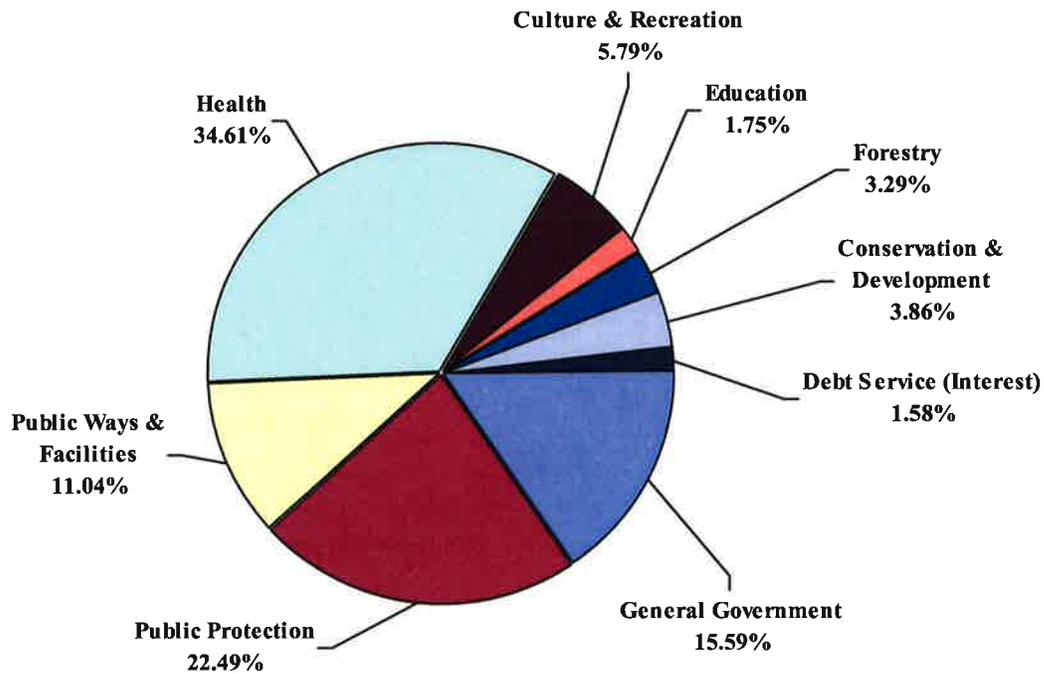
### Expenses & Program Revenues - Governmental Activities



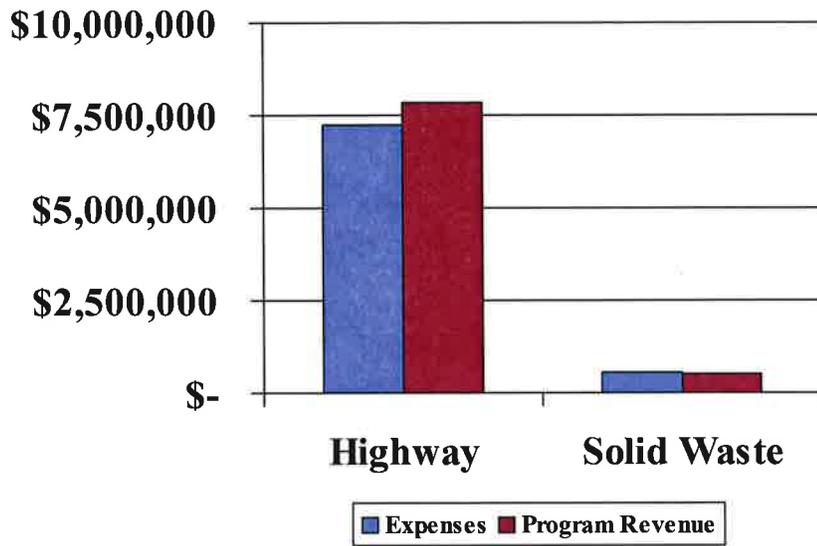
## Revenues by Source - Governmental Activities



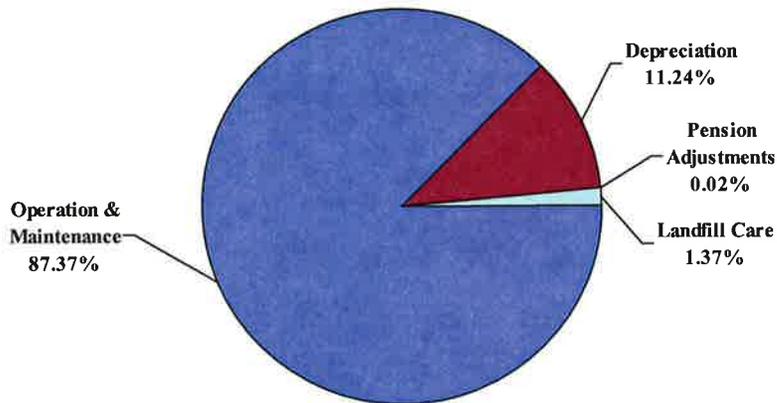
## Expenses by Activity - Governmental Activities



**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, 2018, the County's combined governmental funds totaled \$35,408,500, an increase of \$522,932 from the prior year. Approximately 86% of this amount, \$30,550,069, 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 (\$352,318), 2) for non-liquid delinquent taxes (\$2,602,019) 3) for loans receivable that are not expected to be liquidated in the next year (\$201,926) 4) by grant, donor or other restrictions (\$1,702,168).

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 \$25,915,553, while the total fund balance was \$29,221,399. 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 116.9% of total 2018 general fund expenditures, while total fund balance represents 137.9% of that same amount. This compares to prior year percentages of 87.3% and 100.6% respectively.

Marinette County's General fund balance increased by \$353,693 for the year ended December 31, 2018. The slight increase in fund balance was mainly due to County Departments staying within their original appropriations and returning unspent appropriations to the general fund. Other factors contributing this increase include uncompleted capital maintenance project funding.

The County's Health and Human Services (HHS) Special Revenue Fund ended with a fund balance of \$72,286 in 2018. This compares to the deficit fund balance of \$455,074 in the previous year. A transfer from the general fund of \$455,074 to cover the 2017 fund deficit was the main source of the increase. High placement costs for juvenile boarding continue to strain annual expenditures. Unfilled staff vacancies and conservative budgeting have assisted in mitigating these expenditures. The current fund balance represents .53% of the total 2018 Health and Human Services special revenue fund expenditures of \$13,743,186.

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 \$2,135,409, an increase \$377,482 from 2017. The main source of the increase relates to excess revenues over expenditures. Revenues increased \$894,993 from \$6,933,673 in 2017 to \$7,828,666 in 2018. Comparatively, expenses increased slightly \$124,344 from \$7,094,561 in 2017 to \$7,218,905 in 2018.

The Maroco Landfill unrestricted net position increased \$123,285 from (\$490,243) in 2017 to (\$366,958) in 2018. An operating loss of \$38,969 was offset by \$21,793 in investment earnings. Overall, a decrease in net position for the solid waste fund in 2017 was \$17,176 from \$876,389 in 2017 to \$859,213 in 2018.

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 decreased the original general fund expenditure budget by \$316,886. The change to the 2018 expenditure appropriations can be summarized as follows:

- A net carryover of unspent appropriations from 2017 to 2018 of \$873,999
- Department requests to carry forward unspent appropriations from 2018 to 2019 of (\$1,194,739)
- 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 \$1,483,217 primarily due to the following:

- Approximately \$632,345 in capital maintenance projects for the Courthouse were not completed during the current year and carried over to 2019.
- Overall positive results from several departments remaining under budget, namely an additional amount of \$173,621 in general government, \$93,399 in education, \$112,560 in forestry, and \$352,107 in conservation and development contributed

Actual revenues were \$811,419 less than projected budget amount in 2018. 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, 2018 amounts to \$86,963,887 (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 \$127,203 mainly as a result of investment in depreciation being greater than new assets.

Additional information on Marinette County's capital assets can be found in Note C.4 on pages 48 - 50 of this report.

Marinette County's Capital Assets (Net of Accumulated Depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Land	\$ 4,865,401	\$ 4,925,401	\$ 238,989	\$ 238,989	\$ 5,104,390	\$ 5,164,390
Construction in progress	153,211	499,536	178,612	237,727	331,823	737,263
Land improvements	-	-	991,643	888,619	991,643	888,619
Buildings & improvements	28,902,695	28,374,868	1,637,389	1,462,049	30,540,084	29,836,917
Machinery & equipment	3,386,752	3,523,305	4,096,435	4,405,697	7,483,187	7,929,002
Infrastructure	42,639,963	42,407,696	-	-	42,639,963	42,407,696
Total	\$79,948,022	\$ 79,730,806	\$ 7,143,068	\$ 7,233,081	\$87,091,090	\$ 86,963,887

**Long-term debt.** At the end of the year, the County's total general obligation debt outstanding was \$25,340,000. 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	
	2017	2018	2016	2017	2017	2018
General Obligation Debt						
Bonds and notes	\$27,740,000	\$ 25,340,000	\$ -	\$ -	\$27,740,000	\$ 25,340,000

The County's total general-obligation debt balance decreased by \$2,400,000 (8.65%) in 2018. 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. In 2014 an internal advance from the General Fund of \$1,000,000 was utilized to help with the early retirement of the 2004 Library renovation debt. The balance on the advance of \$400,000 was paid off in 2018 due to positive results in sales tax.

Sales tax revenues are also used to fund County tourism and some capital outlay in the general fund. The 2018 transfer out of the debt service fund for the foregoing items \$1,056,821. In 2019, sales tax revenues net of principal and interest payments on debt will be 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, 2018 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 \$195,696,555 which is \$170,356,555 in excess of the County's \$25,340,000 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**

- The unemployment rate for Marinette County is currently 3.5% for April, 2019, which is the latest available data at the time of this report. This rate is down from the 4.5% recorded in March, 2019 and the 4.6% recorded in March, 2018. Comparatively, the State of Wisconsin's average rate for April, 2019 is 2.8%.
- 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 1,500 employees as compared to 1,400 a year ago. Their parent company, Fincantieri, has recently completed a \$73.5 million capital expansion program, with 550,000 square feet of manufacturing, warehouse and receiving space, allowing the ability to build six Littoral Combat Ships simultaneously.
- Bay Area Medical Center completed the construction of a \$135 million dollar 332,000 facility in 2018. The new facility provides an extensive women's health center, heart and vascular center, and cancer center. Recently, Advocate Aurora Health recently signed an agreement to assume full ownership of Bay Area Medical Center. The deal is expected to close mid-year, 2019 and the community would benefit from coordinated services existing in the Advocate Aurora Health footprint.
- Several small to mid-size employers throughout the County also feel the effects of the weak local economy in their specialty industries and continue to recover. Evidence of community involvement and support for growth, the fall of 2018 brought an effort to have the Twin Cities selected for the latest season of Small Business Revolution. Ultimately, though not chosen, Marinette and Menominee was among the final ten with more than 12,000 towns nominated.
- 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.
- The City of Marinette completed a \$12 million dollar Community Sports and Event Center. The new facility supports large events such as concerts and trade shows, as well as sports activities including soccer, baseball, softball, ice hockey, basketball, tennis, curling and indoor track events. It is expected to help draw workforce talent to the area, providing recreation opportunities for families.
- Also promoting tourism, beginning in 2018 the Marinette County Board of Supervisors approved ordinance changes to allow ATV/UTV access to some County roads. Municipalities throughout the county have requested these road routes to aid in accessing the trail systems. Volunteers from six Marinette County ATV Clubs maintain the nearly 300 miles of trails.
- In 2018, Packerland Broadband was awarded three grants by the State of Wisconsin. One of the three grants will be used to provide internet service to unserved and underserved homes in Marinette County. The \$210,000 grant will deploy a TV White Space system to ten locations in Marinette County and involves placing a tower in the Town of Dunbar. The Marinette County Board of Supervisors approved partnering and entering into an agreement with Packerland Broadband to establish services in portions of the county along the US Highway 141 corridor at a cost not to exceed \$60,000 in support of this project.

The following factors were considered in preparing the County's 2019 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 2019 budget increased to \$243,983 or 1.549%.

As part of the 2019 general fund budget, the County applied \$11,517 of restricted, \$13,844 of committed, \$762,268 of assigned, and \$641,129 of unassigned fund balances. Total general fund amounts applied totaled \$1,428,758. Total restricted and committed special revenue and debt service fund balances applied to the 2019 budget were \$664,982. Of the total funds applied (\$2,772,618) to the 2019 budget, \$2,522,618 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 2019 budget contains capital project expenditures of \$4,482,113. In previous years, capital project expenditures were funded through general obligation borrowing. Capital project expenditures are currently funded through the operational budget, fund balances and the application of County savings. This was a cultural shift beginning in 2017, moving away from using general obligation bonding. Of the 2019 budgeted capital project expenditures of \$2,126,045, \$1,674,875 is for county road annual maintenance, \$375,000 for Ella Court building renovations, and \$76,170 is for Sheriff Department vehicle replacements.

The debt levy for 2019 of \$957,406 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 payments will be deposited back into the fund. The year-end fund balance increased \$150,000 from \$11,558,908 in 2017 to \$11,708,908 in 2018. Lower interest rates continue to hurt the County's investment returns in recent years, but are improving.

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 2019 Budget.

In 2014, the County also approved a Debt Policy which defines County debt limits by considering the tax burden on the County's taxpayers.

