

**MARQUETTE COUNTY**

Montello, Wisconsin

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

# MARQUETTE COUNTY

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**INDEPENDENT AUDITORS' REPORT**

To the County Board  
Marquette County  
Montello, Wisconsin

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marquette County, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Marquette 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 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 from material misstatement.

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 auditor considers internal control over financial reporting relevant to Marquette 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 Marquette 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marquette County, Wisconsin, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the County Board  
Marquette County

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marquette County's basic financial statements. The combining schedule of assets and liabilities - all agency funds as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of assets and liabilities - all agency funds is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Marquette 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 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 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 Marquette County's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
August 10, 2015

# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

As management of Marquette County, Wisconsin, we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the county's financial statements and the notes to the financial statements.

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### FINANCIAL HIGHLIGHTS

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- > The assets of Marquette County exceeded its liabilities and deferred inflows of resources as of December 31, 2014 by \$17,281,121 (net position). Of this amount, \$5,106,999 (unrestricted net position) may be used to meet the government's obligations to citizens and creditors. The total net position includes all major infrastructure networks.
- > The county's total net position increased by \$949,735.
- > As of December 31, 2014, Marquette County's governmental funds reported combined ending fund balance of \$6,686,045. Of this amount, \$1,142,077 is nonspendable, \$2,242,382 is restricted and \$525,300 is assigned. \$2,776,286 or approximately 42% is unassigned and available for use within the county's designations and policies.
- > At the end of the current fiscal year, the assigned and unassigned fund balance for the general fund was approximately 27% of the total general fund expenditures.
- > At the end of the current fiscal year, general obligation debt is \$11,985,106, well within the county's debt limit of \$77,608,320.

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### ***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

The government-wide financial statements are designed to provide readers with a broad overview of the 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, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Marquette County is improving or deteriorating. To assess the overall health of the county you need to consider additional non-financial factors such as changes in the county's property tax base and the condition of the county's infrastructure.

# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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#### *GOVERNMENT-WIDE FINANCIAL STATEMENTS (cont.)*

Both government-wide financial statements distinguish functions of Marquette 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 safety; public works; health and human services; culture, education and recreation; and conservation and development. The business-type activity of the county is the highway department.

The government-wide financial statements can be found on pages 1-3 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. Marquette 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* – Most of the county's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily used for cash. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. In 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.

Marquette County maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, and expenditures, and changes in fund balances for the General Fund, the Human Services Special Revenue Fund, the Debt Service Fund, and the Capital Projects Fund, which are all considered to be major funds.

The county adopts an annual appropriated budget for all its governmental funds. As part of the required supplementary information, budgetary comparison statements have been provided in detail for the General Fund, and in summary for the Human Services Special Revenue Fund, to demonstrate compliance with the budget.

# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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#### *FUND FINANCIAL STATEMENT* (cont.)

The basic governmental fund financial statements can be found on pages 4-5 of this report.

*Proprietary Funds* – When the county charges customers for the services it provides – whether to outside customers or to other units of the county – these services are generally reported in proprietary funds. Marquette County maintains one type of proprietary fund called an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses an enterprise fund to account for its highway department operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. These statements provide separate information for the highway department since is considered to be a major fund of the county.

The basic proprietary fund financial statements can be found on pages 7-11 of this report.

*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 those 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 county utilizes one type of fiduciary fund called an agency fund. All agency funds are combined into a single aggregated presentation in the agency fund financial statement. Individual fund data for the agency funds is provided in the form of a combining statement elsewhere in this report. The basic agency fund financial statement can be found on page 12 of this report.

*Notes to the Financial Statements* – the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-36.

*Other Information* – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a budgetary comparison schedule for the General Fund and the Human Services Special Revenue Fund to demonstrate compliance with the budget. These schedules and accompanying notes can be found on pages 37-42 of this report. The combining statement referred to earlier in connection with agency funds is presented immediately following the required supplementary information.

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### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

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An analysis of the county's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the county's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Marquette County, assets exceeded liabilities and deferred inflows of resources by \$17,281,121 as of December 31, 2014. The next table includes comparative data of net position for the years ended December 31, 2013 and December 31, 2014.

**Marquette County's Net Position  
December 31, 2014 and 2013**

	<u>Governmental Activities</u>		<u>Business - type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014*</u>	<u>2013*</u>
Current and Other Assets	\$ 19,806,993	\$ 19,890,655	\$ 1,071,411	\$ 1,213,115	\$ 20,878,404	\$ 21,103,770
Capital Assets	<u>15,586,142</u>	<u>15,081,688</u>	<u>6,816,368</u>	<u>7,115,709</u>	<u>22,402,510</u>	<u>22,197,397</u>
Total Assets	<u>35,393,135</u>	<u>34,972,343</u>	<u>7,887,779</u>	<u>8,328,824</u>	<u>43,280,914</u>	<u>43,301,167</u>
Long-term Liabilities Outstanding	12,546,445	13,408,494	603,305	802,506	13,149,750	14,211,000
Other Liabilities	<u>1,077,900</u>	<u>937,195</u>	<u>149,861</u>	<u>208,433</u>	<u>1,227,761</u>	<u>1,145,628</u>
Total Liabilities	<u>13,624,345</u>	<u>14,345,689</u>	<u>753,166</u>	<u>1,010,939</u>	<u>14,377,511</u>	<u>15,356,628</u>
Deferred Inflows of Resources	<u>11,622,282</u>	<u>11,473,355</u>	-	<u>139,798</u>	<u>11,622,282</u>	<u>11,613,153</u>
Net Position:						
Net Investment in Capital Assets	9,938,901	9,736,421	6,456,592	6,544,668	11,867,479	11,540,339
Restricted	306,643	345,141	-	-	306,643	345,141
Unrestricted (deficit)	<u>(99,036)</u>	<u>(928,263)</u>	<u>678,021</u>	<u>633,419</u>	<u>5,106,999</u>	<u>4,445,806</u>
Total Net Position	<u>\$ 10,146,508</u>	<u>\$ 9,153,299</u>	<u>\$ 7,134,613</u>	<u>\$ 7,178,087</u>	<u>\$ 17,281,121</u>	<u>\$ 16,331,286</u>

\* The total column reflects a capital debt adjustment. See Note 1.D.8 for further information.

The largest portion of the county's net position (approximately 69%) reflects its investment in capital assets (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.

Approximately 2% of the county's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,106,999, may be used to meet the county's ongoing obligations to citizens and creditors.

**Analysis of the County's Operations** – The following table provides a comparison summary of the county's operations for the years ended December 31, 2013 and December 31, 2014. Governmental activities experienced an increase in net position of \$993,309. Business-type activities experienced a decrease in net position of \$43,474.

# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)

#### MARQUETTE COUNTY CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 1,833,692	\$ 1,845,302	\$ 3,926,934	\$ 3,811,872	\$ 5,760,626	\$ 5,657,174
Operating Grants & Contributions	4,156,757	3,592,236	-	-	4,156,757	3,592,236
General Revenues:						
Property Taxes	11,480,728	10,921,406	-	-	11,480,728	10,921,406
Sales Taxes	827,045	783,177	-	-	827,045	783,177
Other Taxes	298,864	283,153	-	-	298,864	283,153
Intergovernmental	136,615	105,719	-	-	136,615	105,719
Investment Income	8,574	7,926	-	-	8,574	7,926
Gain on sale of property	120,332	46,104	-	-	120,332	46,104
Miscellaneous	125,750	114,641	-	-	125,750	114,641
<b>Total Revenues</b>	<b>18,988,357</b>	<b>17,699,664</b>	<b>3,926,934</b>	<b>3,811,872</b>	<b>22,915,291</b>	<b>21,511,536</b>
<b>Expenses:</b>						
General Government	2,661,312	2,623,461	-	-	2,661,312	2,623,461
Public Safety	5,361,077	5,129,740	-	-	5,361,077	5,129,740
Public Works	2,583,944	2,348,024	-	-	2,583,944	2,348,024
Health & Human Services	5,017,338	4,857,374	-	-	5,017,338	4,857,374
Culture, Recreation, & Education	595,979	537,599	-	-	595,979	537,599
Conservation & Economic Development	794,809	959,892	-	-	794,809	959,892
Interest & Fiscal Charges	433,588	667,611	-	-	433,588	667,611
Highway	-	-	4,517,409	4,444,152	4,517,409	4,444,152
<b>Total Expenses</b>	<b>17,448,047</b>	<b>17,123,701</b>	<b>4,517,409</b>	<b>4,444,152</b>	<b>21,965,456</b>	<b>21,567,853</b>
Excess (Deficiency) Before Transfers	1,540,310	575,963	(590,475)	(632,280)	949,835	(56,317)
Transfers	(547,001)	(614,411)	547,001	614,411	-	-
Increase (Decrease) in Net Position	993,309	(38,448)	(43,474)	(17,869)	949,835	(56,317)
Net Position- Beginning of Year	9,153,199	9,191,647	7,178,087	7,195,956	16,331,286	16,387,603
<b>Net Position - End of Year</b>	<b>\$ 10,146,508</b>	<b>\$ 9,153,199</b>	<b>\$ 7,134,613</b>	<b>\$ 7,178,087</b>	<b>\$ 17,281,121</b>	<b>\$ 16,331,286</b>

# MARQUETTE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
As of and for the Year Ended December 31, 2014

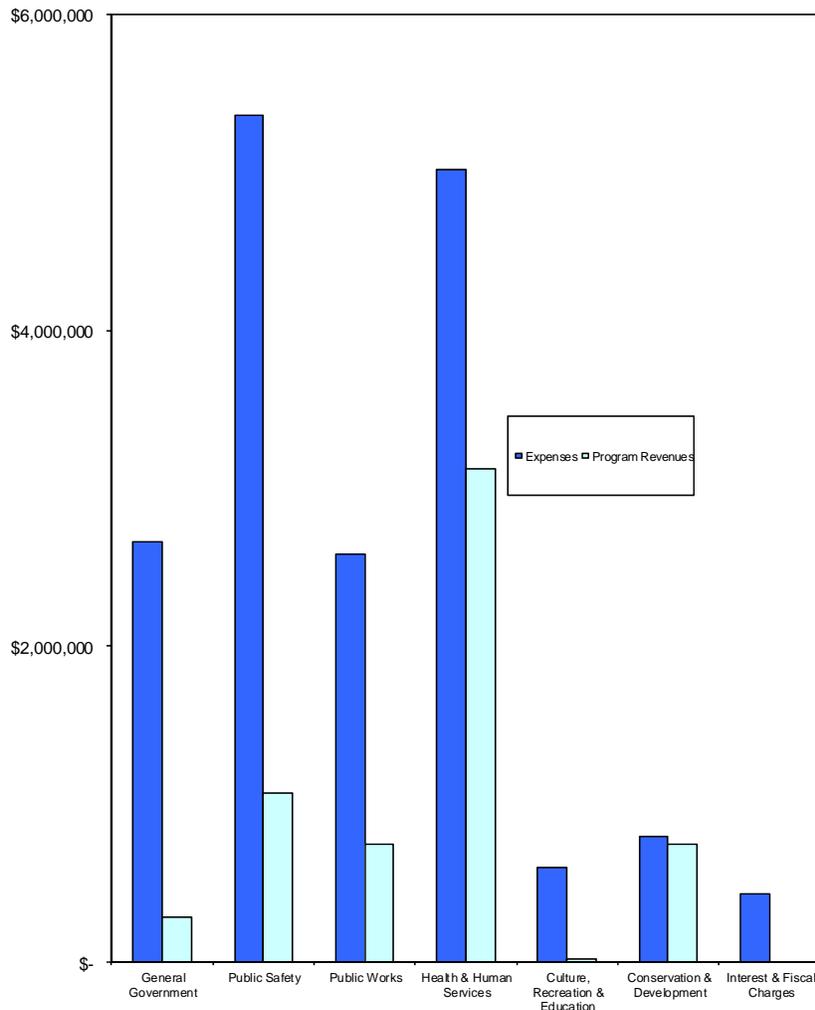
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## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)

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The following chart compares expenses and program revenues for governmental activities:

**Expenses and Program Revenues  
Governmental Activities**



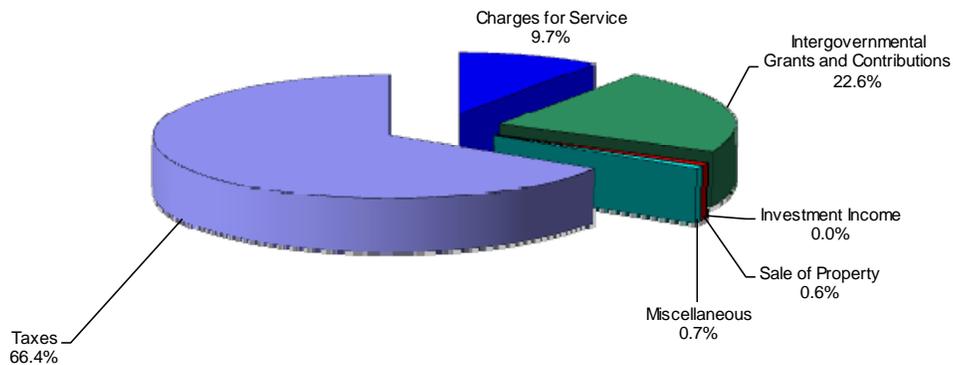
# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (cont.)

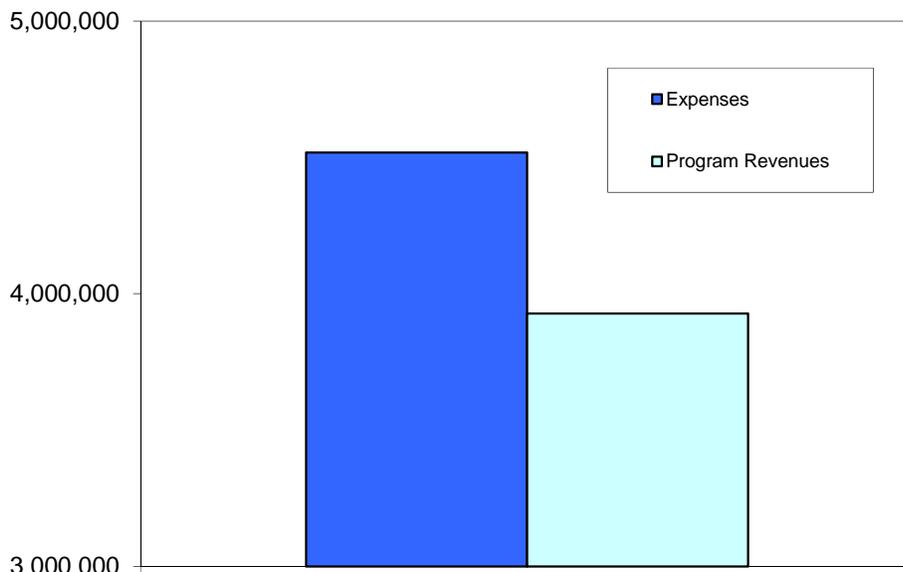
The distribution of revenues in governmental activities remains almost the same as last year, with just a slight shift from intergovernmental aids and taxes. Taxes and intergovernmental grants and contributions are approximately 89% of total revenues, while public charges and other sources provide the balance of the revenue.

#### Revenue by Source - Governmental Activities



A comparison of expenses and revenues for business-type activities (highway fund) is illustrated in the following chart.

