

## PRELIMINARY OFFICIAL STATEMENT DATED JULY 3, 2024

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 Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

**New Issue**

**Rating: Moody's Investors Service, Inc. "Aa3"**

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

## \$9,050,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A

**BID OPENING:** July 9, 2024, 10:00 A.M., C.T.

**CONSIDERATION:** July 9, 2024, 6:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$9,050,000\* General Obligation Promissory Notes, Series 2024A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Marshfield, Wisconsin (the "City"), for public purposes, including paying the cost of projects included in the City's capital improvement plan including street improvement projects, parks and public grounds projects, stormwater projects, UW System college campus projects, TID No. 13 infrastructure projects and the acquisition of vehicles and equipment. The Notes 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 Notes 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 NOTES:** July 25, 2024

**MATURITY:** March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$100,000	2032	\$575,000	2039	\$590,000
2026	260,000	2033	540,000	2040	605,000
2027	275,000	2034	525,000	2041	620,000
2028	295,000	2035	545,000	2042	630,000
2029	335,000	2036	550,000	2043	275,000
2030	400,000	2037	565,000	2044	275,000
2031	510,000	2038	580,000		

**\*MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Notes 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, 2025 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Notes maturing on March 1, 2035 and thereafter are subject to call for prior optional redemption on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

**MINIMUM BID:** \$8,936,875.

**MAXIMUM BID:** \$9,593,000.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$181,000 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 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 Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). 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 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 Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

## 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 Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes 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 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 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 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 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 Official Statement describes the conditions under which the City is required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Notes, 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 Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this 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 Notes; (3) a certificate evidencing the due execution of the Notes, 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 Notes, (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 Notes 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 Notes 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 2026
Ed Wagner	Council President	April 2026
Michael Feirer	Council Member	April 2026
Brian Giles	Council Member	April 2026
Mike O'Reilly	Council Member	April 2026
Andrew Reigel	Council Member	April 2025
Rebecca Spiros	Council Member	April 2025
Russ Stauber	Council Member	April 2025
Natasha Tompkins	Council Member	April 2026
Brian Varsho	Council Member	April 2025
Derek Wehrman	Council Member	April 2025

## **ADMINISTRATION**

Steve Barg, City Administrator  
Jennifer Selenske, Finance Director  
Jessica A. 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 Official Statement contains certain information regarding the City of Marshfield, Wisconsin (the "City") and the issuance of its \$9,050,000\* General Obligation Promissory Notes, Series 2024A (the "Notes"). Any descriptions or summaries of the Notes, 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 Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Common Council on July 9, 2024.

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 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 NOTES

### GENERAL

The Notes 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 July 25, 2024. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2025, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes 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 Notes shall be payable as provided in the Authorizing 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 Notes maturing on or after March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

\*Preliminary, subject to change.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

**AUTHORITY; PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of projects included in the City's capital improvement plan including street improvement projects, parks and public grounds projects, stormwater projects, UW System college campus projects, TID No. 13 infrastructure projects and the acquisition of vehicles and equipment.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>		
Par Amount of Notes	\$9,050,000	
Estimated Interest Earnings	<u>85,000</u>	
<b>Total Sources</b>		<b>\$9,135,000</b>
<b>Uses</b>		
Estimated Underwriter's Discount	\$113,125	
Cost of Issuance	116,250	
Deposit to Borrowed Money Fund	8,900,950	
Rounding Amount	<u>4,675</u>	
<b>Total Uses</b>		<b>\$9,135,000</b>

\*Preliminary, subject to change.

**SECURITY**

For the prompt payment of the Notes 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, irrepealable tax on all taxable property in the City sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes 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**

The City received an underlying rating of "Aa3" on the Notes from Moody's Investor Service, Inc. ("Moody's"), and bidders were 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 Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, 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 Notes 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 Notes, 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 of the Notes, 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 Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The City failed to timely file notice of incurrence of Financial Obligations incurred in October of 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 Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 Notes. 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 the Official Statement or other offering material relating to the Notes 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 the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes 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 Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes."

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

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes 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 Notes. 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 Notes may be enacted. Prospective purchasers of the Notes 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 Notes is less than the principal amount payable at maturity, such Notes ("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 Notes is more than the principal amount payable at maturity, such Notes ("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 Notes shall be designated 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 Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. 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, 2022 and DRAFT basic financial statements of the City for the fiscal year ended December 31, 2023 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 City expects delivery of the financial statements for the fiscal year ended December 31, 2023 in substantially the form attached hereto, but such draft is subject to further review and revision. 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

The following is a description of possible risks to holders of the Notes 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 read this Official Statement, including the appendices, in its entirety.

**Taxes:** The Notes will be 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 Notes. 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 Notes 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 Notes may fall for purposes of resale. Noncompliance by the City with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes 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 Notes. 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 Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes 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 Notes.

**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 Notes in the secondary market.

**Secondary Market for the Notes:** No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes 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 Notes. 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 Notes 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.

# **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
2023 Equalized Value	\$1,927,022,200	\$170,968,600	\$2,097,990,800
2023 Equalized Value Reduced by Tax Increment Valuation	\$1,806,778,400	\$170,968,600	\$1,977,747,000
2023 Assessed Value	\$1,944,882,700	\$172,140,300	\$2,117,023,000

## 2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value <sup>1</sup>	Percent of Total Equalized Value
Residential	\$1,229,449,300	58.601%
Commercial	690,202,800	32.898%
Manufacturing	92,733,400	4.420%
Agricultural	148,100	0.007%
Undeveloped	114,300	0.005%
Ag Forest	60,800	0.003%
Forest	1,120,600	0.053%
Personal Property	84,161,500	4.012%
Total	<u>\$2,097,990,800</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
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	1,553,350,600	2,115,313,700	14.12%
2023	2,117,023,000	2,097,990,800	-0.82%

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

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<sup>1</sup> Includes tax increment valuation.

## LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2023 Equalized Value <sup>1</sup>	Percent of City's Total Equalized Value
Marshfield Clinic Inc <sup>2</sup>	Medical	\$163,064,477	7.77%
SCS Marshfield, LLC	Apartment Complex	18,066,837	0.86%
Malls4u LLC	Retail	16,968,135	0.81%
Forward Financial Bank	Financial Institution	14,567,881	0.69%
TW Marshfield Heritage II, LLC	Apartment Complex	11,607,618	0.55%
MCHS Hospitals, Inc	Medical	10,889,224	0.52%
Wal-Mart Real Estate	Retail	10,736,674	0.51%
Premier Home Marshfield, LLC	Real Estate Management	10,400,719	0.50%
V & H Properties, Inc	Auto Dealership	10,022,318	0.48%
Hilltop Park Apartments, LLC	Apartment Complex	9,623,639	0.46%
Total		\$275,947,522	13.15%
City's Total 2023 Equalized Value <sup>3</sup>		\$2,097,990,800	

**Source:** The City.

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<sup>1</sup> Calculated by dividing the 2023 Assessed Values by the 2023 Aggregate Ratio of assessment for the City.

<sup>2</sup> The City has settled a dispute with Marshfield Clinic Inc. regarding the valuation of two parcels in the City. These parcels have a 2023 Equalized Value of \$107,640,372. Pursuant to the settlement, regardless of the assessed valuation of these two parcels, Marshfield Clinic Inc. will pay \$1,272,214.87 per year in 2025 through 2028 as its full property tax payment on the two parcels, which is about 70% of what Marshfield Clinic Inc. paid in 2023. This payment will be divided proportionately among all relevant taxing jurisdictions. After the period of the agreement has ended Marshfield Clinic Inc. may again challenge its assessment of these two parcels.

<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 Notes)*	<u>\$49,266,376</u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues	<u>\$29,140,000</u>
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Total revenue debt secured by water revenues	<u>\$6,227,514</u>
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\*Preliminary, subject to change.

#### 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>\$1,790,000</u>
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### DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt. The City did not timely process the March 15, 2024 payment on its General Obligation Promissory Note, dated August 16, 2023, due to a mailing issue. The payment was processed on March 18, 2024.

### FUTURE FINANCING

The City expects to pursue a Clean Water Fund Loan of approximately \$7,000,000 for sewer system improvements in 2024 or 2025, but the amount and timing of such borrowing have not yet been determined. The City has historically issued general obligation debt annually for its capital borrowing and expects to do so in 2025, but the amount and timing of such borrowing have not yet been determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

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



**DEBT LIMIT**

The constitutional and statutory 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	\$2,097,990,800
Multiply by 5%	0.05
Statutory Debt Limit <sup>1</sup>	<u>\$104,899,540</u>
Less: General Obligation Debt*	<u>(49,266,376)</u>
Unused Debt Limit*	<u><u>\$55,633,164</u></u>

\*Preliminary, subject to change.

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<sup>1</sup> The City has a Debt Management Policy that provides that the City shall not exceed 65% of the statutory debt capacity.

City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness  
General Obligation Debt Secured by Taxes  
(As of 07/25/2024)

	Community Development Bonds Series 2013B		Promissory Notes Series 2015A		Community Development Bonds Series 2015B		Promissory Notes Series 2016A		Corporate Purpose Bonds Series 2016B	
Dated	04/15/2013		04/14/2015		04/14/2015		03/01/2016		03/01/2016	
Amount	\$3,030,000		\$2,820,000		\$3,435,000		\$3,865,000		\$3,840,000	
Maturity	03/01		03/01		03/01		03/01		03/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	18,313	0	2,600	0	20,241	0	8,350	0	32,256
2025	240,000	34,225	260,000	2,600	280,000	37,681	415,000	12,550	250,000	62,013
2026	250,000	29,138			290,000	31,981	420,000	4,200	285,000	56,663
2027	250,000	23,638			300,000	25,894			290,000	50,913
2028	250,000	17,700			310,000	19,219			295,000	44,694
2029	260,000	11,000			315,000	11,991			165,000	39,313
2030	270,000	3,713			330,000	4,125			170,000	35,125
2031									180,000	30,750
2032									185,000	25,725
2033									190,000	20,100
2034									190,000	14,400
2035									190,000	8,700
2036									195,000	2,925
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
	1,520,000	137,725	260,000	5,200	1,825,000	151,131	835,000	25,100	2,585,000	423,575

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City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/25/2024)

	Promissory Notes Series 2016C		Taxable Corporate Purpose Bonds Series 2016D		Promissory Notes Series 2017A		Taxable Community Development Bonds Series 2017C		Promissory Notes Series 2018A	
Dated	11/01/2016		11/01/2016		04/04/2017		12/05/2017		07/31/2018	
Amount	\$2,110,000		\$2,210,000		\$2,900,000		\$3,075,000		\$4,585,000	
Maturity	03/01		03/01		03/01		09/01		03/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	4,300	0	10,745	0	13,250	170,000	38,608	0	29,775
2025	220,000	6,400	245,000	18,795	310,000	22,625	175,000	72,540	485,000	52,275
2026	210,000	2,100	215,000	13,628	300,000	14,250	180,000	67,728	500,000	37,500
2027			220,000	8,515	325,000	4,875	185,000	62,778	500,000	22,500
2028			235,000	2,938			195,000	57,413	500,000	7,500
2029							200,000	51,563		
2030							205,000	45,363		
2031							210,000	38,803		
2032							220,000	31,873		
2033							230,000	24,503		
2034							235,000	16,683		
2035							245,000	8,575		
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
	430,000	12,800	915,000	54,620	935,000	55,000	2,450,000	516,425	1,985,000	149,550

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City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/25/2024)

	Corporate Purpose Bonds Series 2019A		State Trust Fund Loan		State Trust Fund Loan		Corporate Purpose Bonds Series 2020B		Corporate Purpose Bonds Series 2021B	
Dated	08/28/2019		11/26/2019		08/27/2020		09/17/2020		05/26/2021	
Amount	\$15,475,000		\$750,000		\$736,000		\$6,215,000		\$2,580,000	
Maturity	03/01		03/15		03/15		03/01		03/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	147,572	0	0	0	0	0	32,356	0	21,250
2025	1,130,000	278,194	132,195	8,732	152,858	3,821	100,000	64,213	150,000	40,250
2026	1,160,000	243,844	136,492	4,436			100,000	63,213	150,000	35,750
2027	1,345,000	212,994					275,000	61,338	150,000	32,000
2028	1,420,000	185,344					445,000	57,738	150,000	29,000
2029	1,595,000	147,219					490,000	53,063	300,000	24,500
2030	855,000	114,744					490,000	48,163	325,000	18,250
2031	650,000	99,694					375,000	42,900	180,000	13,200
2032	515,000	87,722					425,000	36,900	125,000	10,150
2033	445,000	77,244					475,000	29,556	120,000	7,700
2034	445,000	67,231					440,000	21,550	115,000	5,350
2035	460,000	56,763					375,000	13,950	110,000	3,100
2036	460,000	45,838					310,000	7,100	100,000	1,000
2037	545,000	33,563					200,000	2,000		
2038	545,000	19,938								
2039	525,000	6,563								
2040										
2041										
2042										
2043										
2044										
	12,095,000	1,824,463	268,687	13,168	152,858	3,821	4,500,000	534,038	1,975,000	241,500

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City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/25/2024)