## 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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 32,381,993	\$ 2,967,979	\$ 35,349,972
Other cash and investments	-	-	-
Accounts receivable	1,953,443	47,601	2,001,044
Interest receivable	831,344	1,389	832,733
Taxes receivable	20,182,972	-	20,182,972
Loans receivable	8,464,578	-	8,464,578
Internal balances	(48,748)	48,748	-
Due from other governments	1,454,194	367,101	1,821,295
Inventories and prepaid items	878,241	1,492,296	2,370,537
Restricted cash and investments	266,687	781,121	1,047,808
Net pension asset	3,257,599	399,332	3,656,931
Capital assets (net of accumulated depreciation)			
Nondepreciable	5,424,937	476,716	5,901,653
Depreciable	74,305,869	6,756,365	81,062,234
<b>TOTAL ASSETS</b>	<b>149,353,109</b>	<b>13,338,648</b>	<b>162,691,757</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Retirement system unfunded liability amortization	-	180,530	180,530
Deferred charge on refunding	229,848	-	229,848
Deferred pension contributions & changes	5,942,736	727,486	6,670,222
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,172,584</b>	<b>908,016</b>	<b>7,080,600</b>
<b>LIABILITIES</b>			
Accounts payable	1,113,013	352,376	1,465,389
Accrued liabilities	1,273,925	4,356	1,278,281
Unearned fringe benefit	-	80,129	80,129
Due to other governments	73,137	-	73,137
Deposits from others	199,183	-	199,183
Unearned revenue	416,385	-	416,385
Accrued interest	211,165	-	211,165
Long-term obligations			
Unamortized premiums	759,391	-	759,391
Portion due or payable within one year:			
Bonds and notes payable	2,350,000	-	2,350,000
Compensated absences	157,079	14,311	171,390
Portion due or payable after one year:			
Bonds and notes payable	22,990,000	-	22,990,000
Compensated absences	1,413,715	128,796	1,542,511
Post employment insurance	11,910,350	1,502,233	13,412,583
Landfill care costs	-	1,928,469	1,928,469
<b>TOTAL LIABILITIES</b>	<b>42,867,343</b>	<b>4,010,670</b>	<b>46,878,013</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	17,348,566	-	17,348,566
Deferred pension contributions and changes	6,414,998	786,381	7,201,379
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>23,763,564</b>	<b>786,381</b>	<b>24,549,945</b>
<b>NET POSITION</b>			
Net investment in capital assets	55,181,160	7,233,082	62,414,242
Restricted	2,350,764	399,332	2,750,096
Unrestricted	31,362,862	1,817,199	33,180,061
<b>TOTAL NET POSITION</b>	<b>\$ 88,894,786</b>	<b>\$ 9,449,613</b>	<b>\$ 98,344,399</b>

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

Component Units		
Committee on Aging	Association for Business & Industry	Stephenson Public Library Foundation
\$ -	\$ -	\$ -
77,223	51,915	1,899,033
96,351	8,546	-
-	-	-
-	-	-
-	-	-
-	-	-
-	1,287	-
-	-	-
-	-	-
45,000	540,366	-
500,398	4,901,151	-
<u>718,972</u>	<u>5,503,265</u>	<u>1,899,033</u>
-	-	-
-	-	-
-	-	-
-	-	-
19,619	6,989	-
11,196	3,145	-
-	-	-
-	51,399	-
-	790	-
-	-	-
-	951	-
-	-	-
14,465	182,903	-
-	-	-
338,123	36,058	-
-	-	-
-	-	-
<u>383,403</u>	<u>282,235</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	5,222,556	-
5,000	-	-
330,569	(1,526)	1,899,033
<u>\$ 335,569</u>	<u>\$ 5,221,030</u>	<u>\$ 1,899,033</u>

**MARINETTE COUNTY, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2018

Activities	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental</b>				
General government	\$ 6,717,518	\$ 1,390,928	\$ 221,608	\$ -
Public protection	9,466,058	740,825	232,175	-
Public ways and facilities	4,622,268	-	1,580,451	-
Health	14,526,489	3,810,935	6,755,383	-
Culture and recreation	2,433,084	415,234	348,324	-
Education	734,784	9,641	-	-
Forestry	1,391,598	3,125,587	126,714	-
Conservation and development	1,629,429	429,168	713,406	-
Interest and fiscal charges	660,193	-	-	-
<b>Total Governmental Activities</b>	<b>42,181,421</b>	<b>9,922,318</b>	<b>9,978,061</b>	<b>-</b>
<b>Business-type</b>				
Highway	7,222,033	7,828,666	-	-
Solid waste	574,856	535,887	-	-
<b>Total Business-type Activities</b>	<b>7,796,889</b>	<b>8,364,553</b>	<b>-</b>	<b>-</b>
<b>Total Marinette County</b>	<b>\$ 49,978,310</b>	<b>\$ 18,286,871</b>	<b>\$ 9,978,061</b>	<b>\$ -</b>
<b>Component Unit</b>				
Committee on Aging	\$ 953,696	\$ 266,176	\$ 717,073	\$ -
Association of Business & Industry	587,780	-	156,283	-
Stephenson Library Trust	22,473	-	-	-
<b>Total Component Units</b>	<b>\$ 1,563,949</b>	<b>\$ 266,176</b>	<b>\$ 873,356</b>	<b>\$ -</b>

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 (loss) 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	Association for Business & Industry	Stephenson Public Library Foundation
\$ (5,104,982)	\$ -	\$ (5,104,982)	\$ -	\$ -	\$ -
(8,493,058)	-	(8,493,058)	-	-	-
(3,041,817)	-	(3,041,817)	-	-	-
(3,960,171)	-	(3,960,171)	-	-	-
(1,669,526)	-	(1,669,526)	-	-	-
(725,143)	-	(725,143)	-	-	-
1,860,703	-	1,860,703	-	-	-
(486,855)	-	(486,855)	-	-	-
(660,193)	-	(660,193)	-	-	-
<u>(22,281,042)</u>	<u>-</u>	<u>(22,281,042)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	606,633	606,633	-	-	-
-	(38,969)	(38,969)	-	-	-
-	<u>567,664</u>	<u>567,664</u>	-	-	-
<u>(22,281,042)</u>	<u>567,664</u>	<u>(21,713,378)</u>	-	-	-
-	-	-	29,553	-	-
-	-	-	-	(431,497)	-
-	-	-	-	-	(22,473)
-	-	-	<u>29,553</u>	<u>(431,497)</u>	<u>(22,473)</u>
9,762,247	-	9,762,247	-	-	-
2,405,177	-	2,405,177	-	-	-
3,741,457	-	3,741,457	-	-	-
928,296	-	928,296	-	-	-
3,506,769	-	3,506,769	-	-	-
1,079,827	-	1,079,827	-	-	-
1,842,009	-	1,842,009	-	-	-
936,974	21,793	958,767	-	-	(29,962)
77,453	-	77,453	-	249,991	-
89,404	-	89,404	-	-	-
202,002	23,671	225,673	3,024	-	-
<u>24,571,615</u>	<u>45,464</u>	<u>24,617,079</u>	<u>3,024</u>	<u>249,991</u>	<u>(29,962)</u>
2,290,573	613,128	2,903,701	32,577	(181,506)	(52,435)
<u>86,604,213</u>	<u>8,836,485</u>	<u>95,440,698</u>	<u>302,992</u>	<u>5,402,536</u>	<u>1,951,468</u>
<u>\$ 88,894,786</u>	<u>\$ 9,449,613</u>	<u>\$ 98,344,399</u>	<u>\$ 335,569</u>	<u>\$ 5,221,030</u>	<u>\$ 1,899,033</u>

**MARINETTE COUNTY, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2018

	<u>GENERAL FUND</u>	<u>COUNTY ROADS AND BRIDGES</u>	<u>HEALTH AND HUMAN SERVICES</u>	<u>DEBT SERVICE</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ 25,819,385	\$ 2,072,890	\$ 650	\$ 221,703
Delinquent property taxes	2,834,406	-	-	-
Accounts receivable	924,507	-	552,751	613,178
Property taxes levied for subsequent year	9,957,324	2,052,332	4,277,684	957,406
Interest receivable	659,261	-	-	-
Loans receivable	7,551,925	-	-	-
Due from other funds	605,990	-	-	-
Due from other governments	530,178	-	924,016	-
Prepaid items	351,548	-	770	-
Restricted assets - pooled cash and investments	-	-	-	-
<b>Total assets</b>	<u>\$ 49,234,524</u>	<u>\$ 4,125,222</u>	<u>\$ 5,755,871</u>	<u>\$ 1,792,287</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 758,022	\$ -	\$ 235,811	\$ -
Accrued liabilities	852,910	-	387,885	-
Due to general fund	-	-	605,804	-
Due to other funds	-	-	-	-
Due to other governments	73,137	-	-	-
Deposits from others	194,053	-	278	-
Unearned revenue	230,474	-	176,123	-
<b>Total liabilities</b>	<u>2,108,596</u>	<u>-</u>	<u>1,405,901</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	9,957,324	2,052,332	4,277,684	957,406
Loans receivable	-	-	-	-
Long-term loans receivable	7,350,000	-	-	-
Interest of delinquent taxes	511,182	-	-	-
Fines and forfeitures	86,023	-	-	-
<b>Total deferred inflow of resources</b>	<u>17,904,529</u>	<u>2,052,332</u>	<u>4,277,684</u>	<u>957,406</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>20,013,125</u>	<u>2,052,332</u>	<u>5,683,585</u>	<u>957,406</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	3,155,493	-	770	-
Restricted	150,353	-	-	-
Committed	14,128,813	2,072,890	71,516	834,881
Assigned	2,100,429	-	-	-
Unassigned	9,686,311	-	-	-
<b>Total fund balances (deficits)</b>	<u>29,221,399</u>	<u>2,072,890</u>	<u>72,286</u>	<u>834,881</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 49,234,524</u>	<u>\$ 4,125,222</u>	<u>\$ 5,755,871</u>	<u>\$ 1,792,287</u>

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

Total Nonmajor Funds	Total Governmental Funds
\$ 2,937,842	\$ 31,052,470
-	2,834,406
13,737	2,104,173
-	17,244,746
1,845	661,106
912,653	8,464,578
2,705	608,695
-	1,454,194
-	352,318
266,687	266,687
<u>\$ 4,135,469</u>	<u>\$ 65,043,373</u>
\$ 12,845	\$ 1,006,678
36	1,240,831
186	605,990
2,705	2,705
-	73,137
-	194,331
-	406,597
<u>15,772</u>	<u>3,530,269</u>
-	17,244,746
912,653	912,653
-	7,350,000
-	511,182
-	86,023
<u>912,653</u>	<u>26,104,604</u>
<u>928,425</u>	<u>29,634,873</u>
-	3,156,263
1,551,815	1,702,168
1,655,503	18,763,603
-	2,100,429
(274)	9,686,037
<u>3,207,044</u>	<u>35,408,500</u>
<u>\$ 4,135,469</u>	<u>\$ 65,043,373</u>

**MARINETTE COUNTY, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2018

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page \$ 35,408,499

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	\$ 79,730,806	
Less: amount included below with internal service funds	<u>(1,086,039)</u>	78,644,767

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	\$ (25,340,000)	
Loss on advance refunding	229,848	
Refinancing premium	(759,391)	
Compensated absences	(1,570,794)	
Post-employment health insurance	(11,910,350)	
Accrued interest on long-term obligations	<u>(211,165)</u>	(39,561,852)

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

Loans receivable	\$ 8,262,653	
Interest on loans	18,620	
Interest on delinquent taxes	511,182	
Clerk of Courts receivable	<u>86,023</u>	8,878,478

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	\$ 3,257,599	
Deferred outflow of resources	5,942,736	
Deferred inflows of resources	<u>(6,414,998)</u>	2,785,337

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.

2,739,557

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 18 - 19)

\$ 88,894,786

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, 2018

	GENERAL FUND	COUNTY ROADS AND BRIDGES	HEALTH AND HUMAN SERVICES	DEBT SERVICE
<b>REVENUES</b>				
Taxes	\$ 10,749,325	\$ 2,405,177	\$ 3,741,457	\$ 928,296
Sales tax	-	-	-	3,506,769
Intergovernmental	4,543,361	1,588,167	6,103,085	-
Regulation and compliance	367,064	-	-	-
Charges for services	4,603,339	-	3,683,086	-
Commercial	1,091,209	-	-	-
Miscellaneous	946,659	20,032	-	-
Total revenues	<u>22,300,957</u>	<u>4,013,376</u>	<u>13,527,628</u>	<u>4,435,065</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,458,311	-	-	-
Public protection	9,504,400	-	-	-
Public ways and facilities	-	4,386,850	-	-
Health	1,011,332	-	13,743,186	-
Culture and recreation	2,222,440	-	-	-
Education	269,190	-	-	-
Forestry	1,494,916	-	-	-
Conservation and development	1,200,578	-	-	-
Debt service:				
Principal payments	-	-	-	2,400,000
Interest and fiscal charges	-	-	-	771,475
Total expenditures	<u>22,161,167</u>	<u>4,386,850</u>	<u>13,743,186</u>	<u>3,171,475</u>
Excess (deficiency) of revenues over expenditures	<u>139,790</u>	<u>(373,474)</u>	<u>(215,558)</u>	<u>1,263,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,056,821	191,471	742,918	-
Transfers out	(842,918)	-	-	(1,056,821)
Total other financing sources (uses)	<u>213,903</u>	<u>191,471</u>	<u>742,918</u>	<u>(1,056,821)</u>
Net change in fund balances	353,693	(182,003)	527,360	206,769
Fund balances - beginning	28,867,705	2,254,893	(455,074)	628,112
Fund balances - ending	<u>\$ 29,221,398</u>	<u>\$ 2,072,890</u>	<u>\$ 72,286</u>	<u>\$ 834,881</u>

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

<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 17,824,255
-	3,506,769
7,712	12,242,325
283,163	650,227
69,168	8,355,593
450,748	1,541,957
16,217	982,908
<u>827,008</u>	<u>45,104,034</u>
293,130	6,751,441
119,179	9,623,579
3,151	4,390,001
5,938	14,760,456
209,898	2,432,338
-	269,190
-	1,494,916
387,128	1,587,706
-	2,400,000
-	771,475
<u>1,018,424</u>	<u>44,481,102</u>
<u>(191,416)</u>	<u>622,932</u>
-	1,991,210
<u>(191,471)</u>	<u>(2,091,210)</u>
<u>(191,471)</u>	<u>(100,000)</u>
(382,887)	522,932
3,589,931	34,885,567
<u>\$ 3,207,044</u>	<u>\$ 35,408,499</u>

**MARINETTE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2018

Reconciliation to the Statement of Activities

Net Change in Fund Balances from previous page	\$ 522,932
Amounts reported for governmental activities in the statement of activities are different because:	
<p>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.</p>	
Capital assets reported as expenses in governmental fund statements	\$ 1,620,042
Depreciation expense reported in the statement of activities	(1,517,912)
Net book value of disposals	(112,619)
Infrastructure adjustments	<u>(232,267)</u>
<p>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:</p>	
Interest receivable on taxes	\$ (24,890)
Clerk of court receivables	(24,506)
Loans	(197,880)
Revolving loan receivables	<u>119,942</u>
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net 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.</p>	
Principal repaid	2,400,000
<p>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:</p>	
Accrued interest on long-term debt	7,333
Amortization of debt premium net of refunding expense	103,949
Compensated absences	774
Other postemployment benefits	(191,270)
Net pension liability	4,153,193
Deferred outflows of resources related to pensions	(937,046)
Deferred inflows of resources related to pensions	<u>(3,598,436)</u>
<p>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.</p>	
	<u>199,234</u>
Change in Net Position of Governmental Activities as reported in the Statement of Activities (see pages 20 and 21)	<u>\$ 2,290,573</u>