#### Expenses and Program Revenues Business-type Activities



# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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#### ***GOVERNMENTAL FUNDS***

The focus of Marquette 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, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Marquette County's governmental funds reported combined ending fund balances of \$6,686,045. \$1,142,077 is nonspendable, indicating it is not available for spending because it had already been committed; \$799,947 for county purchased tax deeds and certificates, \$9,969 for inventories, and \$332,161 for prepaid items. \$2,242,382 is considered restricted and \$525,300 is assigned. The remainder of fund balance is considered unassigned and is \$2,776,286.

#### ***General Fund***

The county's General Fund is used to account for the majority of the county's operations with the exception of the Human Services Department and the business activities recorded in the highway fund.

During the current year, the fund balance of the General Fund increased by \$545,143. Key factors in this change are as follows:

- > Revenues from county sales tax were higher than budgeted by approximately \$52,000.
- > Charges for emergency medical services were higher than budgeted by approximately \$82,000.
- > Sale of property was higher than budget by approximately \$109,000.
- > All categories of expenditures were less than the final budget.

#### ***Human Services***

The Human Services fund is used to account for the revenues and expenditures associated with the Human Services Department. The majority of the funding for the Human Services Department comes from a wide variety of intergovernmental revenues including medical assistance revenue for community based waiver programs and collections. County tax dollars provide approximately 34% of the funding needed for Human Services programs.

At the end of the current fiscal year, the Human Services fund had a fund balance of \$57,237, an increase of \$4,712 from the previous year.

#### ***Debt Service***

The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. During 2014, Marquette County made principal and interest payments of \$1,285,354. At the end of the current fiscal year, outstanding general obligation debt was \$11,985,106. Fund balance of the debt service fund was \$5,846, the same as in the previous year.

# MARQUETTE COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

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#### *GOVERNMENTAL FUNDS (cont.)*

##### *Capital Projects*

The Capital Projects Fund accounts for expenditures for the acquisition and construction of major capital facilities and related revenues and proceeds from long-term borrowing. At the end of the current fiscal year, the Capital Projects Fund had a fund balance of \$1,929,893, a decrease from the previous year. This was due to spending down prior year borrowings in the current fiscal year.

#### *PROPRIETARY FUNDS*

Marquette County's proprietary fund statement provides the same type of information found in the county's government-wide financial statements, but in more detail.

At the end of the current fiscal year, Marquette County's proprietary fund (highway) reported net position of \$7,143,613. The majority of the highway net position, \$6,456,592, is net investment in capital assets.

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### GENERAL FUND BUDGETARY HIGHLIGHTS

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The final amended General Fund budget had total appropriations of \$1,013,693 more than the original budget. All functions had amendments with the largest being for conservation and economic development and capital outlay.

General Fund expenditures were less than final budgeted amounts by \$762,520, and greater than the original budget by \$166,173.

Actual revenues received were more than final budgeted amounts by \$449,464.

The most noteworthy reasons for the variances are described on page xii in the analysis of the general fund.

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### CAPITAL ASSETS

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At the end of 2014, Marquette County has a total \$22,402,510 invested in capital assets (net of accumulated depreciation). The majority of these assets, \$15,586,142, relate to governmental activities and \$6,816,368 relate to business-type activities. This investment in capital assets includes land, construction in progress, land improvements, buildings, machinery and equipment, infrastructure and intangible software.

Major additions for governmental activities for 2014 include:

- > \$738,864 for a portion of a radio communications upgrade

Major additions for business-type activities include:

- > \$87,803 for a various machinery and equipment and 47,453 for a scale

More detailed information about Marquette County's capital assets may be found in Note IV. C. on pages 26-27 of this report.

## **MARQUETTE COUNTY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2014**

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#### **LONG-TERM DEBT**

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In accordance with Wisconsin State Statutes, Chapter 67, Marquette County's total general obligation debt may not exceed five percent of the equalized value of the taxable property with the county's jurisdiction. The debt limit as of December 31, 2014 was \$77,608,320. At the end of 2014, the total of Marquette County's general obligation debt was \$11,985,106.

More detailed information on the county's long-term debt can be found in Note IV. E. on pages 28-30 of this report.

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#### **CURRENTLY KNOWN FACTS**

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All currently known facts and economic conditions were considered in preparing the 2015 county budget.

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#### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide a general overview of Marquette County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Marquette County Administrative Coordinator/Finance Director, P.O. Box 129, Montello, WI 53949.

# MARQUETTE COUNTY

## STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business- type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 5,414,153	\$ 51,519	\$ 5,465,672
Receivables (net of allowance for uncollectibles)			
Taxes	11,622,282	-	11,622,282
Delinquent taxes	1,440,635	-	1,440,635
Accounts	210,821	44,730	255,551
Due from other governments	776,972	171,998	948,970
Inventories	9,969	797,664	807,633
Prepaid items	332,161	5,500	337,661
Capital assets (net of accumulated depreciation)			
Land	232,100	33,331	265,431
Construction in progress	1,267,047	-	1,267,047
Gravel pit and quarry	-	88,562	88,562
Other capital assets, net of accumulated depreciation	14,086,995	6,694,475	20,781,470
Total Assets	<u>35,393,135</u>	<u>7,887,779</u>	<u>43,280,914</u>
<b>LIABILITIES</b>			
Accounts payable	491,993	22,167	514,160
Accrued liabilities	324,475	67,922	392,397
Due to other governments	261,432	-	261,432
Unearned revenue	-	59,772	59,772
Noncurrent liabilities			
Due within one year	953,049	156,936	1,109,985
Due in more than one year	11,593,396	446,369	12,039,765
Total Liabilities	<u>13,624,345</u>	<u>753,166</u>	<u>14,377,511</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	<u>11,622,282</u>	<u>-</u>	<u>11,622,282</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,938,901	6,456,592	11,867,479
Restricted for grants	306,643	-	306,643
Unrestricted (deficit)	<u>(99,036)</u>	<u>678,021</u>	<u>5,106,999</u>
			-
<b>TOTAL NET POSITION</b>	<u>\$ 10,146,508</u>	<u>\$ 7,134,613</u>	<u>\$ 17,281,121</u>

See accompanying notes to financial statements.

**MARQUETTE COUNTY**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities			
General government	\$ 2,661,312	\$ 186,612	\$ 101,927
Public safety	5,361,077	928,925	139,462
Public works	2,583,944	-	742,410
Health and human services	5,017,338	549,463	2,577,783
Culture, recreation and education	595,979	276	18,479
Conservation and economic development	794,809	168,416	576,696
Interest and fiscal charges	433,588	-	-
Total Governmental Activities	<u>17,448,047</u>	<u>1,833,692</u>	<u>4,156,757</u>
Business-type Activities			
Highway	4,517,409	3,926,934	-
Total Business-type Activities	<u>4,517,409</u>	<u>3,926,934</u>	<u>-</u>
Totals	<u>\$ 21,965,456</u>	<u>\$ 5,760,626</u>	<u>\$ 4,156,757</u>

General Revenues  
Taxes  
    Property taxes, levied for general purposes  
    Property taxes, levied for debt service  
    Sales taxes  
    Other taxes  
Intergovernmental revenues not restricted to specific programs  
Investment income  
Gain on sale of property  
Miscellaneous  
Transfers  
    Total General Revenues and Transfers

