

## PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 5, 2022

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

**New Issue**

**Rating Application Made: Moody's Investors Service, Inc.**

### CITY OF MARSHFIELD, WISCONSIN (Wood and Marathon Counties)

## \$4,295,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A

**BID OPENING:** August 9, 2022, 10:30 A.M., C.T.

**CONSIDERATION:** August 9, 2022, 6:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$4,295,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds") of the City of Marshfield, Wisconsin (the "City") are being issued pursuant to Section 67, Wisconsin Statutes, for the public purposes of paying the costs of equipment of the fire department, constructing engine houses, street improvement projects, UW System college campus projects and providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plan for the City's Tax Incremental Districts. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF BONDS:** August 30, 2022

**MATURITY:** March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	\$190,000	2030	\$305,000	2037	\$210,000
2024	130,000	2031	245,000	2038	210,000
2025	195,000	2032	245,000	2039	210,000
2026	215,000	2033	190,000	2040	280,000
2027	215,000	2034	190,000	2041	215,000
2028	215,000	2035	195,000	2042	205,000
2029	240,000	2036	195,000		

**\*MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** March 1, 2023 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds maturing on March 1, 2033 and thereafter are subject to call for prior optional redemption on March 1, 2032 or any date thereafter, at a price of par plus accrued interest.

**MINIMUM BID:** \$4,241,313.

**MAXIMUM BID:** \$4,552,700.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$85,900 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** Bond Trust Services Corporation.

**BOND COUNSEL  
& DISCLOSURE COUNSEL:** Quarles & Brady LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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## **CITY OF MARSHFIELD COMMON COUNCIL**

		<u>Term Expires</u>
Lois TeStrake	Mayor	April 2024
Ed Wagner	Council President	April 2024
Michael Feirer	Council Member	April 2024
Adam Fischer	Council Member	April 2023
Peter Hendler	Council Member	April 2023
Mike O'Reilly	Council Member	April 2024
Nick Poeschel	Council Member	April 2023
Rebecca Spiros	Council Member	April 2023
Natasha Tompkins	Council Member	April 2024
Brian Varsho	Council Member	April 2023
Tom Witzel	Council Member	April 2024

## **ADMINISTRATION**

Steve Barg, City Administrator  
Jennifer Selenske, Finance Director  
Jessica Schiferl, City Clerk

## **PROFESSIONAL SERVICES**

Harold Wolfgram, Wolfgram, Gamoke & Hutchinson, S.C., City Attorney, Marshfield, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
*(Other office located in Roseville, Minnesota)*

## INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Marshfield, Wisconsin (the "City") and the issuance of its \$4,295,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Common Council on August 9, 2022.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE BONDS

### GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of August 30, 2022. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after March 1, 2033 shall be subject to optional redemption prior to maturity on March 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

**AUTHORITY; PURPOSE**

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the costs of equipment of the fire department, constructing engine houses, street improvement projects, UW System college campus projects and providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plan for the City's Tax Incremental Districts.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>		
Par Amount of Bonds	\$4,295,000	
Estimated Interest Earnings	<u>6,470</u>	
<b>Total Sources</b>		<b>\$4,301,470</b>
<b>Uses</b>		
Estimated Underwriter's Discount	\$53,688	
Costs of Issuance	72,900	
Deposit to Borrowed Money Fund	4,173,900	
Rounding Amount	<u>983</u>	
<b>Total Uses</b>		<b>\$4,301,470</b>

\*Preliminary, subject to change.

**SECURITY**

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

**RATING**

General obligation debt of the City is currently rated "A1" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City's previous continuing disclosure undertakings require as part of the City's annual financial information updates to the "Indebtedness" section of prior official statements, which section included a description of the City's planned future. The City's continuing disclosure filings for the year ended December 31, 2016 did not include such information. Additionally, the City failed to timely file notice of the incurrence of Financial Obligations incurred in October, 2019. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the City.

## **LEGAL MATTERS**

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding) (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

## **TAX EXEMPTION**

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

## **ORIGINAL ISSUE DISCOUNT**

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual



compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

## **BOND PREMIUM**

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

## **INDEPENDENT AUDITORS**

The basic financial statements of the City for the fiscal year ended December 31, 2021, have been audited by CliftonLarsonAllen LLP, Wausau, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

## **RISK FACTORS**

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should review this Official Statement, including the appendices, in its entirety.

**Taxes:** The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

**Ratings; Interest Rates:** In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

**Tax Exemption:** If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

**Continuing Disclosure:** A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

**Depository Risk:** Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

**Secondary Market for the Bonds:** No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

**Cybersecurity:** The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

**Impact of the Spread of COVID-19:** In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through April 5, 2021. On March 31, 2021, the Wisconsin Supreme Court struck down Emergency Order #1, finding that legislative approval was required to continue the order beyond its original 60-day period. The ruling does not impact the validity of local mandates.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which distributed \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation was \$314,031. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half received in 2022. The City's allocation is \$1,933,333.

# **VALUATIONS**

## **WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES**

### **Equalized Value**

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

### **Assessed Value**

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

## CURRENT PROPERTY VALUATIONS

	Wood County	Marathon County	Total
2022 Equalized Value <sup>1</sup>	\$ 1,930,862,300	\$ 184,451,400	\$ 2,115,313,700
2021 Equalized Value	\$ 1,696,709,300	\$ 156,947,400	\$ 1,853,656,700
2021 Equalized Value Reduced by Tax Increment Valuation	\$ 1,570,993,300	\$ 156,947,400	\$ 1,727,940,700
2021 Assessed Value	\$ 1,416,811,300	\$ 132,658,600	\$ 1,549,469,900

## 2022 EQUALIZED VALUE BY CLASSIFICATION<sup>1</sup>

	2022 Equalized Value <sup>2</sup>	Percent of Total Equalized Value
Residential	\$1,157,867,300	54.737%
Commercial	797,077,500	37.681%
Manufacturing	83,873,800	3.965%
Agricultural	132,000	0.006%
Undeveloped	115,100	0.005%
Ag Forest	54,000	0.003%
Forest	1,008,000	0.048%
Personal Property	75,186,000	3.554%
Total	<u>\$2,115,313,700</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>2</sup>	Percent Increase/Decrease in Equalized Value
2018	\$1,479,045,900	\$1,577,080,500	6.49%
2019	1,507,405,600	1,701,656,000	7.90%
2020	1,517,923,100	1,760,309,200	3.45%
2021	1,549,469,900	1,853,656,700	5.30%
2022	N/A	2,115,313,700	14.12%

**Source:** Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

<sup>1</sup> Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2022.

<sup>2</sup> Includes tax increment valuation.

## LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value <sup>1</sup>	Percent of City's Total Equalized Value
Marshfield Clinic & MCHS Hospitals, Inc <sup>2</sup>	Hospital & Clinic	\$211,397,303	9.99%
Packaging Corporation (PCA)	Manufacturing	21,295,177	1.01%
Forward Financial Bank	Banking	17,057,582	0.81%
Premier Hume Marshfield LLC	Apartments	15,599,774	0.74%
Menard, Inc	Retail	13,979,556	0.66%
Wal-Mart	Retail	13,261,507	0.63%
Premier Heritage Estates	Apartments	11,902,733	0.56%
Prevention Genetics	Medical Research	11,526,873	0.54%
SC Swiderski	Apartments	11,355,796	0.54%
Hilltop Park Apartments	Apartments	<u>8,154,682</u>	<u>0.39%</u>
<b>Total</b>		<b>\$335,530,983</b>	<b>15.86%</b>
City's Total 2021 Equalized Value <sup>3</sup>		\$2,115,313,700	

**Source:** The City.

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<sup>1</sup> Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City. 2022 information is not yet available.

<sup>2</sup> Assessment under appeal by taxpayer.

<sup>3</sup> Includes tax increment valuation.

## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	<u><u>\$46,696,343</u></u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues	<u><u>\$33,625,000</u></u>
Total revenue debt secured by water revenues	<u><u>\$7,095,000</u></u>

#### Community Development Authority (“CDA”) Revenue Debt (see schedules following)

Total CDA lease revenue debt secured by lease payments by the City subject to annual appropriations	<u><u>\$2,125,000</u></u>
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#### Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Estimated Principal Outstanding
09/10/18	\$ 614,713	Wireless Communications System	09/10/23	\$258,149
12/26/19	20,655	Multifunction Copier/Scanners	01/31/24	10,354
12/30/20	30,869	Copy Machines/Phones	01/28/23	20,579
07/21/22	34,500	Wheel Loader Lease	12/30/22	34,500

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the dated date of the Bonds.



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City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 08/30/2022)

Dated Amount Maturity	Taxable Community Development Bonds Series 2017C				Promissory Notes Series 2018A				Corporate Purpose Bonds Series 2019A				State Trust Fund Loan				State Trust Fund Loan			
	12/05/2017	09/01	07/31/2018	08/28/2019	07/31/2018	03/01	03/01	03/01	08/28/2019	03/01	03/01	03/15	11/26/2019	03/15	03/15	03/15	11/26/2019	03/15	03/15	08/27/2020
	\$3,075,000		\$4,585,000	\$15,475,000									\$750,000			\$736,000				
Calendar Year Ending																				
2022	Principal 160,000	Interest 43,076	Principal 0	Interest 43,650	Principal 455,000	Interest 80,475	Principal 450,000	Interest 161,372	Principal 0	Interest 0	Principal 0	Interest 0	Principal 0	Interest 0	Principal 0	Interest 0	Principal 145,493	Interest 11,186	Principal 145,493	Interest 11,186
2023	Principal 165,000	Interest 81,753	Principal 470,000	Interest 66,600	Principal 485,000	Interest 52,275	Principal 930,000	Interest 304,444	Principal 124,005	Interest 16,922	Principal 128,000	Interest 12,928	Principal 132,195	Interest 8,732	Principal 136,492	Interest 4,436	Principal 149,109	Interest 7,570	Principal 149,109	Interest 7,570
2024	Principal 170,000	Interest 77,215	Principal 485,000	Interest 52,275	Principal 500,000	Interest 37,500	Principal 1,130,000	Interest 278,194	Principal 1,160,000	Interest 243,844	Principal 1,345,000	Interest 212,994	Principal 1,420,000	Interest 185,344	Principal 1,595,000	Interest 147,219	Principal 152,858	Interest 3,821	Principal 152,858	Interest 3,821
2025	Principal 175,000	Interest 72,540	Principal 500,000	Interest 37,500	Principal 500,000	Interest 22,500	Principal 1,345,000	Interest 212,994	Principal 1,420,000	Interest 185,344	Principal 1,595,000	Interest 147,219	Principal 1,710,000	Interest 138,803	Principal 1,885,000	Interest 114,744				
2026	Principal 180,000	Interest 67,728	Principal 500,000	Interest 22,500	Principal 500,000	Interest 7,500	Principal 1,595,000	Interest 114,744	Principal 1,710,000	Interest 138,803	Principal 1,885,000	Interest 114,744	Principal 2,000,000	Interest 51,563	Principal 2,175,000	Interest 205,363				
2027	Principal 185,000	Interest 62,778	Principal 500,000	Interest 7,500	Principal 500,000	Interest 0	Principal 2,000,000	Interest 45,363	Principal 2,175,000	Interest 205,363	Principal 2,350,000	Interest 16,683	Principal 2,525,000	Interest 8,575	Principal 2,700,000	Interest 0				
2028	Principal 195,000	Interest 57,413	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 2,350,000	Interest 16,683	Principal 2,525,000	Interest 8,575	Principal 2,700,000	Interest 0	Principal 2,875,000	Interest 0	Principal 3,050,000	Interest 0				
2029	Principal 200,000	Interest 51,563	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 2,525,000	Interest 8,575	Principal 2,700,000	Interest 0	Principal 2,875,000	Interest 0	Principal 3,050,000	Interest 0	Principal 3,225,000	Interest 0				
2030	Principal 205,000	Interest 45,363	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 2,700,000	Interest 0	Principal 2,875,000	Interest 0	Principal 3,050,000	Interest 0	Principal 3,225,000	Interest 0	Principal 3,400,000	Interest 0				
2031	Principal 210,000	Interest 38,803	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 2,875,000	Interest 0	Principal 3,050,000	Interest 0	Principal 3,225,000	Interest 0	Principal 3,400,000	Interest 0	Principal 3,575,000	Interest 0				
2032	Principal 220,000	Interest 31,873	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 3,050,000	Interest 0	Principal 3,225,000	Interest 0	Principal 3,400,000	Interest 0	Principal 3,575,000	Interest 0	Principal 3,750,000	Interest 0				
2033	Principal 230,000	Interest 24,503	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 3,225,000	Interest 0	Principal 3,400,000	Interest 0	Principal 3,575,000	Interest 0	Principal 3,750,000	Interest 0	Principal 3,925,000	Interest 0				
2034	Principal 235,000	Interest 16,683	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 3,400,000	Interest 0	Principal 3,575,000	Interest 0	Principal 3,750,000	Interest 0	Principal 3,925,000	Interest 0	Principal 4,100,000	Interest 0				
2035	Principal 245,000	Interest 8,575	Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 3,575,000	Interest 0	Principal 3,750,000	Interest 0	Principal 3,925,000	Interest 0	Principal 4,100,000	Interest 0	Principal 4,275,000	Interest 0				
2036			Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 3,750,000	Interest 0	Principal 3,925,000	Interest 0	Principal 4,100,000	Interest 0	Principal 4,275,000	Interest 0	Principal 4,450,000	Interest 0				
2037			Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 3,925,000	Interest 0	Principal 4,100,000	Interest 0	Principal 4,275,000	Interest 0	Principal 4,450,000	Interest 0	Principal 4,625,000	Interest 0				
2038			Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 4,100,000	Interest 0	Principal 4,275,000	Interest 0	Principal 4,450,000	Interest 0	Principal 4,625,000	Interest 0	Principal 4,800,000	Interest 0				
2039			Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 4,275,000	Interest 0	Principal 4,450,000	Interest 0	Principal 4,625,000	Interest 0	Principal 4,800,000	Interest 0	Principal 4,975,000	Interest 0				
2040			Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 4,450,000	Interest 0	Principal 4,625,000	Interest 0	Principal 4,800,000	Interest 0	Principal 4,975,000	Interest 0	Principal 5,150,000	Interest 0				
2041			Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 4,625,000	Interest 0	Principal 4,800,000	Interest 0	Principal 4,975,000	Interest 0	Principal 5,150,000	Interest 0	Principal 5,325,000	Interest 0				
2042			Principal 500,000	Interest 0	Principal 500,000	Interest 0	Principal 4,800,000	Interest 0	Principal 4,975,000	Interest 0	Principal 5,150,000	Interest 0	Principal 5,325,000	Interest 0	Principal 5,500,000	Interest 0				
	2,775,000	679,861	2,910,000	310,500	2,910,000	310,500	13,475,000	2,460,950	520,692	43,018	447,459	22,578								

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City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 08/30/2022)

Dated Amount Maturity	Corporate Purpose Bonds Series 2020B				Corporate Purpose Bonds Series 2021B				State Trust Fund Loan				Corporate Purpose Bonds Series 2022A				Total P & I	Total Interest	Principal Outstanding	% Paid	Calendar Year Ending
	09/17/2020 \$6,215,000 03/01	Principal	Interest		05/26/2021 \$2,580,000 03/01	Principal	Interest		06/01/2021 \$302,667 03/15	Principal	Interest		08/30/2022 \$4,295,000* 03/01	Principal	Interest						
2022		0	34,056		0	28,075	0		0	0	0		0	0	0		636,484	476,484	46,536,343	34%	2022
2023		240,000	66,913		280,000	51,950	5,080		100,345	190,000	173,756		190,000	173,756	173,756		6,189,145	1,109,302	41,456,500	11.22%	2023
2024		100,000	65,213		175,000	45,125	2,578		102,847	130,000	167,505		130,000	167,505	167,505		5,915,956	996,001	36,536,544	21.76%	2024
2025		100,000	64,213		150,000	40,250				195,000	161,509		195,000	161,509	161,509		5,618,475	878,423	31,796,492	31.91%	2025
2026		100,000	63,213		150,000	35,750				215,000	153,821		215,000	153,821	153,821		5,169,741	758,250	27,385,000	41.36%	2026
2027		275,000	61,338		150,000	32,000				215,000	145,651		215,000	145,651	145,651		4,706,094	651,094	23,330,000	50.04%	2027
2028		445,000	57,738		150,000	29,000				215,000	137,374		215,000	137,374	137,374		4,573,918	558,918	19,315,000	58.64%	2028
2029		490,000	53,063		300,000	24,500				240,000	128,495		240,000	128,495	128,495		4,032,142	467,142	15,750,000	66.27%	2029
2030		490,000	48,163		325,000	18,250				305,000	117,731		305,000	117,731	117,731		3,337,213	387,213	12,800,000	72.59%	2030
2031		375,000	42,900		180,000	13,200				245,000	106,746		245,000	106,746	106,746		2,172,093	332,093	10,960,000	76.53%	2031
2032		425,000	36,900		125,000	10,150				245,000	96,824		245,000	96,824	96,824		2,004,193	289,193	9,245,000	80.20%	2032
2033		475,000	29,556		120,000	7,700				190,000	87,920		190,000	87,920	87,920		1,897,023	247,023	7,595,000	83.74%	2033
2034		440,000	21,550		115,000	5,350				190,000	80,035		190,000	80,035	80,035		1,820,249	205,249	5,980,000	87.19%	2034
2035		375,000	13,950		110,000	3,100				195,000	71,949		195,000	71,949	71,949		1,738,036	163,036	4,405,000	90.57%	2035
2036		310,000	7,100		100,000	1,000				195,000	63,661		195,000	63,661	63,661		1,380,524	120,524	3,145,000	93.26%	2036
2037		200,000	2,000							210,000	54,950		210,000	54,950	54,950		1,045,513	90,513	2,190,000	95.31%	2037
2038										210,000	45,815		210,000	45,815	45,815		820,753	65,753	1,435,000	96.93%	2038
2039										210,000	36,549		210,000	36,549	36,549		778,111	43,111	700,000	98.50%	2039
2040										280,000	25,585		280,000	25,585	25,585		305,585	25,585	420,000	99.10%	2040
2041										215,000	14,375		215,000	14,375	14,375		229,375	14,375	205,000	99.56%	2041
2042										205,000	4,715		205,000	4,715	4,715		209,715	4,715	0	100.00%	2042
		4,840,000	667,863		2,430,000	345,400			203,192	4,295,000	1,874,966		4,295,000	1,874,966	1,874,966		7,883,993	7,883,993	54,580,336		

\* Preliminary, subject to change.