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 – Budget and Actual  
General Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,699,620	\$ 10,715,087	\$ 10,749,325	\$ 34,238
Intergovernmental	4,237,556	4,679,199	4,543,361	(135,838)
Regulation and compliance	318,990	341,250	367,064	25,814
Charges for services	5,272,368	5,665,779	4,603,339	(1,062,440)
Commercial	937,284	1,122,346	1,091,209	(31,137)
Miscellaneous	517,734	588,715	946,659	357,944
Total revenues	<u>21,983,552</u>	<u>23,112,376</u>	<u>22,300,957</u>	<u>(811,419)</u>
<b>EXPENDITURES</b>				
General government	8,370,111	7,264,177	6,458,311	805,866
Public protection	9,286,841	9,564,221	9,504,400	59,821
Health	1,016,378	1,028,281	1,011,332	16,949
Culture and recreation	2,233,745	2,264,955	2,222,440	42,515
Education	338,846	362,589	269,190	93,399
Forestry	1,526,576	1,607,476	1,494,916	112,560
Conservation and development	1,188,773	1,552,685	1,200,578	352,107
Total expenditures	<u>23,961,270</u>	<u>23,644,384</u>	<u>22,161,167</u>	<u>1,483,217</u>
Excess (deficiency) of revenues over expenditures	<u>(1,977,718)</u>	<u>(532,008)</u>	<u>139,790</u>	<u>671,798</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,056,821	1,056,821	1,056,821	-
Transfers out	-	(842,917)	(842,918)	(1)
Total other financing sources (uses)	<u>1,056,821</u>	<u>213,904</u>	<u>213,903</u>	<u>(1)</u>
Net change in fund balances	(920,897)	(318,104)	353,693	671,797
Fund balances - beginning	<u>33,670,727</u>	<u>26,995,255</u>	<u>28,867,705</u>	<u>1,872,450</u>
Fund balances - ending	<u>\$ 32,749,830</u>	<u>\$ 26,677,151</u>	<u>\$ 29,221,398</u>	<u>\$ 2,544,247</u>

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

**MARINETTE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Health and Human Services  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,741,457	\$ 3,741,457	\$ 3,741,457	\$ -
Intergovernmental	5,655,929	5,941,863	6,103,085	161,222
Charges for services	4,755,248	4,754,430	3,683,086	(1,071,344)
Total revenues	<u>14,152,634</u>	<u>14,437,750</u>	<u>13,527,628</u>	<u>(910,122)</u>
<b>EXPENDITURES</b>				
Health	<u>14,152,634</u>	<u>14,725,533</u>	<u>13,743,186</u>	<u>982,347</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(287,783)</u>	<u>(215,558)</u>	<u>72,225</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>742,918</u>	<u>742,918</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>455,135</u>	<u>527,360</u>	<u>72,225</u>
Fund balances - beginning	<u>(455,074)</u>	<u>(455,074)</u>	<u>(455,074)</u>	<u>-</u>
Fund balances - ending	<u>\$ (455,074)</u>	<u>\$ 61</u>	<u>\$ 72,286</u>	<u>\$ 72,225</u>

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

**MARINETTE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
County Roads and Bridges  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,405,177	\$ 2,405,177	\$ 2,405,177	\$ -
Intergovernmental	1,580,451	1,580,451	1,588,167	7,716
Miscellaneous revenues	-	-	20,032	20,032
Total revenues	<u>3,985,628</u>	<u>3,985,628</u>	<u>4,013,376</u>	<u>27,748</u>
<b>EXPENDITURES</b>				
Public ways and facilities	<u>4,165,818</u>	<u>4,545,818</u>	<u>4,386,850</u>	<u>158,968</u>
Excess (deficiency) of revenues over expenditures	<u>(180,190)</u>	<u>(560,190)</u>	<u>(373,474)</u>	<u>186,716</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>222,066</u>	<u>222,066</u>	<u>191,471</u>	<u>(30,595)</u>
Net change in fund balances	41,876	(338,124)	(182,003)	156,121
Fund balances - beginning	1,653,677	818,058	2,254,893	1,436,835
Fund balances - ending	<u>\$ 1,695,553</u>	<u>\$ 479,934</u>	<u>\$ 2,072,890</u>	<u>\$ 1,592,956</u>

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

**MARINETTE COUNTY, WISCONSIN**  
Statement of Net Position  
Proprietary Funds  
December 31, 2018

	Business-type Activities			Governmental Activities
	Highway	Mar-Oco Landfill	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 2,205,900	\$ 761,779	\$ 2,967,679	\$ 1,329,523
Petty cash	100	200	300	-
Accounts receivable	50	47,551	47,601	888
Property taxes levied for subsequent year	-	-	-	103,820
Interest receivable	-	1,389	1,389	-
Due from other governments	367,101	-	367,101	-
Prepaid items	-	-	-	508,751
Inventories	1,492,296	-	1,492,296	17,172
Total current assets	<u>4,065,447</u>	<u>810,919</u>	<u>4,876,366</u>	<u>1,960,154</u>
Noncurrent assets:				
Restricted assets				
Pooled cash and investments	-	781,121	781,121	-
Net pension asset	387,147	12,185	399,332	-
Capital assets				
Land	51,475	187,514	238,989	-
Land improvements	142,695	3,289,438	3,432,133	-
Work in progress	237,727	-	237,727	-
Buildings	4,968,773	17,468	4,986,241	-
Machinery and equipment	10,491,313	448,303	10,939,616	2,435,031
Accumulated depreciation	(9,872,887)	(2,728,738)	(12,601,625)	(1,348,992)
Total noncurrent assets	<u>6,406,243</u>	<u>2,007,291</u>	<u>8,413,534</u>	<u>1,086,039</u>
<b>TOTAL ASSETS</b>	<u>10,471,690</u>	<u>2,818,210</u>	<u>13,289,900</u>	<u>3,046,193</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension	<u>885,980</u>	<u>22,036</u>	<u>908,016</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Unearned fringe benefit	80,129	-	80,129	-
Accounts payable	333,281	19,095	352,376	106,334
Accrued liabilities	-	4,356	4,356	33,094
Deposits from others	-	-	-	4,852
Unearned revenue	-	-	-	9,788
Compensated absences payable	14,311	-	14,311	-
Total current liabilities	<u>427,721</u>	<u>23,451</u>	<u>451,172</u>	<u>154,068</u>
Noncurrent liabilities:				
Compensated absences payable	128,796	-	128,796	-
Post employment health insurance	1,497,115	5,118	1,502,233	-
Accrued landfill closure/post closure care cost	-	1,928,469	1,928,469	-
Total noncurrent liabilities	<u>1,625,911</u>	<u>1,933,587</u>	<u>3,559,498</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>2,053,632</u>	<u>1,957,038</u>	<u>4,010,670</u>	<u>154,068</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	103,820
Deferred inflows related to pension	<u>762,386</u>	<u>23,995</u>	<u>786,381</u>	<u>-</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>762,386</u>	<u>23,995</u>	<u>786,381</u>	<u>103,820</u>
<b>NET POSITION</b>				
Net investment in capital assets	6,019,096	1,213,986	7,233,082	1,086,039
Restricted	387,147	12,185	399,332	-
Unrestricted	2,135,409	(366,958)	1,768,451	1,702,266
<b>TOTAL NET POSITION</b>	<u>\$ 8,541,652</u>	<u>\$ 859,213</u>	<u>\$ 9,400,865</u>	<u>\$ 2,788,305</u>

**MARINETTE COUNTY, WISCONSIN**  
Statement of Net Position  
Proprietary Funds  
For the Year Ended December, 31, 2018

Total Fund Balances as shown on previous page	\$ 9,400,865
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>48,748</u>
Net Position of Business-Type Activities as Reported on the Statement of Net Position (see page 18 - 19)	<u>\$ 9,449,613</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, 2018

	Business-type Activities			Governmental Activities
	Highway	Mar-Oco Landfill	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,828,666	\$ 535,887	\$ 8,364,553	\$ 2,391,519
<b>OPERATING EXPENSES</b>				
Administration	-	32,168	32,168	-
Operation and maintenance	6,495,652	281,312	6,776,964	1,625,393
Claims and premiums	-	-	-	623,186
Landfill closure/post-closure care costs	-	107,070	107,070	-
Pension adjustments	-	1,660	1,660	-
Depreciation	723,253	152,646	875,899	192,610
Total operating expenses	<u>7,218,905</u>	<u>574,856</u>	<u>7,793,761</u>	<u>2,441,189</u>
Operating income (loss)	<u>609,761</u>	<u>(38,969)</u>	<u>570,792</u>	<u>(49,670)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	-	-	-	92,749
Sale of county property	-	-	-	19,041
Insurance recoveries and dividends	-	-	-	32,200
Investment earnings	-	21,793	21,793	-
Miscellaneous revenues	23,671	-	23,671	1,786
Total nonoperating revenues (expenses)	<u>23,671</u>	<u>21,793</u>	<u>45,464</u>	<u>145,776</u>
Income (loss) before contributions and transfers	633,432	(17,176)	616,256	96,106
Transfers in	-	-	-	100,000
Change in net position	<u>633,432</u>	<u>(17,176)</u>	<u>616,256</u>	<u>196,106</u>
Total net position - January 1, as originally reported	<u>7,908,220</u>	<u>876,389</u>	<u>8,784,609</u>	<u>2,592,199</u>
Total net position - ending	<u>\$ 8,541,652</u>	<u>\$ 859,213</u>	<u>\$ 9,400,865</u>	<u>\$ 2,788,305</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  
Proprietary Funds  
For the Year Ended December, 31, 2018

Change in Net Position, per above	\$ 616,256
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>(3,128)</u>
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities (see pages 20 - 21)	<u>\$ 613,128</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, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	HIGHWAY	MAR-OCO LANDFILL	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash from interfund	\$ 4,578,231	\$ -	\$ 4,578,231	\$ 2,106,551
Cash receipts from customers	3,411,068	517,004	3,928,072	286,003
Payments to employees	(3,583,527)	(100,328)	(3,683,855)	(674,191)
Payments to suppliers	(2,826,837)	(219,607)	(3,046,444)	(1,939,644)
Net cash provided (used) by operating activities	<u>1,578,935</u>	<u>197,069</u>	<u>1,776,004</u>	<u>(221,281)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes	-	-	-	92,749
Insurance recoveries	-	-	-	32,200
Transfer in	-	-	-	100,000
Miscellaneous revenue	23,671	-	23,671	1,786
Net cash provided by noncapital financing activities	<u>23,671</u>	<u>-</u>	<u>23,671</u>	<u>226,735</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(965,913)	-	(965,913)	(218,148)
Proceeds from sale of assets	-	-	-	19,041
Net cash used by capital and related financing activities	<u>(965,913)</u>	<u>-</u>	<u>(965,913)</u>	<u>(199,107)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received on investments	-	21,438	21,438	-
Net increase (decrease) in cash and cash equivalents	636,693	218,507	855,200	(193,653)
Balances - beginning of year	1,569,307	1,324,593	2,893,900	1,523,176
Balances - end of the year	<u>\$ 2,206,000</u>	<u>\$ 1,543,100</u>	<u>\$ 3,749,100</u>	<u>\$ 1,329,523</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income (Loss)	\$ 609,761	\$ (38,969)	\$ 570,792	\$ (49,670)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	723,253	152,646	875,899	192,610
Changes in assets and liabilities:				
Accounts Payable - Interfund	-	-	-	11,071
Accounts Payable - Other	(10,698)	-	(10,698)	-
Accounts Payable - Supplier	187,252	(1,958)	185,294	105,210
Customer Receivables	170,773	(18,883)	151,890	12,106
Inventory	(171,057)	-	(171,057)	1,552
Other operating receivables	-	-	-	(11,071)
Salaries & Benefits Payable	314,553	585	315,138	3,938
Increase in postclosure care cost estimates	-	107,070	107,070	-
Prepaid items	8,131	-	8,131	(487,027)
Post employment benefits	(30,054)	(5,083)	(35,137)	-
Change in pension liability(asset), deferred inflows and outflows	(222,979)	1,661	(221,318)	-
Net cash provided (used) by operating activities	<u>\$ 1,578,935</u>	<u>\$ 197,069</u>	<u>\$ 1,776,004</u>	<u>\$ (221,281)</u>
<b>CASH RECONCILIATION</b>				
Actual Balance - end of year	\$ 2,206,000	\$ 1,543,100	\$ 3,749,100	\$ 1,329,523

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

**MARINETTE COUNTY, WISCONSIN**  
Statement of Fiduciary Net Position  
December 31, 2018

	Agency funds
<b>ASSETS</b>	
Cash and investments	\$ 6,639,317
Delinquent property taxes	150,274
Total assets	\$ 6,789,591
 <b>LIABILITIES</b>	
Tax collections	\$ 4,179,669
Forest income	290,851
Special assessments	154,639
Accounts payable	2,561
Deposits payable	2,161,265
Accrued liabilities	606
Total liabilities	\$ 6,789,591

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

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

### 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

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), the Marinette County Association for Business and Industry, Inc. (MCABI), 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 2018 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 2018, the MCCA's audited financial statements include an audit performed in accordance with the DHS's *Provider Agency Audit Guide*. The MCABI is a not-for-profit corporation that pursues economic development activities throughout Marinette County. The County's officials are responsible for appointing two members to the board of directors of the MCABI. The County provides the majority of funding for the MCABI and therefore this organization is included in the County's reporting entity as a discretely presented component unit. Audited financial statement for MCABI can be obtained from their administrative office at 1320 Main Street, Marinette, Wisconsin, 54143. 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.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

### 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.

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.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

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. 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.

Additionally, the government reports the following fund types:

*Internal service funds* account for: self-insurance, 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.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

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.

### 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, 2018 for collection in 2019 are \$17,348,566. The County apportionment is for financing 2019 operations and will be transferred in 2019 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.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

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.