**Change in Net Position**

NET POSITION - Beginning

**NET POSITION - ENDING**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
\$ (2,372,773)	\$ -	\$ (2,372,773)
(4,292,690)	-	(4,292,690)
(1,841,534)	-	(1,841,534)
(1,890,092)	-	(1,890,092)
(577,224)	-	(577,224)
(49,697)	-	(49,697)
(433,588)	-	(433,588)
<u>(11,457,598)</u>	<u>-</u>	<u>(11,457,598)</u>
-	(590,475)	(590,475)
-	(590,475)	(590,475)
(11,457,598)	(590,475)	(12,048,073)
10,226,045	-	10,226,045
1,254,683	-	1,254,683
827,045	-	827,045
298,864	-	298,864
136,615	-	136,615
8,574	-	8,574
120,332	-	120,332
125,750	-	125,750
(547,001)	547,001	-
<u>12,450,907</u>	<u>547,001</u>	<u>12,997,908</u>
993,309	(43,474)	949,835
<u>9,153,199</u>	<u>7,178,087</u>	<u>16,331,286</u>
<u>\$ 10,146,508</u>	<u>\$ 7,134,613</u>	<u>\$ 17,281,121</u>

**MARQUETTE COUNTY**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2014

	General	Human Services	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 3,270,457	\$ 76,358	\$ 5,846	\$ 2,061,492	\$ 5,414,153
Receivables					
Taxes	8,607,990	1,730,547	1,283,745	-	11,622,282
Delinquent taxes	1,440,635	-	-	-	1,440,635
Accounts	151,286	59,535	-	-	210,821
Due from other governments	397,220	379,752	-	-	776,972
Inventories	9,969	-	-	-	9,969
Prepaid items	332,161	-	-	-	332,161
<b>TOTAL ASSETS</b>	<b>\$ 14,209,718</b>	<b>\$ 2,246,192</b>	<b>\$ 1,289,591</b>	<b>\$ 2,061,492</b>	<b>\$ 19,806,993</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 218,847	\$ 141,547	\$ -	\$ 131,599	\$ 491,993
Accrued liabilities	154,407	55,429	-	-	209,836
Due to other governments	-	261,432	-	-	261,432
Total Liabilities	<u>373,254</u>	<u>458,408</u>	<u>-</u>	<u>131,599</u>	<u>963,261</u>
Deferred Inflows of Resources					
Unearned revenue	8,607,990	1,730,547	1,283,745	-	11,622,282
Unavailable revenue	535,405	-	-	-	535,405
Total Deferred Inflows of Resources	<u>9,143,395</u>	<u>1,730,547</u>	<u>1,283,745</u>	<u>-</u>	<u>12,157,687</u>
Fund Balances					
Nonspendable	1,142,077	-	-	-	1,142,077
Restricted	270,666	35,977	5,846	1,929,893	2,242,382
Assigned	504,040	21,260	-	-	525,300
Unassigned	2,776,286	-	-	-	2,776,286
Total Fund Balances	<u>4,693,069</u>	<u>57,237</u>	<u>5,846</u>	<u>1,929,893</u>	<u>6,686,045</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,209,718</b>	<b>\$ 2,246,192</b>	<b>\$ 1,289,591</b>	<b>\$ 2,061,492</b>	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. (See Note IV.C.)	15,586,142
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. (See Note IV.B.)	535,405
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds (see Note II.A.)	<u>(12,661,084)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 10,146,508</b>

See accompanying notes to financial statements.

## MARQUETTE COUNTY

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended December 31, 2014

	General	Human Services	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 9,803,942	\$ 1,581,260	\$ 1,254,683	\$ -	\$ 12,639,885
Intergovernmental	1,666,006	2,491,039	-	-	4,157,045
Licenses and permits	137,586	-	-	-	137,586
Fines, forfeitures and penalties	101,583	-	-	-	101,583
Public charges for services	969,027	513,608	-	-	1,482,635
Intergovernmental charges for services	33,802	-	-	-	33,802
Investment income	6,041	-	-	2,283	8,324
Miscellaneous	354,911	1,173	-	-	356,084
Total Revenues	13,072,898	4,587,080	1,254,683	2,283	18,916,944
<b>EXPENDITURES</b>					
Current					
General government	3,018,426	-	-	-	3,018,426
Public safety	4,905,979	-	-	-	4,905,979
Public works	1,832,538	-	-	-	1,832,538
Health and human services	586,092	4,378,305	-	-	4,964,397
Culture, recreation and education	580,689	-	-	-	580,689
Conservation and economic development	823,381	-	-	-	823,381
Capital Outlay	345,212	7,500	-	1,057,967	1,410,679
Debt Service					
Principal	-	-	828,089	-	828,089
Interest and fiscal charges	-	-	457,265	-	457,265
Total Expenditures	12,092,317	4,385,805	1,285,354	1,057,967	18,821,443
Excess (deficiency) of revenues over expenditures	980,581	201,275	(30,671)	(1,055,684)	95,501
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	196,563	-	30,671	85,000	312,234
Transfers out	(632,001)	(196,563)	-	(30,671)	(859,235)
Total Other Financing Sources (Uses)	(435,438)	(196,563)	30,671	54,329	(547,001)
<b>Net Change in Fund Balance</b>	545,143	4,712	-	(1,001,355)	(451,500)
FUND BALANCES - Beginning	4,147,926	52,525	5,846	2,931,248	7,137,545
<b>FUND BALANCES - ENDING</b>	\$ 4,693,069	\$ 57,237	\$ 5,846	\$ 1,929,893	\$ 6,686,045

See accompanying notes to financial statements.

## MARQUETTE COUNTY

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

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Net change in fund balances - total governmental funds	\$ (451,500)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital additions as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	1,410,679
Some items reported as capital outlay in the fund financial statements were not capitalized according to the county's capitalization policy	(82,191)
Depreciation is reported in the government-wide statements	(820,721)
Net book value of assets retired	(3,313)
Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Delinquent taxes	71,413
Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repaid	828,089
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Premium	16,784
Some expenses 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.	
Compensated absences	17,176
Accrued interest on debt	6,893
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 993,309</u></b>

See accompanying notes to financial statements.

# MARQUETTE COUNTY

## STATEMENT OF NET POSITION PROPRIETARY FUND As of December 31, 2014

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	<u>Highway</u>
<b>ASSETS</b>	
Current Assets	
Cash and investments	\$ 51,519
Accounts receivable	44,730
Due from other governmental units	171,998
Inventories	797,664
Prepays	<u>5,500</u>
Total Current Assets	<u>1,071,411</u>
Noncurrent Assets	
Capital Assets	
Land	33,331
Buildings and improvements	5,629,271
Land improvements	468,725
Machinery and equipment	7,608,016
Gravel pit and quarry	88,562
Other capital assets	30,497
Less: accumulated depreciation	<u>(7,042,034)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,816,368</u>
Total Noncurrent Assets	<u>6,816,368</u>
Total Assets	<u>7,887,779</u>

---

	<u>Highway</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	\$ 22,167
Accrued salaries and wages	57,339
Accrued interest	10,583
Unearned revenue	59,772
Current portion of vested employee benefits	39,510
Current portion of capital lease payable	<u>117,426</u>
Total Current Liabilities	<u>306,797</u>
Noncurrent Liabilities	
Capital lease payable	242,350
Vested employee benefits	<u>204,019</u>
Total Noncurrent Liabilities	<u>446,369</u>
Total Liabilities	<u>753,166</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,456,592
Unrestricted	<u>678,021</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 7,134,613</u></b>

See accompanying notes to financial statements.