City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Electric Revenues  
(As of 08/30/2022)

Electric System Revenue Refunding Bonds										
Series 2020A					Series 2021A					
Dated	09/10/2020	03/11/2021								
Amount	\$19,745,000	\$15,710,000								
Maturity	12/01	12/01								
Calendar	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
Year Ending										
2022	1,905,000	119,135	0	175,113	1,905,000	294,247	2,199,247	31,720,000	5.67%	2022
2023	1,925,000	212,933	655,000	350,225	2,580,000	563,158	3,143,158	29,140,000	13.34%	2023
2024	1,950,000	187,331	660,000	343,675	2,610,000	531,066	3,141,066	26,530,000	21.10%	2024
2025	1,970,000	161,396	680,000	323,875	2,650,000	485,271	3,135,271	23,880,000	28.98%	2025
2026	1,990,000	135,195	705,000	303,475	2,695,000	438,670	3,133,670	21,185,000	37.00%	2026
2027	2,010,000	108,728	725,000	282,325	2,735,000	391,053	3,126,053	18,450,000	45.13%	2027
2028	2,030,000	81,995	745,000	260,575	2,775,000	342,570	3,117,570	15,675,000	53.38%	2028
2029	2,060,000	54,996	775,000	230,775	2,835,000	285,771	3,120,771	12,840,000	61.81%	2029
2030	2,075,000	27,598	805,000	199,775	2,880,000	227,373	3,107,373	9,960,000	70.38%	2030
2031			830,000	175,625	830,000	175,625	1,005,625	9,130,000	72.85%	2031
2032			855,000	150,725	855,000	150,725	1,005,725	8,275,000	75.39%	2032
2033			865,000	141,106	865,000	141,106	1,006,106	7,410,000	77.96%	2033
2034			875,000	130,294	875,000	130,294	1,005,294	6,535,000	80.57%	2034
2035			890,000	118,263	890,000	118,263	1,008,263	5,645,000	83.21%	2035
2036			900,000	104,913	900,000	104,913	1,004,913	4,745,000	85.89%	2036
2037			915,000	90,288	915,000	90,288	1,005,288	3,830,000	88.61%	2037
2038			930,000	74,275	930,000	74,275	1,004,275	2,900,000	91.38%	2038
2039			950,000	58,000	950,000	58,000	1,008,000	1,950,000	94.20%	2039
2040			965,000	39,000	965,000	39,000	1,004,000	985,000	97.07%	2040
2041			985,000	19,700	985,000	19,700	1,004,700	0	100.00%	2041
	17,915,000	1,089,303	15,710,000	3,572,000	33,625,000	4,661,303	38,286,303			

**City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Water Revenues  
(As of 08/30/2022)**

Water System Revenue Bonds Series 2014				Water System Revenue Bonds Series 2015				Water System Revenue Refunding Bonds Series 2018							
Dated Amount	10/14/2014 \$3,845,000	09/15/2015 \$3,180,000	12/05/2018 \$2,695,000	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01
Maturity	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01	12/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	
2022	195,000	43,181	155,000	37,535	295,000	44,350	645,000	125,066	770,066	6,450,000	9.09%	2022			
2023	200,000	80,513	160,000	70,420	310,000	76,900	670,000	227,833	897,833	5,780,000	18.53%	2023			
2024	205,000	74,513	165,000	65,620	325,000	64,500	695,000	204,633	899,633	5,085,000	28.33%	2024			
2025	215,000	68,363	165,000	60,670	340,000	48,250	720,000	177,283	897,283	4,365,000	38.48%	2025			
2026	220,000	61,913	170,000	55,720	360,000	31,250	750,000	148,883	898,883	3,615,000	49.05%	2026			
2027	225,000	55,313	180,000	50,620	265,000	13,250	670,000	119,183	789,183	2,945,000	58.49%	2027			
2028	235,000	48,563	185,000	45,220			420,000	93,783	513,783	2,525,000	64.41%	2028			
2029	240,000	41,513	195,000	39,670			435,000	81,183	516,183	2,090,000	70.54%	2029			
2030	245,000	34,313	200,000	33,820			445,000	68,133	513,133	1,645,000	76.81%	2030			
2031	255,000	26,350	205,000	27,820			460,000	54,170	514,170	1,185,000	83.30%	2031			
2032	265,000	18,063	210,000	21,465			475,000	39,528	514,528	710,000	89.99%	2032			
2033	270,000	9,450	215,000	14,745			485,000	24,195	509,195	225,000	96.83%	2033			
2034			225,000	7,650			225,000	7,650	232,650	0	100.00%	2034			
	2,770,000	562,044	2,430,000	530,975	1,895,000	278,500	7,095,000	1,371,519	8,466,519						

**Marshfield Community Development Authority, Wisconsin**  
**Schedule of Bonded Indebtedness**  
**Non-General Obligation Debt of the Community Development Authority Secured by Lease Rental**  
**Payments by the City from Tax Incremental Revenues Subject to Annual Appropriation**  
**(As of 08/30/2022)**

Taxable Community Development  
Lease Revenue Bonds  
(TID No.9)  
Series 2017

Dated Amount	12/21/2017 \$2,440,000										
Maturity	09/01										
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending			
2022	165,000	37,046	165,000	37,046	202,046	1,960,000	7.76%	2022			
2023	170,000	69,143	170,000	69,143	239,143	1,790,000	15.76%	2023			
2024	175,000	64,043	175,000	64,043	239,043	1,615,000	24.00%	2024			
2025	180,000	58,355	180,000	58,355	238,355	1,435,000	32.47%	2025			
2026	185,000	52,505	185,000	52,505	237,505	1,250,000	41.18%	2026			
2027	190,000	46,493	190,000	46,493	236,493	1,060,000	50.12%	2027			
2028	195,000	39,653	195,000	39,653	234,653	865,000	59.29%	2028			
2029	205,000	32,438	205,000	32,438	237,438	660,000	68.94%	2029			
2030	210,000	24,750	210,000	24,750	234,750	450,000	78.82%	2030			
2031	220,000	16,875	220,000	16,875	236,875	230,000	89.18%	2031			
2032	230,000	8,625	230,000	8,625	238,625	0	100.00%	2032			
	2,125,000	449,924	2,125,000	449,924	2,574,924						

## DEBT LIMIT

The constitutional general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value <sup>1</sup>	\$2,115,313,700
Multiply by 5%	0.05
Statutory Debt Limit <sup>2</sup>	<u>\$105,765,685</u>
Less: General Obligation Debt*	<u>(46,696,343)</u>
Unused Debt Limit*	<u><u>\$59,069,342</u></u>

\*Preliminary, subject to change.

## OVERLAPPING DEBT<sup>3</sup>

Taxing District	2022 Equalized Value <sup>4</sup>	% In City	Total G.O. Debt <sup>5</sup>	City's Proportionate Share
Wood County	\$6,853,042,700 <sup>1</sup>	28.18%	\$81,995,000	\$23,106,191
Marathon County	14,263,141,700 <sup>1</sup>	1.29%	104,765,000	1,351,469
Marshfield School District	2,689,142,527 <sup>6</sup>	68.93%	6,086,920	4,195,714
Mid-State Technical College District	16,397,123,196 <sup>6</sup>	11.30%	33,480,000	<u>3,783,240</u>
City's Share of Total Overlapping Debt				<u><u>\$32,436,614</u></u>

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<sup>1</sup> Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2022.

<sup>2</sup> The City has a Debt Management Policy that provides that the City shall not exceed 65% of the statutory debt capacity.

<sup>3</sup> Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>4</sup> Includes tax increment valuation.

<sup>5</sup> Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

<sup>6</sup> 2021 equalized values, 2022 equalized values are expected to be certified in October 2022.



## DEBT RATIOS

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$2,115,313,700<sup>1</sup></b>	<b>Debt/ Per Capita 19,684<sup>2</sup></b>
Total General Obligation Debt*	\$46,696,343	2.21%	\$2,372.30
City's Share of Total Overlapping Debt	<u>32,436,614</u>	<u>1.53%</u>	<u>\$1,647.87</u>
Total*	\$79,132,957	3.74%	\$4,020.17

## DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

## FUTURE FINANCING

The City plans to issue approximately \$3,300,000\* in general obligation debt for TID 13 projects and borrow an approximately \$145,000\* State Trust Fund Loan for acquisition of squad cars in late 2022 or 2023. The City typically borrows annually for capital projects and expects to do so again in 2023, but the amounts and timing have not yet been determined. Aside from the preceding, the City has no plans for additional borrowing in the next 12 months.

\*Preliminary, subject to change.

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<sup>1</sup> Preliminary equalized value subject to review and revision. Final amounts will be certified on August 15, 2022.

<sup>2</sup> Estimated 2021 population.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

#### Wood County

<b>Tax Year</b>	<b>Levy for City Purposes Only</b>	<b>% Collected</b>	<b>Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000</b>
2017/18	\$11,747,685	100%	\$9.10
2018/19	11,800,560	100%	8.68
2019/20	12,226,180	100%	8.45
2020/21	13,212,522	100%	8.86
2021/22	13,787,377	In Process	8.78

#### Marathon County

<b>Tax Year</b>	<b>Levy for City Purposes Only</b>	<b>% Collected</b>	<b>Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000</b>
2017/18	\$1,044,170	100%	\$9.07
2018/19	1,051,670	100%	8.76
2019/20	1,112,834	100%	8.42
2020/21	1,214,097	100%	8.61
2021/22	1,394,242	In Process	8.88

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to

also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. Marathon County, Wood County and the City did not adopt such resolutions. The City cannot predict whether any similar legislation may be adopted in the future.

## PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

### Wood County

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Total</b>
2017/18	\$10.34	\$5.13	\$9.10	\$24.57
2018/19	9.59	5.11	8.68	23.38
2019/20	9.35	4.99	8.45	22.79
2020/21	9.15	4.94	8.86	22.95
2021/22	8.62	5.13	8.78	22.53

### Marathon County

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Total</b>
2017/18	\$10.34	\$4.58	\$9.07	\$23.99
2018/19	9.59	4.46	8.76	22.81
2019/20	9.35	4.36	8.42	22.13
2020/21	9.15	4.22	8.61	21.98
2021/22	8.62	4.25	8.88	21.75

**Source:** Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

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<sup>1</sup> The Schools tax rate reflects the composite rate of all local school districts and technical college district.

## LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

# THE ISSUER

## CITY GOVERNMENT

The City was incorporated in 1883 and is governed by a Mayor and a 10-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to two-year terms. The appointed City Administrator, City Finance Director and City Clerk are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The City employs a staff of 190 full-time, 40 part-time, and 120 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City may not pay the employees' required contribution. During the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), and December 31, 2021 ("Fiscal Year 2021"), the fiscal year ended the City's portion of contributions to WRS (not including any employee contributions) totaled \$1,132,158, \$1,286,049 and \$1,302,657, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.24 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2021, the City reported an asset of \$6,924,469 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2020 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.11091327% of the aggregate WRS net pension asset as of December 31, 2020.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 3.G. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

### **Recognized and Certified Bargaining Units**

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
Police Union	December 31, 2023
Fire Union	December 31, 2021 <sup>1</sup>

<sup>1</sup> Negotiations for a new contract are in process.

### **OTHER POST EMPLOYMENT BENEFITS**

The City offers certain other post-employment benefits ("OPEB"), for certain eligible employees of the Utility. The City also provides OPEB through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2021, the City's portion of contributions to the LRLIF totaled \$4,058. For Fiscal Year 2021, the City reported a liability of \$1,130,943 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2020 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.2055990% of the aggregate LRLIF net OPEB liability as of December 31, 2020.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 3.H. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

The City contributes to the post-employment health plan for a sick leave payout for grandfathered employees only. Effective December 31, 2011, nonrepresented employees had their sick leave balances frozen. If the employee meets the eligibility requirements, the City will deposit the lesser of the employee's current sick leave balance or the frozen amount upon termination.

## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.



**FUNDS ON HAND** (as of June 30, 2022)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$1,613,873
Special Revenue	1,267,213
Capital Projects/TIDs	788,802
Enterprise Funds	13,651,532
Internal Service Fund	703,227
Tax Agency + Other Agency Funds	5,478,850
Marshfield Utilities	36,542,117
Total Funds on Hand	<u><u>\$60,045,613</u></u>

## ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	<b>2019 Audited</b>	<b>2020 Audited</b>	<b>2021 Audited</b>
<b>Electric</b>			
Total Operating Revenues	\$ 30,817,147	\$ 29,073,920	\$ 33,160,861
Less: Operating Expenses	<u>(26,769,148)</u>	<u>(25,298,430)</u>	<u>(29,451,403)</u>
Operating Income	\$ 4,047,999	\$ 3,775,490	\$ 3,709,458
Plus: Depreciation	3,095,026	3,058,673	3,112,767
Interest Income	<u>1,577,970</u>	<u>1,423,528</u>	<u>1,010,827</u>
Revenues Available for Debt Service	<u><u>\$ 8,720,995</u></u>	<u><u>\$ 8,257,691</u></u>	<u><u>\$ 7,833,052</u></u>
<b>Water</b>			
Total Operating Revenues	\$ 5,772,396	\$ 5,933,058	\$ 6,079,831
Less: Operating Expenses	<u>(3,847,558)</u>	<u>(4,048,286)</u>	<u>(4,692,702)</u>
Operating Income	\$ 1,924,838	\$ 1,884,772	\$ 1,387,129
Plus: Depreciation	1,356,318	1,495,205	1,257,436
Interest Income	<u>71,639</u>	<u>51,013</u>	<u>11,451</u>
Revenues Available for Debt Service	<u><u>\$ 3,352,795</u></u>	<u><u>\$ 3,430,990</u></u>	<u><u>\$ 2,656,016</u></u>
<b>Wastewater</b>			
Total Operating Revenues	\$ 6,835,821	\$ 6,853,684	\$ 7,457,575
Less: Operating Expenses	<u>(4,051,374)</u>	<u>(3,895,550)</u>	<u>(4,154,576)</u>
Operating Income	\$ 2,784,447	\$ 2,958,134	\$ 3,302,999
Plus: Depreciation	1,125,261	1,070,080	1,118,357
Interest Income	<u>73,848</u>	<u>20,637</u>	<u>10,630</u>
Revenues Available for Debt Service	<u><u>\$ 3,983,556</u></u>	<u><u>\$ 4,048,851</u></u>	<u><u>\$ 4,431,986</u></u>
<b>Emergency Medical Services</b>			
Total Operating Revenues	\$ 1,831,002	\$ 1,848,407	\$ 1,871,785
Less: Operating Expenses	<u>(1,656,726)</u>	<u>(1,712,241)</u>	<u>(1,624,263)</u>
Operating Income	\$ 174,276	\$ 136,166	\$ 247,522
Plus: Depreciation	<u>122,433</u>	<u>129,652</u>	<u>146,918</u>
Revenues Available for Debt Service	<u><u>\$ 296,709</u></u>	<u><u>\$ 265,818</u></u>	<u><u>\$ 394,440</u></u>

## SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2021 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Amended Budget <sup>1</sup>
Revenues					
Taxes	\$ 9,929,735	\$10,007,370	\$10,335,157	\$10,427,248	\$10,751,968
Special assessments	334,842	443,992	458,964	493,085	391,000
Intergovernmental	7,435,392	7,517,607	8,060,729	7,553,577	7,751,866
Licenses and permits	266,381	285,800	244,740	234,222	289,500
Fines and forfeits	189,630	220,064	181,488	141,311	221,000
Public charges for services	511,649	474,168	413,910	595,815	783,050
Intergovernmental charges for services	48,844	40,951	44,633	52,305	43,720
Miscellaneous	840,958	813,973	308,486	348,995	497,600
Total Revenues	<u>\$19,557,431</u>	<u>\$19,803,925</u>	<u>\$20,048,107</u>	<u>\$19,846,558</u>	<u>\$20,729,704</u>
Expenditures					
Current:					
General government	\$ 3,322,705	\$ 3,214,049	\$ 3,765,607	\$ 3,454,770	\$ 3,519,474
Public safety	8,905,092	9,064,502	8,953,852	8,889,374	9,669,414
Public works	5,750,172	5,882,478	4,705,015	5,486,643	5,196,089
Health and human services	233,081	221,011	258,568	262,014	0
Culture and recreation	3,590,596	3,563,200	3,347,544	3,588,992	4,479,471
Conservation and development	427,312	466,715	913,102	676,610	676,582
Debt service	0	42,715	0	42,715	0
Total Expenditures	<u>\$22,228,958</u>	<u>\$22,454,670</u>	<u>\$21,943,688</u>	<u>\$22,401,118</u>	<u>\$23,541,030</u>
Excess of revenues over (under) expenditures	\$ (2,671,527)	\$ (2,650,745)	\$ (1,895,581)	\$ (2,554,560)	\$ (2,811,326)
Other Financing Sources (Uses)					
Long-term debt issues	200,000	230,000	267,000	30,000	0
Capital lease proceeds	193,607	0	0	0	0
Proceeds from capital assets	33,061	879,784	51,685	0	0
Transfers in	4,484,171	1,890,857	1,960,820	1,963,288	2,000,000
Transfers out	(1,849,540)	0	(1,437,941)	0	0
Total Other Financing Sources (Uses)	<u>\$ 3,061,299</u>	<u>\$ 3,000,641</u>	<u>\$841,564</u>	<u>\$ 1,993,288</u>	<u>\$ 2,000,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 389,772	\$ 349,896	\$ (1,054,017)	\$ (561,272)	\$ (811,326)
General Fund Balance January 1	6,787,511	7,177,283	7,527,179	6,473,162	6,257,705
Prior Period Adjustment	0	0	0	345,815	0
General Fund Balance December 31	<u>\$ 7,177,283</u>	<u>\$ 7,527,179</u>	<u>\$ 6,473,162</u>	<u>\$ 6,257,705</u>	<u>\$ 5,446,379</u>
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	4,321,863	3,616,832	2,215,174	1,090,908	
Restricted	0	0	0	0	
Committed	313,545	299,075	183,134	594,484	
Unassigned	2,541,875	3,611,272	4,074,854	4,572,313	
Total	<u>\$ 7,177,283</u>	<u>\$ 7,527,179</u>	<u>\$ 6,473,162</u>	<u>\$ 6,257,705</u>	

<sup>1</sup> The 2022 budget was adopted on November 29, 2021. Numbers shown reflect budget amendments to date.

## GENERAL INFORMATION

### LOCATION

The City, with a 2020 U.S. Census population of 18,929 and a current estimated population of 19,684 comprises an area of 13.845 square miles and is located approximately 170 miles from St. Paul/Minneapolis, Minnesota and 285 miles from Chicago, Illinois.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in the City include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
Marshfield Clinic Health System	Multi-specialty private clinic and hospital	6,100
Masonite (Marshfield Door Systems Corp.)	Wood doors, steam-through door core	550
Grassland Dairy	Butter & Dairy Products	515
School District of Marshfield	Elementary and secondary education	428
Roehl Transport, Inc.	Transportation of general commerce	445
The City	Municipal government and services	270
PreventionGenetics	DNA banking & testing	187
Felker Bros. Corp.	Stainless steel fabrication & component fittings	169
Nelson-Jameson, Inc.	Distributor of dairy & food processing equipment	146
PCA	Packaging	140

**Source:** Marshfield Economic Profile from the Chamber and the Wisconsin Department of Workforce Development.

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<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

## BUILDING PERMITS

	2018	2019	2020	2021	2022 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	15	14	15	13	6
Valuation	\$4,219,569	\$3,580,850	\$3,882,379	\$4,176,000	\$1,860,000
<u>New Multiple Family Buildings</u>					
No. of building permits	13	11	8	0	0
Valuation	\$8,922,154	\$1,240,649	\$5,614,764	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	10	11	16	8	3
Valuation	\$1,713,944	\$8,510,445	\$11,003,511	\$24,392,912	\$10,952,804
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	624	828	949	877	451
Valuation	\$36,005,119	\$33,982,153	\$34,007,134	\$70,141,351	\$33,391,531

**Source:** The City.

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<sup>1</sup> As of June 30, 2022.

## U.S. CENSUS DATA

### Population Trend: The City

2010 U.S. Census	19,118
2020 U.S. Census	18,929
2021 Estimated Population	19,684
Percent of Change 2010 - 2020	-0.99%

### Income and Age Statistics

	The City	Wood County	State of Wisconsin	United States
2020 per capita income	\$36,578	\$32,037	\$34,450	\$35,384
2020 median household income	\$52,322	\$55,684	\$63,293	\$64,994
2020 median family income	\$70,809	\$69,866	\$80,844	\$80,069
2020 median gross rent	\$685	\$726	\$872	\$1,096
2020 median value owner occupied units	\$139,700	\$133,700	\$189,200	\$229,800
2020 median age	42.1 yrs.	43.9 yrs.	39.6 yrs.	38.2 yrs.

	State of Wisconsin	United States
City % of 2020 per capita income	106.18%	103.37%
City % of 2020 median family income	87.59%	88.44%

### Housing Statistics

	<u>The City</u>		
	2010	2020	Percent of Change
All Housing Units	9,516	9,508	-0.08%

**Source:** 2010 and 2020 Census of Population and Housing, and 2020 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

## EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Wood County	Wood County	State of Wisconsin
2018	34,134	3.4%	3.0%
2019	33,968	3.6%	3.2%
2020	32,511	6.7%	6.3%
2021 <sup>1</sup>	33,241	4.4%	3.8%
2022, May <sup>1</sup>	32,511 <sup>1</sup>	3.1% <sup>1</sup>	2.9%

**Source:** Wisconsin Department of Workforce Development.

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<sup>1</sup> Preliminary.

### FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

CITY OF MARSHFIELD  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2021

CITY OF MARSHFIELD  
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CliftonLarsonAllen LLP  
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INDEPENDENT AUDITORS' REPORT

City Council  
City of Marshfield  
Marshfield, Wisconsin

Report on the Audit of the Financial Statements  
*Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marshfield, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Marshfield's basic financial statements as listed in the table of contents.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marshfield, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City of Marshfield and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Emphasis of Matter*

As described in Note 4.H, the City recorded a prior period adjustment of \$345,815 in the government wide and governmental fund statements to eliminate a governmental fund liability for future sick leave benefits. Our opinions are not modified with respect to the matter.

City Council  
City of Marshfield

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Marshfield's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Marshfield's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Marshfield's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(2)

City Council  
City of Marshfield

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other postemployment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 the City of Marshfield's basic financial statements. The detailed comparison of budgeted and actual revenues, other financing sources, expenditures and other financing uses and the combining nonmajor fund financial statements are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the detailed comparison of budgeted and actual revenues, other financing sources, expenditures and other financing uses and the combining nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2022, on our consideration of the City of Marshfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Marshfield's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Marshfield's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wausau, Wisconsin  
July 18, 2022

(3)

CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021



City of Marshfield  
City Hall Plaza  
207 West 6<sup>th</sup> Street  
Marshfield, WI 54449

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Finance Director  
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CITY OF MARSHFIELD, WISCONSIN

Management's Discussion and Analysis

As management of the City of Marshfield, Wisconsin (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of December 31, 2021 by \$230,677,117 (net position). Total net position includes all infrastructure of the government unit.
- The City's total net position increased by \$12,865,079 primarily due to Business-Type Activities operations increasing their total net position.
- As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$7,947,230, a decrease of \$2,344,939 in comparison with the prior year. Much of the change was due a decrease in the Parks and Recreation capital outlay fund, which were expended in 2021 to construct the Vandehy Waters Aquatic Center.
- The combined General Fund and Debt Service fund balance decreased \$704,958 from \$6,971,044 (as restated) to \$6,266,086. The General Fund experience positive budget to actual results and consumed less fund balance than budgeted. As of December 31, 2021, unassigned fund balance for the general fund was \$4,572,313 or approximately 20.4% of total general fund expenditures.
- Tax increment districts (TID) continue to perform above expectations and the amount of advances from the General Fund we reduced from \$3,484,367 in 2019, to \$2,088,866 in 2020, to \$1,048,622 as of December 31, 2021. The advances are expected to be repaid in full by the end of 2023.
- The City continues to work on reducing the amount of budgeted fund balance in the general fund as a part of its five-year financial plan.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other 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 City's finances, in a manner similar to a private-sector business.

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

(5)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(4)

CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2021

The statement of activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

**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. The City, 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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.

The City maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, infrastructure construction fund, and parks and rec capital projects fund which are considered to be major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 17 - 21 of this report.