Corporate Purpose Bonds Series 2022A				State Trust Fund Loan		Corporate Purpose Bonds Series 2023A		Promissory Note		Promissory Notes Series 2024A						
Dated Amount	08/30/2022 \$4,235,000		12/29/2022 \$139,000		06/29/2023 \$3,595,000		08/16/2023 \$243,000		07/25/2024 \$9,050,000*							
Maturity	03/01		03/15		03/01		03/15		03/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	63,191	0	0	0	70,922	0	0	0	0	170,000	513,728	683,728	49,096,376	.35%	2024
2025	185,000	123,608	72,145	3,968	120,000	139,444	79,079	9,319	100,000	405,422	5,101,276	1,398,674	6,499,951	43,995,100	10.70%	2025
2026	200,000	117,833			220,000	132,644	83,609	4,789	260,000	361,259	4,960,100	1,220,953	6,181,053	39,035,000	20.77%	2026
2027	205,000	111,758			215,000	123,944			275,000	351,033	4,535,000	1,092,177	5,627,177	34,500,000	29.97%	2027
2028	200,000	105,683			170,000	116,244			295,000	340,493	4,465,000	983,963	5,448,963	30,035,000	39.04%	2028
2029	240,000	99,083			190,000	109,044			335,000	328,995	4,090,000	875,768	4,965,768	25,945,000	47.34%	2029
2030	305,000	90,908			315,000	98,944			400,000	315,582	3,665,000	774,914	4,439,914	22,280,000	54.78%	2030
2031	240,000	82,733			310,000	86,444			510,000	298,974	2,655,000	693,497	3,348,497	19,625,000	60.17%	2031
2032	240,000	75,533			300,000	74,244			575,000	278,885	2,585,000	621,031	3,206,031	17,040,000	65.41%	2032
2033	190,000	69,083			310,000	60,494			540,000	257,844	2,500,000	546,523	3,046,523	14,540,000	70.49%	2033
2034	195,000	63,210			250,000	46,494			525,000	237,609	2,395,000	472,527	2,867,527	12,145,000	75.35%	2034
2035	195,000	57,068			235,000	34,369			545,000	217,007	2,355,000	399,530	2,754,530	9,790,000	80.13%	2035
2036	205,000	50,565			235,000	23,794			550,000	195,379	2,055,000	326,600	2,381,600	7,735,000	84.30%	2036
2037	210,000	43,613			235,000	14,394			565,000	172,655	1,755,000	266,224	2,021,224	5,980,000	87.86%	2037
2038	210,000	36,368			235,000	4,847			580,000	148,462	1,570,000	209,613	1,779,613	4,410,000	91.05%	2038
2039	200,000	29,093							590,000	123,012	1,315,000	158,667	1,473,667	3,095,000	93.72%	2039
2040	275,000	20,474							605,000	96,419	880,000	116,893	996,893	2,215,000	95.50%	2040
2041	215,000	11,478							620,000	68,640	835,000	80,117	915,117	1,380,000	97.20%	2041
2042	200,000	3,750							630,000	39,983	830,000	43,733	873,733	550,000	98.88%	2042
2043									275,000	19,140	275,000	19,140	294,140	275,000	99.44%	2043
2044									275,000	6,394	275,000	6,394	281,394	0	100.00%	2044
	3,910,000	1,255,025	72,145	3,968	3,340,000	1,136,263	162,687	14,109	9,050,000	4,263,184	49,266,376	10,820,665	60,087,041			

\* Preliminary, subject to change.

City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Electric Revenues  
(As of 07/25/2024)

Electric System Revenue Refunding Series 2020A			Electric System Revenue Bonds Series 2021A							
Dated	09/10/2020		03/11/2021							
Amount	\$19,745,000		\$15,710,000							
Maturity	12/01		12/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	1,950,000	93,665	660,000	171,838	2,610,000	265,503	2,875,503	26,530,000	8.96%	2024
2025	1,970,000	161,396	680,000	323,875	2,650,000	485,271	3,135,271	23,880,000	18.05%	2025
2026	1,990,000	135,195	705,000	303,475	2,695,000	438,670	3,133,670	21,185,000	27.30%	2026
2027	2,010,000	108,728	725,000	282,325	2,735,000	391,053	3,126,053	18,450,000	36.68%	2027
2028	2,030,000	81,995	745,000	260,575	2,775,000	342,570	3,117,570	15,675,000	46.21%	2028
2029	2,060,000	54,996	775,000	230,775	2,835,000	285,771	3,120,771	12,840,000	55.94%	2029
2030	2,075,000	27,598	805,000	199,775	2,880,000	227,373	3,107,373	9,960,000	65.82%	2030
2031			830,000	175,625	830,000	175,625	1,005,625	9,130,000	68.67%	2031
2032			855,000	150,725	855,000	150,725	1,005,725	8,275,000	71.60%	2032
2033			865,000	141,106	865,000	141,106	1,006,106	7,410,000	74.57%	2033
2034			875,000	130,294	875,000	130,294	1,005,294	6,535,000	77.57%	2034
2035			890,000	118,263	890,000	118,263	1,008,263	5,645,000	80.63%	2035
2036			900,000	104,913	900,000	104,913	1,004,913	4,745,000	83.72%	2036
2037			915,000	90,288	915,000	90,288	1,005,288	3,830,000	86.86%	2037
2038			930,000	74,275	930,000	74,275	1,004,275	2,900,000	90.05%	2038
2039			950,000	58,000	950,000	58,000	1,008,000	1,950,000	93.31%	2039
2040			965,000	39,000	965,000	39,000	1,004,000	985,000	96.62%	2040
2041			985,000	19,700	985,000	19,700	1,004,700	0	100.00%	2041
	14,085,000	663,570	15,055,000	2,874,825	29,140,000	3,538,395	32,678,395			

City of Marshfield, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Water Revenues  
(As of 07/25/2024)

		Water System Revenue Bonds Series 2014		Water System Revenue Bonds Series 2015		Water System Revenue Refunding Bonds Series 2018		Water System Revenue Bonds Series 2024 <sup>1)</sup>						
Dated Amount		10/14/2014 \$3,845,000		09/15/2015 \$3,180,000		12/05/2018 \$2,695,000		05/08/2024 \$447,514						
Maturity		12/01		12/01		12/01		05/01						
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	205,000	37,256	165,000	32,810	325,000	32,250	0	4,613	695,000	106,929	801,929	5,532,514	11.16%	2024
2025	215,000	68,363	165,000	60,670	340,000	48,250	85,745	8,680	805,745	185,962	991,707	4,726,769	24.10%	2025
2026	220,000	61,913	170,000	55,720	360,000	31,250	87,584	6,821	837,584	155,703	993,287	3,889,186	37.55%	2026
2027	225,000	55,313	180,000	50,620	265,000	13,250	89,463	4,922	759,463	124,104	883,567	3,129,723	49.74%	2027
2028	235,000	48,563	185,000	45,220			91,381	2,982	511,381	96,765	608,146	2,618,342	57.96%	2028
2029	240,000	41,513	195,000	39,670			93,342	1,001	528,342	82,184	610,525	2,090,000	66.44%	2029
2030	245,000	34,313	200,000	33,820					445,000	68,133	513,133	1,645,000	73.58%	2030
2031	255,000	26,350	205,000	27,820					460,000	54,170	514,170	1,185,000	80.97%	2031
2032	265,000	18,063	210,000	21,465					475,000	39,528	514,528	710,000	88.60%	2032
2033	270,000	9,450	215,000	14,745					485,000	24,195	509,195	225,000	96.39%	2033
2034			225,000	7,650					225,000	7,650	232,650	0	100.00%	2034
	2,375,000	401,094	2,115,000	390,210	1,290,000	125,000	447,514	29,018	6,227,514	945,322	7,172,836			

<sup>1)</sup> The amount shown represents the full amount available to draw, and the City currently plans to draw the full amount. The amount of disbursements as of the date hereof is \$390,245.

**Marshfield Community Development Authority, Wisconsin**

**Schedule of Bonded Indebtedness**

**Non-General Obligation Debt of the Community Developments Authority secured by Lease Rental Payments from Tax**

**Increment Revenues subject to Annual Appropriation by the City**

**(As of 07/25/2024)**

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

Dated	12/21/2017							
Amount	\$2,440,000							
Maturity	09/01							
Calendar								Calendar
Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Year Ending
2024	175,000	32,021	175,000	32,021	207,021	1,615,000	9.78%	2024
2025	180,000	58,355	180,000	58,355	238,355	1,435,000	19.83%	2025
2026	185,000	52,505	185,000	52,505	237,505	1,250,000	30.17%	2026
2027	190,000	46,493	190,000	46,493	236,493	1,060,000	40.78%	2027
2028	195,000	39,653	195,000	39,653	234,653	865,000	51.68%	2028
2029	205,000	32,438	205,000	32,438	237,438	660,000	63.13%	2029
2030	210,000	24,750	210,000	24,750	234,750	450,000	74.86%	2030
2031	220,000	16,875	220,000	16,875	236,875	230,000	87.15%	2031
2032	230,000	8,625	230,000	8,625	238,625	0	100.00%	2032
	1,790,000	311,714	1,790,000	311,714	2,101,714			



## OVERLAPPING DEBT<sup>1</sup>

Taxing District	2023 Equalized Value <sup>2</sup>	% In City	Total G.O. Debt <sup>3</sup>	City's Proportionate Share
Wood County	\$7,525,102,300	25.6079%	\$112,290,000	\$28,755,111
Marathon County	15,911,360,400	1.0745%	94,230,000	1,012,501
Marshfield School District	3,170,792,648	66.1661%	407,161	269,403
Mid-State Technical College District <sup>4</sup>	20,923,527,813	10.0269%	32,205,000	<u>3,229,163</u>
City's Share of Total Overlapping Debt				<u><u>\$33,266,178</u></u>

## DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$2,097,990,800	Debt/ Per Capita 18,973 <sup>5</sup>
Total General Obligation Debt*	\$49,266,376	2.35%	\$2,596.66
City's Share of Total Overlapping Debt	<u>33,266,178</u>	<u>1.59%</u>	<u>\$1,753.34</u>
Total	\$82,532,554	3.93%	\$4,350.00

\*Preliminary, subject to change.

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<sup>1</sup> Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

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

<sup>3</sup> Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

<sup>4</sup> Includes the \$5,000,000 General Obligation Promissory Notes, Series 2024A anticipated to close July 17, 2024.

<sup>5</sup> Estimated 2023 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>
2019/20	\$12,226,180	100%	\$8.45
2020/21	13,212,522	100%	8.86
2021/22	13,787,377	100%	8.78
2022/23	13,789,478	100%	7.76
2023/24	14,326,468	In Process	7.93

#### 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>
2019/20	\$1,112,834	100%	\$8.42
2020/21	1,214,097	100%	8.61
2021/22	1,394,242	100%	8.88
2022/23	1,452,182	100%	7.87
2023/24	1,352,415	In Process	7.91

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 personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

### 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

Year Levied/ Year Collected	Schools <sup>1</sup>	County	Local	Total
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
2022/23	8.58	4.76	7.76	21.10
2023/24	5.82	4.53	7.93	18.28

#### Marathon

Year Levied/ Year Collected	Schools <sup>1</sup>	County	Local	Total
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
2022/23	8.58	3.95	7.87	20.40
2023/24	5.82	3.75	7.91	17.48

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

### 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; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental

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

district, but does not include any improvements removed in a tax incremental district). 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 the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. 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 Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

## **REVENUE FROM THE STATE**

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City is expected to receive approximately \$5,398,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$4,367,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

## **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, Finance Director and City Clerk are responsible for administrative details and financial records.

### **EMPLOYEES; PENSIONS**

The City employs a staff of 230 full-time, 104 part-time, and 164 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, 2021 ("Fiscal Year 2021"), the fiscal year ended December 31, 2022 ("Fiscal Year 2022") and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$1,302,657, \$1,301,620 and \$1,436,125, respectively.

Governmental Accounting Standards Board Statement No. 68 ("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, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 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 2023, the City reported a liability of \$5,959,127 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 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 0.11248511% of the aggregate WRS net pension liability as of December 31, 2022.

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.F. 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. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, 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, 2026
Fire Union	December 31, 2023*

\*Negotiations on a new contract are currently in mediation.

## **OTHER POST EMPLOYMENT BENEFITS**

The City offers certain other post-employment benefits ("OPEB"), for certain eligible employees of Marshfield Utilities. The City also participates in 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 2023, the City's portion of contributions to the LRLIF totaled \$3,936. For Fiscal Year 2023, the City reported a liability of \$747,496 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2022 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.1962020% of the aggregate LRLIF net OPEB liability as of December 31, 2022.

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.G.2. 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, non-represented 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. For more detailed information, see Note 1.E.13 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

## **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 Notes or otherwise questioning the validity of the Notes.

## **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 Notes 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 Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes 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 Notes.

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 Notes would not occur.