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:

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
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	-

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

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.

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, 2018

---

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, 2018

---

### 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 Finance 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, 2018

---

- 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, 2018.

### 2. Deficit Fund Balance

As of December 31, 2018, the teen court fund had a deficit fund balance of \$274 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 2018 and 2019 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 2018 budget was 1.774%. For the 2019 budget year, the actual limit for the County was 1.549%. 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 \$43,037,097 on December 31, 2018 as summarized below:

Petty cash and cash on hand	\$ 4,735
Deposits with financial institutions	7,431,738
Investments	35,600,624
	<u>\$ 43,037,097</u>

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 35,349,972
Restricted cash and investments	1,047,808
Fiduciary fund statement of net position	
Agency funds	6,639,317
	\$ 43,037,097

### 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, 2018:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Federal National Mortgage Association	\$ -	\$ 4,450,061	\$ -
Federal Home Loan Mortgage Corporation	-	2,441,354	-
Federal Farm Credit Bank	-	4,218,629	-
Governmental National Mortgage Association	-	583,340	-
Negotiable Certificates of Deposit	-	8,402,345	-
Small Business Association	-	415,401	-
Corporate Paper	-	5,925,649	-
Municipal Bonds	-	1,728,656	-
Total investments by fair value level	\$ -	\$ 28,165,433	\$ -

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, 2018

As of December 31, 2018, \$5,150,873 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	\$ 4,450,061	\$ -	\$ 4,450,061	\$ -	\$ -
Federal Home Loan Mortgage Corporation	2,441,354	-	2,441,354	-	-
Federal Farm Credit Bank	4,218,629	-	4,218,629	-	-
Governmental National Mortgage Association	583,340	-	583,340	-	-
Negotiable Certificates of Deposit	8,402,344	-	-	-	8,402,344
Small Business Association	415,401	-	415,401	-	-
Corporate Paper	5,925,648	-	5,925,648	-	-
Municipal Bonds	1,728,656	-	1,728,656	-	-
Wisconsin Local Government Investment Pool	6,708,591	-	-	-	6,708,591
Wisconsin Local Government Investment Pool - DNR	726,600	-	-	-	726,600
<b>Totals</b>	<b>\$35,600,624</b>	<b>\$ -</b>	<b>\$19,763,089</b>	<b>\$ -</b>	<b>\$15,837,535</b>

### 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.	\$4,450,061	12.1%
Federal Home Loan Mortgage Corporation (FHLMC)	U.S.	2,441,354	6.7%
Federal Farm Credit Bank	U.S.	4,218,629	11.4%

As of December 31, 2018, 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, 2018

### 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	\$ 4,450,061	\$ 1,149,053	\$ 2,628,244	\$ 672,764	\$ -
Federal Home Loan Mortgage Corporation	2,441,354	-	274,356	2,166,998	-
Federal Farm Credit Bank	4,218,629	4,218,629	-	-	-
Governmental National Mortgage Association	583,340	-	-	583,340	-
Negotiable Certificates of Deposit	8,402,344	1,978,309	1,230,101	5,193,934	-
Small Business Association	415,401	-	-	-	415,401
Corporate Paper	5,925,648	1,483,764	-	4,441,884	-
Municipal Bonds	1,728,656	370,607	742,185	615,864	-
Wisconsin Local Government Investment Pool	6,708,591	6,708,591	-	-	-
Wisconsin Local Government Investment Pool - DNR	726,600	726,600	-	-	-
<b>Totals</b>	<b>\$35,600,624</b>	<b>\$16,635,553</b>	<b>\$ 4,874,886</b>	<b>\$13,674,784</b>	<b>\$ 415,401</b>

### 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	\$ 4,450,061
Federal Home Loan Mortgage Corporation	2,441,354
Federal Farm Credit Bank	4,218,629
Governmental National Mortgage Association	583,340
Small Business Association	415,401
Corporate Paper	5,925,648

### Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$7,435,191 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, 2018, 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, 2018

### 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 Marinette County Association for Business & Industry, component unit has a bank balance and investments. The bank balance consists of cash in money market funds and general demand accounts. The investments are stated at fair market value and consist of various securities with local financial institution trust departments. At December 31, 2018 the investment in money markets was \$51,915 with a fair market value of \$51,915.

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, 2017 the investment cost was \$485,461 with a fair market value of \$497,575.

### 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, 2018, the County's general fund showed an investment of \$2,834,406 in delinquent taxes as follows:

Tax certificates	\$ 2,692,888
Tax deeds	141,518
Total	<u>\$ 2,834,406</u>

An aging of the total delinquent taxes of \$2,834,406 on December 31, 2018 follows:

Year Acquired	Total	Tax Certificates	Tax Deeds
Prior to 2012	\$ 70,868	\$ 2,530	\$ 68,338
2012	1,748	1,356	392
2013	2,677	1,293	1,384
2014	6,605	4,819	1,786
2015	9,294	9,294	-
2016	484,979	480,498	4,481
2017	864,312	848,058	16,254
2018	1,393,924	1,345,041	48,883
	<u>\$ 2,834,406</u>	<u>\$ 2,692,888</u>	<u>\$ 141,518</u>

Of the total of \$2,834,406 for delinquent taxes, \$232,386 was collected by the County within 60 days after December 31, 2018. The remaining unpaid balance of \$2,602,020 recorded as non-spendable fund balance for the general fund.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 3. Restricted Assets

Restricted assets on December 31, 2018 totaled \$1,047,808 and consisted of cash and investments held for the following purposes:

Special Revenue Fund	
Solid waste long-term care	\$ 266,687
Enterprise Funds	
Solid waste long-term care/closure	781,121
Total Restricted Assets	<u>\$ 1,047,808</u>

### 4. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, nondepreciable				
Land	\$ 4,865,401	\$ 60,000	\$ -	\$ 4,925,401
Construction work in progress	153,211	538,980	192,655	499,536
Subtotals	<u>5,018,612</u>	<u>598,980</u>	<u>192,655</u>	<u>5,424,937</u>
Capital assets, depreciable				
Buildings and improvements	45,205,938	422,791	-	45,628,729
Machinery and equipment	12,304,109	1,009,074	513,083	12,800,100
Infrastructure	66,095,120	1,397,533	595,297	66,897,356
Subtotals	<u>123,605,167</u>	<u>2,829,398</u>	<u>1,108,380</u>	<u>125,326,185</u>
Less accumulated depreciation for:				
Buildings and improvements	16,303,243	950,618	-	17,253,861
Machinery and equipment	8,917,357	759,904	400,466	9,276,795
Infrastructure	23,455,157	1,629,800	595,297	24,489,660
Subtotals	<u>48,675,757</u>	<u>3,340,322</u>	<u>995,763</u>	<u>51,020,316</u>
Total capital assets, depreciable, net	<u>74,929,410</u>	<u>(510,924)</u>	<u>112,617</u>	<u>74,305,869</u>
Governmental activities capital assets, net	<u>\$ 79,948,022</u>	<u>\$ 88,056</u>	<u>\$ 305,272</u>	79,730,806
Less related long-term debt outstanding				<u>24,549,646</u>
Net investment in capital assets				<u>\$ 55,181,160</u>

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, nondepreciable				
Land	\$ 238,989	\$ -	\$ -	\$ 238,989
Work in progress	178,612	195,763	136,648	237,727
Subtotals	<u>417,601</u>	<u>195,763</u>	<u>136,648</u>	<u>476,716</u>
Capital assets, depreciable				
Land improvements	3,413,919	18,214	-	3,432,133
Buildings	4,986,241	-	-	4,986,241
Machinery and equipment	10,364,106	792,512	217,002	10,939,616
Subtotals	<u>18,764,266</u>	<u>810,726</u>	<u>217,002</u>	<u>19,357,990</u>
Less accumulated depreciation for:				
Land improvements	2,422,276	121,238	-	2,543,514
Buildings	3,348,852	175,340	-	3,524,192
Machinery and equipment	6,267,671	579,321	313,073	6,533,919
Subtotals	<u>12,038,799</u>	<u>875,899</u>	<u>313,073</u>	<u>12,601,625</u>
Total capital assets, depreciable, net	<u>6,725,467</u>	<u>(65,173)</u>	<u>(96,071)</u>	<u>6,756,365</u>
Business-type activities capital assets, net	<u>\$ 7,143,068</u>	<u>\$ 130,590</u>	<u>\$ 40,577</u>	<u>7,233,081</u>
Less related long-term debt outstanding				<u>-</u>
Net investment in capital assets				<u>\$ 7,233,081</u>

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Governmental activities	
General government	\$ 127,670
Public protection	676,516
Public ways and facilities	1,629,800
Health	84,768
Culture and recreation	58,658
Education	448,224
Forestry	119,870
Conservation and development	2,206
Allocated from internal service funds	192,610
Total depreciation expense - governmental activities	<u>\$ 3,340,322</u>
Business-type activities	
Highway	\$ 723,253
Solid waste	152,646
Total depreciation expense - business-type activities	<u>\$ 875,899</u>

### 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, 2018 are detailed below:

	Interfund Receivables	Interfund Payables
Cash advance for cash flow/ fund balance deficit		
General Fund	\$ 606,176	\$ -
Health and Human Services Fund	-	605,990
Teen Court	-	186
Library Donations	2,705	-
Falkenberg Trust	-	2,705
Totals	<u>\$ 608,881</u>	<u>\$ 608,881</u>

Inter-fund transfers for the year ended December 31, 2018 were as follows:

	Transfer to:				Totals
	General Fund	County Roads and Bridges	Self- Insurance	Health and Human Services	
Transfers from:					
General fund	\$ -	\$ -	\$ 100,000	\$ 742,918	\$ 842,918
Debt service	1,056,821	-	-	-	1,056,821
2016 capital projects	-	191,471	-	-	191,471
Totals	<u>\$ 1,056,821</u>	<u>\$ 191,471</u>	<u>\$ 100,000</u>	<u>\$ 742,918</u>	<u>\$ 2,091,210</u>

Transfers were used to move surplus sale tax revenues to other funds where expenditures have been authorized, close capital project funds and move appropriated funds where budgeted to the fund that incurred the expenditure.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 6. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2018:

	Outstanding 1/1/18	Issued	Retired	Outstanding 12/31/18	Due Within One Year
<b>Governmental activities:</b>					
<b>General Obligation Debt</b>					
Bonds	\$ 9,540,000	\$ -	\$ 1,900,000	\$ 7,640,000	\$ 1,900,000
Notes	18,200,000	-	500,000	17,700,000	450,000
Total General Obligation Debt	27,740,000	-	2,400,000	25,340,000	2,350,000
Debt premium	922,140	-	162,749	759,391	162,749
Compensated absences	1,571,568	-	774	1,570,794	157,079
Governmental activities Long-term obligations	<u>\$ 30,233,708</u>	<u>\$ -</u>	<u>\$ 2,563,523</u>	<u>\$ 27,670,185</u>	<u>\$ 2,669,828</u>
<b>Business-type activities:</b>					
Compensated absences	<u>\$ 179,031</u>	<u>\$ -</u>	<u>\$ 35,924</u>	<u>\$ 143,107</u>	<u>\$ 14,311</u>

Total interest paid during the year on long-term debt totaled \$759,475.

#### 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 % \$ 7,640,000

#### Notes

\$9,435,000 issued 2/12/14; \$635,000 to \$4,000,000 due annually to 2023;  
interest 1.00% to 3.00% 7,600,000

\$5,945,000 issued 3/10/15; \$145,000 to \$4,000,000 due annually to 2024;  
interest 2.00% to 2.50% 5,400,000

\$5,000,000 issued 4/13/16; \$100,000 to \$2,000,000 due annually to 2026;  
interest 2.00% to 2.25% 4,700,000

Total Outstanding General Obligation Debt \$ 25,340,000

Annual principal and interest maturities of the outstanding general obligation debt of \$25,340,000 on December 31, 2018 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 2,350,000	\$ 711,975	\$ 3,061,975
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
2024-2026	8,200,000	278,250	8,478,250
	<u>\$ 25,340,000</u>	<u>\$ 2,949,737</u>	<u>\$ 28,289,737</u>

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

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, 2018 was \$171,191,436 as follows:

Equalized valuation of the County		\$ 3,913,931,100
Statutory limitation percentage		<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		195,696,555
Total outstanding general obligation debt applicable to debt limitation	\$ 25,340,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>834,881</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>24,505,119</u>
Legal Margin for New Debt		<u><u>\$ 171,191,436</u></u>

### 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 executive service retirement plan participants, if hired on or before December 31, 2016 are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

The WRS also provides death and disability benefits for employees.

### 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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

### 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 year ending December 31, 2018, the WRS recognized \$1,289,995 in contributions from the County.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

At December 31, 2018, the County reported an asset of \$3,669,115 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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 asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was 0.12357592%, which was a decrease of 0.00002383 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized pension expense of \$1,596,831.

At December 31, 2018, 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	\$ 4,661,701	\$ 2,180,590
Net differences between projected and actual earnings on pension plan investments	-	5,042,858
Changes in assumptions	724,945	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,618	1,925
Employer contributions subsequent to the measurement date	1,289,995	-
Subtotal	<u>6,692,259</u>	<u>7,225,373</u>
Less 50% of MAR-OCO Landfill balances related to another entity	(22,037)	(23,994)
Total	<u>\$ 6,670,222</u>	<u>\$ 7,201,379</u>

\$1,289,995 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, 2019.

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
2019	\$ 402,251
2020	(27,337)
2021	(1,254,552)
2022	(952,271)
2023	8,800
Total	<u>\$ (1,823,109)</u>

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

### e. Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2016
Measurement date of net pension liability (asset):	December 31, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Market Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

\* *No 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 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 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.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<b>Core Fund Asset Class</b>			
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	3.8%	1.0%
Real Estate	8%	6.5%	3.6%
Private Equity/Debt	8%	9.4%	6.5%
Multi-asset	4%	6.5%	3.6%
Total Core Fund	110%	7.3%	4.4%
<b>Variable Fund Asset Class</b>			
U.S. Equities	70%	7.5%	4.6%
International Equities	30%	7.8%	4.9%
Total Variable Fund	100%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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

*Single Discount Rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
County's proportionate share of the net pension liability (asset)	\$ 9,493,255	\$ (3,669,115)	\$ (13,672,924)

*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, 2018

---

f. Payable to the WRS

At December 31, 2018 the County reported a payable of \$194,552 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

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. The Plan does not issue separate financial statements.