**Proprietary funds.** The City maintains different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, communications, and wastewater utilities and the emergency medical services operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its machinery and equipment. Because these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, communications, and wastewater utility operations which are considered to be major funds of the City and separate information on the emergency medical services operation. The internal service fund is presented in the proprietary fund financial statements as a single column.

The basic proprietary fund financial statements can be found on pages 22 - 26 of this report.

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CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2021

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own program. The accounting used for the fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 27 - 28 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29 - 85 of this report.

**Other information.** Information on the City's other post-employment benefits and pension plans are presented as required supplementary information. Detailed budgetary comparison of the City's general fund and the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following required supplementary information.

**Government-Wide Financial Analysis**

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$230,677,117 at the close of 2021.

	City of Marshfield, Wisconsin's Net Position			Business-Type Activities			Totals		
	2021	2020	2021	2021	2020	2021	2021	2020	2021
Current and Other Assets	\$ 36,545,661	\$ 35,237,066	\$ 75,596,785	\$ 80,568,180	\$ 112,141,346	\$ 56,895,228			
Capital Assets	114,702,732	110,320,670	132,553,043	125,444,556	247,255,775	235,765,226			
Total Assets	151,248,393	145,557,736	208,149,828	196,012,736	359,397,121	331,570,452			
Deferred Outflows of Resources	10,328,375	7,336,601	3,671,946	2,985,205	14,300,321	10,221,807			
Long-Term Liabilities Outstanding	50,868,075	52,531,367	48,436,745	35,344,857	98,304,820	87,876,224			
Other Liabilities	3,597,364	3,303,807	3,833,594	2,600,080	7,340,932	5,903,887			
Total Liabilities	54,375,439	55,835,174	52,270,313	37,944,937	105,645,752	93,780,111			
Deferred Inflows of Resources	31,310,085	26,576,566	5,064,488	3,623,524	38,374,573	30,200,110			
Net Position	71,075,389	65,631,184	85,620,036	83,572,747	166,348,815	155,203,831			
Net Investment in Capital Assets	8,896,592	4,781,015	5,180,748	4,084,514	13,877,341	8,865,529			
Restricted	(3,840,831)	70,378	52,985,188	48,672,200	50,450,861	48,742,578			
Unrestricted	\$ 75,891,144	\$ 70,482,577	\$ 154,766,973	\$ 147,222,461	\$ 230,677,117	\$ 217,812,038			

By far the largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, etc.) used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net 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.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used.

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**CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2021**

**CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2021**

**Change in net position.** Governmental activities increased the City's net position by \$5,062,752 and the business-type activities increased net position by \$7,456,512. A summary of the City's change in net position follows:

	City of Marshfield, Wisconsin's Change in Net Position			
	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 1,587,238	\$ 1,383,753	\$ 48,748,772	\$ 43,887,174
Operating Grants and Contributions	3,350,655	3,698,359	76,809	69,616
Capital Grants and Contributions	1,366,103	3,312,673	513,141	217,463
General Revenues:				
Taxes	18,134,226	16,784,061	-	-
Grants and Contributions Not Restricted to Specific Programs	5,739,286	5,612,174	-	-
Other	536,125	2,793,649	1,176,344	1,557,640
<b>Total Revenues</b>	<b>30,713,633</b>	<b>35,531,609</b>	<b>50,515,065</b>	<b>45,731,893</b>
<b>Expenses:</b>				
General Government	3,536,603	4,344,104	-	-
Public Safety	9,406,638	9,849,031	-	-
Public Works	7,486,525	6,630,238	-	-
Health and Human Services	254,304	244,876	-	-
Culture, Recreation, and Education	4,652,632	4,538,533	-	-
Conservation and Development	1,295,058	1,653,209	-	-
Interest on Long-Term Debt	1,180,562	1,051,905	-	-
Electric Utility	-	-	29,986,722	25,225,019
Water Utility	-	-	4,924,486	4,824,486
Communications	-	-	105,731	105,731
Wastewater	-	-	4,204,297	4,204,297
EMS	-	-	1,853,818	1,853,818
<b>Total Expenses</b>	<b>27,822,322</b>	<b>30,412,866</b>	<b>40,887,112</b>	<b>35,595,115</b>
<b>Changes in Net Position before Transfers</b>	<b>2,891,311</b>	<b>3,118,773</b>	<b>9,627,953</b>	<b>10,166,778</b>
<b>Transfers:</b>				
Change in Net Position	2,171,441	2,223,791	(2,171,441)	(2,223,791)
<b>Change in Net Position</b>	<b>5,062,752</b>	<b>5,342,564</b>	<b>7,456,512</b>	<b>7,942,987</b>
<b>Net Position - January 1</b>	<b>70,462,577</b>	<b>65,140,013</b>	<b>147,328,461</b>	<b>137,812,038</b>
<b>Prior Period Adjustment</b>	<b>345,815</b>	-	<b>2,137,547</b>	<b>345,815</b>
<b>Net Position - December 31</b>	<b>\$ 75,891,144</b>	<b>\$ 70,482,577</b>	<b>\$ 154,785,973</b>	<b>\$ 147,328,461</b>
			<b>\$ 220,677,117</b>	<b>\$ 217,812,038</b>

A summary of key changes follows:

- Governmental Activities:**
- The increase in net position from 2020 to 2021 was due to changes in deferred inflows and outflows of resources relating to pension and an increase in tax levy related to debt service.
- Business-Type Activities:**
- The increase in net position from 2020 to 2021 was mainly due to the continued profitability of Marshfield Utilities and the Wastewater Enterprise fund

**Financial Analysis of the City's Funds**

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

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

As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$7,947,230 a decrease of \$2,344,939 in comparison with the prior year. The decrease is due to construction expenses relating to the Vandehey Aquatic Center.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$4,572,313 while total fund balance was \$6,257,705. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 20.4% of total general fund expenditures.

The fund balance of the City's general fund decreased by \$581,272 during the current year, while the final budget adopted by the City applied \$909,000 of fund balance to balance the budget. Operating results were very positive compared to budget, and the City is reducing its advance to distressed TID 5 as the tax increment continues to improve.

The debt service fund is used to retire long-term debt related to governmental activities and annually levies sufficient taxes to pay current principal and interest payments. The ending fund balance was \$8,331, an intentional decrease of \$143,666 from the prior year.

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

Total net position of the City's electric, water, and communications utility (Marshfield Utilities) at the end of the year amounted to \$98,880,658 with \$55,854,381 net investment in capital assets, \$1,706,904 restricted, and \$41,319,373 as unrestricted. The fund experienced an increase in net position of \$3,913,556.

Total net position of the City's wastewater utility at the end of the year amounted to \$53,860,966 with \$38,841,795 net investment in capital assets, \$3,090,989 restricted, and \$11,928,182 as unrestricted. The fund experienced a growth in net position of \$3,320,373.

Total net position of the City's Emergency Medical Services fund at the end of the year amounted to \$1,880,217 with \$823,863 net investment in capital assets, \$676,713 restricted, and \$279,641 as unrestricted. The fund experienced a growth in net position of \$220,408.

The City's internal service fund reported net position of \$4,002,667 at the end of the year, an increase of \$44,298 over the prior year.

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

**CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2021**

**General Fund Budgetary Highlights**

The original budget is at times, modified via the budget resolution process. The primary budget change was for \$315,261 to increase legal and profession services and for the write-off of uncollectible accounts

During the year, actual revenues and other financing sources exceeded budget revenues by \$70,070. Taxes, special assessments and intergovernmental revenues exceeded budget while fines, forfeitures, and penalties, miscellaneous, public charges for services, and licenses and permits were less than budget expectations. Actual expenditures were under original budgeted expenditures by \$79,040. Favorable variances were experienced in public safety and parks but were offset by unfavorable variances in administration and public works.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$247,255,775 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress.

Major capital assets acquired or constructed during the year include:

- Governmental Activities**
  - Aquatic Center construction totaling \$3,818,111
  - City owned subdivision \$1,803,450
- Business-Type Activities**
  - Wastewater utility collecting mains - \$746,710
  - Electric, water, and communications buildings, utilities equipment and infrastructure projects - \$11,604,698.

	City of Marshfield Capital Assets				
	Governmental Activities		Business-Type Activities		Totals
	2021	2020	2021	2020	
Land	\$ 7,432,764	\$ 7,160,848	\$ 2,627,859	\$ 10,060,823	\$ 9,778,747
Construction in progress	6,837,984	2,794,919	9,015,452	1,081,244	15,853,458
Buildings and improvements	46,683,094	46,798,474	34,711,211	81,394,305	81,310,905
Machinery and equipment	20,404,820	20,200,761	13,471,841	13,390,669	33,876,461
Infrastructure	107,695,767	103,709,281	156,773,847	155,103,357	258,812,638
Less: Accumulated depreciation	(74,351,697)	(70,333,653)	(66,046,967)	(81,271,034)	(151,804,687)
Total	\$ 114,702,732	\$ 110,320,870	\$ 132,553,043	\$ 125,444,556	\$ 235,795,226

Additional information on the City's capital assets can be found in Note 3.C. in the notes to the financial statements.

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**CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2021**

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$91,416,871. Of this amount, \$47,257,864 comprises debt backed by the full faith and credit of the government and \$42,015,000 is backed by the revenues of the electric, water, and wastewater utilities.

	City of Marshfield Outstanding Debt				
	General Obligation Debt, Revenue Bonds and Bond Anticipation Notes		Business-Type Activities		Totals
	2021	2020	2021	2020	
General Obligation Debt	\$ 33,450,000	\$ 32,970,000	\$ 1,190,000	\$ 1,335,000	\$ 34,640,000
Bonds	11,065,000	13,205,000	-	-	11,065,000
Notes	1,532,864	1,486,000	-	-	1,532,864
State trust fund	-	-	-	-	-
Total General Obligation	46,067,864	47,661,000	1,190,000	1,335,000	48,986,000
Debt	1,865,858	2,045,858	-	-	1,865,858
Lease from CDA	203,945	300,967	54,204	79,960	258,148
Capital lease	-	-	-	-	-
Revenue bonds	-	-	42,015,000	30,015,000	42,015,000
Total	\$ 48,157,667	\$ 50,007,825	\$ 43,259,204	\$ 31,429,960	\$ 81,416,871

The City's total debt increased \$9,979,056 as Marshfield Utilities issued revenue bonds in the amount of \$15,710,000 to finance construction of a new building.

Slate statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$92,692,835 which is in excess of the City's \$47,257,864 in outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 3.E. in the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

2021 was another year of steady growth for the City. A number of local businesses expanded their business during the course of the year. The City also welcomed a couple of new businesses to the community and some redevelopment projects are on the horizon. The following is a summary of some of the more notable nonresidential and industrial development projects that occurred during 2021:

- Residential
  - Construction on new multifamily units:
    - 84 new units have been completed adjacent to Wal-Mart in 2020 and phase II of the project with 76 additional units were completed in 2021 for a total of 160 new multifamily units.
  - Permits for 11 single-family homes and 2 duplexes were issued in 2021.
  - The City completed infrastructure construction on the City Subdivision project and opened 23 lots for sale.
- Marshfield Utilities began construction on a 90,000 square foot office and garage facility on South Central Avenue.
- Vanderhey Waters Aquatic Center opened in summer of 2021.
- North Ridge Church expansion on West McMillan Street was completed.
- Hampton Inn completed construction on a 90-room hotel.
- Remba Funeral Home opened a 4,800 square foot celebration center.
- Kwik Trip on the northside of the City constructed a new gas station.
- Starbucks opened a location on North Central Avenue.

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**CITY OF MARSHFIELD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2021**

- TID No. 12 was created, adding another 124 acres of industrial land next to the Yellowstone Industrial Park.
- TID No. 13 was created, which is a mixed-use TIF District that will include a newly-platted residential component that could add approximately 55-60 lots for single-family residential development.
- Pets Supplies Plus moved into the former Sears building.
- Burger King was remodeled.
- Marshfield Clinic Health System has a number of projects underway, including a new skywalk connector project.
- Mathy Construction added their first storage tank on their site in the industrial park.
- Good Day Sunshine Records Shop opened up in the downtown.
- The former Hudson's Restaurant is being remodeled for Casa Amigos, a new Mexican Restaurant that opened in early 2022.
- Other relocations include: Discovery Education Station, Premier Auto & Detailing, and April's Healing Hands Massage.
- Other new businesses include: RevVive Therapeutics LLC, Azaria Smoke N Vape, Carlin Law LLC, Empower Mental Health Clinic, The Pharmacy, Bevy Beauty Co, Accolade Auto, The Boardroom, and Hearts Ease Skin Spa.

**BASIC FINANCIAL STATEMENTS**

**Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Marshfield Finance Director, 207 W. 6<sup>th</sup> Street, Marshfield, WI 54448.

**CITY OF MARSHFIELD  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Component Unit	
			Marshfield	CDA
<b>ASSETS</b>				
Cash and Investments	\$ 11,929,222	\$ 34,294,388	\$ 46,223,610	\$ 585,518
Receivables:				
Taxes and Special Charges	13,416,620	9,552	13,426,172	-
Delinquent Taxes	28,521	-	28,521	-
Accounts, Net	401,363	7,646,975	8,048,358	6,316
Special Assessments	713,852	51,548	765,400	-
Loans	387,096	-	387,096	-
Other	720,093	535,211	1,255,304	-
Internal Balances	2,426,587	(2,426,587)	-	1,141
Due from Other Governments	151,984	-	152,350	24,588
Inventories and Prepaid Items	120,185	2,001,692	2,121,877	-
Capital Lease Receivable from Primary Component Unit	-	-	-	2,385,000
Investment in American Transmission Company	-	12,559,590	12,559,590	-
Other	-	89,030	99,030	-
Restricted Assets:				
Cash and Investments	278,449	18,546,527	18,824,976	308,543
Net Pension Asset	5,964,579	2,273,393	8,237,972	118,021
Capital Assets, Nondepreciable	14,270,748	11,843,311	25,914,059	469,747
Capital Assets, Depreciable	100,431,894	120,909,732	221,341,618	4,415,845
Total Assets	151,248,293	208,148,622	359,397,121	6,214,716
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	9,935,229	3,767,685	13,702,914	177,850
Other Postemployment Related Amounts	383,146	204,261	587,407	33,553
Total Deferred Outflows Of Resources	10,328,375	3,871,946	14,300,321	211,403
<b>LIABILITIES</b>				
Accounts Payable	752,104	3,266,785	4,018,889	9,824
Accrued and Other Current Liabilities	263,238	-	263,238	40,428
Due to Other Governments	387,182	49,581	436,763	-
Accrued Interest Payable	370,542	82,074	452,616	6,561
Special Deposits	11,600	435,128	446,728	81,682
Unearned Revenues	1,722,698	-	1,722,698	-
Long-Term Obligations:				
Due Within One Year	5,652,154	4,339,980	9,991,034	160,000
Due in More Than One Year	44,241,753	41,484,062	85,725,815	2,109,252
Other Postemployment Benefits	874,168	2,613,803	3,587,971	75,284
Total Liabilities	54,375,439	52,270,313	106,645,752	2,463,041
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	18,093,550	-	18,093,550	-
Pension Related Amounts	13,093,330	4,967,465	18,050,795	259,306
Other Postemployment Related Amounts	153,205	77,033	230,238	9,450
Total Deferred Inflows Of Resources	31,310,085	5,044,498	36,374,573	268,786
<b>NET POSITION</b>				
Net Investment in Capital Assets	71,075,383	95,620,038	166,400,255	4,885,592
Restricted:				
Pension Asset	5,964,579	2,273,393	8,237,972	118,021
TIF Expenditures	1,866,842	-	1,866,842	-
Capital Improvements	-	2,807,300	2,807,300	-
Housing Loans	419,140	-	419,140	-
Other	443,031	100,096	543,087	234,646
Unrestricted	(3,880,831)	53,995,198	50,395,321	456,036
Total Net Position	\$ 75,891,144	\$ 154,765,973	\$ 230,677,117	\$ 5,684,295

See accompanying Notes to Basic Financial Statements.

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**CITY OF MARSHFIELD  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

	Functions/Programs	Expenses	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 3,536,603	\$ 254,968	\$ 201,864	\$ -	\$ -
Public Safety	9,406,638	55,918	265,355	-	-
Public Works	7,496,525	563,482	2,440,368	487,788	-
Health and Human Services	254,304	207,282	-	-	-
Culture and Recreation	4,652,632	305,214	418,068	878,315	-
Conservation and Development	1,295,058	200,374	25,000	-	-
Interest and Fiscal Charges	1,180,562	-	-	-	-
Total Governmental Activities	27,822,322	1,587,238	3,350,655	1,366,103	-
<b>BUSINESS-TYPE ACTIVITIES</b>					
Electric Utility	29,995,722	33,160,861	-	-	232,287
Water Utility	4,924,486	6,079,831	-	-	229,943
Communications Utility	105,731	255,528	-	-	21,032
Wastewater Utility	4,204,297	7,457,575	-	-	29,879
Emergency Medical Services	1,655,876	1,794,977	-	76,808	-
Total Business-Type Activities	40,887,112	48,748,772	-	76,808	513,141
Total Primary Government	\$ 68,709,434	\$ 50,335,010	\$ 3,427,463	\$ 1,879,244	\$ -
<b>COMPONENT UNIT</b>					
Marshfield CDA	\$ 1,706,866	\$ 873,874	\$ 356,693	\$ 69,012	\$ -
<b>GENERAL REVENUES</b>					
Taxes:					
Property Taxes					
Tax Increments					
Other Taxes					
Federal and State Grants and Other Contributions					
Not Restricted to Specific Functions					
Interest and Investment Earnings					
Miscellaneous					
Gain on Sale of Asset					
Transfers					
Total General Revenues and Transfers					
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					
Prior Period Adjustment					
Net Position - Beginning of Year					
<b>NET POSITION - END OF YEAR</b>					

See accompanying Notes to Basic Financial Statements.

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**CITY OF MARSHFIELD  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

Net (Expense) Revenue and Changes in Net Position		Component
Governmental Activities	Business-Type Activities	Unit Marshfield CDA
\$ (3,079,771)	\$ (3,079,771)	\$ -
(9,085,365)	(9,085,365)	-
(4,004,887)	(4,004,887)	-
(47,022)	(47,022)	-
(3,051,035)	(3,051,035)	-
(1,069,684)	(1,069,684)	-
(1,160,562)	(1,160,562)	-
(21,518,326)	(21,518,326)	-
-	3,386,426	-
-	1,385,288	-
-	170,829	-
-	3,283,157	-
-	215,909	-
-	8,451,609	-
(21,518,326)	8,451,609	(13,066,717)
-	-	(407,287)
14,419,994	14,419,994	-
2,933,392	2,933,392	-
780,840	780,840	-
5,739,286	5,739,286	-
93,502	1,131,453	4,081
273,957	36,902	79,714
168,766	101,491	-
2,171,441	(2,171,441)	-
26,681,078	(985,097)	83,795
5,062,752	7,456,512	(323,492)
70,482,577	147,329,461	6,017,787
345,515	-	345,515
70,828,392	147,329,461	6,017,787
\$ 75,891,144	\$ 154,785,973	\$ 5,694,295

See accompanying Notes to Basic Financial Statements.

(16)

**CITY OF MARSHFIELD  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

ASSETS	General	Debt Service	Infrastructure Construction	Parks and Rec Capital Projects	Other Governmental Funds	Total
Cash and Investments	\$ 5,680,041	\$ 1,116,820	\$ -	\$ 438	\$ 4,434,482	\$ 11,231,781
Restricted Cash and Investments	-	-	-	-	278,449	278,449
Receivables:						
Taxes and Special Charges	7,975,686	3,325,011	-	-	2,115,923	13,416,620
Delinquent Taxes	29,521	-	-	-	-	29,521
Accounts	224,256	-	204,099	-	-	428,355
Special Assessments	454,300	-	-	-	-	713,852
Loans	-	-	-	-	268,552	387,096
Other	-	-	-	613,212	78,681	682,083
Due from Other Funds	3,235,742	-	3,360	-	-	3,240,122
Advances to Other Funds	1,048,622	-	-	-	-	1,048,622
Due from Other Governments	40,892	-	-	-	105,079	145,971
Inventories and Prepaid Items	800	-	-	-	-	800
Total Assets	\$ 18,690,860	\$ 4,441,831	\$ 207,479	\$ 613,650	\$ 7,853,462	\$ 31,617,282
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 517,000	\$ 3,799	\$ 3,152	\$ 4,320	\$ 190,042	\$ 718,313
Accrued and Other Current Liabilities	263,220	-	-	-	-	263,220
Due to Other Funds	-	-	205,641	264,193	178,860	648,714
Advance from Other Funds	-	-	-	-	1,048,622	1,048,622
Due to Other Governments	387,162	-	-	-	-	387,162
Special Deposits	9,600	-	-	-	2,000	11,600
Unearned Revenues	2,727,220	-	-	513,212	1,031,314	4,271,746
Total Liabilities	1,254,374	3,799	208,793	881,725	2,652,536	4,801,349
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	10,765,367	4,428,651	-	-	2,888,532	18,082,550
Unavailable Revenue - Grants	-	-	-	-	109,079	109,079
Special Assessments	412,814	-	-	-	253,280	666,074
Total Deferred Inflows of Resources	11,178,181	4,428,651	-	-	3,250,871	18,858,703
FUND BALANCES						
Nonspendable	1,090,908	-	-	-	224,249	1,315,157
Restricted	-	8,381	-	-	2,507,764	2,516,145
Committed	594,484	-	-	-	661,811	1,256,295
Unassigned	4,572,313	-	(1,314)	(268,075)	(1,443,291)	2,859,633
Total Fund Balances	6,257,705	8,381	(1,314)	(268,075)	1,950,533	7,947,230
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,690,860	\$ 4,441,831	\$ 207,479	\$ 613,650	\$ 7,853,462	\$ 31,617,282

See accompanying Notes to Basic Financial Statements.