**FUNDS ON HAND** (as of May 31, 2024)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$4,868,817
Special Revenue	1,647,657
Capital Projects/TIDs	6,045,991
Enterprise Funds	21,001,773
Internal Service Fund	643,969
Tax Agency and Other Agency Funds	108,343
Marshfield Utilities	32,430,235
Permanent Fund	<u>249,281</u>
Total Funds on Hand	<u><u>\$66,996,066</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>2021 Audit</b>	<b>2022 Audit</b>	<b>2023 Audit</b>
<b>Electric</b>			
Total Operating Revenues	\$33,160,861	\$38,711,273	\$35,924,120
Less: Operating Expenses	<u>(29,451,403)</u>	<u>(35,443,763)</u>	<u>(32,473,046)</u>
Operating Income	\$3,709,458	\$3,267,510	\$3,451,074
Plus: Depreciation	3,112,767	3,517,591	3,778,458
Interest Income	<u>1,010,827</u>	<u>144,490</u>	<u>2,473,581</u>
Revenues Available for Debt Service	<u><u>\$7,833,052</u></u>	<u><u>\$6,929,591</u></u>	<u><u>\$9,703,113</u></u>
<b>Water</b>			
Total Operating Revenues	\$6,079,831	\$6,186,286	\$6,402,989
Less: Operating Expenses	<u>(4,692,702)</u>	<u>(4,472,847)</u>	<u>(4,653,331)</u>
Operating Income	\$1,387,129	\$1,713,439	\$1,749,658
Plus: Depreciation	1,257,436	1,789,587	1,452,468
Interest Income	<u>11,451</u>	<u>23,082</u>	<u>108,939</u>
Revenues Available for Debt Service	<u><u>\$2,656,016</u></u>	<u><u>\$3,526,108</u></u>	<u><u>\$3,311,065</u></u>
	<b>2021 Audit</b>	<b>2022 Audit</b>	<b>2023 DRAFT Audit</b>
<b>Wastewater</b>			
Total Operating Revenues	\$7,457,575	\$7,513,259	\$7,882,413
Less: Operating Expenses	<u>(4,154,576)</u>	<u>(4,496,547)</u>	<u>(4,900,243)</u>
Operating Income	\$3,302,999	\$3,016,712	\$2,982,170
Plus: Depreciation	1,118,357	1,126,311	1,152,386
Interest Income	<u>10,630</u>	<u>48,460</u>	<u>894,336</u>
Revenues Available for Debt Service	<u><u>\$4,431,986</u></u>	<u><u>\$4,191,483</u></u>	<u><u>\$5,028,892</u></u>
<b>Emergency Medical Services</b>			
Total Operating Revenues	\$1,871,785	\$2,397,848	\$2,087,726
Less: Operating Expenses	<u>(1,624,263)</u>	<u>(2,407,958)</u>	<u>(2,067,423)</u>
Operating Income	\$247,522	(\$10,110)	\$20,303
Plus: Depreciation	146,918	160,938	158,020
Interest Income	<u>0</u>	<u>0</u>	<u>715</u>
Revenues Available for Debt Service	<u><u>\$394,440</u></u>	<u><u>\$150,828</u></u>	<u><u>\$179,038</u></u>

## SUMMARY GENERAL FUND INFORMATION

The 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 statements are available upon request. Appendix A includes the 2022 audited and DRAFT 2023 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT					
	2020 Audited	2021 Audited	2022 Audited	2023 DRAFT Audited	2024 Adopted Budget <sup>1</sup>
<b>Revenues</b>					
Taxes & special assessments	\$10,794,121	\$10,920,333	\$11,287,658	\$11,328,621	\$11,508,374
Intergovernmental	8,060,729	7,553,577	7,497,483	7,637,201	8,699,050
Licenses and permits	244,740	234,222	236,234	270,478	247,600
Fines and forfeits	181,488	141,311	183,284	324,567	188,500
Public charges for services	413,910	595,815	807,591	854,709	1,058,566
Intergovernmental charges for services	44,633	52,305	37,657	54,613	38,813
Miscellaneous	308,486	348,995	770,433	1,134,218	2,713,745
<b>Total Revenues</b>	<b>\$20,048,107</b>	<b>\$19,846,558</b>	<b>\$20,820,340</b>	<b>\$21,604,407</b>	<b>\$24,454,648</b>
<b>Expenditures</b>					
Current:					
General government	\$3,765,607	\$3,454,770	\$3,300,927	\$3,337,604	\$5,417,437
Public safety	8,953,852	8,889,374	9,273,134	9,524,151	9,939,186
Public works	4,705,015	5,486,643	5,050,951	5,350,734	5,123,364
Health and human services	258,568	262,014	304,693	282,183	297,609
Culture and recreation	3,347,544	3,588,992	3,904,531	4,015,688	4,388,586
Conservation and development	913,102	676,610	544,999	456,345	950,438
Debt service					
Principal	0	38,679	60,354	62,289	0
Interest and fiscal charges	0	4,036	4,850	7,054	0
<b>Total Expenditures</b>	<b>\$21,943,688</b>	<b>\$22,401,118</b>	<b>\$22,444,439</b>	<b>\$23,036,048</b>	<b>\$26,116,620</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(\$1,895,581)</b>	<b>(\$2,554,560)</b>	<b>(\$1,624,099)</b>	<b>(\$1,431,641)</b>	<b>(\$1,661,972)</b>
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	\$267,000	\$30,000	\$0	\$0	\$0
Proceeds from sale of capital assets	51,685	0	0	0	0
Transfers in	1,960,820	1,963,288	2,036,393	1,817,591	2,090,897
Transfers (out)	(1,437,941)	0	(62,776)	(97,339)	(428,925)
<b>Total Other Financing Sources (Uses)</b>	<b>841,564</b>	<b>1,993,288</b>	<b>1,973,617</b>	<b>1,720,252</b>	<b>1,661,972</b>
<b>Net changes in Fund Balances</b>	<b>(\$1,054,017)</b>	<b>(\$561,272)</b>	<b>\$349,518</b>	<b>\$288,611</b>	<b>\$0</b>
General Fund Balance January 1	\$7,527,179	\$6,473,162	\$6,257,705	\$6,607,223	
Prior Period Adjustment	0	345,815	0	0	
General Fund Balance December 31	\$6,473,162	\$6,257,705	\$6,607,223	\$6,895,834	
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	\$2,215,174	\$1,090,908	\$187,803	\$95,213	
Restricted	0	0	0	327,688	
Committed	183,134	594,484	666,409	392,044	
Assigned	0	0	0	0	
Unassigned	4,074,854	4,572,313	5,753,011	6,080,889	
<b>Total</b>	<b>\$6,473,162</b>	<b>\$6,257,705</b>	<b>\$6,607,223</b>	<b>\$6,895,834</b>	

<sup>1</sup> The 2024 budget was adopted on November 28, 2023. The budgeted use of fund balance represents contingency budgeting for contingency expenses for which a financing source has not yet been identified.

## GENERAL INFORMATION

### LOCATION

The City, with a 2020 U.S. Census population of 18,929 and a current estimated population of 18,973 comprises an area of 13.85 square miles and is located approximately 170 miles from Minneapolis/St. Paul, 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	6,000+ <sup>2</sup>
The City	Municipal government and services	498 <sup>3</sup>
Custom Fabricating and Repair	Fabrication for dairy and food industry	450
School District of Marshfield	Elementary and secondary education	445
Roehl Transport Inc.	Transportation of general commerce	439
Masonite (Marshfield Door Systems Corp.)	Wood doors, steam-through door core	380
PreventionGenetics	DNA banking & testing	230
Felker Brothers	Stainless steel fabrication & component fittings	182
Nelson-Jameson Inc.	Distributor of dairy & food processing equipment	180
PCA	Full service supplier of corrugated packaging	150

**Source:** The City, 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.

<sup>2</sup> In early 2024, Marshfield Clinic announced plans to furlough approximately 3% of its employees across its network. Marshfield Clinic subsequently announced its intent to terminate these furloughed employees. Two other health networks have announced that they are closing facilities across western Wisconsin. As a result of these announcements, Marshfield Clinic has indicated it is hiring additional staff to deal with the additional patients. The City does not know what the net impact of these changes will be on the total number of employees employed by Marshfield Clinic generally or in the City.

<sup>3</sup> 230 FT/104 PT/164 seasonal includes Marshfield Utility Employees.

**BUILDING PERMITS<sup>1</sup>**

	2020	2021	2022	2023	2024
<u>New Single Family Homes</u>					
No. of building permits	15	13	8	3	4
Valuation	\$3,882,379	\$4,176,000	\$2,660,000	\$1,460,000	\$1,550,000
<u>New Multiple Family Buildings</u>					
No. of building permits	8	0	0	0	0
Valuation	\$5,614,764	\$0	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	16	8	4	12	1
Valuation	\$11,003,511	\$24,392,912	\$11,189,804	\$10,806,935	\$11,000
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	949	877	913	430	608
Valuation	\$34,007,134	\$70,141,351	\$73,171,864	\$31,241,349	\$14,064,547

**Source:** The City.

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<sup>1</sup> As of May 28, 2024.

## U.S. CENSUS DATA

### Population Trend: The City

2010 U.S. Census Population	19,118
2020 U.S. Census Population	18,929
Percent of Change 2010 - 2020	-0.99%
2023 Estimated Population	18,973

### Income and Age Statistics

	The City	Wood County	State of Wisconsin	United States
2022 per capita income	\$39,212	\$36,712	\$40,130	\$41,261
2022 median household income	\$58,474	\$63,273	\$72,458	\$75,149
2022 median family income	\$72,270	\$79,057	\$92,974	\$92,646
2022 median gross rent	\$799	\$830	\$992	\$1,268
2022 median value owner occupied units	\$154,700	\$156,600	\$231,400	\$281,900
2022 median age	43.7 yrs.	43.9 yrs.	39.9 yrs.	38.5 yrs.

	State of Wisconsin	United States
City % of 2022 per capita income	97.71%	95.03%
City % of 2022 median family income	77.73%	78.01%

### Housing Statistics

	<u>The City</u>		
	2020	2022	Percent of Change
All Housing Units	9,508	9,491	-0.18%

**Source:** 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center ([https://doa.wi.gov/Pages/LocalGovtsGrants/Population\\_Estimates.aspx](https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx)) and 2022 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
2020	32,421	6.8%	6.4%
2021	32,772	4.5%	3.9%
2022	32,568	3.3%	2.9%
2023 <sup>1</sup>	32,307	3.5%	3.0%
2024, April <sup>1</sup>	32,471	3.5%	3.0%

**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 expects delivery of the financial statements for the fiscal year ended December 31, 2023 in substantially the form attached hereto, but such draft is subject to further review and revision. 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 Notes, the City represents that there have been no material adverse changes 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, WISCONSIN**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](http://CLAconnect.com)



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## INDEPENDENT AUDITORS' REPORT

City Council  
City of Marshfield, Wisconsin  
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, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Marshfield, Wisconsin'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, Wisconsin, as of December 31, 2022, 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, Wisconsin 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 1.H. to the financial statements, effective January 1, 2022, the City of Marshfield, Wisconsin adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

### ***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, Wisconsin's ability to continue as a going concern for twelve 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, Wisconsin'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, Wisconsin'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.

### ***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, as listed in the table of contents, 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, Wisconsin's basic financial statements. The detailed comparison of budgeted and actual revenues, other financing sources, expenditures and other financing uses and the combining nonmajor governmental 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 governmental 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 June 5, 2023, on our consideration of the City of Marshfield, Wisconsin'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, Wisconsin'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, Wisconsin's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
June 5, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

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



Jennifer Selenske  
Finance Director  
jennifer.selenske@ci.marshfield.wi.us

**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, 2022.

**Financial Highlights**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of December 31, 2022 by \$242,139,332 (net position). Total net position includes all infrastructure of the government unit.
- The City's total net position increased by \$11,462,215.
- As of December 31, 2022, the City's governmental funds reported combined ending fund balances of \$11,252,193, an increase of \$3,304,963 in comparison with the prior year. Approximately \$2,064,000 of the change was generated by the City's tax increment districts (TID).
- The fund balance of the City's major funds including the General fund, the Debt Service fund and the Infrastructure Construction fund increased \$608,226 from \$6,264,772 as of December 31, 2021 to \$6,872,998 as of December 31, 2022.
- Tax increment districts (TID) continue to perform above expectations and the amount of advances from the General Fund was reduced from \$3,484,367 in 2019, to \$2,088,866 in 2020, to \$1,048,622 in 2021, and \$156,972 as of December 31, 2022. 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.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

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 26 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, and infrastructure construction fund capital projects fund which are considered to be major funds. Data from the other 23 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 Marshfield Utilities, the combined electric, water, and communication utilities of the City, the wastewater utility 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 Marshfield Utilities 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.



**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**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 those 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 - 87 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 \$242,139,332 at the close of 2022.

<b>City of Marshfield, Wisconsin's Net Position</b>						
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 43,076,769	\$ 36,545,561	\$ 72,131,264	\$ 75,595,785	\$ 115,208,033	\$ 112,141,346
Capital Assets	115,036,526	114,702,732	139,245,599	132,553,043	254,282,125	247,255,775
Total Assets	158,113,295	151,248,293	211,376,863	208,148,828	369,490,158	359,397,121
Deferred Outflows of Resources	15,487,945	10,328,375	5,963,239	3,971,946	21,451,184	14,300,321
Long-Term Liabilities Outstanding	50,250,400	50,868,075	44,376,600	48,436,745	94,627,000	99,304,820
Other Liabilities	3,474,721	3,507,364	5,106,083	3,833,568	8,580,804	7,340,932
Total Liabilities	53,725,121	54,375,439	49,482,683	52,270,313	103,207,804	106,645,752
Deferred Inflows of Resources	37,806,406	31,310,085	7,787,800	5,064,488	45,594,206	36,374,573
Net Investment in Capital Assets	71,270,262	71,075,383	97,957,616	95,620,036	168,984,153	166,348,815
Restricted	11,745,376	8,696,592	6,016,757	5,180,749	17,762,133	13,877,341
Unrestricted	(945,925)	(3,880,831)	56,095,246	53,985,188	55,393,046	50,450,961
Total Net Position	\$ 82,069,713	\$ 75,891,144	\$ 160,069,619	\$ 154,785,973	\$ 242,139,332	\$ 230,677,117

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.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**Change in net position.** Governmental activities increased the City's net position by \$6,178,569 and the business-type activities increased net position by \$5,283,646. A summary of the City's change in net position follows:

<b>City of Marshfield, Wisconsin's Change in Net Position</b>						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,076,022	\$ 1,587,238	\$ 54,932,830	\$ 48,748,772	\$ 57,008,852	\$ 50,336,010
Operating Grants and Contributions	3,726,912	3,350,655	140,046	76,808	3,866,958	3,427,463
Capital Grants and Contributions	786,540	1,366,103	270,441	513,141	1,056,981	1,879,244
General Revenues:						
Taxes	18,890,033	18,134,226	-	-	18,890,033	18,134,226
Grants and Contributions Not Restricted to Specific Programs	6,594,530	5,739,286	-	-	6,594,530	5,739,286
Other	1,258,842	536,125	266,101	1,176,344	1,524,943	1,712,469
Total Revenues	33,332,879	30,713,633	55,609,418	50,515,065	88,942,297	81,228,698
Expenses:						
General Government	3,436,215	3,536,603	-	-	3,436,215	3,536,603
Public Safety	9,579,166	9,406,638	-	-	9,579,166	9,406,638
Public Works	8,144,703	7,496,525	-	-	8,144,703	7,496,525
Health and Human Services	296,019	254,304	-	-	296,019	254,304
Culture, Recreation, and Education	4,318,609	4,652,632	-	-	4,318,609	4,652,632
Conservation and Development	2,565,452	1,295,058	-	-	2,565,452	1,295,058
Interest on Long-Term Debt	1,104,293	1,180,562	-	-	1,104,293	1,180,562
Electric Utility	-	-	36,295,845	29,996,722	36,295,845	29,996,722
Water Utility	-	-	4,683,018	4,924,486	4,683,018	4,924,486
Communications	-	-	110,058	105,731	110,058	105,731
Wastewater	-	-	4,512,443	4,204,297	4,512,443	4,204,297
EMS	-	-	2,434,261	1,655,876	2,434,261	1,655,876
Total Expenses	29,444,457	27,822,322	48,035,625	40,887,112	77,480,082	68,709,434
Changes in Net Position before Transfers	3,888,422	2,891,311	7,573,793	9,627,953	11,462,215	12,519,264
Transfers	2,290,147	2,171,441	(2,290,147)	(2,171,441)	-	-
Change in Net Position	6,178,569	5,062,752	5,283,646	7,456,512	11,462,215	12,519,264
Net Position - January 1	75,891,144	70,828,392	154,785,973	147,329,461	230,677,117	218,157,853
Net Position - December 31	\$ 82,069,713	\$ 75,891,144	\$ 160,069,619	\$ 154,785,973	\$ 242,139,332	\$ 230,677,117

A summary of key changes follows:

**Governmental Activities:**

- The increase in net position from 2021 to 2022 was due to changes in deferred inflows and outflows of resources relating to pension.