# MARQUETTE COUNTY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND

For the Year Ended December 31, 2014

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	<u>Highway</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 3,880,014
Miscellaneous	<u>46,920</u>
Total Operating Revenues	<u>3,926,934</u>
<b>OPERATING EXPENSES</b>	
Operation and maintenance	4,048,282
Depreciation	<u>445,138</u>
Total Operating Expenses	<u>4,493,420</u>
Operating Income (Loss)	<u>(566,486)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest expense	(15,299)
Loss on disposal of capital assets	<u>(8,690)</u>
Total Nonoperating Revenues (Expenses)	<u>(23,989)</u>
Income (Loss) Before Transfers	<u>(590,475)</u>
<b>TRANSFERS</b>	
Transfers in	<u>547,001</u>
Total Transfers	<u>547,001</u>
<b>Change in Net Position</b>	(43,474)
NET POSITION - Beginning	<u>7,178,087</u>
<b>NET POSITION - ENDING</b>	<u>\$ 7,134,613</u>

# MARQUETTE COUNTY

## STATEMENT OF CASH FLOWS PROPRIETARY FUND

For the Year Ended December 31, 2013

	<u>Highway</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 3,898,352
Cash paid to suppliers for goods and services	<u>(4,127,902)</u>
Net Cash Flows From Operating Activities	<u>(229,550)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	<u>547,001</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash used to retire debt	(211,265)
Interest paid	(22,095)
Acquisition and construction of capital assets	<u>(154,487)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(387,847)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(70,396)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>121,915</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 51,519</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (566,486)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities	
Depreciation	445,138
Change in Assets and Liabilities	
Accounts receivable	(27,699)
Due from other governmental units	116,685
Inventories	(12,178)
Prepaid items	(5,500)
Accounts payable	(61,671)
Accrued liabilities	(271)
Due to other governments	<u>(117,568)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (229,550)</u>

See accompanying notes to financial statements.

**MARQUETTE COUNTY**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of December 31, 2014

---

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 298,087
Taxes receivable	263,412
Accounts receivable	<u>75</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 561,574</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 6,977
Due to other governmental units	385,799
Funds held for others	<u>168,798</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 561,574</u></b>

See accompanying notes to financial statements.

# MARQUETTE COUNTY

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of Marquette County, Wisconsin (the county) conform to generally accepted accounting principles as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the county. The reporting entity for the county consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The county has not identified any organizations that meet this criteria.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

##### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The county does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

##### ***Fund Financial Statements***

Financial statements of the county are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditure/expenses.

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

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county or meets the following criteria:

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

The county reports the following major governmental funds:

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

Human Services Special Revenue Fund – used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the related programs.

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

Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and the other capital assets for the related program.

The county reports the following major enterprise fund:

Highway Fund – account and report for operation and maintenance of the county’s highway department facilities including all machinery and the county trunk highway system.

In addition, the county reports the following fund type:

Agency funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Agency funds include the County Treasurer, Clerks of Courts, and Sheriff.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

##### ***Government-Wide Financial Statements***

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

##### ***Fund Financial Statements***

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

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

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

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***Fund Financial Statements (cont.)***

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

##### ***All Financial Statements***

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

#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**

##### **1. Deposits and Investments**

For purposes of the statement of cash flows, the county considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of county funds is restricted by state statutes. Available investments are limited to:

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

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

##### **1. Deposits and Investments (cont.)**

The county has adopted an investment policy that follows the state statute for allowable investments. The county's investment policy as it relates to custodial credit risk specifies that depository agreements shall be in effect with each financial institution whereby amounts in excess of FDIC and State Deposit Guarantee Fund guaranteed amounts must be fully collateralized and held by a third party or fully insured by an insurance company with an A rating or better by A.M. Best. The county's investment policy as it relates to credit risk specifies that the investments of the county are limited to time deposits in financial institutions, securities issued or guaranteed by the federal government, municipal obligations of Wisconsin entities, the State of Wisconsin local government pool investment fund, and repurchase agreements which are secured by securities issued or guaranteed by the federal government. The county's investment policy as it relates to interest rate risk states that no investment will be entered into for a period of longer than one year.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of various accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

##### **2. Receivables**

Property taxes are levied in December on the assessed value as of the prior January 1. They are not legally available for appropriation until the ensuing year. In addition to property taxes for the county, taxes are collected for and remitted to the state government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other governmental units on the Statement of Assets and Liabilities – Agency Funds.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

##### **2. Receivables (cont.)**

Property tax calendar – 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale – 2014 delinquent real estate taxes	October 2017

Property taxes are due, in the year subsequent to levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid taxes are assigned to the county and appropriate receivables and payables are recorded. Tax collections become the responsibility of the county and taxes receivable include unpaid taxes levied for all taxing entities within the county. The county makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1. The interest and penalties on taxes not paid within 60 days of the end of the current fiscal period is shown as deferred revenue until it is received in cash.

The portion of county property taxes receivable at December 31, 2014, which relates to taxes initially levied by other municipalities and uncollected within sixty days after year-end, has been reflected in the accompanying financial statements as a nonspendable fund balance in the general fund in the amount of \$799,947.

Accounts receivable in all funds have been adjusted for all known uncollectible accounts. No allowance for uncollectible delinquent taxes has been provided because of the county's demonstrated ability to recover any losses through the sale of the applicable property.

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

##### **3. Inventories and Prepaid Items**

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on the first-in/first-out (FIFO) method of accounting, and charged to construction and/or operation and maintenance expense when used.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

##### **3. Inventories and Prepaid Items (cont.)**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### **4. Capital Assets**

###### **Government–Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 50 Years
Land Improvements	20 - 30 Years
Machinery and Equipment	5 - 20 Years
Infrastructure	20 - 50 Years
Intangibles	5 - 20 Years

###### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***5. Compensated Absences***

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2014 are determined on the basis of current salary rates and include salary related payments.

##### ***6. Long-Term Obligations***

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The county does not engage in conduit debt transactions.

##### ***7. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenues) until that future time.

##### ***8. Equity Classifications***

###### ***Government-Wide Statements***

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

**8. Equity Classifications (cont.)**

**Government-Wide Statements (cont.)**

- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of “net investment in capital assets,” and an increase in “unrestricted” net position, shown only in the total column.

	Governmental Activities	Business-type Activities	Adjustment	Totals
Net investment in capital assets	\$ 9,938,901	\$ 6,456,592	\$ (4,528,014)	\$ 11,867,579
Unrestricted	(99,036)	678,021	4,528,014	5,106,999

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

**Fund Statements**

Governmental fund fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the county. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city that originally created the commitment.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

##### **8. Equity Classifications (cont.)**

##### **Fund Statements (cont.)**

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) County board or Finance Director identification, 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The county considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the county would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

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### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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#### **A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Long-term liabilities applicable to the county's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net position.

Bonds and notes payable	\$ 11,985,106
Compensated absences	374,054
Unamortized debt premium	187,285
Accrued interest	<u>114,639</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 12,661,084</u>

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### A. LIMITATIONS ON THE COUNTY'S TAX LEVY

Wisconsin law limits the county's future tax levies. Generally, the county is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the county's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The county is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

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### NOTE IV – DETAILED NOTES ON ALL FUNDS

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#### A. DEPOSITS AND INVESTMENTS

The county maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The county's cash and investments at year end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Deposits	\$ 3,587,242	\$ 3,771,814	Custodial credit
LGIP	2,100,284	2,100,284	Credit
Petty cash	7,167	-	n/a
Cash on hand	69,066	-	n/a
Total Cash and Investments	<u>\$ 5,763,759</u>	<u>\$ 5,872,098</u>	
Reconciliation to financial statements			
Per statement of net position	\$ 5,465,672		
Per statement of assets and liabilities – Agency Funds	<u>298,087</u>		
Total Cash and Investments	<u>\$ 5,763,759</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the custodial credit risk.

The county maintains a collateral agreement with its bank. At December 31, 2014, the bank had pledged various government securities in the amount of \$13,380,490 to secure the county's deposits.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Custodial Credit Risk**

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

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

##### **Credit Risk**

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

At December 31, 2014, the county had investments in the following external pools which are not rated:

Local Government Investment Pool

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

#### B. RECEIVABLES

Receivables not expected to be collected within one year include \$1,440,635 in the general fund.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 11,622,282	\$ -
EMS receivable		51,912
Grants receivable		52,499
Delinquent property taxes receivable		430,369
Interest receivable		625
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 11,622,282</u>	<u>\$ 535,405</u>

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **B. RECEIVABLES** (cont.)