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 January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	<u>175</u>
--	------------

c. Total OPEB Liability

The County's total OPEB liability was determined by an actuarial valuation as of January 1, 2018, rolled forward to the measurement date of December 31, 2018.

d. Actuarial Assumptions

The total OPEB liability in the January 1, 2018 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, 2018
Inflation:	3.5%
Salary Increases:	2.0%
Investment Rate of Return:	3.5%
Healthcare cost trend rates:	6.5% decreasing by 0.50% every two years down to 5.0%, and level thereafter

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Mortality rates are a blend of the Death-in-Service and Retired Lives mortality rates from the "Wisconsin Retirement System 2012 - 2014 Experience Study" with the MP-2015 generational improvement scale (multiplied by 50%).

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of the Wisconsin Retirement System's Three-Year Experience Study for the period 2012 through 2014.

*Discount rate.* The discount rate used to measure the total OPEB liability was 3.5%. The discount assumption reflects the time value of money as of the valuation date. This assumption is to be based on the estimated long-term investment yield on the investments that are to be used to finance the payment of benefits. For purposes of determining the net periodic cost for the valuation, as discount assumption of 3.5% was used. This rate is a blend of expected earning on County Funds and the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The County did not have any funds in a trust at year end.

e. Changes in the Net OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balance at January 1, 2018	\$ 13,266,650
Changes for the year:	
Service cost	303,647
Interest	474,960
Differences between expected and actual experience	-
Contributions - employer	-
Net investment income	-
Benefit payments	(627,557)
Administrative expense	-
Net changes	151,050
Balance at December 31, 2018	\$ 13,417,700

*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 (2.5%) or 1-percentage-point higher (3.5%) than the current rate:

	1% Decrease to Discount Rate (2.5%)	Current Discount Rate (3.50%)	1% Increase to Discount Rate (4.50%)
Net OPEB Liability	\$ 14,453,317	\$ 13,417,700	\$ 12,457,915

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

*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 (5.5% decreasing to 4.5%) or 1-percentage-point higher (7.5% decreasing to 6.5%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 4.5%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.5%)	1% Increase (7.5% decreasing to 6.5%)
Net OPEB liability	\$ 12,034,534	\$ 13,417,700	\$ 15,134,686

For the year ended December 31, 2018, Marinette County recognized OPEB expense of \$779,812.

### 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, 2018 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, 2018	79.38%	64.61%
Total estimated liability for costs as of December 31, 2018	1,023,422	1,583,772
Less closure costs paid	678,726	-
Liabilities as of December 31, 2018	<u>\$ 344,697</u>	<u>\$ 1,583,772</u>

The above total costs of \$344,697 and \$1,583,772 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 \$1,583,772 is being met through annual deposits into a separate cash and investment account for the enterprise fund. Marinette County's 50% share of the balance in the account on December 31, 2018 was \$781,121. 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, 2018

---

### 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	\$ 351,548
Delinquent property taxes	2,602,020
Long-term loans receivable	201,925
Total Nonspendable Fund Balances	<u>3,155,493</u>
Special Revenue Funds	
Prepaid items	770
Total Nonspendable Fund Balances - Governmental Balance Sheet	<u>\$ 3,156,263</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, 2018, restricted fund balances consisted of the following:

General Fund	
Sheriff Department honor guard uniforms	\$ 3,666
Sheriff Department canine	8,108
Family counseling	28,026
Veterans transportation	47,961
Veterans emergency assistance	15,137
Wildlife habitat	40,662
County forest land acquisition	6,793
	<u>150,353</u>
Special Revenue Funds	
Land records modernization	287,686
Jail assessments	100,592
Dog licenses	1,000
Nicolet library grant	15,296
Library donations	124,982
Peshtigo library - McCauley trust	178,452
Peshtigo library - Falkenberg trust	19,393
Community Development Block Grant	252,070
	<u>979,471</u>
2016 Capital projects	<u>572,344</u>
Total Restricted Fund Balances - Governmental Balance Sheet	<u>1,702,168</u>
Outstanding Loan Balance - Community Development Block Grant	648,596
Total Restricted Net Position - Statement of Net Position	<u>\$ 2,350,764</u>

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

### 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, 2018, committed fund balances consisted of the following:

General Fund	
Property tax reduction fund	\$ 11,708,908
Service level stabilization	2,000,000
Forestry heavy equipment	215,194
Tourism	44,050
Land information	137,000
Environmental site assessment	23,661
	<u>14,128,813</u>
Special Revenue Funds	
County roads and bridges	2,072,890
Health and Human Services	71,516
Solid waste long-term care	267,476
Forest and parks development	408,268
Revolving loan fund	979,759
	<u>3,799,909</u>
Debt Service Fund	<u>834,881</u>
Total Committed Fund Balances	<u>\$ 18,763,603</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, 2018, assigned fund balances consisted of the following:

General Fund	
Capital maintenance	\$ 868,354
Subsequent years budget	250,000
County Department budget carryovers	982,075
Total Assigned Fund Balances	<u>\$ 2,100,429</u>

### UNASSIGNED FUND BALANCES

General fund unassigned fund balance on December 31, 2018 was \$9,686,311 and after an interfund loan to cover the Teen Court negative fund balance of \$274, was \$9,686,037 respectively. Of the \$9,686,311 balance, \$2,339,443 was allocated for contingencies and \$1,836,462 was allocated for cash flow requirements.

# Marinette County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

---

### 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 2018 General Fund Operating Expenditures	\$ 23,961,270
	17%
17% of total budgeted regular General Fund Expenditures	<u>\$ 4,073,416</u>

The General Fund unassigned fund balance on December 31, 2018 totaled \$9,473,647.

### 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, 2018 the self-insurance internal service fund had net position of \$801,790 allocated to the following risk management programs:

Property and liability insurance	\$ 5,462
Health and Dental	91,928
Workers compensation	704,400
Net Position	<u>\$ 801,790</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, 2018

### Health Insurance

Beginning January 1, 2010 the County became participants in the Wisconsin County Associations Group Health Trust (GHT) for employee health insurance coverage. The County pays premiums to the GHT for its health insurance coverage. The actuary for GHT determines charges to the County for the expected health insurance claims. Premium charges for the GHT are recorded as expenses in the various County departments. Employee co-pays offset the County's health insurance expense.

### 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,
2016	\$ -	\$ 266,074	\$ 266,074	\$ -
2017	-	302,890	302,890	-
2018	-	180,663	180,663	-

## 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.

## 3. 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. This statement is effective for reporting periods beginning after June 15, 2018. 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. This statement is 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.

## REQUIRED SUPPLEMENTARY INFORMATION

---

**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)**

Plan 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 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%

**Schedule of Employer Contributions**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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	1,243,561	1,243,561	-	16,988,726	7.32%
12/31/18	1,289,995	1,289,995	-	17,556,812	7.35%

See notes to required supplementary information.

**MARINETTE COUNTY, WISCONSIN**  
**Schedule Of Changes In Net OPEB Liability and Related Ratios**  
**For the Year Ended December 31, 2018**

	2018	2017
Total OPEB liability		
Service cost	\$ 303,647	\$ 293,379
Interest	474,960	472,332
Benefit payments	(627,557)	(700,879)
Net change in total OPEB liability	151,050	64,832
Total OPEB liability - beginning	13,266,650	13,201,818
Total OPEB liability - ending (a)	<b>\$ 13,417,700</b>	<b>\$ 13,266,650</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered-employee payroll	\$ 6,526,111	\$ 6,259,908
County's OPEB liability as a percentage of covered-employee payroll	205.60%	212%

See notes to required supplementary information.

**MARINETTE COUNTY, WISCONSIN**  
**Schedule of Employer Contributions**  
**Other Postemployment Benefit Plan**  
**For the Year Ended December 31, 2018**

	2018	2017
Actuarially determined contribution (ADC)	\$ 1,089,976	\$ 1,064,139
Contributions in relation to the ADC	627,557	1,064,139
Contribution deficiency (excess)	\$ 462,419	\$ -
Covered-employee payroll	\$ 6,526,111	\$ 6,259,908
Contributions as a percentage of covered-employee payroll	10%	17%

Key Methods and Assumption Used to Calculate ADC

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method	20 Year Level Dollar
Discount rate	3.50%
Inflation	3.50%

See notes to required supplementary information.

# Marinette County, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018

---

## **NOTE A - WISCONSIN RETIREMENT SYSTEM**

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

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 asset of \$3,669,115 includes \$24,369 of both Oconto and Marinette County's portion of the MAR-OCO landfill.

## SUPPLEMENTARY INFORMATION

---

**MARINETTE COUNTY, WISCONSIN**  
Detailed Comparison of Budgeted and Actual Revenues  
General Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Taxes</b>				
General property taxes	\$ 9,669,498	\$ 9,669,498	\$ 9,669,498	\$ -
Forest crop	63,972	79,439	149,847	70,408
Payment in lieu of taxes	301,000	301,000	300,140	(860)
Retained sales tax	150	150	173	23
Real estate transfer fees	90,000	90,000	102,779	12,779
Interest on taxes	575,000	575,000	526,888	(48,112)
Total taxes	<u>10,699,620</u>	<u>10,715,087</u>	<u>10,749,325</u>	<u>34,238</u>
<b>Intergovernmental</b>				
<b>Federal aids</b>				
SSA inmate incentive program	10,000	10,000	11,039	1,039
<b>State aids</b>				
Shared and utility taxes	1,633,684	1,633,684	1,816,273	182,589
Exempt computers	25,000	25,000	25,736	736
Victim witness program	30,000	30,000	31,274	1,274
Circuit court grants	178,559	178,559	190,334	11,775
Forest roads	73,745	73,745	72,454	(1,291)
Police training/ATV/Snowmobile/Other	131,836	131,836	114,966	(16,870)
Boat and water safety	10,000	10,000	11,395	1,395
Anti-Drug grants (Federal????)	11,000	11,000	9,911	(1,089)
Emergency government grants	66,197	99,669	73,685	(25,984)
Hazmat	10,000	10,000	8,979	(1,021)
Homeland security funding	5,000	5,000	2,200	(2,800)
Transportation	2,200	2,200	2,788	588
Child support program	615,622	615,622	639,510	23,888
ATV/Snowmobile trail maintenance and grooming	320,718	346,515	340,612	(5,903)
Wildlife habitat management	110,057	171,767	141,419	(30,348)
Targeted run-off management	300,000	300,000	33,651	(266,349)
S.W.R.M. automation grant	225,314	503,290	503,290	-
Forestry administrator	63,583	63,583	51,426	(12,157)
Hazard mitigation grant	3,493	3,493	2,834	(659)
Sustainable forestry grant	7,350	7,350	-	(7,350)
Veterans service awards	10,000	10,000	10,000	-
Aquatic invasive species	10,500	10,500	9,593	(907)
Conservation grants - other	40,422	64,843	25,453	(39,390)
<b>Charges for services</b>				
Sheriff - local	25,000	25,000	5,294	(19,706)
Sheriff - state	100,000	100,000	88,472	(11,528)
Clerk	3,000	3,000	5,968	2,968
Finance	87,207	87,207	87,436	229
Forestry	59,643	65,372	144,665	79,293
Human Resources	-	12,538	18,094	5,556
Land information	64,000	64,000	64,610	610
Extension	4,426	4,426	-	(4,426)
Total intergovernmental	<u>4,237,556</u>	<u>4,679,199</u>	<u>4,543,361</u>	<u>(135,838)</u>
<b>Regulation and compliance</b>				
Zoning permits and fees	24,950	24,950	22,400	(2,550)
Sanitary permits and reviews	84,000	84,000	109,080	25,080
Non-metallic mining fees	24,000	24,000	29,117	5,117
Occupational licenses	40	40	60	20
County ordinance forfeitures and defaults	112,000	131,859	124,525	(7,334)
County share of state fines and forfeitures	74,000	76,401	81,882	5,481
Total regulation and compliance	<u>318,990</u>	<u>341,250</u>	<u>367,064</u>	<u>25,814</u>

**MARINETTE COUNTY, WISCONSIN**  
Detailed Comparison of Budgeted and Actual Revenues  
General Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Charges for services</b>				
County clerk fees	3,500	3,500	4,141	641
Treasurer	62,250	65,221	66,805	1,584
Child support	9,625	9,625	9,795	170
Circuit court	152,000	159,558	174,230	14,672
Witness fees	1,000	1,000	722	(278)
Family court counseling	8,500	8,500	8,540	40
Corporation counsel fees	650	650	1,250	600
Guardian ad litem fees	81,250	129,810	103,576	(26,234)
District attorney charges	10,000	10,000	8,516	(1,484)
Register of deeds	220,100	220,100	227,502	7,402
Sheriff fees	319,400	325,883	279,892	(45,991)
Board of prisoners at county jail	130,000	130,000	142,492	12,492
Inmate reimbursements	115,000	115,000	126,164	11,164
Jail canteen	34,000	50,849	50,849	-
Accident photos and reports	1,700	1,700	3,479	1,779
Coroner fees	40,020	40,020	45,900	5,880
Library	34,000	35,423	31,729	(3,694)
Parks	331,500	331,500	322,419	(9,081)
County forest	3,598,466	3,907,808	2,896,502	(1,011,306)
Land information fees	35,700	35,700	28,109	(7,591)
Camp Bird	71,250	71,250	61,086	(10,164)
Extension program	12,457	12,682	9,641	(3,041)
<b>Total charges for services</b>	<u>5,272,368</u>	<u>5,665,779</u>	<u>4,603,339</u>	<u>(1,062,440)</u>
<b>Commercial</b>				
Investment income	720,000	544,702	589,814	45,112
Loan repayments - Principal	-	200,000	150,000	(50,000)
Loan repayments - Interest	-	160,360	160,360	-
Other - interest	22,868	22,868	21,209	(1,659)
Rent of county buildings and offices	55,610	55,610	54,647	(963)
Land leases	22,806	22,806	22,806	-
Sale of county property	116,000	116,000	92,373	(23,627)
<b>Total commercial</b>	<u>937,284</u>	<u>1,122,346</u>	<u>1,091,209</u>	<u>(31,137)</u>
<b>Miscellaneous</b>				
CDBG and MAR-OCO administrative	8,240	8,240	23,107	14,867
Clerk of courts	7,000	7,000	16,228	9,228
Corporation counsel	1,571	1,571	1,452	(119)
County Board	-	-	651	651
District attorney	10,000	10,000	12,621	2,621
Family court commissioner	2,400	2,400	1,419	(981)
Finance department	40,000	66,789	68,566	1,777
Forestry department	5,000	5,000	244,804	239,804
Human resources	25,700	15,000	14,020	(980)
Maintenance	399,823	399,823	404,924	5,101
Land Conservation	-	-	339	339
Land Information	-	-	491	491
Donations	18,000	34,200	43,955	9,755
Insurance recoveries and dividends	-	38,692	114,082	75,390
<b>Total miscellaneous</b>	<u>517,734</u>	<u>588,715</u>	<u>946,659</u>	<u>357,944</u>
<b>Total revenues</b>	<u>\$ 21,983,552</u>	<u>\$ 23,112,376</u>	<u>\$ 22,300,957</u>	<u>\$ (811,419)</u>