**Business-Type Activities:**

- The increase in net position from 2021 to 2022 was mainly due to the continued profitability of Marshfield Utilities and the wastewater enterprise fund.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**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, 2022, the City's governmental funds reported combined ending fund balances of \$11,252,193 an increase of \$3,304,963 in comparison with the prior year. The increase is due to continued improvement in the City's TIDs. TID 5 Mill Creek Business Park is a mature district that has not had recent development activity; as a result, it contributed \$836,500 of increased fund balance. The City's other TIDs contributed an additional \$915,156 of positive fund balance. All in all, the TIDs generated revenues of \$4,071,743 and had \$2,230,089 of expenditures which consisted primarily of debt service payments and acquisition of land in the City's newer TID 12 East Yellowstone Industrial Park.

The fund balance increased \$466,271 in the Economic Development fund due to sales of lots in the City's recently created subdivision.

The fund balance of the City's general fund increased by \$349,518 during the current year as the City's new aquatic center was open for a full season in 2022 and the recreation department received a \$75,740 contribution from a tourism promotion entity. Expenditures in the general Fund increased \$106,115 (0.47%) in 2022 as compared to 2021. The City is reducing its advance to distressed TID 5 that is recorded in the general fund as the increment continues to materialize.

The final budget adopted by the City applied \$797,176 of fund balance to balance the budget. Total revenues in the general fund were \$37,586 less than revised budget and total expenditures were \$1,072,715 less than revised budget.

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 \$5,753,011 while total fund balance was \$6,607,223. 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 25.6% of total general fund expenditures.

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 \$238,326, an increase of \$229,945 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 \$101,106,247 with \$57,290,770 net investment in capital assets, \$1,903,050 restricted, and \$41,912,427 as unrestricted. The fund experienced an increase in net position of \$2,225,589.

Total net position of the City's wastewater utility at the end of the year amounted to \$56,953,300 with \$39,713,818 net investment in capital assets, \$3,220,622 restricted, and \$14,18,860 as unrestricted. The fund experienced a growth in net position of \$3,092,334.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

Total net position of the City's Emergency Medical Services fund at the end of the year amounted to \$1,840,799 with \$953,027 net investment in capital assets, \$893,085 restricted, and a deficit \$5,313 as unrestricted. The fund experienced a decrease in net position of \$39,418.

The City's internal service fund reported net position of \$4,110,334 at the end of the year, an increase of \$107,647 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.

**General Fund Budgetary Highlights**

The original budget is at times, modified via the budget resolution process. The primary budget change was for \$61,344 to increase transfers to a special revenue fund and a capital projects fund.

During the year, actual revenues and other financing sources exceeded budget revenues by \$73,979. Special assessments, public charges for services, and miscellaneous revenues exceeded budget while taxes, fines, forfeitures, and penalties, and licenses and permits were less than budget expectations. Actual expenditures were under original budgeted expenditures by \$1,072,715. Favorable variances were experienced in administration, public safety, streets, and planning and were offset by unfavorable variances in municipal court and parks. Most of the favorability was primarily due to wages and benefits related to vacant positions and utilizing less contingency funds than anticipated.

**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, 2022 amounts to \$254,282,125 (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 \$2,475,960
- Street construction and improvements \$3,667,399

**Business-Type Activities**

- Wastewater utility collecting mains \$562,012
- Electric, water, and communications buildings, utilities equipment and infrastructure projects \$10,759,644

<b>City of Marshfield Capital Assets</b>						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 7,649,942	\$ 7,432,764	\$ 2,627,859	\$ 2,627,859	\$ 10,277,801	\$ 10,060,623
Construction in progress	140,617	6,837,984	670,405	9,015,452	811,022	15,853,436
Buildings and improvements	53,815,621	46,683,094	50,161,531	34,711,211	103,977,152	81,394,305
Machinery and equipment	20,962,399	20,404,820	14,141,274	13,471,641	35,103,673	33,876,461
Infrastructure	111,369,881	107,695,767	163,448,704	158,773,847	274,818,585	266,469,614
Right-to-Use Lease Asset	38,908	-	-	-	38,908	-
Less: Accumulated depreciation & amortization	(78,940,842)	(74,351,697)	(91,804,174)	(86,046,967)	(170,745,016)	(160,398,664)
<b>Total</b>	<b>\$ 115,036,526</b>	<b>\$ 114,702,732</b>	<b>\$ 139,245,599</b>	<b>\$ 132,553,043</b>	<b>\$ 254,282,125</b>	<b>\$ 247,255,775</b>

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

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$86,687,979. Of this amount, \$46,615,343 comprises debt backed by the full faith and credit of the government and \$38,170,000 is backed by the revenues of the electric and water utilities.

<b>City of Marshfield Outstanding Debt</b>						
General Obligation Debt, Revenue Bonds and Bond Anticipation Notes						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General Obligation Debt						
Bonds	\$ 35,385,000	\$ 33,450,000	\$ 1,045,000	\$ 1,190,000	\$ 36,430,000	\$ 34,640,000
Notes	8,875,000	11,085,000	-	-	8,875,000	11,085,000
State trust fund	1,310,343	1,532,864	-	-	1,310,343	1,532,864
Total General Obligation						
Debt	45,570,343	46,067,864	1,045,000	1,190,000	46,615,343	47,257,864
Financed Purchase	1,852,019	1,885,858	27,550	-	1,879,569	1,885,858
Lease Liability	23,067	203,945	-	54,204	23,067	258,149
Revenue bonds	-	-	38,170,000	42,015,000	38,170,000	42,015,000
Total	\$ 47,445,429	\$ 48,157,667	\$ 39,242,550	\$ 43,259,204	\$ 86,687,979	\$ 91,416,871

State 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 \$105,765,685 which is in excess of the City's \$46,615,343 in outstanding general obligation debt.

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

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

2022 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 2022.

- Residential
  - Permits for 8 single-family homes and 4 commercial/industrial permits were issued in 2022.
  - 15 of 23 lots have been sold in the City's newly created subdivision and 4 homes have been constructed.
- Marshfield Utilities completed construction on a 90,000 square foot office and garage facility on South Central Avenue.
- Kwik Trip is planning a fourth location in the northwest section of the City.
- The City acquired 124 acres of industrial land in TID 12 next to the Yellowstone Industrial Park.
- Marshfield Clinic Health System has a number of projects underway, including the completion of a new skywalk connecting the Marshfield Medical Center with the Marshfield Clinic Health System's East Wing.
- The former Hudson's Restaurant was remodeled for Casa Amigos, a new Mexican restaurant that opened in early 2022.
- Dave's Guitar Shop relocated to a 4,000 square foot building on South Central Avenue.
- The Marshfield Mall began a multi-million dollar renovation to accommodate a number of new big-box stores and retailer Five Below will be opening soon.
- TJ Maxx moved into the vacated OfficeMax building.
- Bath & Body Works relocated from the Marshfield Mall to a strip mall on North Central Avenue.
- Plans are underway for the redevelopment of the former Rose Bowl Lanes site.
- Jimmy John's will be opening soon in a newly constructed multi-tenant building on North Central Avenue.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**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 54449.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF MARSHFIELD  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total	Component Unit Marshfield CDA
<b>ASSETS</b>				
Cash and Investments	\$ 15,370,073	\$ 36,447,453	\$ 51,817,526	\$ 666,185
Receivables:				
Taxes and Special Charges	13,895,308	26,611	13,921,919	-
Delinquent Taxes	31,593	-	31,593	-
Accounts, Net	232,343	7,753,678	7,986,021	3,382
Special Assessments	751,262	55,389	806,651	-
Loans	348,407	-	348,407	-
Leases	776,646	768,233	1,544,879	2,125,000
Other	664,035	519,557	1,183,592	-
Internal Balances	2,646,984	(2,646,984)	-	-
Due from Other Governments	143,373	366	143,739	12,365
Inventories and Prepaid Items	154,983	2,171,216	2,326,199	29,094
Investment in ATC LLC	-	13,266,261	13,266,261	-
Other	-	116,956	116,956	-
Restricted Assets:				
Cash and Investments	283,769	10,703,617	10,987,386	312,825
Net Pension Asset	7,777,993	2,948,911	10,726,904	144,239
Capital Assets, Not Being Depreciated	7,790,559	3,298,264	11,088,823	420,945
Capital Assets, Being Depreciated and Amortized, Net	107,245,967	135,947,335	243,193,302	4,076,679
Total Assets	158,113,295	211,376,863	369,490,158	7,790,714
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	15,162,635	5,766,859	20,929,494	264,719
Other Postemployment Related Amounts	325,310	196,380	521,690	28,587
Total Deferred Outflows Of Resources	15,487,945	5,963,239	21,451,184	293,306
<b>LIABILITIES</b>				
Accounts Payable	1,101,928	4,649,405	5,751,333	38,844
Accrued and Other Current Liabilities	6,575	-	6,575	29,199
Due to Other Governments	388,697	54,858	443,555	-
Accrued Interest Payable	371,762	73,897	445,659	6,212
Special Deposits	12,100	327,923	340,023	62,456
Unearned Revenues	1,593,659	-	1,593,659	-
Long-Term Obligations:				
Due Within One Year	5,774,353	3,877,603	9,651,956	165,000
Due in More Than One Year	43,443,796	37,995,978	81,439,774	1,945,631
Other Postemployment Benefits	1,032,251	2,503,019	3,535,270	81,634
Total Liabilities	53,725,121	49,482,683	103,207,804	2,328,976
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	18,563,313	-	18,563,313	-
Leases	776,646	768,233	1,544,879	-
Pension Related Amounts	18,325,542	6,948,472	25,274,014	340,145
Other Postemployment Related Amounts	140,905	71,095	212,000	8,711
Total Deferred Inflows Of Resources	37,806,406	7,787,800	45,594,206	348,856
<b>NET POSITION</b>				
Net Investment in Capital Assets	71,270,262	97,957,616	168,984,153	4,497,624
Restricted				
Pension Asset	7,777,993	2,948,911	10,726,904	144,239
TIF Expenditures	2,740,918	-	2,740,918	-
Capital Improvements	-	2,852,846	2,852,846	-
Housing Loans	420,005	-	420,005	-
Economic Development	374,700	-	374,700	-
Other	431,760	215,000	646,760	238,355
Unrestricted	(945,925)	56,095,246	55,393,046	525,970
Total Net Position	\$ 82,069,713	\$ 160,069,619	\$ 242,139,332	\$ 5,406,188

See accompanying Notes to Basic Financial Statements.