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes levied by the county are reflected as unavailable revenue and are excluded from the fund balance until collected. At December 31, 2014, delinquent property taxes by year levied consists of the following:

Tax Certificates	
2014	\$ 717,187
2013	376,109
2012	196,073
2011	82,482
2010	3,037
2009	-
2008	128
2007	36
2006	81
2005	-
2004	34
Tax deeds	<u>65,468</u>
Total Delinquent Property Tax Receivable	1,440,635
Less: January and February 2015 collections	<u>(210,319)</u>
Subtotal	1,230,316
County levied portion	<u>(430,369)</u>
County Purchased Portion	<u><u>\$ 799,947</u></u>

**MARQUETTE COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 147,049	\$ 85,051	\$ -	\$ 232,100
Construction in progress	461,011	806,036	-	1,267,047
Total Capital Assets Not Being Depreciated	<u>608,060</u>	<u>891,087</u>	<u>-</u>	<u>1,499,147</u>
Capital assets being depreciated/ amortized				
Land improvements	383,087	52,037	-	435,124
Buildings and improvements	9,367,977	71,055	-	9,439,032
Machinery and equipment	3,512,373	219,067	186,760	3,544,680
Infrastructure	17,421,636	-	-	17,421,636
Intangible software	165,635	95,242	-	260,877
Total Capital Assets Being Depreciated/Amortized	<u>30,850,708</u>	<u>437,401</u>	<u>186,760</u>	<u>31,101,349</u>
Less: Accumulated depreciation/ amortization for				
Land improvements	(100,450)	(20,291)	-	(120,741)
Buildings and improvements	(3,150,030)	(229,081)	-	(3,379,111)
Machinery and equipment	(2,248,412)	(333,431)	(183,447)	(2,398,396)
Infrastructure	(10,791,805)	(205,435)	-	(10,997,240)
Intangible software	(86,383)	(32,483)	-	(118,866)
Total Accumulated Depreciation/Amortization	<u>(16,377,080)</u>	<u>(820,721)</u>	<u>(183,447)</u>	<u>(17,014,354)</u>
Net Capital Assets Being Depreciated/Amortized	<u>14,473,628</u>	<u>(383,320)</u>	<u>3,313</u>	<u>14,086,995</u>
Total Governmental Activities Capital Assets, Net of Depreciation/ Amortization	<u>\$ 15,081,688</u>	<u>\$ 507,767</u>	<u>\$ 3,313</u>	<u>\$ 15,586,142</u>

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### C. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities		
General government	\$	149,324
Public safety		335,645
Public works, which includes the depreciation of infrastructure		205,435
Health and human services		112,580
Culture, recreation and education		11,387
Conservation and economic development		6,350
Total Governmental Activities Depreciation/Amortization Expense	\$	820,721

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 33,331	\$ -	\$ -	\$ 33,331
Gravel pit and quarry	88,858	-	296	88,562
Total Capital Assets Not Being Depreciated	122,189	-	296	121,893
Capital assets being depreciated				
Land improvements	401,739	66,986	-	468,725
Buildings and improvements	5,629,271	-	-	5,629,271
Machinery and equipment	7,558,516	87,797	38,297	7,608,016
Other capital assets	30,497	-	-	30,497
Total Capital Assets Being Depreciated	13,620,023	154,783	38,297	13,736,509
Less: Accumulated depreciation for				
Land improvements	(151,354)	(19,657)	-	(171,011)
Buildings and improvements	(1,336,980)	(142,398)	-	(1,479,378)
Machinery and equipment	(5,112,247)	(283,083)	29,607	(5,365,723)
Other capital assets	(25,922)	-	-	(25,922)
Total Accumulated Depreciation	(6,626,503)	(445,138)	29,607	(7,042,034)
Business-type Capital Assets, Being Depreciated	6,993,520	(290,355)	8,690	6,694,475
Total Business-type Capital Assets, Net of Depreciation	\$ 7,115,709	\$ (290,355)	\$ 8,986	\$ 6,816,368

Depreciation expense was charged to functions as follows:

Business-type Activities	
Highway	\$ 445,138

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **D. INTERFUND TRANSFERS**

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Human services	\$ 196,563	Lapsing funds
Debt service	Capital projects fund	30,671	Debt service
Highway	General	547,001	Charges for services
Capital projects fund	General	85,000	Land purchase
Subtotal – Fund Financial Statements		859,235	
Less: Fund eliminations		(312,234)	
Total Transfers – Government-Wide Statement of Activities		\$ 547,001	

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

#### **E. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
General obligation debt	\$ 12,813,195	\$ -	\$ 828,089	\$ 11,985,106	\$ 849,551
Premiums	204,069	-	16,784	187,285	-
Subtotals	13,017,264	-	844,873	12,172,391	849,551
<b>Other liabilities</b>					
Vested compensated absences	391,230	90,433	107,609	374,054	103,498
Total Governmental Activities Long-Term Liabilities	\$ 13,408,494	\$ 90,433	\$ 952,482	\$ 12,546,445	\$ 953,049

**MARQUETTE COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. LONG-TERM OBLIGATIONS (cont.)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Business-type Activities</b>					
Other liabilities					
Vested compensated absences	\$ 231,465	\$ 56,581	\$ 44,517	\$ 243,529	\$ 39,510
Capital leases	571,041	-	211,265	359,776	117,426
Total Other Liabilities	<u>802,506</u>	<u>56,581</u>	<u>255,782</u>	<u>603,305</u>	<u>156,936</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 802,506</u>	<u>\$ 56,581</u>	<u>\$ 255,782</u>	<u>\$ 603,305</u>	<u>\$ 156,936</u>

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the county. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the county may not exceed 5% of the equalized value of taxable property within the county's jurisdiction. The debt limit as of December 31, 2014 was \$77,608,320. Total general obligation debt outstanding at year end was \$11,985,106.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12/31/14</u>
<b>Governmental Activities</b>					
<b>General Obligation Debt</b>					
Refunding Bond	06/01/09	04/01/29	3.00% – 4.50%	9,735,000	\$ 8,500,000
Land Trust Loan No. 4	08/13/11	03/15/16	3.25%	128,485	26,855
Land Trust Loan No. 5	10/02/12	03/15/17	2.50%	85,000	65,237
Land Trust Loan No. 6	06/25/13	03/15/18	2.50%	240,000	193,014
Promissory Notes	10/08/13	04/01/23	2.00% – 3.50%	3,520,000	<u>3,200,000</u>
Totals					<u>\$ 11,985,106</u>

**MARQUETTE COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 849,551	\$ 347,994
2016	839,375	331,149
2017	861,123	313,810
2018	865,057	294,980
2019	840,000	275,780
2020-2024	4,280,000	1,060,249
2025-2029	<u>3,450,000</u>	<u>400,005</u>
Totals	<u>\$ 11,985,106</u>	<u>\$ 3,023,967</u>

**Capital Leases**

Refer to Note IV. F.