(17)

**CITY OF MARSHFIELD  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page	\$ 7,947,230
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	111,501,841
Long-term assets are not considered available, therefore, are not reported in the funds	
Net Pension Asset	5,870,724
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds	
Special Assessments	686,074
Unavailable Grant Revenue	109,079
Net position of the internal service fund is reported in the statement of net position as governmental activities	3,838,555
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	9,782,561
Deferred Inflows Related to Pensions	(12,857,773)
Deferred Outflows Related to Other Postemployment Benefits	386,960
Deferred Inflows Related to Other Postemployment Benefits	(150,794)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	
Bonds and Notes Payable	(46,087,864)
Capital Lease	(203,945)
Lease from CDA	(1,865,858)
Premium on Debt	(900,582)
Compensated Absences	(815,683)
Other Postemployment Benefit	(958,839)
Accrued Interest on Long-Term Obligations	(370,542)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 14)	<u>\$ 75,891,144</u>

See accompanying Notes to Basic Financial Statements.

(18)

**CITY OF MARSHFIELD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Infrastructure Construction	Parks and Rec Capital Projects	Other Governmental Funds	Total
<b>REVENUES</b>						
Taxes	\$ 10,427,248	\$ 4,298,620	\$ -	\$ -	\$ 3,407,159	\$ 18,134,226
Special Assessments	493,085	-	-	-	34,700	527,785
Intergovernmental	7,553,577	-	105,557	-	1,042,190	8,701,324
Licenses and Permits	234,222	-	-	-	202,064	436,286
Fees and Forfeits	141,311	-	-	-	34,752	176,063
Public Charge for Services	595,815	-	-	-	450,726	1,046,541
Intergovernmental Charges for Services	348,895	-	107,575	-	-	456,470
Miscellaneous	-	-	-	903,315	97,357	1,000,672
Total Revenues	19,946,558	4,298,620	245,559	903,315	5,284,557	30,584,309
<b>EXPENDITURES</b>						
Current:						
General Government	3,454,770	-	181,719	-	275,202	3,911,691
Public Safety	8,668,374	-	-	-	150,323	9,039,697
Public Works	5,466,643	-	3,555,434	-	911,141	9,953,218
Health and Human Services	292,014	-	-	-	-	292,014
Culture and Recreation	3,588,592	-	-	-	323,751	3,912,343
Conservation and Development	676,610	-	94,285	-	295,201	1,066,106
Debt Service:						
Principal	38,679	3,533,280	-	24,375	1,135,592	4,732,025
Interest and Fiscal Charges	4,036	843,224	-	1,393	453,810	1,302,533
Capital Outlay	-	-	407,827	3,973,819	176,565	4,558,202
Total Expenditures	22,401,118	4,376,523	4,239,275	3,999,434	3,722,575	38,739,029
<b>EXCESS OF REVENUES OVER (UNDER)</b>	(2,554,560)	(76,703)	(3,993,616)	(3,086,123)	1,546,282	(8,174,720)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	30,000	-	2,686,000	15,000	171,667	2,892,667
Premium on Debt Issued	-	75,800	17,251	-	46,156	139,207
Proceeds from Sale of Capital Assets	1,963,288	-	940,000	200,056	259,651	2,562,995
Transfers In	-	(142,793)	-	-	487,783	345,000
Transfers Out	(1,993,288)	(63,695)	(3,623,251)	(215,925)	(1,238,683)	(6,534,842)
Total Other Financing Sources (Uses)	(561,272)	(143,688)	(370,385)	(2,961,068)	1,265,637	(2,680,754)
<b>NET CHANGE IN FUND BALANCES</b>						
Fund Balances - Beginning of Year, as Originally Reported	6,473,182	152,067	369,051	2,612,993	694,896	10,292,189
Prior Period Adjustment	345,615	-	-	-	-	345,615
Fund Balances - Beginning of Year, as Restated	6,818,977	152,067	369,051	2,612,993	694,896	10,637,994
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 6,257,705</b>	<b>\$ 8,381</b>	<b>\$ (1,314)</b>	<b>\$ (288,075)</b>	<b>\$ 1,959,533</b>	<b>\$ 7,947,230</b>

See accompanying Notes to Basic Financial Statements.

(19)

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ (2,890,754)

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

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

Capital Assets Reported as Expenditures in Governmental Fund Statements 6,600,486

Depreciation Expense Reported in the Statement of Activities (4,387,264)

Net Book Value of Disposals (103,388)

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

Intergovernmental Revenue 109,079

Special Assessments (39,997)

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

Long-Term Debt Issued (2,882,667)

Premium on Debt Issued (139,207)

Principal Repaid 4,475,803

Capital Leases Paid 257,022

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt (1,220)

Amortization of Debt Premiums 60,512

Compensated Absences 107,824

Net Pension Asset (Liability) 2,930,677

Deferred Outflows of Resources Related to Pensions 2,976,385

Deferred Inflows of Resources Related to Pensions (4,045,659)

Other Postemployment Benefits (207,578)

Deferred Outflows of Resources Related to Other Postemployment Benefits 95,645

Deferred Inflows of Resources Related to Other Postemployment Benefits 5,000

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 15 - 16) 42,043

\$ 5,062,752

See accompanying Notes to Basic Financial Statements. (20)

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual		Variance Final Budget - Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 10,339,000	\$ 10,339,000	\$ 10,427,248	\$ 88,248	
Special Assessments	205,000	205,000	493,085	288,085	
Intergovernmental	7,503,949	7,503,949	7,553,577	49,628	
Licenses and Permits	300,050	300,050	234,222	(65,828)	
Fines and Forfeits	232,500	232,500	141,311	(91,189)	
Public Charges for Services	646,835	646,835	595,815	(51,020)	
Intergovernmental Charges for Services	43,178	43,178	52,305	9,127	
Miscellaneous	444,264	444,264	348,995	(95,269)	
Total Revenues	19,714,776	19,714,776	19,846,558	131,782	
<b>EXPENDITURES</b>					
Current:					
General Government	3,217,504	3,532,765	3,454,770	77,985	
Public Safety	9,233,955	9,233,955	8,989,374	344,581	
Public Works	5,270,523	5,270,523	5,486,643	(216,120)	
Health and Human Services	273,684	273,684	262,014	11,670	
Culture and Recreation	3,816,367	3,816,367	3,588,992	227,375	
Conservation and Development	667,109	667,109	676,610	(9,501)	
Debt Service:					
Principal	-	-	38,679	(38,679)	
Interest and Fiscal Charges	-	-	4,036	(4,036)	
Total Expenditures	22,479,142	22,794,403	22,401,118	393,285	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,764,366)	(3,079,627)	(2,554,560)	525,067	
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	30,000	30,000	30,000	-	
Transfers In	2,025,000	2,025,000	1,963,288	(61,712)	
Total Other Financing Sources (Uses)	2,055,000	2,055,000	1,993,288	(61,712)	
<b>NET CHANGE IN FUND BALANCE</b>	(709,366)	(1,024,627)	(561,272)	463,355	
Fund Balance - Beginning of Year	6,818,977	6,818,977	6,818,977	-	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,109,611</u>	<u>\$ 5,794,350</u>	<u>\$ 6,257,705</u>	<u>\$ 463,355</u>	

See accompanying Notes to Basic Financial Statements. (21)

**CITY OF MARSHFIELD  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Emergency Medical Services	Totals	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 24,156,877	\$ 10,135,411	\$ -	\$ 34,294,388	\$ 697,441
Receivables:					
Taxes and Special Charges	-	9,552	-	9,552	-
Customer Accounts	6,088,387	1,405,847	-	7,646,975	-
Special Assessments	-	51,548	-	51,548	-
Other	536,211	-	-	536,211	1,018
Due from Other Funds	135,790	1,270,110	-	1,405,900	2,483
Inventories and Prepaid Items	-	366	-	366	2,013
Total Current Assets	<u>1,924,497</u>	<u>77,305</u>	<u>-</u>	<u>2,001,802</u>	<u>125,355</u>
	<u>32,843,862</u>	<u>11,897,033</u>	<u>1,405,847</u>	<u>45,946,742</u>	<u>828,340</u>
<b>NONCURRENT ASSETS</b>					
Restricted Assets:					
Cash and Investments	15,197,878	3,351,649	-	18,549,527	-
Investment in American Transmission Company	12,559,560	-	-	12,559,580	-
Other	99,030	-	-	99,030	-
Net Pension Asset	1,313,503	283,177	676,713	2,273,393	93,855
Total Other Assets	<u>13,972,113</u>	<u>283,177</u>	<u>676,713</u>	<u>14,932,003</u>	<u>93,855</u>
<b>CAPITAL ASSETS</b>					
Nondepreciable	11,513,717	29,961	99,633	11,643,311	20,728
Depreciable	78,724,871	40,118,426	2,068,435	120,909,732	3,180,163
Total Capital Assets	<u>90,238,588</u>	<u>40,148,387</u>	<u>2,168,068</u>	<u>132,550,043</u>	<u>3,200,891</u>
Total Assets	<u>\$ 152,252,441</u>	<u>\$ 55,478,246</u>	<u>\$ 4,250,628</u>	<u>\$ 211,981,315</u>	<u>\$ 4,123,086</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Amounts	\$ 2,174,384	\$ 468,598	\$ 1,124,702	\$ 3,767,685	\$ 152,668
Other Postemployment Related Amounts	140,990	18,666	44,605	204,261	6,196
Total Deferred Outflows of Resources	<u>2,315,374</u>	<u>487,265</u>	<u>1,169,307</u>	<u>3,971,946</u>	<u>158,864</u>

See accompanying Notes to Basic Financial Statements

(22)

**CITY OF MARSHFIELD  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2021**

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Emergency Medical Services	Totals	
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 3,193,283	\$ 28,785	\$ 44,717	\$ 3,266,785	\$ 33,808
Due to Other Funds	3,325,321	95,501	614,797	3,995,619	2,172
Due to Other Governments	49,581	-	-	49,581	-
Accrued Interest	-	3,238	8,950	12,188	-
Special Deposits	257,427	-	-	257,427	-
Current Portion of Long-Term Debt	323,094	1,295,000	170,786	1,788,880	19,433
Current Portion of Other Postemployment Benefits	48,529	-	-	48,529	-
Payable from Restricted Assets:					
Special Deposits	177,701	-	-	177,701	-
Current Portion of Revenue Bonds	2,550,000	-	-	2,550,000	-
Accrued Interest	69,886	-	-	69,886	-
Total Payable from Restricted Assets	<u>2,797,587</u>	<u>-</u>	<u>-</u>	<u>2,797,587</u>	<u>-</u>
Total Current Liabilities	<u>9,994,822</u>	<u>1,383,524</u>	<u>639,250</u>	<u>12,217,596</u>	<u>55,414</u>
<b>LONG-TERM OBLIGATIONS, Less:</b>					
Current Portion	-	-	1,045,000	1,045,000	-
General Obligation Debt	39,520,841	9,592	-	39,530,233	-
Revenue Bonds	-	-	28,417	28,417	-
Capital Lease Payable	825,668	37,705	17,039	880,412	542
Compensated Absences	2,408,488	46,250	-	2,585,274	15,328
Other Postemployment Benefits	<u>42,754,808</u>	<u>83,547</u>	<u>1,200,981</u>	<u>44,049,336</u>	<u>15,871</u>
Total Long-Term Liabilities	<u>82,749,630</u>	<u>1,477,071</u>	<u>2,040,231</u>	<u>86,266,932</u>	<u>71,285</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Amounts	2,885,150	620,200	1,482,105	4,987,455	205,557
Other Postemployment Related Amounts	52,377	7,274	17,392	77,033	2,411
Total Deferred Inflows of Resources	<u>2,937,527</u>	<u>627,474</u>	<u>1,499,497</u>	<u>5,064,498</u>	<u>207,968</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	55,854,381	38,841,795	923,863	95,620,039	3,200,891
Restricted	1,313,503	283,177	676,713	2,273,393	93,855
Pension Asset	234,851	2,807,812	-	3,042,663	-
Capital Improvements	158,750	-	-	158,750	-
Other	41,319,373	11,928,182	279,641	53,927,196	707,941
Unrestricted	<u>\$ 98,860,658</u>	<u>\$ 53,860,966</u>	<u>\$ 1,880,217</u>	<u>\$ 154,621,841</u>	<u>\$ 4,002,687</u>
Total Net Position					
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	-	-	-	-	164,132
Net Position of Business-Type Activities as Reported on the Statement of Net Position (see page 14)					<u>\$ 154,785,973</u>

See accompanying Notes to Basic Financial Statements

(23)

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services	Totals	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 38,939,596	\$ 6,510,747	\$ 1,794,977	\$ 47,145,320	\$ 1,744,190
Other	656,624	946,628	76,808	1,680,060	3,137
Total Operating Revenues	39,596,220	7,457,375	1,871,785	48,925,380	1,747,327
<b>OPERATING EXPENSES</b>					
General and Administrative	1,664,050	-	-	1,664,050	-
Customer Accounts	719,513	-	-	719,513	-
Operation and Maintenance	27,232,284	3,036,219	1,477,345	31,745,848	1,272,329
Depreciation	4,428,522	1,118,357	146,918	5,693,797	398,807
Taxes	205,467	-	-	205,467	-
Total Operating Expenses	34,248,836	4,154,576	1,624,263	40,028,675	1,570,936
<b>OPERATING INCOME</b>	5,246,384	3,302,899	247,522	8,796,805	76,391
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	1,027,321	10,630	-	1,037,951	-
Gain (Loss) on Disposal of Capital Assets	103,338	(1,847)	-	101,491	(10,976)
Interest and Fiscal Charges	(956,787)	(50,300)	(32,456)	(941,543)	-
Amortization of Debt Discount/Premium	80,913	28,777	-	109,690	-
Other Nonoperating Revenues (Expenses)	2,546	235	5,344	8,125	18,723
Total Nonoperating Revenues (Expenses)	355,331	(12,505)	(27,114)	315,712	7,847
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	5,601,715	3,290,394	220,408	9,112,517	84,238
Capital Contributions	483,262	29,879	-	513,141	-
Transfers Out	(2,171,441)	-	-	(2,171,441)	(40,000)
<b>CHANGE IN NET POSITION</b>	3,913,536	3,320,373	220,408	7,454,317	44,238
Net Position - Beginning of Year	94,967,122	50,540,593	1,659,809	147,167,524	3,958,449
<b>NET POSITION - END OF YEAR</b>	\$ 98,880,658	\$ 53,860,966	\$ 1,880,217	\$ 154,621,841	\$ 4,002,687
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds					
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities (see pages 15 - 16)				2,195	
				\$ 7,456,512	

See accompanying Notes to Basic Financial Statements (24)

**CITY OF MARSHFIELD**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 38,795,900	\$ 7,530,764	\$ 1,635,858	\$ 47,962,522	\$ 1,745,867
Cash Paid for Employee Wages and Benefits	(3,666,471)	(990,678)	(1,310,137)	(5,967,286)	(403,009)
Cash Paid to Suppliers	(25,520,216)	(2,133,018)	(319,046)	(27,972,280)	(848,778)
Miscellaneous Nonoperating Income (Expense)	-	236	5,344	5,580	18,723
Net Cash Provided by Operating Activities	9,609,113	4,407,304	12,017	14,028,434	412,103
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Due to/from Other Funds	-	-	372,665	372,665	-
Transfer Out	(2,171,441)	-	-	(2,171,441)	(40,000)
Net Cash Used by Noncapital Financing Activities	(2,171,441)	-	372,665	(1,798,746)	(40,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(10,843,669)	(962,212)	(180,016)	(11,985,897)	(755,145)
Capital Contributions	243,593	33,304	-	276,897	-
Sale of Capital Assets	160,666	1,576	-	162,242	74,646
Proceeds from Capital Loans	15,710,000	-	-	15,710,000	-
Premium on Long-Term Debt Issued	1,100,833	-	-	1,100,833	-
Debt Issuance Costs Paid	(322,756)	-	-	(322,756)	-
Principal Paid on Long-Term Debt	(2,455,000)	(1,255,000)	(170,786)	(3,880,786)	-
Interest Paid on Long-Term Debt	(846,317)	(57,675)	(33,809)	(937,801)	-
Net Cash Used by Capital and Related Financing Activities	2,747,560	(2,240,007)	(384,712)	122,841	(680,489)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	722,843	10,630	-	733,473	-
Net Cash Provided by Investing Activities	722,843	10,630	-	733,473	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	10,908,175	2,177,927	-	13,086,102	(309,386)
Cash and Cash Equivalents - Beginning of Year	28,448,880	11,309,133	-	39,757,913	1,005,937
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 39,356,955	\$ 13,487,060	\$ -	\$ 52,843,915	\$ 697,441

See accompanying Notes to Basic Financial Statements (25)

**CITY OF MARSHFIELD**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Emergency Medical Services	Totals	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 5,246,384	\$ 3,302,889	\$ 247,522	\$ 8,796,805	\$ 76,391
Nonoperating Miscellaneous Revenue (Expense)	-	236	5,344	5,960	18,723
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	4,428,522	1,118,358	146,917	5,693,797	397,395
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:	268,157	-	-	268,157	-
Change in Pension Asset (Liability)	(616,015)	(130,391)	(349,828)	(1,096,235)	(35,660)
Change in Pension Deferred Outflow	(570,141)	(115,713)	(344,134)	(1,029,988)	(19,312)
Change in Pension Deferred Inflow	780,628	182,260	502,347	1,465,233	31,182
Change in OFEB Liability	147,878	(3,527)	(12,216)	131,936	(422)
Change in OFEB Deferred Outflow	(41,009)	7,209	28,698	(6,802)	464
Change in OFEB Deferred Inflow	(3,507)	(822)	60	(4,269)	(672)
Change in Operating Assets And Liabilities:					
Taxes Receivable	-	36,253	-	36,253	-
Customer Accounts Receivable	(639,387)	24,101	(214,165)	(829,451)	-
Other Receivables	(80,049)	-	-	(80,049)	(1,005)
Due from Other Funds	19,016	6,411	-	25,427	15
Due from Other Governments	-	6,424	-	6,424	(470)
Inventories and Prepaid Items	(116,906)	(11,303)	-	(128,209)	(42,780)
Other Assets	27,028	-	-	27,028	-
Preliminary Survey	450	-	-	450	-
Accounts Payable	512,701	(13,073)	18,648	518,276	(20,228)
Due to Other Funds	14,097	13,195	-	27,292	539
Due to Other Governments	12,343	-	-	12,343	-
Unearned Revenue	-	-	(21,764)	(21,764)	-
Customer Advances	108,494	-	-	108,494	-
Special Deposits	31,863	-	-	31,863	-
Compensated Absences	78,667	4,887	6,289	89,643	7,953
Net Cash Provided by Operating Activities	\$ 9,608,113	\$ 4,407,304	\$ 12,017	\$ 14,028,434	\$ 412,103
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:					
Cash and Cash Equivalents in Current Assets	\$ 24,156,877	\$ 10,135,411	\$ -	\$ 34,294,388	\$ 697,441
Cash and Cash Equivalents in Restricted Assets	15,187,878	3,351,649	-	18,549,527	-
Total Cash and Cash Equivalents	\$ 39,356,855	\$ 13,487,060	\$ -	\$ 52,843,915	\$ 697,441
Noncash Capital and Related Financing Activities:					
Investment in American Transmission Company	\$ 1,095,919	\$ -	\$ -	\$ 1,095,919	\$ -
Capital Asset Contribution	239,679	-	-	239,679	-
Purchases of Capital Assets via Lease	699,456	-	-	699,456	-

See accompanying Notes to Basic Financial Statements.

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**CITY OF MARSHFIELD**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**DECEMBER 31, 2021**

	Tax Collection Custodial Fund
<b>ASSETS</b>	
Cash and Investments	\$ 6,103,265
Receivables:	
Taxes	17,526,478
Total Assets	23,629,743
<b>LIABILITIES</b>	
Accounts Payable	4,900
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	23,624,843
<b>NET POSITION</b>	
Restricted	\$ -

See accompanying Notes to Basic Financial Statements.

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CITY OF MARSHFIELD  
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2021

	Tax Collection Custodial Fund
ADDITIONS	
Property Tax Collections	\$ 16,155,840
DEDUCTIONS	
Payments to Taxing Jurisdictions	16,155,840
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.  
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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Marshfield, Wisconsin, was incorporated on July 16, 1883, under the provision of Chapter 280, Laws of Wisconsin, 1883. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highway and streets, sanitation, health and social services, culture, recreation, and education, public improvements, planning and zoning, and general administrative services. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component unit that is required to be included in the basic financial statements.

Community Development Authority of the City of Marshfield, Wisconsin

The government-wide financial statements include the Community Development Authority of the City of Marshfield, Wisconsin (the CDA). The CDA is a discretely presented component unit with a separate seven-member board appointed by the mayor, subject to confirmation by the city council, with two members of the board being city council members serving for their term of office and five noncouncil members with staggered four-year terms. The CDA has its own independent budgetary authority and borrowing capabilities. In 2017 the CDA issued lease revenue bonds on behalf of the City which created a fiduciary responsibility for the City. The City has no responsibility for fund deficits of the CDA. The CDA financial information for the fiscal year ended March 31, 2021 is included in the basic financial statements as a discretely presented component unit. Separately issued financial statements of the CDA may be obtained from their office at 601 South Cedar Ave, Marshfield, WI 54449.