**CITY OF MARSHFIELD  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 3,436,215	\$ 274,268	\$ 204,863	\$ -
Public Safety	9,579,166	64,625	564,772	-
Public Works	8,144,703	842,787	2,269,720	631,112
Health and Human Services	296,019	173,986	-	-
Culture and Recreation	4,318,609	517,621	687,557	155,428
Conservation and Development	2,565,452	202,735	-	-
Interest and Fiscal Charges	1,104,293	-	-	-
Total Governmental Activities	29,444,457	2,076,022	3,726,912	786,540
<b>BUSINESS-TYPE ACTIVITIES</b>				
Electric Utility	36,295,845	38,711,273	-	228,467
Water Utility	4,683,018	6,186,286	-	6,709
Communications Utility	110,058	263,477	-	-
Wastewater Utility	4,512,443	7,513,259	733	35,265
Emergency Medical Services	2,434,261	2,258,535	139,313	-
Total Business-Type Activities	48,035,625	54,932,830	140,046	270,441
Total Primary Government	\$ 77,480,082	\$ 57,008,852	\$ 3,866,958	\$ 1,056,981
<b>COMPONENT UNIT</b>				
Marshfield CDA	\$ 1,760,836	\$ 726,931	\$ 560,181	\$ 106,907

**GENERAL REVENUES**

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

**CHANGE IN NET POSITION**

Net Position - Beginning of Year

**NET POSITION - END OF YEAR**

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF ACTIVITIES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Totals	Marshfield CDA
\$ (2,957,084)	\$ -	\$ (2,957,084)	\$ -
(8,949,769)	-	(8,949,769)	-
(4,401,084)	-	(4,401,084)	-
(122,033)	-	(122,033)	-
(2,958,003)	-	(2,958,003)	-
(2,362,717)	-	(2,362,717)	-
(1,104,293)	-	(1,104,293)	-
(22,854,983)	-	(22,854,983)	-
-	2,643,895	2,643,895	-
-	1,509,977	1,509,977	-
-	153,419	153,419	-
-	3,036,814	3,036,814	-
-	(36,413)	(36,413)	-
-	7,307,692	7,307,692	-
(22,854,983)	7,307,692	(15,547,291)	-
-	-	-	(366,817)
15,183,160	-	15,183,160	-
2,831,724	-	2,831,724	-
875,149	-	875,149	-
6,594,530	-	6,594,530	-
433,791	247,448	681,239	2,315
299,084	18,653	317,737	76,396
525,967	-	525,967	-
2,290,147	(2,290,147)	-	-
29,033,552	(2,024,046)	27,009,506	78,711
6,178,569	5,283,646	11,462,215	(288,106)
75,891,144	154,785,973	230,677,117	5,694,294
<u>\$ 82,069,713</u>	<u>\$ 160,069,619</u>	<u>\$ 242,139,332</u>	<u>\$ 5,406,188</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	General	Debt Service	Infrastructure Construction	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and Investments	\$ 7,023,246	\$ 1,377,739	\$ -	\$ 6,168,487	\$ 14,569,472
Restricted Cash and Investments	-	-	-	283,769	283,769
Receivables:					
Taxes and Special Charges	8,118,184	3,295,026	-	2,482,098	13,895,308
Delinquent Taxes	31,593	-	-	-	31,593
Accounts, net	179,651	-	52,692	-	232,343
Special Assessments	524,473	-	-	226,789	751,262
Loans	-	-	-	348,407	348,407
Leases	776,646	-	-	-	776,646
Other	-	-	-	650,714	650,714
Due from Other Funds	2,900,642	-	390,760	-	3,291,402
Advance to Other Funds	156,972	-	-	-	156,972
Due from Other Governments	-	-	-	141,502	141,502
Inventories and Prepaid Items	30,831	-	-	-	30,831
	<u>\$ 19,742,238</u>	<u>\$ 4,672,765</u>	<u>\$ 443,452</u>	<u>\$ 10,301,766</u>	<u>\$ 35,160,221</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 600,541	\$ -	\$ 210,638	\$ 220,931	\$ 1,032,110
Accrued and Other Current Liabilities	6,575	-	-	-	6,575
Due to Other Funds	-	-	155,395	328,807	484,202
Advance from Other Funds	-	-	-	156,972	156,972
Due to Other Governments	387,217	-	-	1,480	388,697
Special Deposits	10,100	-	-	2,000	12,100
Unearned Revenues	63,348	-	-	1,530,311	1,593,659
Total Liabilities	<u>1,067,781</u>	<u>-</u>	<u>366,033</u>	<u>2,240,501</u>	<u>3,674,315</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for					
Subsequent Year	10,811,961	4,434,439	-	3,316,913	18,563,313
Unavailable Revenue - Grants	-	-	49,970	141,502	191,472
Special Assessments	478,627	-	-	223,655	702,282
Leases	776,646	-	-	-	776,646
Total Deferred Inflows of Resources	<u>12,067,234</u>	<u>4,434,439</u>	<u>49,970</u>	<u>3,682,070</u>	<u>20,233,713</u>
<b>FUND BALANCES</b>					
Nonspendable	187,803	-	-	229,569	417,372
Restricted	-	238,326	-	3,737,814	3,976,140
Committed	666,409	-	27,449	961,567	1,655,425
Unassigned	5,753,011	-	-	(549,755)	5,203,256
Total Fund Balances	<u>6,607,223</u>	<u>238,326</u>	<u>27,449</u>	<u>4,379,195</u>	<u>11,252,193</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,742,238</u>	<u>\$ 4,672,765</u>	<u>\$ 443,452</u>	<u>\$ 10,301,766</u>	<u>\$ 35,160,221</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page \$ 11,252,193

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. 111,845,740

Long-term assets are not considered available; therefore, are not reported in the funds.  
 Net Pension Asset 7,664,884

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.  
 Special Assessments 702,282  
 Unavailable Grant Revenue 191,472

Net position of the internal service fund is reported in the statement of net position as governmental activities. 3,941,061

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 14,941,942  
 Deferred Inflows Related to Pensions (18,059,049)  
 Deferred Outflows Related to Other Postemployment Benefits 320,579  
 Deferred Inflows Related to Other Postemployment Benefits (138,856)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.  
 Bonds and Notes Payable (45,570,343)  
 Financed Purchase (1,852,019)  
 Lease Liability (23,067)  
 Premium on Debt (869,547)  
 Compensated Absences (888,557)  
 Other Postemployment Benefit (1,017,240)  
 Accrued Interest on Long-Term Obligations (371,762)

Net Position of Governmental Activities as Reported on the Statement of Net Position \$ 82,069,713

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Infrastructure Construction	Other Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 10,822,812	\$ 4,549,826	\$ -	\$ 3,517,395	\$ 18,890,033
Special Assessments	464,846	-	-	89,999	554,845
Intergovernmental	7,497,483	-	-	2,289,313	9,786,796
Licenses and Permits	236,234	-	-	204,863	441,097
Fines and Forfeits	183,284	-	-	28,540	211,824
Public Charges for Services	807,591	-	-	525,240	1,332,831
Intergovernmental Charges for Services	37,657	-	267,302	-	304,959
Miscellaneous	770,433	-	-	441,768	1,212,201
Total Revenues	20,820,340	4,549,826	267,302	7,097,118	32,734,586
<b>EXPENDITURES</b>					
Current:					
General Government	3,300,927	-	-	384,037	3,684,964
Public Safety	9,273,134	-	-	149,852	9,422,986
Public Works	5,050,951	-	2,580,972	1,357,799	8,989,722
Health and Human Services	304,693	-	-	-	304,693
Culture and Recreation	3,904,531	-	-	631,794	4,536,325
Conservation and Development	544,999	-	7,417	353,857	906,273
Debt Service:					
Principal	60,354	3,686,831	-	1,425,832	5,173,017
Interest and Fiscal Charges	4,850	845,385	-	398,858	1,249,093
Capital Outlay	-	-	1,215,848	1,407,441	2,623,289
Total Expenditures	22,444,439	4,532,216	3,804,237	6,109,470	36,890,362
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,624,099)	17,610	(3,536,935)	987,648	(4,155,776)
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	60,507	3,557,949	755,544	4,374,000
Premium on Debt Issued	-	38,758	-	-	38,758
Proceeds from Sale of Capital Assets	-	-	-	692,834	692,834
Transfers In	2,036,393	113,070	25,000	588,336	2,762,799
Transfers Out	(62,776)	-	(17,251)	(327,625)	(407,652)
Total Other Financing Sources (Uses)	1,973,617	212,335	3,565,698	1,709,089	7,460,739
<b>NET CHANGE IN FUND BALANCES</b>	349,518	229,945	28,763	2,696,737	3,304,963
Fund Balances - Beginning of Year	6,257,705	8,381	(1,314)	1,682,458	7,947,230
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,607,223</u>	<u>\$ 238,326</u>	<u>\$ 27,449</u>	<u>\$ 4,379,195</u>	<u>\$ 11,252,193</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances as Shown on Previous Page \$ 3,304,963

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	5,119,618
Contributed Capital Assets	40,059
Depreciation and Amortization Expense Reported in the Statement of Activities	(4,670,161)
Net Book Value of Disposals	(232,396)

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	82,393
Special Assessments	36,208

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	(4,374,000)
Premium on Debt Issued	(38,758)
Principal Repaid	5,173,017

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	69,793
Compensated Absences	(72,874)
Net Pension Asset	1,794,160
Deferred Outflows of Resources Related to Pensions	5,159,381
Deferred Inflows of Resources Related to Pensions	(5,201,276)
Other Postemployment Benefits	(58,401)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(66,381)
Deferred Inflows of Resources Related to Other Postemployment Benefits	11,938

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.

102,506

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 6,178,569

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 10,964,568	\$ 10,964,568	\$ 10,822,812	\$ (141,756)
Special Assessments	391,000	391,000	464,846	73,846
Intergovernmental	7,539,266	7,539,266	7,497,483	(41,783)
Licenses and Permits	289,550	289,550	236,234	(53,316)
Fines and Forfeits	221,000	221,000	183,284	(37,716)
Public Charges for Services	783,050	783,050	807,591	24,541
Intergovernmental Charges for Services	43,720	43,720	37,657	(6,063)
Miscellaneous	497,600	550,600	770,433	219,833
Total Revenues	20,729,754	20,782,754	20,820,340	37,586
<b>EXPENDITURES</b>				
Current:				
General Government	3,789,586	3,681,964	3,300,927	381,037
Public Safety	9,531,243	9,593,080	9,273,134	319,946
Public Works	5,290,073	5,290,073	5,050,951	239,122
Health and Human Services	265,511	269,011	304,693	(35,682)
Culture and Recreation	3,908,391	3,925,244	3,904,531	20,713
Conservation and Development	691,082	715,082	544,999	170,083
Debt Service:				
Principal	36,200	36,200	60,354	(24,154)
Interest and Fiscal Charges	6,500	6,500	4,850	1,650
Total Expenditures	23,518,586	23,517,154	22,444,439	1,072,715
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,788,832)	(2,734,400)	(1,624,099)	1,110,301
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,000,000	2,000,000	2,036,393	36,393
Transfers Out	-	(62,776)	(62,776)	-
Total Other Financing Sources (Uses)	2,000,000	1,937,224	1,973,617	36,393
<b>NET CHANGE IN FUND BALANCE</b>	(788,832)	(797,176)	349,518	1,146,694
Fund Balance - Beginning of Year	6,257,705	6,257,705	6,257,705	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,468,873</u>	<u>\$ 5,460,529</u>	<u>\$ 6,607,223</u>	<u>\$ 1,146,694</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**DECEMBER 31, 2022**

	Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services		
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 23,869,142	\$ 12,578,311	\$ -	\$ 36,447,453	\$ 800,601
Receivables:					
Taxes and Special Charges	-	26,611	-	26,611	-
Customer Accounts	6,709,349	181,087	863,242	7,753,678	-
Special Assessments	-	55,389	-	55,389	-
Other	519,557	-	-	519,557	13,321
Due from Other Funds	97,688	1,367,023	-	1,464,711	9,057
Due from Other Governments	-	366	-	366	1,871
Inventories and Prepaid Items	2,042,106	123,489	5,621	2,171,216	124,152
Total Current Assets	33,237,842	14,332,276	868,863	48,438,981	949,002
<b>NONCURRENT ASSETS</b>					
Restricted Assets:					
Cash and Investments	7,849,797	2,853,820	-	10,703,617	-
Lease Receivables	768,233	-	-	768,233	-
Total Noncurrent Assets	8,618,030	2,853,820	-	11,471,850	-
<b>OTHER ASSETS</b>					
Investment in ATC LLC	13,266,261	-	-	13,266,261	-
Other	116,956	-	-	116,956	-
Net Pension Asset	1,688,050	367,776	893,085	2,948,911	113,109
Total Other Assets	15,071,267	367,776	893,085	16,332,128	113,109
<b>CAPITAL ASSETS</b>					
Nondepreciable	3,029,990	168,387	99,887	3,298,264	60,344
Depreciable	94,439,041	39,582,603	1,925,691	135,947,335	3,130,442
Total Capital Assets	97,469,031	39,750,990	2,025,578	139,245,599	3,190,786
<b>Total Assets</b>	<b>\$ 154,396,170</b>	<b>\$ 57,304,862</b>	<b>\$ 3,787,526</b>	<b>\$ 215,488,558</b>	<b>\$ 4,252,897</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Amounts	\$ 3,306,886	\$ 721,614	\$ 1,738,359	\$ 5,766,859	\$ 220,693
Other Postemployment Related Amounts	143,645	15,382	37,353	196,380	4,731
Total Deferred Outflows of Resources	3,450,531	736,996	1,775,712	5,963,239	225,424

See accompanying Notes to Basic Financial Statements.