**Other Debt Information**

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

**F. LEASE DISCLOSURES**

**Lessee – Capital Leases**

Marquette County Highway Department has entered into capital lease agreements for various machinery and equipment. The gross amount of these assets under capital lease is \$1,071,142, which are included in capital assets in the business-type activities. Following is a schedule of future minimum lease payments required under these capital leases:

<u>Years</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 117,426	\$ 13,105
2016	121,420	9,110
2017	<u>120,930</u>	<u>4,977</u>
Totals	<u>\$ 359,776</u>	<u>\$ 27,192</u>

**MARQUETTE COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**G. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)**

**Governmental Activities (cont.)**

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

	<u>General Fund</u>	<u>Human Services</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Prepaid items	\$ 332,161	\$ -	\$ -	\$ -	\$ 332,161
Inventories	9,969	-	-	-	9,969
County purchased tax deeds and certificates	799,947	-	-	-	799,947
<b>Restricted for</b>					
Grant agreements	270,666	35,977	-	-	306,643
Debt service	-	-	5,846	-	5,846
Future capital projects	-	-	-	1,929,893	1,929,893
<b>Assigned to</b>					
Carryovers	404,947	21,260	-	-	426,207
Applied to 2015 budget	99,093	-	-	-	99,093
<b>Unassigned</b>	<u>2,776,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,776,286</u>
<b>Total Fund Balance</b>	<u>\$ 4,693,069</u>	<u>\$ 57,237</u>	<u>\$ 5,846</u>	<u>\$ 1,929,893</u>	<u>\$ 6,686,045</u>

**Business-type Activities**

Net investment in capital assets	
Land	\$ 33,331
Gravel pit and quarry	88,562
Other capital assets, net of accumulated depreciation	6,694,475
Less: Related long-term debt outstanding	<u>(359,776)</u>
Net Investment in Capital Assets	<u>\$ 6,456,592</u>

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### G. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)

##### Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

	General Fund	Human Services	Debt Service	Capital Projects	Totals
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Prepaid items	\$ 332,161	\$ -	\$ -	\$ -	\$ 332,161
Inventories	9,969	-	-	-	9,969
County purchased tax deeds and certificates	799,947	-	-	-	799,947
<b>Restricted for</b>					
Grant agreements	270,666	35,977	-	-	306,643
Debt service	-	-	5,846	-	5,846
Future capital projects	-	-	-	1,929,893	1,929,893
<b>Assigned to</b>					
Carryovers	404,947	21,260	-	-	426,207
Applied to 2015 budget	99,093	-	-	-	99,093
<b>Unassigned</b>	2,776,286	-	-	-	2,776,286
<b>Total Fund Balance</b>	\$ 4,693,069	\$ 57,237	\$ 5,846	\$ 1,929,893	\$ 6,686,045

##### Business-type Activities

Net investment in capital assets	
Land	\$ 33,331
Gravel pit and quarry	88,562
Other capital assets, net of accumulated depreciation	6,694,475
Less: Related long-term debt outstanding	(359,776)
 Net Investment in Capital Assets	 \$ 6,456,592

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V – OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2014, there was no pension-related debt for the county.

#### **B. RISK MANAGEMENT**

The county is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. The county participates in a public entity risk pool called Wisconsin County Mutual Insurance Corporation to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; and workers' compensation. Other risks, such as health care of its employees, are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded available coverage in any of the three prior years. There were no significant reductions in coverage compared to the prior year.

##### **Public Entity Risk Pool**

Wisconsin County Mutual Insurance Corporation

Fifty-five Wisconsin counties jointly participate in the Wisconsin County Mutual Insurance Corporation (WCMIC) for general and automobile liability insurance. The creation of the County Mutual requires the establishment of capital reserves with each of the participating counties depositing amounts as specified in projected rates. This company began operation on January 1, 1988. Marquette County's approximate share of the operation is 1.89%.

The governing body is made up of nineteen directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation.

Summary financial information of WCMIC as of December 31, 2014 can be obtained directly from WCMIC's offices.

#### **C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the county is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the county 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.

# MARQUETTE COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V – OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES** (cont.)

The county has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

#### **D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension – Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*

When they become effective, application of these standards may restate portions of these financial statements.

#### **E. SUBSEQUENT EVENTS**

On February 17, 2015, the county obtained a state trust fund loan in the amount of \$83,952 with an interest rate of 2.50% for a courthouse heating project.

On May 19, 2015, the county issued G.O. promissory notes in the amount of \$915,000 with an interest rates of 2.0% for highway projects.

On May 19, 2015, the county issued G.O. refunding bonds in the amount of \$6,690,000 with interest rates of 2.0 – 3.0% to advance refund a 2009 debt issue.

**REQUIRED SUPPLEMENTARY INFORMATION**

# MARQUETTE COUNTY

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>TAXES</b>				
General property taxes	\$ 8,637,412	\$ 8,637,412	\$ 8,678,033	\$ 40,621
Interest on taxes	231,000	231,000	259,893	28,893
Forest crop tax	6,200	6,200	8,507	2,307
Register of deeds - real estate transfer tax	25,000	25,000	30,464	5,464
County sales tax	775,000	775,000	827,045	52,045
Total Taxes	<u>9,674,612</u>	<u>9,674,612</u>	<u>9,803,942</u>	<u>129,330</u>
<b>INTERGOVERNMENTAL</b>				
Shared taxes from state	74,368	74,368	79,281	4,913
Highway aids	691,498	691,498	742,410	50,912
Circuit court	69,059	69,059	67,305	(1,754)
District attorney	25,000	25,000	15,686	(9,314)
Land records - WLIP	-	37,972	37,972	-
Sheriff	10,000	17,088	73,123	56,035
Emergency management	41,200	49,751	59,752	10,001
Emergency medical services	-	6,587	6,587	-
Computer aid	9,000	9,000	28,987	19,987
Public health	49,000	49,000	49,727	727
Treatment court	-	-	18,936	18,936
Zoning	-	20,870	20,870	-
Veterans service	8,500	8,500	8,500	-
Land and water conservation	330,322	330,322	329,082	(1,240)
University extension	1,800	18,306	18,479	173
Rural planning	33,686	43,994	48,679	4,685
Surveying	32,283	32,283	32,283	-
State PILT	25,000	25,000	28,347	3,347
Total Intergovernmental	<u>1,400,716</u>	<u>1,508,598</u>	<u>1,666,006</u>	<u>157,408</u>
<b>LICENSES AND PERMITS</b>				
Dog	5,000	5,000	6,606	1,606
Zoning	132,816	136,976	130,980	(5,996)
Total Licenses and Permits	<u>137,816</u>	<u>141,976</u>	<u>137,586</u>	<u>(4,390)</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Circuit court	110,000	110,000	83,138	(26,862)
Jail	-	18,445	18,445	-
Total Fines, Forfeitures and Penalties	<u>110,000</u>	<u>128,445</u>	<u>101,583</u>	<u>(26,862)</u>

See independent auditors' report and accompanying notes to required supplementary information.

# MARQUETTE COUNTY

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>PUBLIC CHARGES FOR SERVICES</b>				
Circuit court	\$ 50,000	\$ 50,000	\$ 36,240	\$ (13,760)
Coroner	6,000	6,000	9,705	3,705
County clerk	21,500	21,500	23,471	1,971
Administrative coordinator	5,200	5,200	3,047	(2,153)
Redaction funds	20,000	15,715	15,715	-
Information technology	400	400	675	275
Treasurer	1,000	1,000	1,416	416
Law enforcement	90,000	100,990	108,489	7,499
Register of deeds	90,000	90,000	92,323	2,323
Property	15,000	19,479	15,831	(3,648)
Sheriff	3,500	3,500	7,538	4,038
Emergency medical services	532,500	532,500	615,248	82,748
Emergency management	-	-	648	648
Public health	45,000	45,000	32,766	(12,234)
Health	-	1,620	1,620	-
University extension	300	540	516	(24)
Surveyor	7,000	7,000	133	(6,867)
Rural planning	1,500	1,500	2,177	677
Humane officer fees	1,000	1,000	1,469	469
Total Public Charges for Services	<u>889,900</u>	<u>902,944</u>	<u>969,027</u>	<u>66,083</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
Sheriff	10,000	10,000	6,000	(4,000)
Emergency medical services	<u>27,800</u>	<u>27,800</u>	<u>27,802</u>	<u>2</u>
Total Intergovernmental Charges for Services	<u>37,800</u>	<u>37,800</u>	<u>33,802</u>	<u>(3,998)</u>
<b>INVESTMENT INCOME</b>				
Investment income	<u>6,000</u>	<u>6,004</u>	<u>6,041</u>	<u>37</u>
<b>MISCELLANEOUS</b>				
Rent	13,000	10,835	13,335	2,500
Sale of property	10,000	10,346	119,457	109,111
Donations	-	28,514	28,517	3
Miscellaneous	<u>142,000</u>	<u>173,360</u>	<u>193,602</u>	<u>20,242</u>
Total Miscellaneous	<u>165,000</u>	<u>223,055</u>	<u>354,911</u>	<u>131,856</u>
Total Revenues	<u>12,421,844</u>	<u>12,623,434</u>	<u>13,072,898</u>	<u>449,464</u>

See independent auditors' report and accompanying notes to required supplementary information.