B. Joint Venture

1. Marshfield Fairgrounds Commission

The Marshfield Fairgrounds Commission is a joint venture between the Common Council of the City of Marshfield and the Wood County Board of Supervisors for the improvement, maintenance, repair and operation of the Marshfield Fairgrounds. The Commission Board consists of six members: three aldermen from the City of Marshfield who are appointed by the mayor with approval of the council, and three county board supervisors who are appointed by the chairman of the Wood County Board with approval of the county board. The Fairgrounds Commission has the full, complete, and exclusive jurisdiction of the fairgrounds.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Joint Venture (Continued)

1. Marshfield Fairgrounds Commission (Continued)

The City of Marshfield is to provide the necessary funds for the maintenance of the land, exclusive of the buildings and similar structures, while Wood County is providing funds for the construction, improvement, repair and maintenance of the buildings located on the Marshfield Fairgrounds, other than such properties owned by third parties. Any buildings or structures constructed upon the fairgrounds by the Commission become the property of the City of Marshfield. Accordingly, the real estate and related buildings are capitalized in the governmental activities' capital assets. Complete separate financial statements for the Fairgrounds Commission may be obtained at the Finance Department, City of Marshfield, 207 West 6<sup>th</sup> Street, Marshfield, WI 54449.

2. University Extension Center Commission

The University Extension Center Commission is a joint venture between the Common Council of the City of Marshfield and the Wood County Board of Supervisors for the purchase of the site and construction of said center, and the care, custody, maintenance, improvement and repair of the lands and buildings during its operation as a University Extension Center. The Commission Board consists of six members: three aldermen of the City of Marshfield who are appointed by the mayor with approval of the council, and three county board supervisors who are appointed by the chairman of the Wood County Board with approval of the county board. Before September of every year, the Commission submits to the Marshfield Common Council and the Wood County Board a budget indicating the amount needed from each governing body to defray the costs of maintenance, care, custody, repair and improvement of the buildings and premises of the University of Wisconsin – Stevens Point at Marshfield for the ensuing year. Each municipal unit has a 50% share of the venture, and accordingly, the City's 50% share is capitalized in the governmental activities' capital assets. Complete separate financial statements for the University Extension Center Commission may be obtained at the Office of the Finance Department, 207 West 6<sup>th</sup> Street, Marshfield, WI 54449.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

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

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

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Infrastructure Construction Capital Projects Fund

This fund accounts for the construction and work done on City infrastructure.

Parks and Rec Capital Projects Fund

This fund accounts for the construction and work done on City parks and recreation facilities.

The City reports the following major enterprise funds:

Marshfield Utilities

This fund accounts for the financial activities related to the operation of the City's water, electric, and communications utility.

Wastewater Utility

This fund accounts for the financial activities related to the operation of the City's wastewater utility.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Additionally, the City reports the following fund types:

Internal Service Fund

This fund accounts for machinery and equipment services to other departments of the City, or to actual parties, on a cost reimbursement basis.

Custodial Fund

The custodial fund accounts for property taxes and specials collected on behalf of other governments.

D. Measurement Focus and Basis of Accounting

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water, electric, and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Cash and Investments

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

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Marshfield School District, Marathon County, Wood County, and Mid-State Technical College.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**3. Accounts Receivable**

General accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. The municipal court receivable has been shown net of an allowance of \$111,864, which represents uncollectable accounts. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the water, sewer and electric utilities have the right by law to place delinquent bills on the tax roll.

**4. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by external or legal requirements.

**5. Special Assessments**

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2021 tax roll are recognized as revenue in 2022.) Special assessments are subject to collection procedures.

**6. Loans Receivable**

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. As the loans are repaid, the receivable is decreased.

**7. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance in the general fund since they do not constitute expendable available financial resources and therefore are not available for appropriation.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**7. Interfund Receivables and Payables (Continued)**

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

**8. Inventories**

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

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

**9. Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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

**10. Investment in American Transmission Company (ATC)**

The City is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor, and own electric transmission facilities in Wisconsin. The City owns less than 1% of ATC.

The investment earns dividends quarterly, some of which are paid in cash and some of which are required to be reinvested. From time-to-time, the City has the option to contribute additional funds to maintain its proportionate share of ownership. The investment in American Transmission Company LLC is recorded at cost since it is privately held and has no readily available fair market value. The City's ownership share is valued at \$12,559,580 as of December 31, 2021, and is reported on the statement of net position as an asset.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets other than infrastructure with an initial, individual cost of \$5,000 or higher, and City infrastructure assets with a total cost of \$250,000 or higher, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

	Assets	
	Governmental Activities	Business-Type Activities
Land Improvements	15 to 25	
Buildings and Improvements	15 to 50	15 to 50
Machinery and Equipment	3 to 40	3 to 40
Infrastructure	20 to 70	20 to 77

12. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Vacation time is based on the employee's anniversary date of hire date and unused balances at year-end must be used before the employee's anniversary date. Accumulated vacation balances are paid out upon termination provided the employee gives notice prior to resignation or retirement in accordance with City policy. All vested vacation is accrued when earned in the government-wide and proprietary fund financial statements.

One day of sick leave is accrued per month for benefit eligible City employees up to a maximum of 120 days. Unused sick leave balances are forfeited when an employee terminates employment with the City. There is no liability for sick leave recorded in the financial statements for the City. Marshfield Utilities allow for sick leave accumulation up to a maximum of 90 days. After five years of service, Marshfield Utilities' employees are eligible to receive their accumulated balance upon termination of employment. A liability for sick leave for Marshfield Utilities is recorded in the government-wide and proprietary fund financial statements.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

12. Compensated Absences (Continued)

The City currently contributes to the postemployment health plan for a sick leave payout for grandfathered employees only. Effective December 31, 2011, nonrepresented employees had their sick leave balances frozen. If the employee meets the eligibility requirements, the City will deposit the lessor of the employee's current sick leave balance or the frozen amount upon termination. To be eligible, the employee must have worked for the City for 20 consecutive years and be eligible and accept an annuity under the Wisconsin Retirement System. A liability for this benefit is accrued when earned in the government-wide financial statements.

13. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments. These inflows are recognized as revenues in the government-wide financial statements.

14. Long-Term Obligations

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

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

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

15. Pensions

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

16. Other Postemployment Benefits Other Than Pensions (OPEB)

Single-Employer Defined Postemployment Benefit Plan

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

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

17. Fund Equity

Governmental Fund Financial Statements

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

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed fund balance.** Amounts that are constrained for specific purposes by a resolution passed by the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has authorized the City Finance Director to assign fund balance through its financial management policy.
- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources
- **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation
- **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Sales Tax**

The City collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The City's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

**G. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements and supplementary information:

1. In August, all City departments submit budget requests to the City Administrator. Prior to October 15, the City Administrator submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with GAAP for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget. Management control for capital projects funds with multi-year projects is achieved through utilization or remaining fund balances.
4. The adopted budget is prepared by fund, function, and sub-function (departments, activities, or projects) level. Expenditures may not exceed appropriations at the sub-function level for the City. Department heads may make transfers within a sub-function with their committee's approval. Transfers of appropriations between sub-functions require the approval of the City Council.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**A. Budgets and Budgetary Accounting (Continued)**

5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2021.

**B. Excess of Expenditures Over Budget Appropriations**

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2021 as follows:

Funds	Excess Expenditures
General:	
General Government:	
City Attorney	\$ 16,014
Clerk	2,899
Property Assessment	1,100
City Hall	10,845
Uncollectible Taxes and Refunds	222,631
Public Works:	
Administration	77,995
Street Maintenance	31,447
Storm Sewers	109,695
Water Mains	123,126
Refuse and Recycling	74,339
Forestry	32,222
Health and Human Services	4,972
Cemetery	
Culture and Recreation	97,100
Recreation Programs and Events	461
Zoo	1,222
Fairgrounds	794
UW Stevens Point	
Conservation and Development	
Other Conservation and Development	10,006
Debt Service	
Principal	38,679
Interest	4,036

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following funds had deficit fund balance or net position as of December 31, 2021:

	Funds	Deficit Fund Balance
Special Revenue Funds:		
Taxi System	\$	127,089
Capital Projects Funds:		
Infrastructure Construction		1,314
Parks and Recreation Capital Projects		266,075
Public Facilities Capital Outlay		114,304
TID #5 (Mill Creek Business Park)		1,117,065
TID #7 (Yellowstone Industrial Park)		42,998
TID #13 (South Hume Avenue)		41,835

The City anticipates funding the above deficits from future revenues and tax increments of the funds. Tax Incremental District #5 was recognized as a distressed TID and Tax Incremental District #2 is now a donor TID. This allows the donor TIDs to contribute funds to the distressed TID until future revenues are being generated.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns, and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2021 budget was 1.15%. The actual limit for the City for the 2022 budget was 3.54%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

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

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The carrying amount of the City's cash and investments totaled \$71,154,851 on December 31, 2021 as summarized below:

Petty Cash and Cash on Hand	\$	10,555
Deposits with Financial Institutions		14,841,879
Investments		56,302,417
Total	\$	71,154,851

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	46,223,610
Restricted Cash and Investments		18,827,976
Fiduciary Fund Statement of Net Position:		
Cash and Investments		6,103,265
Total	\$	71,154,851

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments:				
Negotiable Certificates of Deposit	\$	5,640,527	\$	5,640,527
Federal National Mortgage Association		239,912		239,912
Federal Home Loan Mortgage Corporation		239,251		239,251
Federal Home Loan Banks		4,445,098		4,445,098
Federal Farm Credit Bank System		1,997,319		1,997,319
Total	\$	12,562,107	\$	12,562,107

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City's credit risk policy requires collateralization of repurchase agreements and certificates of deposit of at least 100% of the market value.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2021, \$13,351,199 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. \$7,414,185 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the City's name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt Item	AAA	AA	Net Rated
Negotiable Certificates of Deposit	\$ 5,640,327	Disclosure	-	-	\$ 5,640,327
Federal Home Loan Mortgage Corporation	239,251	-	239,912	-	-
Federal Home Loan Banks	4,445,098	-	-	-	-
Federal Farm Credit Bank System	1,997,318	-	-	-	-
Wisconsin Local Government Investment Pool	43,740,311	-	-	-	43,740,311
<b>Totals</b>	<b>\$ 58,302,412</b>	<b>\$ -</b>	<b>\$ 239,912</b>	<b>\$ -</b>	<b>\$ 49,360,636</b>

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Negotiable Certificates of Deposit	\$ 5,640,327	\$ 1,481,357	\$ -	\$ 3,403,876	\$ -
Federal National Mortgage Association	239,251	-	745,544	-	-
Federal Home Loan Mortgage Corporation	4,445,098	-	-	239,251	-
Federal Home Loan Banks	1,997,318	-	-	4,445,098	-
Federal Farm Credit Bank System	1,997,318	-	-	1,997,318	-
Wisconsin Local Government Investment Pool	\$ 43,740,311	\$ 43,740,311	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ 58,302,412</b>	<b>\$ 45,221,658</b>	<b>\$ 745,544</b>	<b>\$ 10,328,225</b>	<b>\$ -</b>

The City has investments in the Wisconsin Local Government Investment Pool of \$43,740,311 at year-end. The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

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**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Restricted Assets**

Restricted assets on December 31, 2021 totaled \$11,172,534 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
<b>Governmental Activities</b>		
Economic Development:		
Future Economic Development Expenditures	\$ 52,200	Funds to be used for future economic development loans
TID #10 (Marshfield Mill Area):		
Developer Deposit	2,000	Developer deposit expended on meeting various developer agreement requirements
Cemetery Perpetual Care:		
Care of the Cemetery	224,249	Funds restricted for operations and maintenance of the City cemetery
<b>Total Governmental Activities</b>	<b>278,449</b>	
<b>Marshfield Utilities</b>		
Electric Utility:		
Bond Redemption	207,791	Funds set aside for future principal and interest payments to meet the terms of the outstanding electric revenue bonds
Bond Reserve	2,421,740	Funds set aside to meet the debt service reserve requirements of the outstanding electric revenue bonds
M-1 Maintenance	2,210,973	Funds set aside for future maintenance of the M-1 combustion turbine unit. This is a utility designation only
Bond Proceeds	8,981,275	Unspent bond proceeds to be used for capital asset construction
Customer Deposits	177,701	Deposits that have been paid by customers. These funds will be repaid to customers when they meet the refund terms or end their utility service.
Water Utility:		
Future Principal/Interest Payments	82,370	Funds restricted for future principal and interest payments on water revenue bonds
Water Main Replacement	234,651	Revenues received that are restricted for the replacement of water mains by the Public Service Commission
Bond Reserve	981,477	Funds set aside to meet the debt service reserve requirements of the outstanding water revenue bonds
<b>Total Marshfield Utilities</b>	<b>15,197,878</b>	
<b>Wastewater Utility</b>		
Equipment Replacement	2,807,812	Funds restricted for maintenance and upgrades of the wastewater treatment plant
Bond Reserve	549,837	Funds set aside to meet the debt service reserve requirements of the outstanding wastewater revenue bonds
<b>Total Wastewater Utility</b>	<b>3,357,649</b>	
<b>Total Restricted Assets</b>	<b>\$ 19,527,976</b>	

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**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Nondepreciable:				
Construction in Progress	\$ 7,150,888	\$ 316,614	\$ 34,738	\$ 7,432,764
Total Capital Assets, Nondepreciable	2,794,919	4,054,230	11,165	6,837,884
Capital Assets, Depreciable:				
Buildings and Improvements	9,946,807	4,370,844	45,903	14,270,748
Machinery and Equipment	46,798,474	108,620	255,330	46,651,664
Infrastructure	20,464,520	895,547	655,488	20,604,580
Intangible Assets	103,708,281	3,986,486	-	107,694,767
Subtotals	170,708,516	4,955,863	920,768	174,733,611
Less: Accumulated Depreciation for:				
Buildings and Improvements	16,130,116	1,186,053	225,300	17,100,869
Machinery and Equipment	13,845,175	854,171	542,567	14,556,780
Infrastructure	40,765,401	2,883,847	43,488	43,687,760
Subtotals	70,740,692	4,924,071	767,827	74,351,937
Total Capital Assets, Depreciable, Net	100,374,863	210,062	152,961	100,431,884
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 110,320,670</b>	<b>\$ 4,580,826</b>	<b>\$ 198,864</b>	<b>\$ 114,702,732</b>
Less: Capital Related Debt				(40,802,067)
Less: Debt Premium				(735,479)
Less: Capital Lease Payable				(2,089,693)
<b>Net Investment in Capital Assets</b>				<b>\$ 71,075,583</b>
<b>Business-Type Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 2,627,899	\$ -	\$ -	\$ 2,627,899
Construction in Progress	1,051,434	12,620,375	4,895,367	8,782,902
Total Capital Assets, Nondepreciable	3,709,103	12,620,375	4,895,367	11,534,111
Capital Assets, Depreciable:				
Buildings and Improvements	34,512,431	227,233	28,453	34,711,211
Machinery and Equipment	13,380,698	919,798	638,956	13,471,641
Infrastructure	155,103,357	4,094,651	424,161	158,773,847
Subtotals	203,006,487	5,241,682	1,251,470	206,996,699
Less: Accumulated Depreciation for:				
Buildings and Improvements	16,998,009	906,697	31,298	17,874,008
Machinery and Equipment	10,773,006	629,254	797,012	10,605,248
Infrastructure	53,458,819	4,855,092	388,930	57,525,061
Subtotals	81,230,834	5,391,043	1,215,102	85,406,775
Total Capital Assets, Depreciable, Net	121,735,653	(749,361)	76,350	120,956,722
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 125,444,556</b>	<b>\$ 12,860,214</b>	<b>\$ 4,971,727</b>	<b>\$ 132,553,043</b>
Less: Capital Related Debt				(34,819,110)
Less: Debt Premium				(1,380,233)
Less: Capital Related Payable and Retainage				(689,457)
Less: Capital Lease Payable				(54,200)
<b>Net Investment in Capital Assets</b>				<b>\$ 95,620,039</b>

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 20,852
Public Safety	698,187
Public Works	2,807,982
Culture and Recreation	852,661
Health and Human Services	7,582
Internal Service Fund	398,607
Total Depreciation Expense - Governmental Activities	<u>\$ 4,785,871</u>
Business-Type Activities:	
Electric Utility	\$ 3,278,059
Water Utility	1,388,390
Communication Utility	58,319
Wastewater Utility	1,118,357
Emergency Medical Services	146,918
Total Increase in Depreciation	<u>5,991,043</u>
Depreciation Charged to Clearing Accounts and Other Utilities	<u>(297,246)</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 5,693,797</u>

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2021 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds:		
General Fund	\$ 1,979,369	\$ -
Capital Projects Funds:		
Infrastructure Construction	3,380	7,138
Enterprise Funds:		
Marshfield Utilities	135,790	3,325,321
Wastewater Utility	1,270,110	56,501
Vehicle/Equipment Internal Service Fund	2,483	2,172
Temporary Cash Advances to Finance Operating Cash Deficits of Other Funds:		
General Fund	1,257,373	-
Special Revenue Funds:		
Tax System	-	77,229
Capital Projects Funds:		
Public Facilities Capital Outlay	-	102,651
Parks and Recreation Capital Projects	-	264,193
Infrastructure Construction	-	198,503
Enterprise Funds:		
Emergency Medical Services	-	614,797
Totals	<u>\$ 4,648,505</u>	<u>\$ 4,648,505</u>
Advances to Finance TIF Expenditures:		
General Fund	\$ 1,048,622	\$ -
Capital Projects Funds:		
TID #5 (Mill Creek Business Park)	-	967,726
TID #12 (East Yellowstone Industrial Park)	-	40,269
TID #13 (South Hume Avenue)	-	40,627
Totals	<u>\$ 1,048,622</u>	<u>\$ 1,048,622</u>

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**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers (Continued)**

Interfund transfers for the year ended December 31, 2021 were as follows:

<u>Fund</u>	Transfer In	Transfer Out
General Fund	\$ 1,963,288	\$ -
Special Revenue Funds:		
Room Tax	-	150,055
Economic Development	233,153	975,000
Debt Service Fund	-	142,783
Capital Projects Funds:		
Infrastructure Construction	940,000	-
Public Safety Capital Outlay Fund	142,783	-
Parks and Rec Capital Projects	200,055	-
TID #2 (Purdy Project)	-	111,833
TID #7 (Yellowstone Industrial Park)	111,833	-
Enterprise Funds		
Marshfield Utilities	-	2,171,441
Vehicle/Equipment Internal Service Fund	-	40,000
<b>Totals</b>	<b>\$ 3,591,112</b>	<b>\$ 3,591,112</b>

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Marshfield Utilities to General Fund	\$ 1,963,288
Annual Dividend Paid by Marshfield Utilities	233,153
Transfer of Resources to Fund Authorized to Spend	200,055
Fund Repayment to Capital Project Funds	940,000
Tax Incremental District Donor Transfer	111,833
Transfer of Debt Proceeds	142,783
<b>Total</b>	<b>\$ 3,591,112</b>

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**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2021:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Debt:					
Bonds	\$ 32,970,000	\$ 2,580,000	\$ 2,100,000	\$ 33,450,000	\$ 2,300,000
Notes	13,205,000	-	2,120,000	11,085,000	2,210,000
Notes From Direct Borrowings:					
State Trust Fund Loans	1,486,000	302,667	255,803	1,532,864	361,521
Total General Obligation Debt	47,661,000	2,882,667	4,475,803	46,067,864	4,871,521
Debt Premium	821,887	139,207	60,512	900,582	-
Lease from CDA	2,045,858	-	160,000	1,885,858	165,000
Capital Lease	300,867	-	97,022	203,845	97,022
Compensated Absences	935,528	11,248	111,119	835,658	538,044
Governmental Activities Long-Term Obligations	<u>\$ 51,765,241</u>	<u>\$ 3,033,122</u>	<u>\$ 4,804,456</u>	<u>\$ 49,993,907</u>	<u>\$ 5,671,587</u>
<b>Business-Type Activities</b>					
General Obligation Debt:					
Bonds	\$ 1,335,000	-	\$ 145,000	\$ 1,190,000	\$ 145,000
Revenue Bonds	30,015,000	15,710,000	3,710,000	42,015,000	3,845,000
Capital Lease	25,000	-	25,786	54,214	-
Compensated Absences	369,088	1,100,833	109,686	1,360,233	25,786
Business-Type Activities Long-Term Obligations	<u>\$ 32,912,941</u>	<u>\$ 16,800,476</u>	<u>\$ 3,890,474</u>	<u>\$ 45,822,943</u>	<u>\$ 4,383,625</u>

Total interest paid during the year on long-term debt totaled \$2,051,620.