**CITY OF MARSHFIELD**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**DECEMBER 31, 2022**

	Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services		
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 4,474,099	\$ 134,159	\$ 41,147	\$ 4,649,405	\$ 69,818
Due to Other Funds	3,932,187	-	348,781	4,280,968	-
Due to Other Governments	54,858	-	-	54,858	-
Accrued Interest	-	-	7,983	7,983	-
Special Deposits	116,923	-	-	116,923	-
Current Portion of Long-Term Debt	358,415	32,418	185,649	576,482	14,074
Current Portion of Other Postemployment Benefits	51,121	-	-	51,121	-
Payable from Restricted Assets:					
Special Deposits	211,000	-	-	211,000	-
Current Portion of Revenue Bonds	3,250,000	-	-	3,250,000	-
Accrued Interest	65,914	-	-	65,914	-
Total Payable from Restricted Assets	3,526,914	-	-	3,526,914	-
Total Current Liabilities	12,514,517	166,577	583,560	13,264,654	83,892
<b>LONG-TERM OBLIGATIONS, Less:</b>					
<b>Current Portion</b>					
General Obligation Debt	-	-	900,000	900,000	-
Revenue Bonds	36,179,416	-	-	36,179,416	-
Compensated Absences	916,562	-	-	916,562	542
Other Postemployment Benefits	2,335,685	48,809	118,525	2,503,019	15,011
Total Long-Term Liabilities	39,431,663	48,809	1,018,525	40,498,997	15,553
Total Liabilities	51,946,180	215,386	1,602,085	53,763,651	99,445
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases Receivable	768,233	-	-	768,233	-
Pension Related Amounts	3,977,788	866,509	2,104,175	6,948,472	266,493
Other Postemployment Related Amounts	48,253	6,663	16,179	71,095	2,049
Total Deferred Inflows of Resources	4,794,274	873,172	2,120,354	7,787,800	268,542
<b>NET POSITION</b>					
Net Investment In Capital Assets	57,290,770	39,713,818	953,027	97,957,615	3,190,786
Restricted					
Pension Asset	1,688,050	367,776	893,085	2,948,911	113,109
Capital Improvements	-	2,852,846	-	2,852,846	-
Other	215,000	-	-	215,000	-
Unrestricted	41,912,427	14,018,860	(5,313)	55,925,974	806,439
Total Net Position	\$ 101,106,247	\$ 56,953,300	\$ 1,840,799	159,900,346	\$ 4,110,334
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				169,273	
Net Position of Business-Type Activities as Reported on the Statement of Net Position				\$ 160,069,619	

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds				
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services	Totals	Governmental Activities - Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 44,423,380	\$ 6,568,517	\$ 2,258,535	\$ 53,250,432	\$ 2,139,284
Other	737,656	944,742	139,313	1,821,711	1,070
Total Operating Revenues	45,161,036	7,513,259	2,397,848	55,072,143	2,140,354
<b>OPERATING EXPENSES</b>					
General and Administrative	1,771,759	-	-	1,771,759	-
Customer Accounts	826,763	-	-	826,763	-
Operation and Maintenance	31,826,847	3,370,236	2,247,020	37,444,103	1,604,892
Depreciation	5,367,160	1,126,311	160,938	6,654,409	408,581
Taxes	234,139	-	-	234,139	-
Total Operating Expenses	40,026,668	4,496,547	2,407,958	46,931,173	2,013,473
<b>OPERATING INCOME (LOSS)</b>	5,134,368	3,016,712	(10,110)	8,140,970	126,881
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	198,988	48,460	-	247,448	-
Nonoperating Grants	-	733	-	733	5,790
Gain (Loss) on Disposal of Capital Assets	(622,519)	(640)	-	(623,159)	21,484
Interest and Fiscal Charges	(533,765)	(16,188)	(27,706)	(577,659)	-
Amortization of Debt Discount/Premium	91,225	9,592	-	100,817	-
Other Nonoperating Revenues (Expenses)	6,013	(1,600)	4,648	9,061	18,492
Total Nonoperating Revenues (Expenses)	(860,058)	40,357	(23,058)	(842,759)	45,766
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	4,274,310	3,057,069	(33,168)	7,298,211	172,647
Capital Contributions	235,176	35,265	-	270,441	-
Transfers Out	(2,283,897)	-	(6,250)	(2,290,147)	(65,000)
<b>CHANGE IN NET POSITION</b>	2,225,589	3,092,334	(39,418)	5,278,505	107,647
Net Position - Beginning of Year	98,880,658	53,860,966	1,880,217		4,002,687
<b>NET POSITION - END OF YEAR</b>	<u>\$ 101,106,247</u>	<u>\$ 56,953,300</u>	<u>\$ 1,840,799</u>		<u>\$ 4,110,334</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				5,141	
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities				<u>\$ 5,283,646</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	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	\$ 44,518,700	\$ 7,370,941	\$ 2,056,101	\$ 53,945,742
Cash Received from Tower Rental	87,351	-	-	87,351
Cash Paid for Employee Wages and Benefits	(3,951,254)	(1,004,019)	(1,023,969)	(5,979,242)
Cash Paid to Suppliers	(30,550,938)	(2,455,756)	(541,092)	(33,547,786)
Net Cash Provided by Operating Activities	10,103,859	3,911,166	491,040	14,506,065
				545,151
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due to/from Other Funds	-	-	(266,016)	(266,016)
Transfer Out	(2,283,897)	-	(6,250)	(2,290,147)
Net Cash Used by Noncapital Financing Activities	(2,283,897)	-	(272,266)	(2,556,163)
				(65,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(11,785,512)	(731,553)	(18,448)	(12,535,513)
Capital Contributions	235,176	31,424	-	266,600
Sale of Capital Assets	-	-	-	-
Principal Paid on Long-Term Debt	(2,550,000)	(1,295,000)	(171,653)	(4,016,653)
Interest Paid on Long-Term Debt	(838,628)	(19,426)	(28,673)	(886,727)
Net Cash Used by Capital and Related Financing Activities	(14,938,964)	(2,014,555)	(218,774)	(17,172,293)
				(376,991)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	(518,914)	48,460	-	(470,454)
Net Cash Provided (Used) by Investing Activities	(518,914)	48,460	-	(470,454)
				-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(7,637,916)	1,945,071	-	(5,692,845)
				103,160
Cash and Cash Equivalents - Beginning of Year	39,356,855	13,487,060	-	52,843,915
				697,441
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 31,718,939</u>	<u>\$ 15,432,131</u>	<u>\$ -</u>	<u>\$ 47,151,070</u>
				<u>\$ 800,601</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services		
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 5,134,368	\$ 3,016,712	\$ (10,110)	\$ 8,140,970	\$ 126,881
Nonoperating Miscellaneous Revenue (Expense)	6,013	(867)	4,648	9,794	24,282
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	5,367,160	1,126,310	160,938	6,654,408	408,580
Depreciation Charged to Clearing Accounts	278,173	-	-	278,173	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:					
Change in Pension Asset (Liability)	(374,547)	(84,599)	(216,372)	(675,518)	(19,254)
Change in Pension Deferred Outflow	(1,132,502)	(253,015)	(613,657)	(1,999,174)	(68,025)
Change in Pension Deferred Inflow	1,092,638	246,309	622,070	1,961,017	60,936
Change In OPEB Liability	(70,222)	3,284	7,252	(59,686)	1,455
Change In OPEB Deferred Outflow	(2,655)	2,559	8,000	7,904	(318)
Change In OPEB Deferred Inflow	(4,124)	(611)	(1,203)	(5,938)	(362)
Change In Operating Assets And Liabilities:					
Taxes Receivable	-	(17,059)	-	(17,059)	-
Customer Accounts Receivable	(620,962)	(28,346)	542,605	(106,703)	-
Other Receivables	27,875	-	-	27,875	(12,303)
Due from Other Funds	38,102	(96,913)	-	(58,811)	(6,574)
Due from Other Governments	-	-	-	-	142
Inventories and Prepaid Items	(117,609)	(46,184)	(5,621)	(169,414)	1,233
Other Assets	3,046	-	-	3,046	-
Preliminary Survey	(20,972)	-	-	(20,972)	-
Accounts Payable	256,757	105,374	(3,570)	358,561	36,009
Due to Other Funds	219,033	(56,501)	-	162,532	(2,172)
Due to Other Governments	5,277	-	-	5,277	-
Customer Advances	(140,504)	-	-	(140,504)	-
Special Deposits	33,299	-	-	33,299	-
Compensated Absences	126,215	(5,287)	(3,940)	116,988	(5,359)
Net Cash Provided by Operating Activities	<u>\$ 10,103,859</u>	<u>\$ 3,911,166</u>	<u>\$ 491,040</u>	<u>\$ 14,506,065</u>	<u>\$ 545,151</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:					
Cash and Cash Equivalents in Current Assets	\$ 23,869,142	\$ 12,578,311	\$ -	\$ 36,447,453	\$ 800,601
Cash and Cash Equivalents in Restricted Assets	7,849,797	2,853,820	-	10,703,617	-
Total Cash and Cash Equivalents	<u>\$ 31,718,939</u>	<u>\$ 15,432,131</u>	<u>\$ -</u>	<u>\$ 47,151,070</u>	<u>\$ 800,601</u>
Noncash Capital and Related Financing Activities:					
Investment in American Transmission Company	\$ 1,009,703	\$ -	\$ -	\$ 1,009,703	\$ -
Change in Fair Value of Investments	(1,301,327)	-	-	(1,301,327)	-
Purchase of Capital Assets on Account	2,111,348	-	-	2,111,348	-

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**DECEMBER 31, 2022**

	Tax Collection Custodial Fund
<b>ASSETS</b>	
Cash and Investments	\$ 6,686,548
Receivables:	
Taxes	<u>19,346,510</u>
Total Assets	<u>26,033,058</u>
<b>LIABILITIES</b>	
Accounts Payable	4,967
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	<u>26,028,091</u>
<b>NET POSITION</b>	
Restricted	<u><u>\$ -</u></u>

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MARSHFIELD  
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Tax Collection Custodial Fund
<b>ADDITIONS</b>	
Property Tax Collections	\$ 17,271,521
<b>DEDUCTIONS</b>	
Payments to Taxing Jurisdictions	17,271,521
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	-
<b>NET POSITION - END OF YEAR</b>	<u>\$ -</u>

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022 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, Wisconsin 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, Wisconsin 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**B. Joint Venture (Continued)**

**1. Marshfield Fairgrounds Commission (Continued)**

The City of Marshfield, Wisconsin 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, Wisconsin. 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, Wisconsin, 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, Wisconsin 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, Wisconsin 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 from 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.



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.

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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 \$196,263 and the emergency medical services receivable net of an allowance of \$889,000 which represents estimated 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 2022 tax roll are recognized as revenue in 2022.) Special assessments are subject to collection procedures.

**6. Leases Receivable**

The City determines if an arrangement is a lease at inception. Leases are included in the lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

**6. Leases Receivable (Continued)**

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a received and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extend, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use the interest rate on the investment purchased closest to the commencement date of the lease to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for the lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

**7. 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.

**8. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

**8. 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.

**9. 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.

**10. 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.

**11. 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 \$13,266,261 as of December 31, 2022, and is reported on the statement of net position as an asset.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

**12. 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:

	Governmental Activities	Business-Type Activities
<u>Assets</u>	<u>Years</u>	
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
Right to Use Lease Asset - Machinery and Equipment	1 to 6	2

**13. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

**13. 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 lesser 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.

**14. 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 and grants. These inflows are recognized as revenues in the government-wide financial statements.

**15. 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.



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

**16. Leases Payable**

The City determines if an arrangement is a lease at inception. Leases are included in right-to-use (lease assets) and lease liabilities in the statement of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City recognizes payments for short-term leases with a lease term of 12 months or less, including options to extend, as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

**17. 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.

**18. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

**19. 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 or amortization, 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.

**H. Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the City recorded \$1,688,401 in leases receivable and deferred inflows of resources related to those receivables as of January 1, 2022. Items previously recorded as capital or operating leases were reassessed resulting in a right to use asset and lease liability of \$38,908 as of January 1, 2022 and a financed purchase liability of \$2,191,877.

As discussed in Note 1.A, the financial information for the Community Development Authority of the City of Marshfield, a discretely presented component unit, is reported as of March 31, 2022, and did not implement GASB Statement No. 87, *Leases*.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 and program level. Expenditures may not exceed appropriations at the program level for the City.
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, 2022.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**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, 2022 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund:	
Health and Human Services	\$ 35,682
Debt Service	
Principal	24,149
Room Tax Fund	235,671
Business Improvement District Fund	3,299
Municipal Court Spencer Fund	4,992
Municipal Court Stratford Fund	6,116

**C. Deficit Fund Equity**

The following funds had deficit fund balance or net position as of December 31, 2022:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Special Revenue Funds:	
Taxi System	\$ 14,560
Capital Projects Funds:	
Parks and Recreation Capital Projects	213,877
TID #5 (Mill Creek Business Park)	280,565
TID #12 (East Yellowstone Industrial Park)	40,753

The City anticipates funding the above deficits from future revenues and tax increments of the funds.

**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 2022 and 2023 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 2022 budget was 3.54%. The actual limit for the City for the 2023 budget was 0.55%. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.  
The carrying amount of the City's cash and investments totaled \$69,491,460 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$ 10,793
Deposits with Financial Institutions	18,283,314
Investments	51,197,353
Total	<u>\$ 69,491,460</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 51,817,526
Restricted Cash and Investments	10,987,386
Fiduciary Fund Statement of Net Position:	
Cash and Investments	6,686,548
Total	<u>\$ 69,491,460</u>

**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, 2022:

	Fair Value Measurements Using:			Total
	Level 1	Level 2	Level 3	
Investments:				
Negotiable Certificates of Deposit	\$ -	\$ 5,199,504	\$ -	\$ 5,199,504
Federal National Mortgage Association	-	1,074,676	-	1,074,676
Federal Home Loan Mortgage Corporation	-	1,694,212	-	1,694,212
Federal Home Loan Banks	-	7,452,677	-	7,452,677
Federal Farm Credit Bank System	-	1,797,268	-	1,797,268
Total	<u>\$ -</u>	<u>\$ 17,218,337</u>	<u>\$ -</u>	<u>\$ 17,218,337</u>

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

**A. Cash and Investments (Continued)**

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.

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, 2022, \$12,198,387 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. \$10,121,913 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.



**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

**A. Cash and Investments (Continued)**

Credit Risk (Continued)

<u>Investment Type</u>	<u>Amount</u>	Exempt from <u>Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Negotiable Certificates of Deposit	\$ 5,199,504	\$ -	\$ -	\$ -	\$ 5,199,504
Federal National Mortgage Association	1,074,676	-	1,074,676	-	-
Federal Home Loan Mortgage Corporation	1,694,212	-	1,694,212	-	-
Federal Home Loan Banks	7,452,677	-	7,452,677	-	-
Federal Farm Credit Bank System	1,797,268	-	1,797,268	-	-
Wisconsin Local Government Investment Pool	33,979,016	-	-	-	33,979,016
<b>Totals</b>	<b>\$ 51,197,353</b>	<b>\$ -</b>	<b>\$ 12,018,833</b>	<b>\$ -</b>	<b>\$ 39,178,520</b>

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:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Negotiable Certificates of Deposit	\$ 5,199,504	\$ 718,780	\$ 699,259	\$ 3,781,465	\$ -
Federal National Mortgage Association	1,074,676	-	-	1,074,676	-
Federal Home Loan Mortgage Corporation	1,694,212	-	972,850	721,362	-
Federal Home Loan Banks	7,452,677	-	939,158	6,513,519	-
Federal Farm Credit Bank System	1,797,268	-	-	1,797,268	-
Wisconsin Local Government Investment Pool	33,979,016	33,979,016	-	-	-
<b>Totals</b>	<b>\$ 51,197,353</b>	<b>\$ 34,697,796</b>	<b>\$ 2,611,267</b>	<b>\$ 13,888,290</b>	<b>\$ -</b>

The City has investments in the Wisconsin Local Government Investment Pool of \$33,979,016 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, 2022, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. As of December 31, 2022, the LGIP has a weighted average maturity of 74 days.