# MARQUETTE COUNTY

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
County board	\$ 97,250	99,884	\$ 99,884	\$ -
Circuit court	434,283	455,357	455,351	6
Family court commissioner	-	25,287	23,847	1,440
Mediation services	-	-	-	-
Law library	3,756	2,490	2,490	-
Administrative coordinator	468,179	505,662	505,664	(2)
County clerk	118,196	118,196	120,019	(1,823)
Treasurer	157,342	157,342	157,697	(355)
Information technology	250,296	261,355	263,799	(2,444)
Building and grounds	499,171	499,171	481,582	17,589
Elections	25,000	50,032	25,149	24,883
Property	22,000	43,505	39,547	3,958
Independent auditing	73,600	73,600	61,497	12,103
District attorney	89,545	89,545	86,442	3,103
Victim witness	60,927	60,927	60,522	405
Register of deeds	142,989	142,989	125,986	17,003
Surveyor	188,623	270,965	240,433	30,532
Insurance	241,993	241,993	209,117	32,876
Other	55,000	114,500	59,400	55,100
Total General Government	<u>2,928,150</u>	<u>3,212,800</u>	<u>3,018,426</u>	<u>194,374</u>
<b>PUBLIC SAFETY</b>				
Sheriff	3,789,018	3,884,198	3,825,324	58,874
Fire suppression	2,000	3,731	3,731	-
Emergency medical services	787,789	806,500	787,895	18,605
Emergency management	115,403	123,488	102,958	20,530
Jail	100,500	185,971	113,703	72,268
Coroner	71,048	71,048	72,368	(1,320)
Total Public Safety	<u>4,865,758</u>	<u>5,074,936</u>	<u>4,905,979</u>	<u>168,957</u>
<b>PUBLIC WORKS</b>				
Highway charges	<u>1,833,327</u>	<u>1,833,327</u>	<u>1,832,538</u>	<u>789</u>
Total Public Works	<u>1,833,327</u>	<u>1,833,327</u>	<u>1,832,538</u>	<u>789</u>

See independent auditors' report and accompanying notes to required supplementary information.

# MARQUETTE COUNTY

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (cont.)  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>HEALTH AND HUMAN SERVICES</b>				
Public health	\$ 496,225	\$ 510,366	\$ 467,535	\$ 42,831
Veterans service	64,852	135,770	107,260	28,510
Humane society	11,555	11,555	11,297	258
Total Health and Human Services	<u>572,632</u>	<u>657,691</u>	<u>586,092</u>	<u>71,599</u>
<b>CULTURE, RECREATION AND EDUCATION</b>				
Library	227,338	227,338	227,315	23
Museum	34,000	34,000	32,860	1,140
Parks	32,817	38,903	28,815	10,088
Snowmobile trail	29,205	47,912	42,825	5,087
Fair board	7,600	9,260	9,260	-
University extension	220,865	258,393	239,614	18,779
Total Culture, Recreation and Education	<u>551,825</u>	<u>615,806</u>	<u>580,689</u>	<u>35,117</u>
<b>CONSERVATION AND ECONOMIC DEVELOPMENT</b>				
Parks - fish and game project	2,472	4,089	1,236	2,853
Wildlife damage program	28,000	50,730	50,730	-
Land conservation	254,262	264,437	223,687	40,750
Special sanitary	95,153	193,008	113,467	79,541
Farmer assistance	105,500	105,500	100,677	4,823
Tree planter	-	71,197	27,180	44,017
Economic development	-	7,509	4,650	2,859
Recycling	79,182	79,182	79,008	174
Zoning	226,883	226,883	222,746	4,137
Total Conservation and Economic Development	<u>791,452</u>	<u>1,002,535</u>	<u>823,381</u>	<u>179,154</u>
<b>CAPITAL OUTLAY</b>				
	<u>383,000</u>	<u>705,404</u>	<u>345,212</u>	<u>360,192</u>
Total Expenditures	<u>11,926,144</u>	<u>13,102,499</u>	<u>12,092,317</u>	<u>1,010,182</u>
Excess (deficiency) of revenues over expenditures	<u>495,700</u>	<u>(479,065)</u>	<u>980,581</u>	<u>1,459,646</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	196,563	
Transfers out	<u>(519,553)</u>	<u>(604,553)</u>	<u>(632,001)</u>	<u>(27,448)</u>
Total Other Financing Sources (Uses)	<u>(519,553)</u>	<u>(604,553)</u>	<u>(435,438)</u>	<u>(27,448)</u>
<b>Net change in fund balance</b>	(23,853)	(1,083,618)	545,143	1,432,198
FUND BALANCE - Beginning of Year	<u>4,147,926</u>	<u>4,147,926</u>	<u>4,147,926</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,124,073</u>	<u>\$ 3,064,308</u>	<u>\$ 4,693,069</u>	<u>\$ 1,432,198</u>

See independent auditors' report and accompanying notes to required supplementary information.

## MARQUETTE COUNTY

### HUMAN SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,581,260	\$ 1,581,260	\$ 1,581,260	\$ -
Intergovernmental	2,319,658	2,324,658	2,491,039	166,381
Public charges for services	410,600	462,471	513,608	51,137
Miscellaneous	100	111	1,173	1,062
Total Revenues	<u>4,311,618</u>	<u>4,368,500</u>	<u>4,587,080</u>	<u>218,580</u>
<b>EXPENDITURES</b>				
Health and human services	4,305,618	4,392,265	4,378,305	13,960
Capital outlay	6,000	28,760	7,500	21,260
Total Expenditures	<u>4,311,618</u>	<u>4,421,025</u>	<u>4,385,805</u>	<u>35,220</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(52,525)</u>	<u>201,275</u>	<u>253,800</u>
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(196,563)	(196,563)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(196,563)</u>	<u>(196,563)</u>
Net change in fund balance	-	(52,525)	4,712	57,237
FUND BALANCE - Beginning of Year	<u>52,525</u>	<u>52,525</u>	<u>52,525</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 52,525</u>	<u>\$ -</u>	<u>\$ 57,237</u>	<u>\$ 57,237</u>

See independent auditors' report and accompanying notes to required supplementary information.

## MARQUETTE COUNTY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2014

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#### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The county may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$675,614 and \$57,237 in the general fund and human services fund, respectively. Budgets are adopted at the detail level of expenditure.

**SUPPLEMENTARY INFORMATION**

## MARQUETTE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
As of December 31, 2014

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	County Treasurer	Clerk of Courts	Sheriff	Total Agency Funds
<b>ASSETS</b>				
Cash and investments	\$ 134,248	\$ 157,760	\$ 6,079	\$ 298,087
Taxes receivable	263,412	-	-	263,412
Accounts receivable	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 397,735</u></b>	<b><u>\$ 157,760</u></b>	<b><u>\$ 6,079</u></b>	<b><u>\$ 561,574</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,977	\$ -	\$ -	\$ 6,977
Due to other governmental units	385,799	-	-	385,799
Funds held for others	<u>4,959</u>	<u>157,760</u>	<u>6,079</u>	<u>168,798</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 397,735</u></b>	<b><u>\$ 157,760</u></b>	<b><u>\$ 6,079</u></b>	<b><u>\$ 561,574</u></b>