**MARINETTE COUNTY, WISCONSIN**  
Detailed Comparison of Budgeted and Actual Expenditures  
General Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>General government</b>				
County board	204,184	239,939	203,314	36,625
Administrator	237,344	256,837	256,837	-
County clerk	163,756	183,184	181,906	1,278
Treasurer	255,616	279,134	277,769	1,365
Finance	1,367,813	643,643	643,643	-
Elections	67,700	67,700	62,921	4,779
Property management	38,643	38,152	31,237	6,915
Human resources	216,849	234,024	234,024	-
Independent auditing	25,545	25,125	25,125	-
Special accounting	5,850	5,850	5,850	-
District attorney	235,021	250,359	238,603	11,756
Victim witness program	62,730	65,131	65,131	-
Corporation counsel	163,504	173,729	172,540	1,189
Circuit court	334,024	424,826	424,826	-
Clerk of court	492,239	523,427	523,427	-
Family court commissioner	201,592	208,750	199,783	8,967
Family court commissioner - mediation services	10,000	10,000	10,000	-
Law library	4,500	4,500	4,461	39
Coroner	117,244	117,244	97,965	19,279
Register of deeds	237,487	290,095	285,743	4,352
Land information	617,798	649,247	600,924	48,323
Courthouse facilities	1,913,146	1,948,474	1,322,582	625,892
Tax deed expense	27,950	24,455	24,455	-
Personal property chargeback	500	4,336	4,290	46
Illegal taxes	2,000	-	-	-
Employee health insurance	214,300	38,546	38,546	-
Retiree health insurance	575,944	520,577	520,577	-
State special charges	1,832	1,832	1,832	-
Contingency	575,000	35,061	-	35,061
Total general government	<u>8,370,111</u>	<u>7,264,177</u>	<u>6,458,311</u>	<u>805,866</u>
<b>Public protection</b>				
Sheriff and traffic	4,554,760	5,065,385	5,065,213	172
Central dispatch	1,869,804	1,540,085	1,532,885	7,200
Civil service commission	1,775	1,775	246	1,529
Fire suppression	1,500	1,500	495	1,005
Emergency management	99,307	122,102	108,532	13,570
Emergency management EMPG grant	48,289	48,369	44,622	3,747
Emergency management EPCRA grant	25,744	25,744	22,790	2,954
Emergency management hazmat grant	10,000	10,000	8,776	1,224
Emergency management other grants	5,000	40,053	11,633	28,420
Ambulance and rescue squads	32,050	32,050	32,050	-
Jail	2,638,612	2,677,158	2,677,158	-
Total public protection	<u>9,286,841</u>	<u>9,564,221</u>	<u>9,504,400</u>	<u>59,821</u>
<b>Health</b>				
Committee on aging	144,479	144,838	144,838	-
Child support program	686,981	687,666	670,717	16,949
Employee wellness	15,000	18,500	18,500	-
Veterans relief	3,620	2,749	2,749	-
Veterans service officer	163,248	172,382	172,382	-
Burial of veterans	3,050	2,146	2,146	-
Total health	<u>1,016,378</u>	<u>1,028,281</u>	<u>1,011,332</u>	<u>16,949</u>

**MARINETTE COUNTY, WISCONSIN**  
Detailed Comparison of Budgeted and Actual Expenditures  
General Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Culture and recreation</b>				
Library	1,103,594	1,115,242	1,093,087	22,155
Fairs and exhibits	10,000	10,000	10,000	-
Snowmobile/ATV trails/Water recreation	321,342	349,834	340,049	9,785
Parks	798,809	789,879	779,304	10,575
Total culture and recreation	<u>2,233,745</u>	<u>2,264,955</u>	<u>2,222,440</u>	<u>42,515</u>
<b>Education</b>				
University extension program	252,846	276,589	184,664	91,925
U.W. Center	86,000	86,000	84,526	1,474
Total education	<u>338,846</u>	<u>362,589</u>	<u>269,190</u>	<u>93,399</u>
<b>Forestry</b>				
County forest	1,197,831	1,215,601	1,175,087	40,514
Forest roads	73,745	136,875	135,584	1,291
Forest equipment	255,000	255,000	184,245	70,755
Total forestry	<u>1,526,576</u>	<u>1,607,476</u>	<u>1,494,916</u>	<u>112,560</u>
<b>Conservation and development</b>				
Land Conservation	475,985	769,748	759,085	10,663
Wildlife habitat management	17,698	17,698	6,680	11,018
Wildlife damage	102,359	164,069	130,641	33,428
Hazardous mitigation grant	3,493	12,657	11,998	659
Lake Noquebay dam	3,000	3,000	3,000	-
Aquatic invasive species and other lake grants	20,607	45,028	24,807	20,221
Targeted run-off management	300,000	300,000	33,651	266,349
Non-metallic mining	23,222	23,222	16,115	7,107
Regional planning commission	22,280	22,280	22,279	1
Conservation camp	9,200	9,200	6,540	2,660
Tourism	128,103	102,957	102,956	1
Economic development	82,826	82,826	82,826	-
Total conservation and development	<u>1,188,773</u>	<u>1,552,685</u>	<u>1,200,578</u>	<u>352,107</u>
<b>Total expenditures</b>	<u>\$ 23,961,270</u>	<u>\$ 23,644,384</u>	<u>\$ 22,161,167</u>	<u>\$ 1,483,217</u>

**MARINETTE COUNTY, WISCONSIN**

Combining Balance Sheet  
Nonmajor Special revenue funds  
December 31, 2018

	DOG LICENSE FUND	COUNTY LIBRARY	COUNTY REVOLVING LOAN FUND	COMM DEVELOPMENT BLOCK GRANT
<b>ASSETS</b>				
Pooled cash and investments	\$ 6,777	\$ 14,713	\$ 971,079	\$ 255,313
Accounts receivable	-	962	10,000	-
Interest receivable	-	-	-	-
Loans receivable	-	-	264,057	648,596
Due from other funds	-	-	-	-
Restricted assets - pooled cash and investments	-	-	-	-
Total assets	<u>\$ 6,777</u>	<u>\$ 15,675</u>	<u>\$ 1,245,136</u>	<u>\$ 903,909</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,777	\$ 379	\$ 1,320	\$ 3,243
Accrued liabilities	-	-	-	-
Due to general fund	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>5,777</u>	<u>379</u>	<u>1,320</u>	<u>3,243</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Loans receivable	-	-	264,057	648,596
Total liabilities and deferred inflows of resources	<u>5,777</u>	<u>379</u>	<u>265,377</u>	<u>651,839</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	1,000	15,296	-	252,070
Committed	-	-	979,759	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,000</u>	<u>15,296</u>	<u>979,759</u>	<u>252,070</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,777</u>	<u>\$ 15,675</u>	<u>\$ 1,245,136</u>	<u>\$ 903,909</u>

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

SOLID WASTE - LONG TERM CARE	TEEN COURT	LIBRARY DONATIONS	PESHTIGO LIB MCCAULEY TRUST	PESHTIGO LIB FALKENBERG TRUST	FORESTRY & PARKS DEVELOPMENT
\$ -	\$ -	\$ 123,219	\$ 177,698	\$ 21,994	\$ 408,390
789	-	425	-	-	-
-	-	-	952	104	-
-	-	2,705	-	-	-
266,687	-	-	-	-	-
<u>\$ 267,476</u>	<u>\$ -</u>	<u>\$ 126,349</u>	<u>\$ 178,650</u>	<u>\$ 22,098</u>	<u>\$ 408,390</u>
\$ -	\$ 52	\$ 1,367	\$ 198	\$ -	\$ 122
-	36	-	-	-	-
-	186	-	-	-	-
-	-	-	-	2,705	-
-	<u>274</u>	<u>1,367</u>	<u>198</u>	<u>2,705</u>	<u>122</u>
-	-	-	-	-	-
-	<u>274</u>	<u>1,367</u>	<u>198</u>	<u>2,705</u>	<u>122</u>
-	-	124,982	178,452	19,393	-
267,476	-	-	-	-	408,268
-	(274)	-	-	-	-
<u>267,476</u>	<u>(274)</u>	<u>124,982</u>	<u>178,452</u>	<u>19,393</u>	<u>408,268</u>
<u>\$ 267,476</u>	<u>\$ -</u>	<u>\$ 126,349</u>	<u>\$ 178,650</u>	<u>\$ 22,098</u>	<u>\$ 408,390</u>

**MARINETTE COUNTY, WISCONSIN**

Combining Balance Sheet

Nonmajor Special revenue funds

December 31, 2018

	JAIL ASSESSMENT	LAND RECORDS MODERNIZATION	2016 CAPITAL PROJECTS	Total Nonmajor Special revenue funds
<b>ASSETS</b>				
Pooled cash and investments	\$ 98,629	\$ 287,686	\$ 572,344	\$ 2,937,842
Accounts receivable	2,350	-	-	13,737
Interest receivable	-	-	-	1,845
Loans receivable	-	-	-	912,653
Due from other funds	-	-	-	2,705
Restricted assets - pooled cash and investments	-	-	-	266,687
Total assets	<u>\$ 100,979</u>	<u>\$ 287,686</u>	<u>\$ 572,344</u>	<u>4,135,469</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 387	\$ -	\$ -	\$ 12,845
Accrued liabilities	-	-	-	36
Due to general fund	-	-	-	186
Due to other funds	-	-	-	2,705
Total liabilities	<u>387</u>	<u>-</u>	<u>-</u>	<u>15,772</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Loans receivable	-	-	-	912,653
Total liabilities and deferred inflows of resources	<u>387</u>	<u>-</u>	<u>-</u>	<u>928,425</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	100,592	287,686	572,344	1,551,815
Committed	-	-	-	1,655,503
Unassigned	-	-	-	(274)
Total fund balances (deficits)	<u>100,592</u>	<u>287,686</u>	<u>572,344</u>	<u>3,207,044</u>
Total liabilities and fund balances (deficits)	<u>\$ 100,979</u>	<u>\$ 287,686</u>	<u>\$ 572,344</u>	<u>\$ 4,135,469</u>

**MARINETTE COUNTY, WISCONSIN**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018

	DOG LICENSE FUND	COUNTY LIBRARY	COUNTY REVOLVING LOAN FUND	COMM DEVELOPMENT BLOCK GRANT
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 7,712	\$ -	\$ -
Regulation and compliance	5,938	-	-	-
Charges for services	-	-	-	-
Loan repayments - Principal	-	-	180,374	113,086
Loan repayments - Interest	-	-	9,665	15,275
Interest on investments	-	-	14,175	7,664
Sale of county property	-	-	-	-
Donations	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>5,938</u>	<u>7,712</u>	<u>204,214</u>	<u>136,025</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Health	5,938	-	-	-
Culture and recreation	-	6,194	-	-
Conservation and development	-	-	33,315	353,813
Total expenditures	<u>5,938</u>	<u>6,194</u>	<u>33,315</u>	<u>353,813</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,518</u>	<u>170,899</u>	<u>(217,788)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	1,518	170,899	(217,788)
Fund balances - beginning	1,000	13,778	808,860	469,858
Fund balances - ending	<u>\$ 1,000</u>	<u>\$ 15,296</u>	<u>\$ 979,759</u>	<u>\$ 252,070</u>

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

SOLID WASTE - LONG TERM CARE	TEEN COURT	LIBRARY DONATIONS	PESHTIGO LIB MCCAULEY TRUST	PESHTIGO LIB FALKENBERG TRUST	FORESTRY & PARKS DEVELOPMENT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	15,252
-	-	-	-	-	69,168
-	-	-	-	-	-
2,083	-	-	1,984	214	-
-	-	-	-	-	91,867
-	105	12,812	-	-	300
-	-	-	-	-	-
<u>2,083</u>	<u>105</u>	<u>12,812</u>	<u>1,984</u>	<u>214</u>	<u>176,587</u>
-	1,039	-	-	-	-
-	-	-	-	-	-
3,151	-	-	-	-	-
-	-	-	-	-	-
-	-	27,190	5,870	76	170,568
-	-	-	-	-	-
<u>3,151</u>	<u>1,039</u>	<u>27,190</u>	<u>5,870</u>	<u>76</u>	<u>170,568</u>
<u>(1,068)</u>	<u>(934)</u>	<u>(14,378)</u>	<u>(3,886)</u>	<u>138</u>	<u>6,019</u>
-	-	-	-	-	-
(1,068)	(934)	(14,378)	(3,886)	138	6,019
268,544	660	139,360	182,338	19,255	402,249
<u>\$ 267,476</u>	<u>\$ (274)</u>	<u>\$ 124,982</u>	<u>\$ 178,452</u>	<u>\$ 19,393</u>	<u>\$ 408,268</u>

**MARINETTE COUNTY, WISCONSIN**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018

	JAIL ASSESSMENT	LAND RECORDS MODERNIZATION	2016 CAPITAL PROJECTS	Total Nonmajor Special revenue funds
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 7,712
Regulation and compliance	44,183	217,790	-	283,163
Charges for services	-	-	-	69,168
Loan repayments - Principal	-	-	-	293,460
Loan repayments - Interest	-	-	-	24,940
Interest on investments	-	-	14,361	40,481
Sale of county property	-	-	-	91,867
Donations	-	-	-	13,217
Miscellaneous revenues	-	-	3,000	3,000
Total revenues	<u>44,183</u>	<u>217,790</u>	<u>17,361</u>	<u>827,008</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	144,597	147,494	293,130
Public protection	40,770	-	78,409	119,179
Public ways and facilities	-	-	-	3,151
Health	-	-	-	5,938
Culture and recreation	-	-	-	209,898
Conservation and development	-	-	-	387,128
Total expenditures	<u>40,770</u>	<u>144,597</u>	<u>225,903</u>	<u>1,018,424</u>
Excess (deficiency) of revenues over expenditures	<u>3,413</u>	<u>73,193</u>	<u>(208,542)</u>	<u>(191,416)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(191,471)	(191,471)
Net change in fund balances	3,413	73,193	(400,013)	(382,887)
Fund balances - beginning	97,179	214,493	972,357	3,589,931
Fund balances - ending	<u>\$ 100,592</u>	<u>\$ 287,686</u>	<u>\$ 572,344</u>	<u>\$ 3,207,044</u>