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

**B. Restricted Assets**

Restricted assets on December 31, 2022 totaled \$10,982,386 and consisted of cash and investments held for the following purposes:

Funds	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 Mall Area):		
Developer Deposit	2,000	Developer deposit contingent on meeting various developer agreement requirements
Cemetery Perpetual Care:		
Care of the Cemetery	<u>229,569</u>	Funds restricted for operations and maintenance of the City cemetery
Total Governmental Activities	283,769	
<b>Marshfield Utilities</b>		
Electric Utility:		
Bond Redemption	261,930	Funds set aside for future principal and interest payments to meet the terms of the outstanding electric revenue bonds.
Bond Reserve	2,245,377	Funds set aside to meet the debt service reserve requirements of the outstanding electric revenue bonds.
M-1 Maintenance	2,800,290	Funds set aside for future maintenance of the M-1 combustion turbine unit. This is a utility designation only.
Bond Proceeds	1,417,400	Unspent bond proceeds to be used for capital asset construction.
Customer Deposits	211,000	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	32,322	Funds restricted for future principal and interest payments on water revenue bonds.
Bond Reserve	<u>881,478</u>	Funds set aside to meet the debt service reserve requirements of the outstanding water revenue bonds.
Total Marshfield Utilities	7,849,797	
<b>Wastewater Utility</b>		
Equipment Replacement	2,852,846	Funds restricted for maintenance and upgrades of the wastewater treatment plant.
Bond Reserve	<u>974</u>	Funds set aside to meet the debt service reserve requirements of the outstanding wastewater revenue bonds.
Total Wastewater Utility	<u>2,853,820</u>	
Total Restricted Assets	<u><u>\$ 10,982,386</u></u>	

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

**C. Leases Receivable**

A summary of the City's lease terms and interest rates is as follows:

Tower/ground lease: Monthly installments ranging from \$3,285 to \$5,056 including interest at 1.00%, due dates ranging from 2023-2034.

Air Leases: Monthly Installments ranging from \$2,000 to \$2,150 including interest at 3.00%, due dates ranging from 2023-2062.

Airport Land Lease: Annual installments ranging from \$147 to 654 including interest at 3.00%, due dates from 2023-2071.

Building Lease: Monthly Installments ranging from \$2,000 to \$4,000 including interest at 3.00%, due dates from 2023-2025.

The leases provide for increases in future minimum annual rental payments.

For the year ended December 31, 2022, the City received \$151,566 in lease revenue and interest on the leases receivable.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ended December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 40,916	\$ 23,299	\$ 83,617	\$ 7,228	\$ 155,060
2024	48,144	22,072	88,111	6,368	164,695
2025	55,588	20,628	92,795	5,462	174,473
2026	9,256	18,960	97,679	4,509	130,404
2027	9,533	18,682	77,731	3,568	109,514
2028-2032	52,232	88,946	258,280	10,113	409,571
2033-2037	63,637	80,441	70,020	382	214,480
2038-2042	73,521	70,305	-	-	143,826
2043-2047	86,809	58,518	-	-	145,327
2048-2052	100,238	44,700	-	-	144,938
2053-2057	112,377	28,842	-	-	141,219
2058-2062	123,253	11,482	-	-	134,735
2063-2067	598	137	-	-	735
2068-2071	544	41	-	-	585
Total	<u>\$ 776,646</u>	<u>\$ 487,053</u>	<u>\$ 768,233</u>	<u>\$ 37,630</u>	<u>\$ 2,069,562</u>

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance (1)	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 7,432,763	\$ 438,221	\$ 221,042	\$ 7,649,942
Construction in Progress	6,837,984	121,387	6,818,754	140,617
Total Capital Assets, Nondepreciable	14,270,747	559,608	7,039,796	7,790,559
Capital Assets Being Depreciated and Amortized:				
Buildings and Improvements	46,683,094	7,132,527	-	53,815,621
Machinery and Equipment	20,452,691	1,106,562	596,854	20,962,399
Infrastructure	107,695,767	3,674,114	-	111,369,881
Right-to-Use Lease Asset	38,908	-	-	38,908
Subtotals	174,870,460	11,913,203	596,854	186,186,809
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	17,100,869	1,321,299	-	18,422,168
Machinery and Equipment	13,801,778	947,578	489,595	14,259,761
Infrastructure	43,449,048	2,793,558	-	46,242,606
Right-to-Use Lease Asset	-	16,307	-	16,307
Subtotals	74,351,695	5,078,742	489,595	78,940,842
Total Capital Assets, Being Depreciated and Amortized, Net	100,518,765	6,834,461	107,259	107,245,967
Governmental Activities Capital Assets, Net	<u>\$ 114,789,512</u>	<u>\$ 7,394,069</u>	<u>\$ 7,147,055</u>	115,036,526
Less: Capital Related Long Term Debt				(42,703,866)
Less: Capital Related Debt Premium				(850,048)
Less: Capital Related Payable and Retainage				<u>(212,350)</u>
Net Investment in Capital Assets				<u>\$ 71,270,262</u>
<b>Business-Type Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 2,627,859	\$ -	\$ -	\$ 2,627,859
Construction in Progress	9,015,453	13,715,069	22,060,117	670,405
Total Capital Assets, Nondepreciable	11,643,312	13,715,069	22,060,117	3,298,264
Capital Assets, Depreciable:				
Buildings and Improvements	34,711,211	16,810,148	1,359,828	50,161,531
Machinery and Equipment	13,471,641	845,025	175,392	14,141,274
Infrastructure	158,773,846	5,008,618	333,760	163,448,704
Subtotals	206,956,698	22,663,791	1,868,980	227,751,509
Less: Accumulated Depreciation for:				
Buildings and Improvements	17,874,008	1,105,799	721,120	18,258,687
Machinery and Equipment	10,605,848	780,105	170,960	11,214,993
Infrastructure	57,567,111	5,046,678	283,295	62,330,494
Subtotals	86,046,967	6,932,582	1,175,375	91,804,174
Total Capital Assets, Depreciable, Net	120,909,731	15,731,209	693,605	135,947,335
Business-Type Activities Capital Assets, Net	<u>\$ 132,553,043</u>	<u>\$ 29,446,278</u>	<u>\$ 22,753,722</u>	139,245,599
Less: Capital Related Long Term Debt				(37,880,047)
Less: Capital Related Debt Premium				(1,259,415)
Less: Capital Related Payable and Retainage				<u>(2,148,522)</u>
Net Investment in Capital Assets				<u>\$ 97,957,615</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No.87 See Note 1.H.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**D. Capital Assets (Continued)**

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

Governmental Activities:

General Government	\$ 87,545
Public Safety	691,202
Public Works	2,905,418
Culture and Recreation	978,413
Health and Human Services	7,583
Internal Service Fund	<u>408,581</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 5,078,742</u></u>

Business-Type Activities:

Electric Utility	\$ 3,628,736
Water Utility	1,956,615
Communication Utility	59,982
Wastewater Utility	1,126,311
Emergency Medical Services	<u>160,938</u>
Total Increase in Depreciation	6,932,582
Depreciation Charged to Clearing Accounts and Other Utilities	<u>(278,173)</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 6,654,409</u></u>

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

**E. 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, 2022 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Operating Accounts Between Funds:		
General Fund	\$ 2,067,659	\$ -
Capital Projects Funds:		
Infrastructure Construction	390,760	-
Enterprise Funds:		
Marshfield Utilities	97,688	3,932,187
Wastewater Utility	1,367,023	-
Vehicle/Equipment Internal Service Fund	9,057	-
Temporary Cash Advances to Finance Operating		
Cash Deficits of Other Funds:		
General Fund	832,983	-
Special Revenue Funds:		
Taxi System	-	114,930
Capital Projects Funds:		
Parks and Recreation Capital Projects	-	213,877
Infrastructure Construction	-	155,395
Enterprise Funds:		
Emergency Medical Services	-	348,781
Totals	<u>\$ 4,765,170</u>	<u>\$ 4,765,170</u>
	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Advances to Finance TIF Expenditures:		
General Fund	\$ 156,972	\$ -
Capital Projects Funds:		
TID #5 (Mill Creek Business Park)	-	116,219
TID #12 (East Yellowstone Industrial Park)	-	40,753
Totals	<u>\$ 156,972</u>	<u>\$ 156,972</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

Interfund transfers for the year ended December 31, 2022 were as follows:

<u>Fund</u>	Transfer In	Transfer Out
General Fund	\$ 2,036,393	\$ 62,776
Special Revenue Funds:		
Room Tax	-	196,805
Economic Development	282,505	35,000
Taxi System Fund	25,991	-
Debt Service Fund	113,070	-
Capital Projects Funds:		
Infrastructure Construction	25,000	17,251
Public Facilities Capital Outlay	36,785	-
Public Safety Capital Outlay Fund	46,250	95,820
Airport Outlay Fund		
Parks and Rec Capital Projects	196,805	-
Enterprise Funds		
Marshfield Utilities	-	2,283,897
Emergency Medical Services	-	6,250
Vehicle/Equipment Internal Service Fund	-	65,000
Totals	<u>\$ 2,762,799</u>	<u>\$ 2,762,799</u>

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Marshfield Utilities to General Fund	\$ 1,992,657
Annual Dividend Paid by Marshfield Utilities	291,240
Transfer of Resources to Fund Authorized to Spend	231,806
Fund Repayment to Capital Project Funds	65,000
Transfer of Debt Premium	113,070
Transfer of Budgeted City Portion of Expenditures for Taxi Services	25,991
Fund Capital Outlay	36,785
Other	6,250
Total	<u>\$ 2,762,799</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022:

	Beginning Balance (1)	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Debt:					
Bonds	\$ 33,450,000	\$ 4,235,000	\$ 2,300,000	\$ 35,385,000	\$ 2,175,000
Notes	11,085,000	-	2,210,000	8,875,000	2,395,000
Notes From Direct Borrowings:					
State Trust Fund Loans	1,532,864	139,000	361,521	1,310,343	369,843
Total General Obligation Debt	46,067,864	4,374,000	4,871,521	45,570,343	4,939,843
Debt Premium	900,582	38,758	69,793	869,547	-
Financed Purchase	2,137,674	-	285,655	1,852,019	293,585
Lease Liability	38,908	-	15,841	23,067	16,784
Compensated Absences	835,658	108,195	40,680	903,173	524,141
Governmental Activities Long-Term Obligations	<u>\$ 49,980,686</u>	<u>\$ 4,520,953</u>	<u>\$ 5,283,490</u>	<u>\$ 49,218,149</u>	<u>\$ 5,774,353</u>
<b>Business-Type Activities</b>					
General Obligation Debt:					
Bonds	\$ 1,190,000	\$ -	\$ 145,000	\$ 1,045,000	\$ 145,000
Revenue Bonds	42,015,000	-	3,845,000	38,170,000	3,250,000
Debt Premium	1,360,234	-	100,818	1,259,416	-
Financed Purchase	54,203	-	26,653	27,550	27,550
Compensated Absences	1,203,506	126,214	9,226	1,320,494	430,931
Business-Type Activities Long-Term Obligations	<u>\$ 45,822,943</u>	<u>\$ 126,214</u>	<u>\$ 4,126,697</u>	<u>\$ 41,822,460</u>	<u>\$ 3,853,481</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No.87 See Note 1.H.

Total interest paid during the year on long-term debt totaled \$1,999,424.

The City's outstanding notes from direct borrowings related to governmental activities of \$1,310,343 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.