The City's outstanding notes from direct borrowings related to governmental activities of \$1,532,864 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)  
F. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
General Obligation Bonds	4/15/13	3/1/30	2.00 - 2.75%	\$ 3,030,000	\$ 2,232,000
General Obligation Note	4/15/13	3/1/23	2.00%	3,105,000	555,000
General Obligation Note	4/1/14	3/1/24	1.50 - 2.30%	4,010,000	1,110,000
General Obligation Bonds	4/14/15	3/1/30	2.00 - 2.50%	3,435,000	2,635,000
General Obligation Note	4/14/15	3/1/25	2.00%	2,820,000	1,005,000
General Obligation Bonds	3/1/16	3/1/35	2.00 - 3.00%	3,840,000	3,260,000
General Obligation Note	3/1/16	3/1/28	1.00 - 2.00%	3,865,000	2,040,000
General Obligation Bonds	11/1/16	3/1/28	1.00 - 2.50%	2,210,000	1,635,000
General Obligation Note	11/1/16	3/1/26	1.00 - 2.00%	2,110,000	1,205,000
General Obligation Note	4/4/17	3/1/27	2.00 - 3.00%	2,900,000	1,820,000
General Obligation Note	12/5/17	9/1/35	2.75 - 3.50%	3,075,000	2,775,000
General Obligation Note	7/31/18	3/1/28	3.00%	4,585,000	3,350,000
General Obligation Bonds	8/28/19	3/1/39	2.00 - 4.00%	15,475,000	14,070,000
State Trust Fund Loan	11/26/19	3/1/26	3.25%	750,000	640,794
State Trust Fund Loan	8/27/20	3/1/25	2.50%	735,000	589,403
General Obligation Bonds	9/17/20	3/1/37	1.00 - 2.00%	6,215,000	5,465,000
State Trust Fund Loan	6/1/21	3/1/24	2.50%	302,667	302,667
General Obligation Bonds	5/26/21	3/1/35	2.00 - 3.00%	2,580,000	2,580,000
Total Outstanding					\$ 47,257,864
General Obligation Debt					\$ 47,257,864

Annual principal and interest maturities of the outstanding general obligation debt of \$47,257,864 on December 31, 2021 are detailed below:

Year Ending December 31,	Governmental Activities					Total
	Bonded Debt		Notes from Direct Borrowings			
	Principal	Interest	Principal	Interest		
2022	\$ 4,510,000	\$ 983,697	\$ 367,520	\$ 41,511	\$ 5,896,728	
2023	4,375,000	876,937	369,843	33,169	5,654,969	
2024	4,260,000	784,420	379,956	23,076	5,447,452	
2025	4,110,000	687,110	285,053	12,554	5,094,717	
2026	3,910,000	587,242	136,492	4,436	4,638,170	
2027-2031	14,755,000	1,743,211	-	-	16,498,211	
2032-2036	6,800,000	624,636	-	-	7,424,636	
2037-2039	1,815,000	32,063	-	-	1,847,063	
Total	\$ 44,535,000	\$ 6,319,316	\$ 1,532,864	\$ 114,766	\$ 52,501,946	

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CITY OF MARSHFIELD  
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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)  
F. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Year Ending December 31,	Business-Type Activities			Total
	Bonded Debt		Interest	
	Principal			
2022	\$ 145,000	\$ 26,850		\$ 171,850
2023	145,000	23,950		168,950
2024	150,000	21,000		171,000
2025	150,000	17,250		167,250
2026	150,000	12,750		162,750
2027-2029	450,000	17,250		467,250
Total	\$ 1,190,000	\$ 119,050		\$ 1,309,050

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2021 was \$45,424,971 as follows:

Equalized Valuation of the City	\$ 1,853,656,700
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	92,682,835
Total Outstanding General Obligation Debt Applicable to Debt Limitation	47,257,864
Legal Margin for New Debt	\$ 45,424,971

Revenue Bonds

Revenue bonds outstanding on December 31, 2021 totaled \$42,015,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
Water Utility	10/14/14	12/1/33	2.00 - 3.50%	\$ 3,845,000	\$ 2,770,000
Water Utility	9/15/15	12/1/34	3.00 - 3.40%	3,180,000	2,430,000
Sewer Utility	5/2/16	5/1/22	2.50 - 3.00%	4,960,000	1,295,000
Water Utility	12/5/18	12/1/27	4.00 - 5.00%	2,695,000	1,895,000
Electric Utility	6/10/20	12/1/30	1.33%	19,745,000	17,915,000
Electric Utility	3/11/21	12/1/41	1.00-4.00%	15,710,000	15,710,000
Total Outstanding Revenue Bonds					\$ 42,015,000

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**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Obligations (Continued)**

Revenue Bonds (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$42,015,000 on December 31, 2021 are detailed below:

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 3,845,000	\$ 858,053	\$ 4,703,053
2023	3,250,000	790,991	4,040,991
2024	3,305,000	735,639	4,040,639
2025	3,370,000	662,554	4,032,554
2026	5,415,000	949,833	6,364,833
2027-2031	13,700,000	1,547,933	15,247,933
2032-2036	4,395,000	645,300	5,030,300
2037-2041	4,745,000	281,263	5,026,263
Total	\$ 42,015,000	\$ 6,471,566	\$ 48,486,566

Utility Revenues Pledged

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay the water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from customer net revenues and are payable as detailed above.

The total principal and interest remaining to be paid on the electric bonds is \$38,580,553. Principal and interest paid for the current year and total customer net revenues were \$2,404,636 and \$7,970,256, respectively.

The total principal and interest remaining to be paid on the water bonds is \$897,533. Principal and interest paid for the current year and total customer net revenues were \$896,663 and \$2,789,970, respectively.

The total principal and interest remaining to be paid on the wastewater bonds is \$1,314,425. Principal and interest paid for the current year and total customer net revenues were \$1,312,675 and \$4,430,232, respectively.

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**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Obligations (Continued)**

Lease from CDA

Annual principal and interest maturities of the outstanding lease from the Community Development Authority of the City of Marshfield of \$1,885,858 on December 31, 2021, are detailed below:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 165,000	\$ 74,093	\$ 239,093
2023	170,000	59,143	239,143
2024	175,000	64,043	239,043
2025	180,000	58,355	238,355
2026	185,000	52,505	237,505
2027-2031	1,010,858	160,208	1,171,066
2032-2034	-	8,625	8,625
Total	\$ 1,885,858	\$ 486,972	\$ 2,372,830

Capital Lease

The City is obligated under a lease accounted for as a capital lease that was used to finance the acquisition of capital assets. The cost of the capital assets under the capital lease is \$700,484 and the related accumulated depreciation is \$199,794 as of December 31, 2021.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2021:

Year Ending December 31,	Governmental		Business-Type		Total
	Activities		Activities		
2022	\$ 107,147	\$ 28,477	\$ 107,147	\$ 28,477	\$ 135,624
2023	107,147	28,477	107,147	28,477	135,624
Subtotal	214,294	56,954	214,294	56,954	271,248
Less: Amount Representing Interest	10,349	2,750	10,349	2,750	13,099
Present Value of Future Minimum Lease Payments	\$ 203,945	\$ 54,204	\$ 203,945	\$ 54,204	\$ 258,149

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (980 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Employees who retire at or after age 65 (54 for protective occupations, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

2. Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	-1.2%	11.0%
2012	-7.0%	-7.0%
2013	-8.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives, and elected officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

The City of Marshfield, Marshfield Utilities (the Utilities), and the Community Development Authority of the City of Marshfield (the CDA), make separate contributions to the WRS. Separate information is presented below for the City, the Utilities, and the CDA pension activity.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

3. Contributions (Continued)

During the year ended December 31, 2021, the WRS recognized \$1,302,657 in contributions from the City, \$243,551 from the Utilities, and \$18,538 from the CDA.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

4. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported an asset of \$6,924,469; the Utility reported an asset of \$1,313,503, and the CDA reported an asset of \$118,021 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. Each entity's proportion of the net pension asset was based on the entity's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.11091327%, which was an increase of 0.00305350% from its proportion measured as of December 31, 2019. At December 31, 2020, the Utilities' proportion was 0.02103915%, which was a decrease of 0.00059203% from its proportion measured as of December 31, 2019. At December 31, 2020, the CDA's proportion was 0.00189042%, which was a decrease of 0.00003953% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension revenue of \$739,098, the Utilities recognized pension expense of \$149,887, and the CDA recognized pension expense of \$10,802.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>City of Marshfield</b>		
Differences between Expected and Actual Experience	\$ 10,021,831	\$ 2,158,684
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	13,000,128
Changes in Assumptions	157,060	-
Employer Contributions and Differences between Employer Contributions and Proportionate Share of Contributions	46,982	6,825
Employer Contributions Subsequent to the Measurement Date	1,302,657	-
<b>Total</b>	<b>\$ 11,528,530</b>	<b>\$ 15,165,637</b>
<b>Marshfield Utilities</b>		
Differences between Expected and Actual Experience	\$ 1,901,041	\$ 409,481
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	2,465,984
Changes in Assumptions	29,792	-
Employer Contributions and Differences between Employer Contributions and Proportionate Share of Contributions	-	9,675
Employer Contributions Subsequent to the Measurement Date	243,551	-
<b>Total</b>	<b>\$ 2,174,384</b>	<b>\$ 2,885,150</b>
<b>Community Development Authority of the City of Marshfield</b>		
Differences between Expected and Actual Experience	\$ 170,812	\$ 36,792
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	221,575
Changes in Assumptions	2,676	-
Employer Contributions and Differences between Employer Contributions and Proportionate Share of Contributions	605	939
Employer Contributions Subsequent to the Measurement Date	3,757	-
<b>Total</b>	<b>\$ 177,850</b>	<b>\$ 259,306</b>

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,302,657 reported as deferred outflows related to pension resulting from the City's contributions. \$243,551 reported as deferred outflows related to pension resulting from the Utilities' contributions, and \$3,757 reported as deferred outflows related to pension resulting from the CDA's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts related to the City reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Expense
2022	\$ (1,269,763)
2023	(337,626)
2024	(2,342,414)
2025	(989,959)
Total	<u>\$ (4,939,762)</u>

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

Year Ending December 31,	Expense
2022	\$ (247,716)
2023	(69,229)
2024	(448,148)
2025	(189,224)
Total	<u>\$ (954,317)</u>

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

Year Ending December 31,	Expense
2022	\$ (21,563)
2023	(6,120)
2024	(40,391)
2025	(17,139)
Total	<u>\$ (85,213)</u>

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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CITY OF MARSHFIELD  
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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets

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

	Current Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
	Percent	Percent	Percent
<b>Core Fund Asset Class</b>			
Global Equities	51.0 %	7.2 %	4.7 %
Fixed Income	25.0	3.2 %	0.8 %
Inflation Sensitive Assets	18.0	2.0 %	-0.4%
Real Estate	8.0	5.6 %	3.5 %
Private Equity/Debt	11.0	10.2 %	7.6 %
Multi-Asset	4.0	5.8 %	3.3 %
Cash	(15.0)	0.9 %	N/A
Total Core Fund	100.0 %	6.6 %	4.1 %
<b>Variable Fund Asset Class</b>			
U.S. Equities	70.0 %	6.6 %	4.1 %
International Equities	30.0	7.4 %	4.9 %
Total Variable Fund	100.0 %	7.1 %	4.6 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.40%

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

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's, the Utilities' and the CDA's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the City's, Utilities' and CDA's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	One Percent Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	One Percent Increase to Discount Rate (8.0%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,591,135	\$ (6,924,469)	\$ (16,851,579)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	1,250,273	(1,313,503)	(3,196,578)
CDA's Proportionate Share of the Net Pension Liability (Asset)	112,340	(118,021)	(287,220)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://efw.gov/about-efw/reports-and-studies/financial-reports-and-statements>.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

6. Payables to the Pension Plan

At December 31, 2021, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

At December 31, 2021, the Utilities reported a payable of \$79,708 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

At December 31, 2021, the CDA reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

H. Other Postemployment Benefits

The City reports OPEB related balances at December 31, 2020 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,439,319	\$ 597,407	\$ 230,236	\$ 164,860
Single-Employer Defined OPEB Plan	2,148,652	-	-	101,006
Total OPEB Liability	<u>\$ 3,587,971</u>	<u>\$ 597,407</u>	<u>\$ 230,236</u>	<u>\$ 265,866</u>

1. Single-Employer Defined Postemployment Benefit Plan

Plan Description

The plan is a single-employer defined benefit postemployment health plan that covers retired employees of the Utilities. Eligible retired employees have access to group medical coverage through the Utilities' group plan until the age of 65. Medical benefits paid for by the Utilities are paid for as indicated below. All employees of the Utilities with 15 or more years of service and who elect to retire at 62 years of age are eligible for the plan. No assets are accumulated in a trust that meets the criteria in paragraph four of Statement 75.

Benefits Provided

The Utilities provides medical (including prescription drugs) for retired employees through the Utilities' group health insurance plan. The Utilities paid medical benefits include 90% of the premium cost with the retiree paying the remaining 10%. The Utilities paid medical benefits are paid until the retiree becomes eligible for Medicare.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	2
Active Employees	46
Total	<u>48</u>

Total OPEB Liability

The Utilities' total OPEB liability was measured as of December 31, 2021, and was determined under the alternative measurement method.

Actuarial Assumptions

The total OPEB liability determined under the alternative measurement method was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3%
Salary Increases:	3%
Discount Rate:	2.05%
Healthcare Cost Trend Rates:	4.9% for 2021 increasing to 4.8% for 2022, 4.7% for 2023-2024, 4.6% for 2025, 4.5% for 2026, 4.4% for 2027, and decreasing to 4.3% thereafter
Pharmacy Cost Trend Rates:	5.9% for 2021, decreasing to 4.8% for 2022, 4.7% for 2023-2024, 4.6% for 2025, 4.5% for 2026, 4.4% for 2027, and decreasing to 4.3% thereafter

Mortality rates are the same as those used in the Pub-2010 Public Retirement Plans Mortality Table with mortality improvement projected for 10 years.

Turnover assumptions used in the December 31, 2021, valuation were derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.05%, a decrease from 2.74% in the prior year. The discount rate is based on the 20-year tax exempt municipal bond yield as of the measurement date.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2020	\$ 2,081,157
Changes for the Year:	
Service Cost	85,422
Interest	45,578
Effect of Economic/Demographic Gains or Losses	(48,110)
Effect of Assumptions Changes or Inputs	18,115
Benefit Payments	(33,510)
Net Changes	67,495
Balance at December 31, 2021	\$ 2,148,652

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Utilities, as well as what the Utilities' total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.05%) or one-percentage-point higher (3.05%) than the current rate:

	One Percent Decrease to Discount Rate (1.05%)	Current Discount Rate (2.05%)	One Percent Increase to Discount Rate (3.05%)
Total OPEB Liability	\$ 2,434,214	\$ 2,148,652	\$ 1,909,703

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Utilities, as well as what the Utilities' total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower (3.9% decreasing to 3.3%) or one-percentage-point higher (5.9% decreasing to 5.3%) than the current healthcare cost trend rates:

	One Percent Decrease to Trend Rates (3.9% decreasing to 3.3%)	Healthcare Cost Trend Rates (4.9% decreasing to 4.3%)	One Percent Increase to Trend Rates (5.9% decreasing to 5.3%)
Total OPEB Liability	\$ 1,839,465	\$ 2,148,652	\$ 2,525,130

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

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

For the year ended December 31, 2021, the Utilities recognized OPEB expense of \$101,006.

Payable to the OPEB Plan

At December 31, 2021, the Utilities reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2021.

2. Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a cost-sharing, multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (AFCR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETF/GASB/PublicWeb/gasb75local.do>.

Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 are:

Coverage Type	Employer Contribution
50% Post-Retirement Coverage	40% of Employee Contribution
25% Post-Retirement Coverage	20% of Employee Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2020 are listed below:

Life Insurance Employee Contribution Rates* for the Year Ended December 31, 2020		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

\* Disabled members under age 70 receive a waiver-of-premium benefit

The City of Marshfield, Marshfield Utilities (the Utilities), and the Community Development Authority of the City of Marshfield (the CDA), make separate contributions to the LRLIF. Separate information is presented below for the City, the Utilities, and the CDA.

During the reporting period, the LRLIF recognized \$4,058 in contributions from the City, \$1,230 from the Utilities, and \$272 from the CDA.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

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

At December 31, 2021, the City reported a liability of \$1,130,943, the Utilities reported a liability of \$308,376, and the CDA reported a liability of \$75,294 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. Each entity's proportion of the net OPEB liability was based on each entity's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.2055990%, which was a decrease of 0.003103% from its proportion measured as of December 31, 2019. At December 31, 20, the Utilities' proportion was 0.0560610%, which was an increase of 0.002472% from its proportionate measured as of December 31, 2019. At December 31, 2020, the CDA's proportion was 0.0138800%, which was a decrease of 0.000065% from its proportionate measured as of December 31, 2019.

For the year ended December 31, 2020, the City recognized OPEB expense of \$128,104, the Utilities recognized OPEB expense of \$36,786 and the CDA recognized OPEB expense of \$9,888.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
City of Marshfield		
Differences between Expected and Actual Experience	\$ -	\$ 53,964
Net Differences between Projected and Actual		
Earnings on OPEB Plan Investments	16,465	-
Changes in Assumptions	439,952	77,598
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions		
Total	\$ 456,417	\$ 177,861

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**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Marshfield Utilities</b>		
Differences between Expected and Actual Experience	\$ -	\$ 14,715
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	4,480	-
Changes in Assumptions	119,963	21,159
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	16,537	16,503
<b>Total</b>	<b>\$ 140,980</b>	<b>\$ 52,377</b>

**Community Development Authority of the City of Marshfield**

Differences between Expected and Actual Experience	\$ -	\$ 3,593
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	1,086	-
Changes in Assumptions	29,290	5,166
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	3,167	721
<b>Total</b>	<b>\$ 33,553</b>	<b>\$ 9,480</b>

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

Year Ending December 31,	Expense
2022	\$ 50,522
2023	48,742
2024	46,908
2025	43,083
2026	60,993
Thereafter	28,308
<b>Total</b>	<b>\$ 278,556</b>

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**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)  
Amounts related to the Utilities as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Expense
2022	\$ 15,632
2023	15,146
2024	14,846
2025	13,396
2026	20,237
Thereafter	9,556
<b>Total</b>	<b>\$ 88,613</b>

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

Year Ending December 31,	Expense
2022	\$ 4,724
2023	4,605
2024	4,483
2025	3,988
2026	4,384
Thereafter	1,879
<b>Total</b>	<b>\$ 24,073</b>

**Actuarial Assumptions**

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return Percent
U.S. Credit Bonds	Barclays Credit	50.0	1.47
U.S. Mortgages	Barclays MBS	50.0	0.82
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real return and reflecting expected volatility and correlation.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Single Discount Rate

A single discount rate of 2.25% was used to measure the total OPEB liability, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's, the Utilities', and the CDA proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25%, as well as what the City's, the Utilities', and the CDA proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (1.25%) or one-percentage-point higher (3.25%) than the current rate:

	One Percent Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	One Percent Increase to Discount Rate (3.25%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,538,406	\$ 1,130,943	\$ 822,791
Utilities' Proportionate Share of the Net OPEB Liability (Asset)	119,479	309,376	224,352
CDA's Proportionate Share of the Net OPEB Liability (Asset)	102,421	75,294	54,778

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

CITY OF MARSHFIELD  
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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Payable to the OPEB Plan  
At December 31, 2021, the City, Utilities, and CDA reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2021.

I. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2021, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Advance to Other Funds	\$ 1,048,622
Inventories and Prepaid Items	800
County Held Delinquent Special Assessments and Charges	41,486
Total General Fund Nonspendable Fund Balance	1,090,908
Permanent Fund:	
Nonspendable:	
Cemetery Perpetual Care	224,249
Total Nonspendable Fund Balance	<u>\$ 1,315,157</u>

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2021, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
Resident Rehabilitation Loans	\$ 419,140
Economic Development Loans	52,200
Cable Television	141,855
Municipal Court - Spencer	18,767
Municipal Court - Stratford	5,960
Total	<u>637,922</u>
Debt Service Fund	8,381
Capital Projects Funds:	
Restricted for:	
TID #4 (Downtown Redevelopment)	571,343
TID #7 (Yellowstone Industrial Park)	350,609
TID #9 (Central Avenue and Ives Street)	530,188
TID #10 (Marshfield Mall Area)	278,223
TID #11 (Veterans Parkway/Highway 10 Interchange)	139,479
Total	<u>1,869,842</u>
Total Restricted Fund Balance	<u>\$ 2,516,145</u>

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Committed Fund Balance  
In the fund financial statements, portions of government fund balances are committed by City Council resolution. At December 31, 2021, governmental fund balance was committed as follows:

General Fund:	
Committed for:	
Development Services	\$ 4,122
Information Technology	65,988
Library Operations/Maintenance	113,024
PEHP Benefit Payments	411,350
Total General Fund Committed Fund Balance	<u>594,484</u>
Special Revenue Funds:	
Committed for:	
Economic Development	437,745
Public Safety	22,099
Business Improvement District	5,736
Total	<u>465,580</u>
Capital Projects Funds:	
Committed for:	
Public Safety Capital Outlay	144,966
Airport Capital Outlay	51,265
Total	<u>196,231</u>
Total Committed Fund Balance	<u>\$ 1,256,295</u>

Minimum General Fund Balance Policy

The City Council has adopted a policy that unassigned fund balance in the amount of 25% - 30% of the annual General Fund budgeted expenditures be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated below as follows:

Budgeted 2021 General Fund Expenditures	\$ 22,679,141
Minimum Fund Balance Percent	(X) 25% - 30%
Minimum Fund Balance Amount	<u>\$5,669,785 to \$6,803,742</u>

The City's unassigned general fund balance of \$4,572,313 is below the minimum fund balance ranges.

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NOTE 4 OTHER INFORMATION

A. Component Units

This report contains the Community Development Authority of the City of Marshfield (the CDA) which is included as a component unit. Financial information for both is presented as a separate column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Information related to the CDA is as follows:

Significant Accounting Policies

The CDA follows the full accrual basis of accounting and the economic resources measurement focus. The CDA has a fiscal year-end of March 31, 2021, and the financial information presented in the basic financial statements is presented as of that date.

Cash and cash equivalents are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value.