**MARINETTE COUNTY, WISCONSIN**

Combining Statement of Net Position

Nonmajor Internal Service Funds

December 31, 2018

	Information Services	Motor Pool	Self Insurance	Total Nonmajor Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 791,978	\$ 137,652	\$ 399,893	\$ 1,329,523
Accounts receivable	771	-	117	888
Property taxes levied for subsequent year	-	-	103,820	103,820
Prepaid items	15,611	-	493,140	508,751
Inventories	17,172	-	-	17,172
Total current assets	<u>825,532</u>	<u>137,652</u>	<u>996,970</u>	<u>1,960,154</u>
Noncurrent assets:				
Machinery and equipment	1,745,029	690,002	-	2,435,031
Accumulated depreciation	(806,157)	(542,835)	-	(1,348,992)
Total noncurrent assets	<u>938,872</u>	<u>147,167</u>	<u>-</u>	<u>1,086,039</u>
<b>TOTAL ASSETS</b>	<u>1,764,404</u>	<u>284,819</u>	<u>996,970</u>	<u>3,046,193</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	28,768	2,079	75,487	106,334
Accrued liabilities	22,073	-	11,021	33,094
Deposits from others	-	-	4,852	4,852
Unearned revenue	9,788	-	-	9,788
<b>TOTAL LIABILITIES</b>	<u>60,629</u>	<u>2,079</u>	<u>91,360</u>	<u>154,068</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	103,820	103,820
<b>NET POSITION</b>				
Net investment in capital assets	938,872	147,167	-	1,086,039
Unrestricted	764,904	135,572	801,790	1,702,266
Total net position	<u>\$ 1,703,776</u>	<u>\$ 282,739</u>	<u>\$ 801,790</u>	<u>\$ 2,788,305</u>

**MARINETTE COUNTY, WISCONSIN**  
Combining Statement of Revenues, Expenditures, and Changes in Net Position  
Internal Service Funds  
For the Year Ended December 31, 2018

	Information Services	Motor Pool	Self Insurance	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,654,794	\$ 150,123	\$ 586,602	\$ 2,391,519
<b>OPERATING EXPENSES</b>				
Operation and maintenance	1,528,529	96,864	-	1,625,393
Claims and premiums	-	-	623,186	623,186
Depreciation	127,536	65,074	-	192,610
Total operating expenses	<u>1,656,065</u>	<u>161,938</u>	<u>623,186</u>	<u>2,441,189</u>
Operating loss	<u>(1,271)</u>	<u>(11,815)</u>	<u>(36,584)</u>	<u>(49,670)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	-	-	92,749	92,749
Sale of county property	841	18,200	-	19,041
Insurance recoveries and dividends	8,791	23,180	229	32,200
Miscellaneous revenues	1,786	-	-	1,786
Total nonoperating revenues (expenses)	<u>11,418</u>	<u>41,380</u>	<u>92,978</u>	<u>145,776</u>
Income before contributions	10,147	29,565	56,394	96,106
Capital contributions	-	-	100,000	100,000
Change in net position	10,147	29,565	156,394	196,106
Total net position - beginning	<u>1,693,629</u>	<u>253,174</u>	<u>645,396</u>	<u>2,592,199</u>
Total net position - ending	<u>\$ 1,703,776</u>	<u>\$ 282,739</u>	<u>\$ 801,790</u>	<u>\$ 2,788,305</u>

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

**MARINETTE COUNTY, WISCONSIN**  
Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2018

	INFORMATION SERVICES	MOTOR POOL	SELF INSURANCE	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash from interfund	\$ 1,392,824	\$ 150,123	\$ 563,603	\$ 2,106,550
Cash receipts from customers	263,022	-	22,981	286,003
Payments to employees	(576,660)	-	(97,531)	(674,191)
Payments to suppliers	(929,606)	(97,100)	(912,937)	(1,939,643)
Net cash provided (used) by operating activities	<u>149,580</u>	<u>53,023</u>	<u>(423,884)</u>	<u>(221,281)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes	-	-	92,749	92,749
Insurance recoveries	8,791	23,180	229	32,200
Transfer in	-	-	100,000	100,000
Miscellaneous revenue	1,786	-	-	1,786
Net cash provided by noncapital financing activities	<u>10,577</u>	<u>23,180</u>	<u>192,978</u>	<u>226,735</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(100,000)	(118,148)	-	(218,148)
Proceeds from sale of assets	841	18,200	-	19,041
Net cash used by capital and related financing activities	<u>(99,159)</u>	<u>(99,948)</u>	<u>-</u>	<u>(199,107)</u>
Net increase (decrease) in cash and cash equivalents	60,998	(23,745)	(230,906)	(193,653)
Balances - beginning of year	730,980	161,397	630,799	1,523,176
Balances - end of the year	<u>\$ 791,978</u>	<u>\$ 137,652</u>	<u>\$ 399,893</u>	<u>\$ 1,329,523</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating loss	\$ (1,271)	\$ (11,815)	\$ (36,584)	\$ (49,670)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	127,536	65,074	-	192,610
Changes in assets and liabilities:				
Accounts payable - interfund	-	-	11,071	11,071
Accounts payable - supplier	21,280	(236)	84,166	105,210
Customer receivables	1,053	-	11,053	12,106
Inventory	1,552	-	-	1,552
Other operating receivables	-	-	(11,071)	(11,071)
Salaries & benefits payable	(1,203)	-	5,141	3,938
Prepaid items	633	-	(487,660)	(487,027)
Net cash provided (used) by operating activities	<u>\$ 149,580</u>	<u>\$ 53,023</u>	<u>\$ (423,884)</u>	<u>\$ (221,281)</u>
<b>CASH RECONCILIATION</b>				
Actual balance - end of year	\$ 791,978	\$ 137,652	\$ 399,893	\$ 1,329,523

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

**MARINETTE COUNTY, WISCONSIN**  
Combining Statement of Fiduciary Net Position  
Agency Funds  
December 31, 2018

	SECTION 125 FLEX PLAN	WELLNESS	DISTRICT TAX COLLECTIONS	MAR-OCO DEPOSITS
<b>ASSETS</b>				
Cash and investments	\$ 2,485	\$ 18,307	\$ 4,474,885	\$ 1,543,099
Delinquent property taxes	-	-	150,274	-
Total assets	<u>\$ 2,485</u>	<u>\$ 18,307</u>	<u>\$ 4,625,159</u>	<u>\$ 1,543,099</u>
<b>LIABILITIES</b>				
Tax collections	\$ -	\$ -	\$ 4,179,669	\$ -
Forest income	-	-	290,851	-
Special assessments	-	-	154,639	-
Accounts payable	2,485	76	-	-
Deposits payable	-	17,625	-	1,543,099
Accrued liabilities	-	606	-	-
Total liabilities	<u>\$ 2,485</u>	<u>\$ 18,307</u>	<u>\$ 4,625,159</u>	<u>\$ 1,543,099</u>

CLERK OF COURTS TRUST DEPOSITS	SHERIFF INMATE DEPOSITS	HHS PROTECTIVE PAYEE DEPOSITS	Total Agency funds
\$ 451,214	\$ 45,666	\$ 103,661	\$ 6,639,317
-	-	-	150,274
<u>\$ 451,214</u>	<u>\$ 45,666</u>	<u>\$ 103,661</u>	<u>\$ 6,789,591</u>
\$ -	\$ -	\$ -	\$ 4,179,669
-	-	-	290,851
-	-	-	154,639
-	-	-	2,561
451,214	45,666	103,661	2,161,265
-	-	-	606
<u>\$ 451,214</u>	<u>\$ 45,666</u>	<u>\$ 103,661</u>	<u>\$ 6,789,591</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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 8, 2019. Our report includes a reference to other auditors who audited the financial statements of the Committee on Aging, Association for Business & Industry and the Stephenson Public Library Foundation, as described in our report on the 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 Association for Business & Industry and 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.

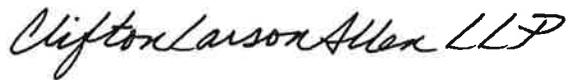
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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  
August 8, 2019

## 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, 2018. 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 unity, which expended \$354,770 in federal awards which is not included in Marinette County's schedule of expenditures of federal awards during the year ended December 31, 2018. Our audit, described below, did not include the operations of Marinette County Committee on Aging, Inc. because the component units issue 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, 2018.

**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**

Green Bay, Wisconsin  
August 8, 2019

**MARINETTE COUNTY, WISCONSIN**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WI DHS	154710	\$ (23,164)	\$ 128,748	\$ 58,345	\$ 163,929	\$ -
SNAP Cluster								
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County	61	(733)	4,595	1,287	5,149	-
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County	561	-	10,500	6,621	17,121	-
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County	277	(1,423)	1,423	-	-	-
State Administrative Matching Grants for Food Stamp Program	10.561	Brown County	284	(117,199)	346,356	75,402	304,559	-
Total State Administrative Matching Grants for Food Stamp Program and SNAP Cluster				(119,355)	362,874	83,310	326,829	-
Total U.S. Department of Agriculture				(142,519)	491,622	141,655	490,758	-
<b>U.S. DEPARTMENT OF INTERIOR</b>								
National Fire Plan	15.228	WI DNR	Unknown	-	3,024	4,210	7,234	-
<b>U.S. DEPARTMENT OF JUSTICE</b>								
Bullet Proof Vest Partnership	16.607	Direct Program	N/A	-	-	2,955	2,955	-
COPS Anti Heroin Task Force	16.710	WI DOJ	HP-WX-0006	(908)	5,842	2,211	7,145	-
COPS Anti Methamphetamine	16.710	WI DOJ		(1,909)	3,768	1,219	3,078	-
Total U.S. Department of Justice				(2,817)	9,610	6,385	13,178	-
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>								
Highway Safety Cluster								
Alcohol Enforcement	20.616	WI DOT	3717	(3,198)	47,185	-	43,987	-
Seatbelt Enforcement	20.609	WI DOT	3718	(3,384)	44,670	-	41,286	-
Total Highway Safety Cluster				(6,582)	91,855	-	85,273	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	WI DMA	01-10676	-	2,200	-	2,200	-
Total U.S. Department of Transportation				(6,582)	94,055	-	87,473	-
<b>ENVIRONMENTAL PROTECTION AGENCY</b>								
Watercraft Inspectors WRISC from USFS	66.469	Dickinson Conservation District	15-PA-11091300-028	(8,190)	-	-	(8,190)	-
<b>DEPARTMENT OF EDUCATION</b>								
Special Education-Grants for Infants and Families	84.181	WI DHS	550	-	36,664	-	36,664	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
Medicare Enrollment Assistance Program	93.071	WI DHS	560620	-	600	-	600	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI DHS	155015	(3,884)	3,884	-	-	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.069	WI DHS	155050	(3,279)	45,237	11,504	53,462	-
Total Public Health Emergency Preparedness Aligned Cooperative Agreements				(7,163)	49,121	11,504	53,462	-
Immunization Cooperative Agreements	93.268	WI DHS	155020	(3,000)	3,000	-	-	-
Promoting Safe and Stable Families	93.556	WI DCF	3306	-	42,827	-	42,827	-
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	WI DHS	155020	-	10,329	-	10,329	-

**MARINETTE COUNTY, WISCONSIN**  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended December 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18		
<b>TANF Cluster</b>								
Temporary Assistance for Needy Families	93.558	WI DHS	561	-	82,754	-	82,754	-
Temporary Assistance for Needy Families	93.558	WI DCF	852	(1,406)	1,406	-	-	-
Temporary Assistance for Needy Families	93.558	WI DCF	3377	(34,800)	34,800	-	-	-
Temporary Assistance for Needy Families	93.558	WI DCF	3380	(4,875)	4,875	-	-	-
Total Temporary Assistance for Needy Families				(41,081)	123,835	-	82,754	-
Child Support Enforcement (Title IV-D) All Other Expenditures 66% Federal	93.563	WI DCF	7477	(82,680)	277,517	254,559	449,396	-
Child Support Enforcement (Title IV-D) Fees 66% Federal	93.563	WI DCF	7482	1,251	(6,048)	(1,934)	(6,731)	-
Child Support Enforcement (Title IV-D) Qualifying Non IV-D Activities Federal	93.563	WI DCF	7506	(116)	396	181	461	-
Child Support Enforcement (Title IV-D) Performance Based Incentives	93.563	WI DCF	7616	-	104,149	-	104,149	-
Total Child Support Enforcement (Title IV-D)				(81,545)	376,014	252,806	547,275	-
Low Income Home Energy Assistance	93.568	WI DOA	AD1599971.38 & AD1599972.38	(19,932)	85,669	14,431	80,168	-
Child Care	93.575	WI DCF	575	-	42,254	8,326	50,580	-
<b>CCDF Cluster</b>								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	831	(317)	317	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	852	(1,407)	1,407	-	-	-
Total CCDF Cluster				(1,724)	1,724	-	-	-
CS Medical Support	93.597	WI DCF	7332	-	21,689	1,295	22,984	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3413	(391)	4,563	428	4,600	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3561	(1,153)	24,914	-	23,761	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3681	-	1,894	-	3,788	-
Total Stephanie Tubbs Jones Child Welfare Services Program				(1,544)	31,371	428	32,149	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</b>								
Foster Care (Title IV-E)	93.658	WI DCF	3411	-	-	-	153	-
Foster Care (Title IV-E)	93.658	WI DCF	3413	(701)	8,182	767	8,248	-
Foster Care (Title IV-E)	93.658	WI DCF	3561	(12,943)	279,611	-	266,668	-
Foster Care (Title IV-E)	93.658	WI DCF	3681	-	21,259	-	42,518	-
Total Foster Care (Title IV-E)				(13,644)	309,052	767	317,587	-
Social Services Block Grant	93.667	WI DHS	561	-	154,549	-	154,549	-
Preventive Health and Health Services Block Grant	93.758	WI DHS	159220	68	7,492	5,315	12,875	-
Children's Health Insurance Program	93.767	Brown County	277	(186)	186	-	-	-
Children's Health Insurance Program	93.767	Brown County	284	(15,534)	45,046	9,711	39,223	-
Total Children's Health Insurance Program				(15,720)	45,232	9,711	39,223	-