Capital assets are stated at cost at the date of acquisition. Capital assets are defined as assets with an initial, individual cost of more than \$500, and an estimated useful life in excess of one year. The provision for depreciation was computed under the straight-line method over the useful lives of the assets.

Deposits and Investments

The carrying amount of the CDA's cash and cash equivalents totaled \$894,061 on March 31, 2021 as summarized below:

Deposits with Financial Institutions	\$ 654,716
Cash Held by Fiscal Agent for Debt Service	239,145
Petty Cash	200
Total	<u>\$ 894,061</u>

Reconciliation to the basic financial statements

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 585,518
Restricted Cash and Investments	<u>308,543</u>
Total	<u>\$ 894,061</u>

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The CDA does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of March 31, 2021, \$354,128 of the CDA's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

Fair Value Measurements

The CDA categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The CDA currently has no investments that are subject to fair value measurement.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organization. The CDA does not have an additional credit risk policy.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to investments in a single issuer. The CDA does not have an additional investment policy regarding concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The CDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 420,945	\$ -	\$ -	\$ 420,945
Construction in Progress	6,234	45,824	3,256	48,802
Total Capital Assets, Nondepreciable	427,179	45,824	3,256	469,747
Capital Assets, Depreciable:				
Buildings and Improvements	14,000,098	30,143	1,108	14,029,133
Furniture and Equipment	746,320	3,774	21,868	728,226
Subtotals	14,746,418	33,917	22,976	14,757,359
Less: Accumulated Depreciation	9,963,007	400,972	22,465	10,341,514
Total Capital Assets, Depreciable, Net	4,783,411	(367,055)	511	4,415,845
<b>Governmental Activities</b>				
Capital Assets, Net	\$ 5,210,590	\$ (321,231)	\$ 3,767	\$ 4,885,592

Long-Term Debt

The CDA issued Taxable Community Development Lease Revenue Bonds, Series 2017 (Tax Increment District No. 9) in order to finance a program of blight elimination, community development and urban renewal on blighted property in Tax Increment District No. 9 of the City of Marshfield. Repayment of this bond begins September 1, 2020 and goes through 2032 with interest rates ranging from 2.70% to 3.75%. The Bonds are secured by a lease and contribution and cooperation agreement between the CDA and the City of Marshfield.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Long-Term Debt (Continued)

As of March 31, 2021, the CDA's long-term obligation is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
2017 Lease Revenue Bonds	\$ 2,440,000	\$ -	\$ 155,000	\$ 2,285,000	\$ 160,000
Debt Discount	(17,127)	-	(1,379)	(15,748)	-
Long-Term Obligations	\$ 2,422,873	\$ -	\$ 153,621	\$ 2,269,252	\$ 160,000

Annual debt service requirements on the long-term obligations are as follows:

Year Ending March 31,	Principal	Interest	Total
2022	\$ 160,000	\$ 76,412	\$ 236,412
2023	165,000	71,617	236,617
2024	170,000	66,592	236,592
2025	175,000	61,199	236,199
2026	180,000	55,429	235,429
2027-2031	985,000	178,023	1,163,023
2032-2033	450,000	17,063	467,063
Total	\$ 2,285,000	\$ 526,335	\$ 2,811,335

Significant Concentrations

The CDA received a substantial amount of its support from federal and state governments. A significant reduction in the level of this support would have a significant effect on the organization's programs and activities.

B. Tax Incremental Financing Districts

The City has established separate capital projects funds for seven Tax Incremental Districts (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's Districts are still eligible to incur project costs.

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Tax Incremental Financing Districts (Continued)

Since creation of the above Districts, the City has provided various financing sources to the TID and has also recorded eligible TID project costs in other funds of the City. Project summaries of the activity and status of the seven active TIDs is as follows:

	TID #1	TID #2	TID #3	TID #4	TID #5	TID #6	TID #7	TID #8	TID #9	TID #10	TID #11	TID #12	TID #13
Project Revenues													
Tax Incremental	\$ 2,440,488	\$ 11,688,471	\$ 5,940,076	\$ 3,782,250	\$ 1,314,488	\$ 322,676	\$ 334,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	773,656	1,773,656	2,519,441	13,166	15,967	154,217	1,566	-	-	-	-	-	-
Grants	47,423	297,497	849,411	849,411	100,168	100,168	-	-	-	-	-	-	-
Transfers from Other Funds	310,870	5,098,324	414,698	1,741,272	-	70,000	-	-	-	-	-	-	-
Proceeds from Long-Term Debt	750,890	12,751,670	6,164,630	9,128,197	2,810,310	539,264	495,277	-	-	-	-	-	-
Unrecorded Cost of the TID	-	-	-	-	-	-	-	-	-	-	-	-	-
December 31, 2021	3,551,642	31,545,888	15,540,748	14,502,306	4,141,801	1,108,825	831,023	-	-	-	-	-	-
Project Expenditures													
Capital Expenditures	820,368	393,531	965,706	2,875,528	1,268,624	891,420	14,877	42,332	41,020	-	-	-	-
Miscellaneous	-	1,705,158	272,166	61,148	163,302	10,884	8,598	686	819	-	-	-	-
Capital Expenditures	1,629,258	14,234,627	5,997,486	6,063,884	776,924	-	431,363	-	-	-	-	-	-
Debt Interest Cost	-	193,330	72,618	112,200	3,020	9,464	1,777	-	-	-	-	-	-
Transfers to Other Funds	1,102,146	38,918,814	8,209,813	4,209,813	835,120	260,634	260,174	-	-	-	-	-	-
Total Project Expenditures	3,551,642	59,274,845	18,607,713	15,164,797	3,817,610	868,022	697,146	42,889	41,839	-	-	-	-
Unrecorded Cost of the TID	-	-	-	-	-	-	-	-	-	-	-	-	-
December 31, 2021	-	571,343	1,117,065	358,609	520,188	278,223	138,419	(42,898)	(41,839)	-	-	-	-
Outstanding Principal on Debt	-	5,544,800	280,000	4,554,555	3,211,657	419,200	280,000	-	-	-	-	-	-
Unrecorded Cost of the TID	-	4,972,657	1,407,655	4,213,855	1,781,469	148,877	146,521	42,898	41,835	-	-	-	-
Projected Future Interest Payments	-	571,317	24,133	816,316	539,072	34,607	14,200	-	-	-	-	-	-
Balance to be Collected on TID District	\$ -	\$ 5,543,814	\$ 1,401,198	\$ 5,198,272	\$ 3,213,541	\$ 176,824	\$ 154,271	\$ 42,889	\$ 41,835	-	-	-	-
Termination Date	3/07/2030	9/04/2033	3/25/2030	9/22/2034	8/13/2040	9/02/2042	4/12/2037	4/07/2042	8/14/2041	-	-	-	-

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C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in any of the past three years.

CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Segment Information

The City issues separate revenue bonds to finance its electric, water, and wastewater utilities. The electric and water utilities are accounted for in a single fund but investors in those bonds rely solely on the revenue generated by the individual activities for repayment. Segment information for the electric utility and water utility are presented below. The electric utility provides electric services to the City and surrounding municipalities. The water utility provides water supply to the City.

**CONDENSED STATEMENT OF NET POSITION**

	Electric Utility	Water Utility
<b>ASSETS</b>		
Current	\$ 30,865,857	\$ 1,904,986
Due from Other Funds	-	2,529,408
Restricted	13,999,380	1,198,498
Noncurrent:		
Net Capital Assets	59,536,876	29,877,708
Other Assets	13,628,195	343,918
Total Assets	118,030,308	35,854,518
	1,873,825	441,549
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>LIABILITIES</b>		
Current	6,987,834	3,004,368
Due to Other Funds	3,550,183	-
Noncurrent:		
Long-Term	35,142,271	7,612,537
Total Liabilities	45,680,288	10,616,905
	2,375,315	562,212
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>NET POSITION</b>		
Net Investment in Capital Assets	32,600,449	22,429,928
Restricted	1,220,862	486,042
Unrestricted	38,027,219	2,200,960
Total Net Position	\$ 71,848,530	\$ 25,116,950

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CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Segment Information (Continued)

**CONDENSED STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN NET POSITION**

	Electric Utility	Water Utility
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 32,690,502	\$ 5,893,616
Other	470,359	186,215
Total Operating Revenues	33,160,861	6,079,831
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	24,681,720	2,516,828
Customer Accounts	504,148	215,365
Administrative and General	954,677	686,189
Depreciation and Amortization	3,112,767	1,257,436
Taxes	198,091	6,884
Total Operating Expenses	29,451,403	4,692,702
<b>OPERATING INCOME</b>	3,709,458	1,387,129
<b>NONOPERATING INCOME (EXPENSES)</b>		
Interest Revenue	1,010,827	11,451
Gain (Loss) on Disposal of Capital Assets	(11,727)	115,065
Amortization of Debt Premium and Discount	42,809	38,104
Interest and Fiscal Charges	(588,899)	(289,888)
Miscellaneous	1,273	1,273
Total Nonoperating Income (Expenses)	454,283	(103,995)
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	4,163,741	1,283,134
Customer Contributions	232,287	229,943
Transfers Out	(1,396,317)	(775,124)
<b>CHANGE IN NET POSITION</b>	2,999,711	737,953
Net Position - Beginning of Year	68,848,819	24,378,997
<b>NET POSITION - END OF YEAR</b>	\$ 71,848,530	\$ 25,116,950

(83)

CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Segment Information (Continued)

	Electric Utility	Water Utility
<b>CONDENSED STATEMENT OF CASH FLOWS</b>		
Cash Flows from Operating Activities	\$ 6,193,453	\$ 3,414,459
Cash Flows from Noncapital Financing Activities	(1,396,317)	(775,124)
Cash Flows from Capital and Related Financing Activities	5,181,765	(2,427,961)
Cash Flows from Investing Activities	706,449	11,451
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	10,685,350	222,825
Cash and Cash Equivalents - Beginning of Year	27,473,007	975,673
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 38,158,357</u>	<u>\$ 1,198,498</u>

E. Wholesale Power Supply Contracts

On January 25, 2000, the Utilities entered into a contract for the establishment and operation of Great Lakes Utilities (GLU), a municipal electric company formed pursuant to Section 66.073 of the Wisconsin Statutes. It is a separate electric company of seventeen Wisconsin municipal electric utilities to purchase and sell power and energy from and to its members and others.

F. Contingencies

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

G. Significant Customers

During 2021, one customer was billed \$3,796,199 by the electric utility. This represents 12% of the electric utility's operating revenue. No other utility customer accounted for more than 10% of operating revenue.

NOTE 4 OTHER INFORMATION (CONTINUED)

H. Prior Period Adjustment

The City recorded a prior period adjustment of \$345,815 in the General Fund and Governmental Activities. The adjustment reflects for the elimination of a long-term liability account that was recorded to pay for a sick leave conversion benefit that was also included in compensated absences.

(B4)

(B5)

**CITY OF MARSHFIELD**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

**City of Marshfield**

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.10216259 %	\$ (2,509,393)	\$ 10,834,459	23.16 %	102.74 %
12/31/15	0.10082936	1,638,468	10,843,726	15.11	98.20
12/31/16	0.10077381	830,617	11,144,170	7.45	99.12
12/31/17	0.10269540	(3,046,179)	11,338,138	26.87	102.93
12/31/18	0.10549752	3,753,271	11,665,684	32.17	96.45
12/31/19	0.10786977	(3,477,892)	12,162,122	28.60	102.96
12/31/20	0.11091327	(6,924,469)	12,730,861	54.39	105.26

**Marshfield Utilities**

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.02117968 %	\$ (520,231)	\$ 2,992,698	17.38 %	102.74 %
12/31/15	0.02138442	347,493	3,114,891	11.16	98.20
12/31/16	0.02200146	181,345	3,283,624	5.52	99.12
12/31/17	0.02251777	(668,579)	3,400,543	19.66	102.93
12/31/18	0.02326889	794,320	3,291,064	24.14	96.45
12/31/19	0.02163118	(697,486)	3,303,103	21.12	102.96
12/31/20	0.02103915	(1,313,503)	3,520,120	37.31	105.26

**Marshfield CDA**

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00281531 %	\$ (69,152)	\$ 330,283	20.94 %	102.74 %
12/31/15	0.00244458	39,724	290,941	13.65	98.20
12/31/16	0.00214816	17,706	293,799	6.03	99.12
12/31/17	0.00199863	(59,346)	285,157	20.81	102.93
12/31/18	0.00197447	70,245	303,470	23.15	96.45
12/31/19	0.00192995	(62,230)	303,570	20.50	102.96
12/31/20	0.00189042	(118,021)	302,001	39.08	105.26

See accompanying Notes to Required Supplementary Information.  
(87)

**REQUIRED SUPPLEMENTARY INFORMATION**

(86)

**CITY OF MARSHFIELD  
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

Fiscal Year Ending	City of Marshfield				Contributions as a Percentage of Covered Payroll
	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	
12/31/15	\$ 958,019	\$ 958,019	\$ -	\$ 10,843,729	8.83 %
12/31/16	989,371	989,371	-	11,144,170	8.70
12/31/17	1,079,059	1,079,059	-	11,338,138	9.52
12/31/18	1,110,596	1,110,596	-	11,665,684	9.52
12/31/19	1,132,158	1,132,158	-	12,162,122	9.31
12/31/20	1,286,049	1,286,049	-	12,730,862	10.10
12/31/21	1,302,657	1,302,657	-	12,737,103	10.23
<b>Marshfield Utilities</b>					
Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 211,812	\$ 211,812	\$ -	\$ 3,114,891	6.80 %
12/31/16	216,720	216,720	-	3,283,624	6.60
12/31/17	229,137	229,137	-	3,400,544	6.74
12/31/18	224,623	224,623	-	3,291,065	6.83
12/31/19	216,334	216,334	-	3,303,103	6.55
12/31/20	225,900	225,900	-	3,520,121	6.42
12/31/21	243,551	243,551	-	3,638,791	6.69
<b>Marshfield CDA</b>					
Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 21,607	\$ 21,607	\$ -	\$ 310,716	6.95 %
12/31/16	20,171	20,171	-	298,968	6.75
12/31/17	19,296	19,296	-	280,067	6.65
12/31/18	19,583	19,583	-	289,158	6.77
12/31/19	20,079	20,079	-	301,422	6.66
12/31/20	20,401	20,401	-	308,933	6.60
12/31/21	18,538	18,538	-	274,930	6.75

See accompanying Notes to Required Supplementary Information.  
(88)

**CITY OF MARSHFIELD  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS –  
SINGLE-EMPLOYER DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN  
LAST 10 FISCAL YEARS\***

	2021	2020	2019	2018
<b>TOTAL OPEB LIABILITY</b>				
Service Cost	\$ 85,422	\$ 78,500	\$ 75,484	\$ 93,048
Interest	45,578	55,980	56,986	57,431
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(48,110)	(136,334)	(52,514)	(323,714)
Changes of Assumptions	18,115	145,268	28,149	(88,039)
Benefit Payments	(33,511)	(45,849)	(82,337)	(81,684)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	67,494	97,463	25,768	(352,958)
Total OPEB Liability - Beginning of Year	2,081,157	1,983,694	1,957,926	2,310,884
<b>TOTAL OPEB LIABILITY - END OF YEAR</b>	<u>\$ 2,148,651</u>	<u>\$ 2,081,157</u>	<u>\$ 1,983,694</u>	<u>\$ 1,957,926</u>
Covered-Employee Payroll	<u>\$ 3,638,791</u>	<u>\$ 3,520,121</u>	<u>\$ 3,303,103</u>	<u>\$ 3,291,065</u>
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	59.05%	59.12%	60.06%	59.49%

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

See accompanying Notes to Required Supplementary Information.  
(89)

**CITY OF MARSHFIELD  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) –  
LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 FISCAL YEARS**

<b>City of Marshfield</b>					
Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.2260000 %	\$ 669,710	\$ 11,338,138	5.91 %	44.81 %
12/31/18	0.2137010	551,422	11,665,694	4.73	48.69
12/31/19	0.2087020	888,694	11,212,000	7.93	37.58
12/31/20	0.2055990	1,130,943	11,711,000	9.66	31.36

**Marshfield Utilities**

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.0582610 %	\$ 175,283	\$ 3,400,543	5.15 %	44.81 %
12/31/18	0.0490710	126,620	3,291,064	3.85	48.69
12/31/19	0.0535880	228,192	3,303,103	6.91	37.58
12/31/20	0.0560810	308,376	3,520,121	8.76	31.36

**Marshfield CDA**

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.0128980 %	\$ 37,902	\$ 285,157	13.29 %	44.81 %
12/31/18	0.0138850	35,312	257,000	13.74	48.69
12/31/19	0.0139450	59,361	241,000	24.64	37.58
12/31/20	0.0138800	75,294	211,000	35.68	31.36

See accompanying Notes to Required Supplementary Information.  
(90)

**CITY OF MARSHFIELD  
SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 FISCAL YEARS**

<b>City of Marshfield</b>					
Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 1,058	\$ 1,058	\$ -	\$ 11,665,694	0.01 %
12/31/19	1,111	1,111	-	12,162,122	0.01
12/31/20	1,188	1,188	-	12,730,862	0.01
12/31/21	4,058	4,058	-	12,737,103	0.03

**Marshfield Utilities**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 960	\$ 960	\$ -	\$ 3,291,065	0.03 %
12/31/19	1,061	1,061	-	3,303,103	0.03
12/31/20	1,130	1,130	-	3,520,121	0.03
12/31/21	1,230	1,230	-	3,638,791	0.03

**Marshfield CDA**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 243	\$ 243	\$ -	\$ 285,157	0.09 %
12/31/19	270	270	-	257,000	0.11
12/31/20	277	277	-	241,000	0.11
12/31/21	272	272	-	211,000	0.13

See accompanying Notes to Required Supplementary Information.  
(91)

CITY OF MARSHFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2021

**NOTE 1 OTHER POSTEMPLOYMENT BENEFITS**

**Single-Employer Defined Benefit Postemployment Benefit Plan**

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

The discount rate used to develop the Total OPEB Liability changed in 2020, decreasing from 2.74% to 2.12%.

The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**Local Retiree Life Insurance Fund**

Changes of Benefit Terms

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

Changes of Assumptions

Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**NOTE 2 WISCONSIN RETIREMENT SYSTEM**

Changes of Benefit Terms

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

Changes of Assumptions

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

The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND**  
**OTHER FINANCING SOURCES**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property	\$ 10,126,800	\$ 10,126,800	\$ 10,120,174	\$ (6,626)
General Sales	100	100	123	23
Mobile Home Fees	69,000	69,000	61,133	(7,867)
Payment in Lieu of Taxes:				
Other Tax Exempt Entities	142,100	142,100	130,648	(11,452)
Interest and Taxes	1,000	1,000	5,723	4,723
Other Taxes	-	-	109,447	109,447
Total Taxes	10,339,000	10,339,000	10,427,248	88,248
<b>Special Assessments:</b>				
Water Mains	5,000	5,000	23,289	18,289
Paving	170,000	170,000	456,766	286,766
Sidewalks	20,000	20,000	1,852	(18,148)
Streets	5,000	5,000	442	(4,558)
Storm Sewer	5,000	5,000	736	(4,264)
Total Special Assessments	205,000	205,000	493,085	288,085
<b>Intergovernmental:</b>				
Federal:				
Public Safety	-	-	8,353	8,353
State:				
Slate Shared Taxes	5,232,535	5,232,535	5,156,774	(75,761)
Fire Insurance Tax	75,000	75,000	74,841	(159)
Other Public Safety	20,513	20,513	21,514	1,001
Transportation Aids	1,609,788	1,609,788	1,607,941	(1,847)
Recycling	62,000	62,000	62,242	242
Other State Grants	-	-	123,126	123,126
Municipal Services	84,435	84,435	79,071	(5,364)
Grants from Local Governments	419,678	419,678	419,715	37
Total Intergovernmental	7,503,949	7,503,949	7,553,577	49,628
<b>Licenses and Permits:</b>				
Licenses:				
Liquor and Malt Beverage	40,000	40,000	35,162	(4,838)
Other Business and Occupational	17,500	17,500	23,799	6,299
Dog	8,800	8,800	6,599	(2,201)
Permits:				
Building	225,000	225,000	181,741	(63,259)
Zoning and Conditional Use	8,750	8,750	6,921	(1,829)
Total Licenses and Permits	300,050	300,050	234,222	(65,828)
<b>Fines and Forfeits:</b>				
Court Fines and Penalties	188,500	188,500	127,937	(60,563)
Parking Violations	44,000	44,000	13,374	(30,626)
Total Fines and Forfeits	232,500	232,500	141,311	(91,189)

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**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND**  
**OTHER FINANCING SOURCES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Public Charges for Services:</b>				
Other General Government	\$ 11,700	\$ 11,700	\$ 25,328	\$ 13,628
Public Safety	17,850	17,850	9,707	(8,143)
Public Works	51,400	51,400	54,998	3,598
Weed and Nuisance Control	12,000	12,000	3,847	(8,153)
Health and Human Services	163,500	163,500	204,990	41,490
Senior center	6,350	6,350	2,462	(3,888)
Culture, Recreation, and Education	379,035	379,035	291,315	(87,720)
Conservation and Development	5,000	5,000	3,168	(1,832)
Total Public Charges for Services	646,835	646,835	595,815	(51,020)
<b>Intergovernmental Charges for Services:</b>				
State	2,100	2,100	3,254	1,154
Other Local Governments	5,175	5,175	13,088	7,913
Local Departments	35,903	35,903	35,963	60
Total Intergovernmental	43,178	43,178	52,305	9,127
<b>Miscellaneous:</b>				
Interest on Investments	263,000	263,000	91,400	(171,600)
Interest on Special Assessments	4,000	4,000	22,769	18,769
Rent	64,098	64,098	68,285	4,186
Sale of Other Equipment and Property	15,915	15,915	21,071	5,156
Donations from Individuals/Organizations	19,750	19,750	30,570	10,820
Miscellaneous Revenue	77,500	77,500	114,900	37,400
Total Miscellaneous	444,264	444,264	348,995	(95,269)
Total Revenues	19,714,776	19,714,776	19,846,558	131,782
<b>Other Financing Sources:</b>				
Long-Term Debt Issued	30,000	30,000	30,000	-
Transfer from Other Funds	25,000	25,000	25,000	-
Transfer from Municipal Utility PILOT	2,000,000	2,000,000	1,938,288	(61,712)
Total Other Financing Sources	2,055,000	2,055,000	1,993,288	(61,712)
Total Revenue and Other Financing Sources	\$ 21,769,776	\$ 21,769,776	\$ 21,839,846	\$ 70,070

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**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND**  
**OTHER FINANCING USES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Council	\$ 118,530	\$ 158,550	\$ 140,360	\$ 18,170
Municipal Court	83,511	83,511	55,346	28,165
City Attorney	160,000	280,000	276,014	(16,014)
City Administrator	480,954	580,954	492,658	88,296
Clerk	197,878	197,878	200,577	(2,699)
Elections	61,587	61,587	19,377	42,190
Information Technology	1,003,294	1,003,294	943,666	59,628
Finance	559,281	559,281	473,140	86,141
Property Assessment	211,988	211,989	213,089	(1,100)
City Hall	160,500	160,500	171,345	(10,845)
Uncollectible Taxes and Refunds	-	75,261	297,892	(222,631)
Other General Government	180,000	180,000	171,306	8,694
<b>Total General Government</b>	<b>3,217,504</b>	<b>3,532,765</b>	<b>3,454,770</b>	<b>77,995</b>
<b>Public Safety:</b>				
Law Enforcement	5,767,099	5,767,099	5,531,852	235,247
Fire Protection	3,456,290	3,456,290	3,347,844	108,446
Emergency Government	10,566	10,566	9,678	888
<b>Total Public Safety</b>	<b>9,233,955</b>	<b>9,233,955</b>	<b>8,889,374</b>	<b>344,581</b>
<b>Public Works:</b>				
Administration	650,880	650,880	728,875	(77,995)
Street Maintenance	1,157,984	1,157,984	1,189,441	(31,447)
Snow and Ice Control	1,015,825	1,015,825	910,344	105,481
Traffic Control	249,183	249,183	220,984	28,199
Street Lighting	220,000	220,000	218,826	1,174
Sidewalks and Crosswalks	104,521	104,521	70,256	34,265
Storm Sewers	414,811	414,811	524,506	(109,695)
Parking Facilities	44,289	44,289	11,174	33,115
Airport	166,114	166,114	137,643	28,471
Water Mains	-	-	123,126	(123,126)
Refuse and Recycling	961,947	961,947	1,036,286	(74,339)
Parades, Holidays, Signs	28,056	28,058	26,059	1,999
Forestry	256,901	256,901	289,123	(32,222)
<b>Total Public Works</b>	<b>5,270,523</b>	<b>5,270,523</b>	<b>5,486,643</b>	<b>(216,120)</b>
<b>Health and Human Services:</b>				
Aging	37,195	37,195	20,553	16,642
Cemetery	236,489	236,489	241,461	(4,972)
<b>Total Health and Human Services</b>	<b>273,684</b>	<b>273,684</b>	<b>262,014</b>	<b>11,670</b>

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**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND**  
**OTHER FINANCING USES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Culture and Recreation:</b>				
Library	\$ 1,664,542	\$ 1,664,542	\$ 1,594,003	\$ 70,539
Community Center	154,164	154,164	125,428	28,736
Parks	941,599	941,599	755,023	186,576
Recreation Programs and Events	385,267	385,267	482,367	(97,100)
Zoo	339,996	339,996	340,457	(461)
Aquatic Facilities	192,976	192,976	151,875	41,101
Fairgrounds	84,916	84,916	86,138	(1,222)
UW Stevens Point	52,907	52,907	53,701	(794)
<b>Total Culture and Recreation</b>	<b>3,816,367</b>	<b>3,816,367</b>	<b>3,588,982</b>	<b>227,375</b>
<b>Conservation and Development:</b>				
Tourism and Economic Development	10,700	10,700	10,185	505
Other Conservation and Development	656,409	656,409	666,415	(10,006)
<b>Total Conservation and Development</b>	<b>667,109</b>	<b>667,109</b>	<b>676,610</b>	<b>(9,501)</b>
<b>Debt Service</b>				
Principal	-	-	38,679	(38,679)
Interest	-	-	4,036	(4,036)
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>42,715</b>	<b>(42,715)</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 22,479,142</b>	<b>\$ 22,794,403</b>	<b>\$ 22,401,119</b>	<b>\$ 393,285</b>

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**CITY OF MARSHFIELD  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

Special Revenue (Continued)					Capital Projects		
	Cable Television	Municipal Court Spencer	Municipal Court Stratford	ARPA Fund	Public Safety Capital Outlay	Public Facilities Capital Outlay	Airport Outlay
\$	\$ 151,356	\$ 25,191	\$ 4,900	\$ 966,666	\$ 144,966	\$ -	\$ 51,265
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	1,060	-	-	-	-
	-	-	-	-	-	-	-
\$	\$ 151,356	\$ 25,191	\$ 5,960	\$ 966,666	\$ 144,966	\$ -	\$ 51,265

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**[illegible]

## DEFERRED INFLOWS OF RESOURCES

141,855	18,767	5,960	144,986	(114,304)	51,285
141,855	18,767	5,960	144,986	(114,304)	51,285

\$	151,356	\$	25,191	\$	5,960	\$	966,666	\$	144,966	\$	-	\$	51,265
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CITY OF MARSHFIELD  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021

TID #2 (Purdy Project)	Capital Projects (Continued)		TID #7 (Yellowstone Industrial Park)
	TID #4 (Downtown Redevelopment)	TID #5 (Mill Creek Business Park)	
Cash and Investments	\$ -	\$ 813,353	\$ -
Restricted Cash and Investments Receivables:	-	-	564,372
Taxes and Special Charges	-	-	-
Special Assessments	633,302	427,585	612,472
Loans	259,552	-	-
Other	-	-	-
Due from Other Governments	-	-	-
Total Assets	\$ -	\$ 1,706,207	\$ 1,176,844

ASSETS

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

LIABILITIES			
Accounts Payable	\$ -	\$ 349	\$ 349
Due to Other Funds	-	-	-
Advance from Other Funds	-	957,726	-
Special Deposits	-	-	-
Unearned Revenues	27,280	-	-
Total Liabilities	27,280	958,075	349
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	853,975	576,575	825,886
Unavailable Revenue - Grants	-	-	-
Special Assessments	253,260	-	-
Total Deferred Inflows of Resources	1,107,235	576,575	825,886
FUND BALANCES			
Nonspendable	-	-	-
Restricted	571,343	-	350,609
Committed	-	-	-
Unassigned	-	(1,117,065)	-
Total Fund Balances	571,343	(1,117,065)	350,609
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 1,706,207	\$ 1,176,844

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CITY OF MARSHFIELD  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021

Capital Projects (Continued)			Capital Projects (Continued)			Permanent Fund Cemetery Perpetual Care	Totals
TID #9 (Central Avenue & Ives Street)	TID #10 (Marshfield Mall Area)	TID #11 (Veterans Parkway/Highway 10 Interchange)	TID #12 (East Yellowstone Industrial Park)	TID #13 (South Home Avenue)			
\$ 632,776	\$ 302,810 2,000	\$ 162,010	\$ -	\$ 15	\$ -	\$ 224,249	\$ 4,434,482 278,449
293,411	69,560	63,658	-	-	-	-	2,115,923
-	-	-	-	-	-	-	259,552
-	-	-	-	-	-	-	387,096
-	-	-	-	-	-	-	78,881
-	-	-	-	-	-	-	109,079
\$ 926,187	\$ 374,370	\$ 225,668	\$ -	\$ 15	\$ -	\$ 224,249	\$ 7,663,462
\$ 349	\$ 349	\$ 349	\$ 2,729	\$ 1,223	\$ -	\$ -	\$ 190,042
-	-	-	-	-	-	-	179,880
-	2,000	-	40,269	40,627	-	-	1,048,622
-	-	-	-	-	-	-	2,000
349	2,349	349	42,989	41,950	-	-	1,031,514
-	-	-	-	-	-	-	2,452,058
395,650	93,798	85,840	-	-	-	-	2,886,532
-	-	-	-	-	-	-	109,079
-	-	-	-	-	-	-	253,260
395,650	93,798	85,840	-	-	-	-	3,260,871
-	-	-	-	-	-	224,249	224,249
530,188	278,223	139,479	-	-	-	-	2,507,764
-	-	-	-	-	-	-	661,811
-	-	-	(42,989)	(41,835)	-	-	(1,443,291)
530,188	278,223	139,479	(42,989)	(41,835)	-	224,249	1,950,533
\$ 926,187	\$ 374,370	\$ 225,668	\$ -	\$ 15	\$ -	\$ 224,249	\$ 7,663,462

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**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Special Revenue					
	Room Tax	Residential Rehabilitation	Economic Development	Public Safety	Business Improvement District	Taxi System
<b>REVENUES</b>						
Taxes	\$ 473,766	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	25,000	91,326	-	422,423
Licenses and Permits	-	-	200	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	67,463	379,619
Miscellaneous	-	166	261	43,558	-	-
Total Revenues	473,766	166	25,461	134,884	67,463	802,042
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	137,560	-	-
Public Works	-	-	-	-	-	911,141
Culture and Recreation	323,751	-	-	-	-	-
Conservation and Development	-	12,727	99,371	-	61,780	-
Debt Service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	323,751	12,727	99,371	137,560	61,780	911,141
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	150,015	(12,561)	(73,910)	(2,686)	5,673	(109,099)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	-	-	-	-	8,000
Premium on Debt Issued	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	192,500	-	-	-
Transfers In	-	-	233,153	-	-	-
Transfers Out	(150,055)	-	(975,000)	-	-	-
Total Other Financing Sources (Uses)	(150,055)	-	(548,347)	-	-	8,000
<b>NET CHANGE IN FUND BALANCES</b>	(40)	(12,561)	(623,257)	(2,686)	5,673	(101,099)
Fund Balances - Beginning of Year	40	431,701	1,113,202	24,795	63	(25,990)
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 419,140	\$ 489,945	\$ 22,099	\$ 5,736	\$ (127,089)

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**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

Special Revenue (Continued)							Capital Projects		
	Cable Television	Municipal Court Spencer	Municipal Court Stratford	ARPA Fund	Public Safety Capital Outlay	Public Facilities Capital Outlay	Airport Outlay		
\$		\$	\$	\$	\$	\$	\$		
	49,516								
	201,864	21,827	12,925						
	251,380	21,827	12,925						
	237,295	22,273	7,468		12,743	6,685			
					58,343				
					6,088				
					124,971	21,700	29,884		
	237,295	22,273	7,468		202,145	28,385	29,884		
	14,085	(446)	5,457		(202,145)	(28,385)	(29,884)		
					155,667	8,000			
					46,156				
					58,151				
					142,763				
			</						

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**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	TID #2 (Rudy Project)	Capital Projects (Continued)				TID #7 (Yellowstone Industrial Park)
		TID #4 (Downtown Redevelopment)	TID #5 (Mill Creek Business Park)	TID #6 (Mill Creek Business Park)	TID #7 (Yellowstone Industrial Park)	
<b>REVENUES</b>						
Taxes	\$ 115,833	\$ 857,357	\$ 599,949	\$ 777,385		
Special Assessments	-	34,700	-	-		
Intergovernmental	-	36,698	374,749	2,617		
Licenses and Permits	-	-	-	-		
Fines and Forfeits	-	-	-	-		
Public Charges for Services	-	-	-	-		
Miscellaneous	-	15,064	100	10,922		
Total Revenues	115,833	943,819	974,798	790,924		
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-		
Public Safety	-	-	-	-		
Public Works	-	-	-	-		
Culture and Recreation	-	-	-	-		
Conservation and Development	2,575	3,775	7,941	8,118		
Debt Service:						
Principal	-	453,000	35,000	285,639		
Interest and Fiscal Charges	-	125,264	66,129	151,898		
Capital Outlay	-	-	-	-		
Total Expenditures	2,575	582,039	109,070	445,655		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	113,258	361,780	865,728	345,269		
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	-	-	-		
Premium on Debt Issued	-	-	-	-		
Proceeds from Sale of Capital Assets	-	-	-	-		
Transfers In	-	-	-	-		
Transfers Out	(111,833)	-	-	-	111,833	
Total Other Financing Sources (Uses)	(111,833)	-	-	-	111,833	
<b>NET CHANGE IN FUND BALANCES</b>	1,425	361,780	865,728	457,102		
Fund Balances - Beginning of Year	(1,425)	209,563	(1,982,793)	(106,493)		
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 571,343	\$ (1,117,065)	\$ 350,609		

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**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	TID #9 (Central Avenue & Veve Street)	Capital Projects (Continued)				TID #13 (South Hume Avenue)	Permanent Fund Cemetery	Totals
		TID #10 (Marshfield Mall Area)	TID #11 (Veterans Parkway/Highway 10 Interchange)	TID #12 (East Yellowstone Industrial Park)	TID #13 (South Hume Avenue)			
<b>REVENUES</b>								
Taxes	\$ 399,445	\$ 95,924	\$ 87,489	\$ -	\$ -	\$ -	\$ -	\$ 3,407,158
Special Assessments	-	30,801	-	-	-	-	-	34,700
Intergovernmental	9,060	-	-	-	-	-	-	1,042,190
Licenses and Permits	-	-	-	-	-	-	-	202,064
Fines and Forfeits	-	-	-	-	-	-	-	34,752
Public Charges for Services	-	-	-	-	-	-	-	450,726
Miscellaneous	-	26,222	-	-	-	-	3,654	97,357
Total Revenues	408,505	152,947	87,489	-	-	-	4,728	5,288,857
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	666	815	-	-	275,202
Public Safety	-	-	-	-	-	-	-	150,323
Public Works	-	-	-	-	-	-	-	911,141
Culture and Recreation	-	-	-	-	-	-	-	323,751
Conservation and Development	-	-	4,101	42,332	41,020	-	-	295,201
Debt Service:								
Principal	8,250	3,211	-	-	-	-	-	1,136,562
Interest and Fiscal Charges	199,600	50,000	55,000	-	-	-	-	453,910
Capital Outlay	88,774	9,607	6,150	-	-	-	-	176,565
Total Expenditures	296,624	62,818	65,251	42,998	41,835	-	-	3,722,675
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	111,881	90,129	22,248	(42,998)	(41,835)	4,728	-	1,546,282
<b>OTHER FINANCING SOURCES (USES)</b>								
Long-Term Debt Issued	-	-	-	-	-	-	-	171,667
Premium on Debt Issued	-	-	-	-	-	-	-	46,156
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	250,651
Transfers In	-	-	-	-	-	-	-	487,769
Transfers Out	-	-	-	-	-	-	-	(1,236,869)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	(280,645)
<b>NET CHANGE IN FUND BALANCES</b>	111,881	90,129	22,248	(42,998)	(41,835)	4,728	-	1,265,637
Fund Balances - Beginning of Year	418,307	188,094	117,231	-	-	218,521	-	684,896
<b>FUND BALANCES - END OF YEAR</b>	\$ 530,188	\$ 278,223	\$ 139,479	\$ (42,998)	\$ (41,835)	\$ 224,249	\$ -	\$ 1,950,533

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council  
City of Marshfield  
Marshfield, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Marshfield, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Marshfield's basic financial statements, and have issued our report thereon dated July 18, 2022.

## Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as Item 2021-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-002 to be a significant deficiency.

**Compliance and Other Matters**


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

**City of Marshfield's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Marshfield's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City of Marshfield's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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



CliftonLarsonAllen LLP

Wausau, Wisconsin  
July 18, 2022

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**2021 – 001  
Control Deficiencies  
Adjustments to the City's Financial Records  
Repeat finding of 2020-001**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:**

As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements associated with taxes and special assessments. A material liability was also eliminated that was improperly included in prior years.

**Criteria:**

Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

**Cause:**

While City staff maintains financial records which accurately report revenues and expenditures throughout the year, Various year-end adjustments were required to capture unusual transactions and the continued implementation of accounting standards. In addition, there was inadequate supervision of financial transactions that were performed outside of the existing internal controls of the city.

**Effect:**

Year-end financial records prepared by the City may contain material misstatements.

**Recommendation:**

We recommend the City review its monthly and year-end closing processes to ensure they incorporate all balance sheet accounts and consider implementing an analytical review where revenue and expenditure amounts are compared to budget and historical amounts to assist in identifying accounts that require further review prior to year-end closing of the general ledger. We also recommend the City perform an evaluation of all financial activity that occurs within the City and ensure there is adequate segregation of duties and internal controls as well as procedure documentation.

**Management Response:**

Management does not disagree with finding 2021-001

(109)

**CITY OF MARSHFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021**

**2021 – 002  
Control Deficiencies  
Preparation of Annual Financial Report  
Repeat finding of 2020-002**

**Type of Finding:** Significant Deficiency in Internal Control over Financial Reporting

**Condition:**

Management and the City Council share the ultimate responsibility for the City's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. The City engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the City has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations.

**Criteria:**

The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

**Cause:**

City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

**Effect:**

Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

**Recommendation:**

We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

**Management Response:**

Management does not disagree with finding 2021-002



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Investment Advisory Services and securities are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





**FORM OF LEGAL OPINION**

(See following pages.)

Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

August 30, 2022

Re: City of Marshfield, Wisconsin ("Issuer")  
\$4,295,000 General Obligation Corporate Purpose Bonds, Series 2022A,  
dated August 30, 2022 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$190,000	____%
2024	130,000	____
2025	195,000	____
2026	215,000	____
2027	215,000	____
2028	215,000	____
2029	240,000	____
2030	305,000	____
2031	245,000	____
2032	245,000	____
2033	190,000	____
2034	190,000	____
2035	195,000	____
2036	195,000	____
2037	210,000	____
2038	210,000	____
2039	210,000	____
2040	280,000	____
2041	215,000	____
2042	205,000	____

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2023.

The Bonds maturing on March 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2032 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Bonds maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

**BOOK-ENTRY-ONLY SYSTEM**

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages.)



## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Marshfield, Wood and Marathon Counties, Wisconsin (the "Issuer") in connection with the issuance of \$4,295,000 General Obligation Corporate Purpose Bonds, Series 2022A, dated August 30, 2022 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on June 28, 2022 and August 9, 2022 (collectively, the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated August 10, 2022 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Marshfield, Wood and Marathon Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at 207 W. 6th Street, Marshfield, Wisconsin 54449, phone (715) 486-2067, fax (715) 384-7831.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

### Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2022, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 30th day of August, 2022.

(SEAL)

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Lois TeStrake  
Mayor

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Jessica Schiferl  
City Clerk

**NOTICE OF SALE**

**\$4,295,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A  
CITY OF MARSHFIELD, WISCONSIN**

Bids for the purchase of \$4,295,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds") of the City of Marshfield, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on August 9, 2022, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

**PURPOSE**

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the costs of equipment of the fire department, constructing engine houses, street improvement projects, UW System college campus projects and providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plan for the City's Tax Incremental Districts. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

**DATES AND MATURITIES**

The Bonds will be dated August 30, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$190,000	2030	\$305,000	2037	\$210,000
2024	130,000	2031	245,000	2038	210,000
2025	195,000	2032	245,000	2039	210,000
2026	215,000	2033	190,000	2040	280,000
2027	215,000	2034	190,000	2041	215,000
2028	215,000	2035	195,000	2042	205,000
2029	240,000	2036	195,000		

**ADJUSTMENT OPTION**

\* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BOND OPTION**

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

## **PAYING AGENT**

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

At the option of the City, the Bonds maturing on or after March 1, 2033 shall be subject to optional redemption prior to maturity on March 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

## **DELIVERY**

On or about August 30, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.



## LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding) (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

## SUBMISSION OF BIDS

Bids must not be for less than \$4,241,313 nor more than \$4,552,700 plus accrued interest on the principal sum of \$4,295,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

**A good faith deposit ("Deposit") in the amount of \$85,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

### **AWARD**

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

### **BOND INSURANCE**

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

### **CUSIP NUMBERS**

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

### **NEW ISSUE PRICING**

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

#### **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Jessica Schiferl, City Clerk  
City of Marshfield, Wisconsin

# BID FORM

The Common Council  
City of Marshfield, Wisconsin (the "City")

August 9, 2022

RE: \$4,295,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds")  
DATED: August 30, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$4,241,313 nor more than \$4,552,700) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2023	_____ % due	2030	_____ % due	2037
_____ % due	2024	_____ % due	2031	_____ % due	2038
_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036		

\* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

**A good faith deposit ("Deposit") in the amount of \$85,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about August 30, 2022.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.  
YES: \_\_\_\_ NO: \_\_\_\_.

If the competitive sale requirements are not met, we elect to use either the: \_\_\_\_ 10% test, or the \_\_\_\_ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members:

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from August 30, 2022 of the above bid is \$\_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Marshfield, Wisconsin, on August 9, 2022.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_