**MARINETTE COUNTY, WISCONSIN**  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended December 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18		
Medicaid Cluster								
Medical Assistance Program	93.778	WI DHS	878	(12,268)	12,268	15,766	15,766	-
Medical Assistance Program	93.778	WI DHS	881	(1,795)	1,795	2,112	2,112	-
Medical Assistance Program	93.778	WI DHS	159320	-	994	-	994	-
Medical Assistance Program	93.778	WI DHS	560081	(24,752)	63,576	11,272	50,096	-
Medical Assistance Program	93.778	WI DHS	560087	(39,486)	134,796	31,369	126,679	-
Medical Assistance Program	93.778	WI DHS	560091	(9,339)	16,142	-	6,803	-
Medical Assistance Program - WIMCR	93.778	WI DHS	N/A	-	262,569	-	262,569	-
Medical Assistance Program	93.778	Brown County	62	(733)	4,595	1,287	5,149	-
Medical Assistance Program	93.778	Brown County	277	(1,842)	1,842	-	-	-
Medical Assistance Program	93.778	Brown County	284	(159,776)	451,700	96,055	387,979	-
Medical Assistance Program	93.778	Brown County	298	-	37,339	27,573	64,912	-
Medical Assistance Program - CLTS TPA	93.778	WI DHS	N/A	-	333,629	-	333,629	-
Medical Assistance Program	93.778	WI DHS	N/A	-	-	8,502	8,502	-
Total Medicaid Cluster				<u>(249,991)</u>	<u>1,321,245</u>	<u>193,936</u>	<u>1,265,190</u>	<u>-</u>
Block Grants for Community Mental Health Services	93.958	WI DHS	515	(1,327)	8,680	1,502	8,855	-
Block Grants for Community Mental Health Services	93.958	WI DHS	569	(8,006)	22,460	4,278	18,732	-
Total Block Grants for Community Mental Health Services				<u>(9,333)</u>	<u>31,140</u>	<u>5,780</u>	<u>27,587</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	570	(40,911)	71,450	46,101	76,640	-
Cons Contracts	93.994	WI DHS	320	-	16,700	-	16,700	-
Maternal and Child Health Services Block Grant to the States	93.994	WI DHS	159320	-	22,306	-	22,306	-
Total U.S. Department of Health and Human Services				<u>(485,520)</u>	<u>2,767,599</u>	<u>550,400</u>	<u>2,855,785</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>								
Hazardous Mitigation Grant	97.017	WI DMA		-	-	7,688	7,688	-
Emergency Management Performance Grants	97.042	WI DMA	C8363	(25,201)	50,452	25,087	50,338	-
Total U.S. Department of Homeland Security				<u>(25,201)</u>	<u>50,452</u>	<u>32,775</u>	<u>58,026</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ (670,829)</u>	<u>\$ 3,453,026</u>	<u>\$ 735,425</u>	<u>\$ 3,540,928</u>	<u>\$ -</u>

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, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18		
<b>DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION</b>								
County Staff and Support	115.150	Direct Program	9214-17-38-00	\$ -	\$ 141,814	\$ -	\$ 141,814	\$ -
Land & Water Resource Management Plan Implementation	115.400	Direct Program	LWP-28	(13,939)	13,939	-	-	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	LWP-29	(48,181)	48,181	-	-	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	LWP-30	(4,687)	4,687	-	-	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	NM-17-1	(1,915)	1,915	-	-	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	NM-17-2	(1,652)	1,652	-	-	-
Land & Water Resource Management Plan Implementation	115.400	Direct Program	NM-17-3	(38,833)	383,307	17,002	361,476	-
Total Department of Agriculture, Trade and Consumer Protection				(109,207)	595,495	17,002	503,290	-
<b>DEPARTMENT OF NATURAL RESOURCES</b>								
Boating Enforcement	370.550	Direct Program	NR50.13	-	11,395	-	11,395	-
ATV Enforcement	370.551	Direct Program	NR50.125	-	14,062	-	14,062	-
Snowmobile Enforcement	370.552	Direct Program	NR50.12	-	12,676	-	12,676	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	TRC38000AY16	(85,191)	85,191	-	-	-
Wildlife Habitat	370.554	Direct Program	37000-FWHIG	-	10,778	-	10,778	-
County Forest Administrator Grants	370.572	Direct Program	Unknown	-	51,381	-	51,381	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-4707	(13,762)	13,762	-	-	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.577	Direct Program	S-4904	(8,200)	8,200	-	-	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.577	Direct Program	S-5007	59,538	74,943	-	134,481	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.577	Direct Program	S5207	-	74,145	(44,885)	29,260	-
Total Recreational Aids - Snowmobile Trail and Area Aid				37,576	171,050	(44,885)	163,741	-
<b>DEPARTMENT OF NATURAL RESOURCES (CONTINUED)</b>								
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3503	(5,122)	7,467	-	2,345	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3620 (Summer)	37,163	38,451	-	75,614	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3667 (Winter)	11,710	2,641	-	14,351	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3686T (Troutes)	1,041	264	-	1,305	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3817	-	72,487	8,037	80,524	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3857	-	11,710	(8,979)	2,731	-
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3876T	-	1,051	(1,051)	-	-
Total All-Terrain Vehicle (ATV) Program				44,792	134,071	(1,993)	176,870	-
Nonpoint Source Pollution	370.662	Direct Program	TRC-TRC-38000-AY	-	33,651	-	33,651	-
Nonpoint Source Pollution	370.662	Direct Program	TRC-GB13-38000-15	(150,000)	150,000	-	-	-
Lake Management Planning - Large Scale Grants	370.663	Direct Program	LPL-1562-15	(1,049)	-	11,341	10,292	-
Invasive Aquatic Species	370.678	Direct Program	AIRR20516	(1,669)	-	2,284	615	-
Invasive Aquatic Species	370.678	Direct Program	AIRR22918	-	4,543	(2,575)	1,968	-
Total Department of Natural Resources				(155,541)	678,799	(35,828)	487,430	-
<b>DEPARTMENT OF TRANSPORTATION</b>								
Elderly and Handicapped Transportation Aids	395.101	Direct Program	Unknown	-	132,935	-	132,935	-

**MARINETTE COUNTY, WISCONSIN**  
 Schedule of State Financial Assistance (Continued)  
 For the Year Ended December 31, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18		
<b>DEPARTMENT OF HEALTH SERVICES</b>								
Fraud Prevention Investigation, State Share	435.060	Brown County	60	(1,470)	9,194	2,574	10,298	-
IMAA State Share ACA	435.276	Brown County	276	(3,474)	3,474	-	-	-
IMAA Federal Share ACA	435.277	Brown County	277	(24)	24	-	-	-
IMAA State Share	435.283	Brown County	283	-	195,994	-	195,994	-
IMAA Federal Share	435.284	Brown County	284	(3,373)	3,373	-	-	-
Adult Protective Services	435.312	Direct Program	312	(18,702)	39,520	15,704	36,522	-
Children's COP	435.377	Direct Program	377	36,135	(6,787)	7,803	37,151	-
Enhanced IM Funding	435.468	Direct Program	468	-	125,157	131,109	256,266	-
Coordinated Services - County	435.515	Direct Program	515	(10,347)	51,600	8,426	49,679	-
Community mental Health	435.516	Direct Program	516	-	240,078	-	240,078	-
Non-Resident - 997	435.531	Direct Program	531	(6,023)	30,185	52,740	76,902	-
Birth To Three Initiative	435.550	Direct Program	550	-	35,981	-	35,981	-
Basic County Allocation	435.561	Direct Program	561	-	890,656	-	890,656	-
IDP Emergency Funds	435.567	Direct Program	567	(75,561)	75,561	-	-	-
State/County Match	435.681	Direct Program	681	-	124,043	-	248,086	-
CLTS Waiver GPR	435.871	Direct Program	Unknown	-	97,133	-	97,133	-
CLTS Grandfather GPR	435.874	Direct Program	Unknown	-	26,841	-	26,841	-
CLTS Other - County Administrative Costs	435.877	Direct Program	877	(12,268)	12,268	6,831	6,831	-
CLTS Autism - County Administrative Costs	435.880	Direct Program	880	(1,795)	1,795	1,948	1,948	-
Fluoride Mouth rinse	435.151735	Direct Program	151735	(1,302)	2,604	-	1,302	-
WIC Farmers Market	435.154720	Direct Program	154720	(462)	2,540	-	2,078	-
Birth Defects/CYSHCN Project	435.154790	Direct Program	154790	(897)	897	-	-	-
Birth Defects/CYSHCN Project	435.154791	Direct Program	154791	-	803	1,500	2,303	-
Cons Contracts CHHD LD	435.157720	Direct Program	157720	(1,603)	7,913	-	6,310	-
Communicable Disease Control and Prevention	435.1558	Direct Program	155800	-	4,382	-	4,382	-
Cons Contracts PHHS	435.159220	Direct Program	159220	-	994	-	994	-
TPCP-NP-WINS	435.181004	Oneida County Health Department	181004	-	3,101	-	3,101	-
TPCP-NP-INTRV	435.181010	Oneida County Health Department	181010	-	2,200	-	2,200	-
Aging Disability Resource Center	435.560100	Direct Program	560100	(78,107)	298,914	70,130	290,937	-
ADRC Dementia	435.560158	Direct Program	560158	-	-	39,321	39,321	-
Elder Abuse	435-560490	GWAAR	560490	(9,389)	31,700	1,771	24,082	-
<b>Total Department of Health Services</b>				<b>(188,662)</b>	<b>2,312,138</b>	<b>339,857</b>	<b>2,587,376</b>	<b>-</b>
<b>DEPARTMENT OF CHILDREN AND FAMILIES</b>								
Food Stamp Agency Incentives	437.965	Direct Program	965	(3,459)	15,683	1,484	13,708	-
AFDC Agency Incentives	437.975	Direct Program	975	(90)	361	38	309	-
Medicaid Agency Incentives	437.980	Direct Program	980	(1,048)	11,866	1,036	11,854	-
CW Kinship Care Program - Benefits	437.3377	Direct Program	3377	-	167,100	29,997	197,097	-
CW Kinship Care Program - Assessment	437.338	Direct Program	3380	-	10,713	3,800	14,513	-
Grants for Foster Parents	437.339	Direct Program	3390A	-	4,128	6,714	10,842	-
Community Intervention Program	437.3410	Direct Program	3410	(1,566)	6,426	2,328	7,188	-
Youth Aids AODA	437.3411	Direct Program	3411	(9,784)	9,784	9,740	9,740	-
Youth Aids	437.3413	Direct Program	3413	(43,849)	511,746	47,991	515,888	-
JJ Community Supervision Services	437.3414	Direct Program	3414	-	1,650	5,312	6,962	-
Basic County Allocation	437.3561	Direct Program	3561	(13,233)	285,869	-	272,636	-
CW Children and Families Allocation	437.3681	Direct Program	3681	-	21,735	-	43,470	-
Child Support Mobility Support Liability Incentive	437.7332	Direct Program	7332	(1,752)	1,752	-	-	-
Child Support State GPR/PR Funding Allocation	437.7502	Direct Program	7502	-	68,241	-	68,241	-
Child Support Medical Support GPR Earned	437.7606	Direct Program	7606	-	2,688	-	2,688	-
<b>Total Department of Children and Families</b>				<b>(74,781)</b>	<b>1,119,742</b>	<b>108,440</b>	<b>1,175,136</b>	<b>-</b>
<b>DEPARTMENT OF JUSTICE</b>								
Victim and Witness Assistance Program - A Program Cluster	455.503, 455.532, & 455.539	Direct Program	Unknown	(16,678)	30,690	17,262	31,274	-
Treatment Alternative and Diversion Program	455.217	Direct Program	2017-TD-02-11969 & 2016-TD-02-11603	(31,594)	31,594	-	-	-
DNA Sample Program	455.221	Direct Program	Unknown	-	86,491	39,066	125,557	-
<b>Total Department of Justice</b>				<b>(48,272)</b>	<b>148,775</b>	<b>56,328</b>	<b>156,831</b>	<b>-</b>

**MARINETTE COUNTY, WISCONSIN**  
Schedule of State Financial Assistance (Continued)  
For the Year Ended December 31, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18		
<b>DEPARTMENT OF MILITARY AFFAIRS</b>								
Emergency Training Grant Program	465.337	Direct Program	323.60 Ss.	(7,909)	15,739	7,829	15,659	-
Computer and Hazmat Equipment Grant	465.367	Direct Program	323.61 Ss.	-	203	8,077	8,280	-
Total Department of Military Affairs				<u>(7,909)</u>	<u>15,942</u>	<u>15,906</u>	<u>23,939</u>	<u>-</u>
<b>DEPARTMENT OF ADMINISTRATION</b>								
Land Information Board	505.110	Direct Program	Unknown	-	19,768	-	19,768	-
Training Grant	505.118	Direct Program	Unknown	-	1,000	-	1,000	-
Strategic Initiative Grant	505.166	Direct Program	Unknown	-	75,000	-	75,000	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599971.38 & AD1599972.38	(13,786)	53,044	12,708	51,966	-
Total Department of Administration				<u>(13,786)</u>	<u>148,812</u>	<u>12,708</u>	<u>147,734</u>	<u>-</u>
<b>TOTAL STATE PROGRAMS</b>				<b>\$ (598,158)</b>	<b>\$ 5,152,638</b>	<b>\$ 514,413</b>	<b>\$ 5,214,671</b>	<b>\$ -</b>

(1) \*Victim Witness is a cluster program funded by the following State ID Numbers: 455.503, 455.532, 455.536, 455.537 and 455.539

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, 2018

---

### **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 2018 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, 2018

---

### **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, 2018

### 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
435.283	IMAA State Share
435.468	Enhanced IM Funding
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, 2018

---

### 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?  | Yes   |
| 4. Name and signature of partner   | <br>_____<br>Jon Trautman, CPA |
| 5. Date of report  | August 8, 2019  |