**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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 12/31/22
General Obligation Bonds	4/15/13	3/1/30	2.00 - 2.75%	\$ 3,030,000	\$ 1,990,000
General Obligation Note	4/15/13	3/1/23	2.00%	3,105,000	280,000
General Obligation Note	4/1/14	3/1/24	1.50 - 2.30%	4,010,000	750,000
General Obligation Bonds	4/14/15	3/1/30	2.00 - 2.50%	3,435,000	2,370,000
General Obligation Note	4/14/15	3/1/25	2.00%	2,820,000	765,000
General Obligation Bonds	3/1/16	3/1/36	2.00 - 3.00%	3,840,000	3,070,000
General Obligation Note	3/1/16	3/1/26	1.00 - 2.00%	3,865,000	1,645,000
General Obligation Bonds	11/1/16	3/1/28	1.00 - 2.50%	2,210,000	1,405,000
General Obligation Note	11/1/16	3/1/26	1.00 - 2.00%	2,110,000	995,000
General Obligation Note	4/4/17	3/1/27	2.00 - 3.00%	2,900,000	1,530,000
General Obligation Bonds	12/5/17	9/1/35	2.75 - 3.50%	3,075,000	2,615,000
General Obligation Note	7/31/18	3/1/28	3.00%	4,585,000	2,910,000
General Obligation Bonds	8/28/19	3/1/39	2.00 - 4.00%	15,475,000	13,475,000
State Trust Fund Loan	11/26/19	3/15/26	3.25%	750,000	520,692
State Trust Fund Loan	8/27/20	3/15/25	2.50%	736,000	447,459
General Obligation Bonds	9/17/20	3/1/37	1.00 - 2.00%	6,215,000	4,840,000
State Trust Fund Loan	6/1/21	3/15/24	2.50%	302,667	203,192
General Obligation Bonds	5/26/21	3/1/36	2.00 - 3.00%	2,580,000	2,430,000
General Obligation Bonds	8/30/22	3/1/42	3.00-3.75%	4,235,000	4,235,000
State Trust Fund Loan	12/29/22	3/15/25	5.50%	139,000	139,000
Total Outstanding General Obligation Debt					<u>\$ 46,615,343</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$46,615,343 on December 31, 2022 are detailed below:

Year Ending December 31,	Governmental Activities				Total
	Bonded Debt		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	
2023	\$ 4,570,000	\$ 1,011,994	\$ 369,843	\$ 33,189	\$ 5,985,026
2024	4,390,000	912,754	446,811	32,333	5,781,898
2025	4,295,000	810,718	357,198	12,554	5,475,470
2026	4,110,000	705,076	136,491	4,436	4,956,003
2027	3,895,000	608,200	-	-	4,503,200
2028 - 2032	13,760,000	2,080,490	-	-	15,840,490
2033 - 2037	7,070,000	1,032,004	-	-	8,102,004
2038 - 2042	2,170,000	154,161	-	-	2,324,161
Total	\$ 44,260,000	\$ 7,315,397	\$ 1,310,343	\$ 82,512	\$ 52,968,252

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

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

General Obligation Debt (Continued)

Year Ending December 31,	Business-Type Activities		
	Bonded Debt		
	Principal	Interest	Total
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	150,000	9,000	159,000
2028 - 2029	300,000	8,250	308,250
Total	\$ 1,045,000	\$ 92,200	\$ 1,137,200

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, 2022 was \$59,150,342 as follows:

Equalized Valuation of the City	\$ 2,115,313,700
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	105,765,685
Total Outstanding General Obligation Debt Applicable to Debt Limitation	46,615,343
Legal Margin for New Debt	<u>\$ 59,150,342</u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2022 totaled \$38,170,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Water Utility	10/14/14	12/1/33	2.00 - 3.50%	\$ 3,845,000	\$ 2,575,000
Water Utility	9/15/15	12/1/34	3.00 - 3.40%	3,180,000	2,275,000
Water Utility	12/5/18	12/1/27	4.00 - 5.00%	2,695,000	1,600,000
Electric Utility	9/10/20	12/1/30	1.33%	19,745,000	16,010,000
Electric Utility	3/11/21	12/1/41	1.00 - 4.00%	15,710,000	15,710,000
Total Outstanding Revenue Bonds					<u>\$ 38,170,000</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 \$38,170,000 on December 31, 2022 are detailed below:

<u>Year Ending December 31.</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,445,000	587,553	4,032,553
2027	3,405,000	510,236	3,915,236
2028 - 2032	12,410,000	1,518,858	13,928,858
2033 - 2037	5,155,000	616,708	5,771,708
2038 - 2041	3,830,000	190,975	4,020,975
Total	<u>\$ 38,170,000</u>	<u>\$ 5,613,514</u>	<u>\$ 43,783,514</u>

Utility Revenues Pledged

The City has pledged future electric and water customer revenues, net of specified operating expenses, to repay the electric and water 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 \$36,807,059. Principal and interest paid for the current year and total customer net revenues were \$2,493,494 and \$7,040,736, respectively.

The total principal and interest remaining to be paid on the water bonds is \$7,696,455. Principal and interest paid for the current year and total customer net revenues were \$895,134 and \$3,693,136, respectively.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

Financed Purchase

A summary of the financed purchase arrangements of the City is below.

Infrastructure Improvements: The City entered into an agreement with the Community Development Authority of the City of Marshfield, Wisconsin to fund various infrastructure improvement projects. Interest rates on the agreement range from 2.70% - 3.75% with principal amounts due through 2032. The outstanding balance of the financed purchase as of December 31, 2022 is \$1,720,858.

Machinery and Equipment: The City has entered into various agreements for machinery and equipment. The financed purchases expire at various dates through 2024 with interest rates between 3.00% - 4.50%. the outstanding balance of the financed purchases as of December 31, 2022 are \$158,711.

Annual principal and interest maturities of the outstanding financed purchases of \$1,879,569 on December 31, 2022 are detailed below:

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 293,586	\$ 74,705	\$ 27,550	\$ 74,093	\$ 469,934
2024	182,575	65,128	-	-	247,703
2025	180,000	58,355	-	-	238,355
2026	185,000	52,505	-	-	237,505
2027	190,000	46,493	-	-	236,493
2028-2032	820,858	122,340	-	-	943,198
Total	<u>\$ 1,852,019</u>	<u>\$ 419,526</u>	<u>\$ 27,550</u>	<u>\$ 74,093</u>	<u>\$ 2,373,188</u>

Lease Liability

The City leases various pieces of machinery and equipment for various terms under long-term, noncancelable lease agreements. These leases expire at various dates through 2027.

Total principal and interest costs for such leases for governmental funds were \$17,287 for the year ended December 31, 2022. The future minimum lease payments for these agreements are as follows:

Year Ending December 31,	Governmental Activities		Total
	Principal	Interest	
2023	\$ 16,784	\$ 503	\$ 17,287
2024	4,537	276	4,813
2025	599	55	654
2026	582	73	655
2027	565	90	655
Total	<u>\$ 23,067</u>	<u>\$ 997</u>	<u>\$ 24,064</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Pension Plan**

**1. Plan Description**

The Wisconsin Retirement System (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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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.

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2012	-7.0%	-7.0%
2013	-9.6%	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%
2021	5.1%	13.0%

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

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Pension Plan (Continued)**

**3. Contributions (Continued)**

During the year ended December 31, 2022, the WRS recognized \$1,300,905 in contributions from the City, \$245,617 from the Utilities, and \$19,507 from the CDA.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2022, the City reported an asset of \$9,038,854, the Utility reported an asset of \$1,688,050, and the CDA reported an asset of \$144,239 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.11214202%, which was an increase of 0.00122875% from its proportion measured as of December 31, 2020. At December 31, 2021, the Utilities' proportion was 0.02094308%, which was a decrease of 0.00009607% from its proportion measured as of December 31, 2020. At December 31, 2021, the CDA's proportion was 0.00178953%, which was a decrease of 0.00010089% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2022, the City recognized pension revenue of \$775,994, the Utilities recognized pension expense of \$149,941, and the CDA recognized pension revenue of \$12,107.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Pension Plan (Continued)**

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

At December 31, 2022, 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	\$ 14,601,808	\$ 1,052,948
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	-	20,220,666
Changes in Assumptions	1,686,340	-
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	32,840	22,612
Employer Contributions Subsequent to the		
Measurement Date	1,301,620	-
Total	<u>\$ 17,622,608</u>	<u>\$ 21,296,226</u>
<b>Marshfield Utilities</b>		
Differences between Expected and Actual Experience	\$ 2,726,960	\$ 196,644
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	-	3,776,309
Changes in Assumptions	314,932	-
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	2,964	4,835
Employer Contributions Subsequent to the		
Measurement Date	262,030	-
Total	<u>\$ 3,306,886</u>	<u>\$ 3,977,788</u>
<b>Community Development Authority of the City of Marshfield</b>		
Differences between Expected and Actual Experience	\$ 233,012	\$ 16,802
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	-	322,674
Changes in Assumptions	26,911	-
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	443	669
Employer Contributions Subsequent to the		
Measurement Date	4,353	-
Total	<u>\$ 264,719</u>	<u>\$ 340,145</u>



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Pension Plan (Continued)**

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

Amounts reported as employer contributions subsequent to the measurement date, \$1,301,620 from the City, \$262,030 from the Utilities, and \$4,353 from the CDA, will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ (417,078)
2024	(2,444,103)
2025	(1,076,600)
2026	(1,037,457)
Total	<u>\$ (4,975,238)</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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ (81,243)
2024	(458,425)
2025	(200,679)
2026	(192,585)
Total	<u>\$ (932,932)</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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ (6,826)
2024	(39,270)
2025	(17,252)
2026	(16,431)
Total	<u>\$ (79,779)</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Pension Plan (Continued)**

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

\* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
<u>Core Fund Asset Class</u>			
Global Equities	52.0 %	6.8 %	4.2 %
Fixed Income	25.0	4.3	1.8
Inflation Sensitive Assets	19.0	2.7	0.0
Real Estate	7.0	5.6	3.0
Private Equity/Debt	12.0	9.7	7.0
Cash	(15.0)	0.9	N/A
Total Core Fund	<u>100.0 %</u>	6.6 %	4.0 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	6.6 %	4.1 %
International Equities	<u>30.0</u>	7.4 %	4.9 %
Total Variable Fund	<u>100.0 %</u>	7.1 %	4.6 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability for the current as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 6.8%, 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 (5.8%) or one-percentage-point higher (7.8%) than the current rate:

	One Percent Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	One Percent Increase to Discount Rate (7.8%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,413,707	\$ (9,038,854)	\$ (20,161,821)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	1,197,791	(1,688,050)	(3,765,320)
CDA's Proportionate Share of the Net Pension Liability (Asset)	102,348	(144,239)	(321,736)

Pension Plan Fiduciary Net Position

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

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Pension Plan (Continued)**

**6. Payables to the Pension Plan**

At December 31, 2022, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

At December 31, 2022, the Utilities reported a payable of \$79,708 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

At December 31, 2022, the CDA reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

**H. Other Postemployment Benefits**

The City reports OPEB related balances at December 31, 2022 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,641,681	\$ 550,277	\$ 220,711	\$ 194,485
Single-Employer Defined OPEB Plan	2,026,344	-	-	(73,779)
Total OPEB Liability	<u>\$ 3,668,025</u>	<u>\$ 550,277</u>	<u>\$ 220,711</u>	<u>\$ 120,706</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) coverage 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Active Employees	51
Total	<u>52</u>

Total OPEB Liability

The Utilities' total OPEB liability was measured as of December 31, 2022, 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:	4%
Discount Rate:	3.70%
Healthcare Cost Trend Rates:	4.7% for 2022 increasing to 4.8% for 2023, 4.7% for 2024, 4.6% for 2025, 4.5% for 2026, 4.4% for 2027, 4.4% for 2028, and decreasing to 4.2% thereafter
Pharmacy Cost Trend Rates:	5.2% for 2022, decreasing to 4.8% for 2023, 4.7% for 2024, 4.6% for 2025, 4.5% for 2026, 4.4% for 2027, 4.3% for 2028 and decreasing to 4.2% 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, 2022, 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 3.70%, as opposed to 2.05% for the prior year. The discount rate is based on the 20-year tax exempt municipal bond yield as of the measurement date.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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	\$ 2,148,652
Changes for the Year:	
Service Cost	87,270
Interest	45,342
Effect of Economic/Demographic Gains or Losses	249,525
Effect of Assumptions Changes or Inputs	(455,916)
Benefit Payments	(48,529)
Net Changes	(122,308)
Balance at December 31, 2021	<u>\$ 2,026,344</u>

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 (2.70%)	Current Discount Rate (3.70%)	One Percent Increase to Discount Rate (4.70%)
Total OPEB Liability	<u>\$ 2,286,262</u>	<u>\$ 2,026,344</u>	<u>\$ 1,807,449</u>

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 (3.8% decreasing to 3.2%)	Healthcare Cost Trend Rates (4.8% decreasing to 4.2%)	One Percent Increase (5.8% decreasing to 5.2%)
Total OPEB Liability	<u>\$ 1,758,897</u>	<u>\$ 2,026,344</u>	<u>\$ 2,347,628</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, the Utilities recognized OPEB expense of \$73,799.

Payable to the OPEB Plan

At December 31, 2022, the Utilities reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2022.

**2. Local Retiree Life Insurance Fund**

Plan Description

The LRLIF is a 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 also be found using the link above.

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.



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement 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, 2021 are listed below:

Life Insurance Employee Contribution Rates* for the Year Ended December 31, 2021		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
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, Wisconsin, Marshfield Utilities (the Utilities), and the Community Development Authority of the City of Marshfield, Wisconsin (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 \$4,154 in contributions from the City, \$1,346 from the Utilities, and \$288 from the CDA.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, the City reported a liability of \$1,199,585, the Utilities reported a liability of \$360,462, and the CDA reported a liability of \$81,634 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.20296300%, which was a decrease of 0.00263600% from its proportion measured as of December 31, 2020. At December 31, 2021, the Utilities' proportion was 0.06098800%, which was an increase of 0.00492700% from its proportionate measured as of December 31, 2020. At December 31, 2021, the CDA's proportion was 0.01381200%, which was a increase of 0.000068% from its proportionate measured as of December 31, 2020.

For the year ended December 31, 2021, the City recognized OPEB expense of \$137,057, the Utilities recognized OPEB expense of \$46,555 and the CDA recognized OPEB expense of \$10,873.

At December 31, 2022, 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
<b>City of Marshfield</b>		
Differences between Expected and Actual Experience	\$ -	\$ 61,022
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	15,608	-
Changes in Assumptions	362,437	58,145
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	-	44,580
Total	<u>\$ 378,045</u>	<u>\$ 163,747</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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	\$ -	\$ 18,337
Net Differences between Projected and Actual		
Earnings on OPEB Plan Investments	4,690	-
Changes in Assumptions	108,909	17,472
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	30,046	12,444
Total	<u>\$ 143,645</u>	<u>\$ 48,253</u>
<b>Community Development Authority of the City of Marshfield</b>		
Differences between Expected and Actual Experience	\$ -	\$ 4,153
Net Differences between Projected and Actual		
Earnings on OPEB Plan Investments	1,062	-
Changes in Assumptions	24,665	3,957
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	2,807	601
Employer Contributions Subsequent to the Measurement Date	53	-
Total	<u>\$ 28,587</u>	<u>\$ 8,711</u>

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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ 46,745
2024	44,935
2025	41,181
2026	58,924
2027	24,006
Thereafter	(1,493)
Total	<u>\$ 214,298</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ 19,418
2024	18,874
2025	17,491
2026	24,645
2027	12,236
Thereafter	2,728
Total	<u>\$ 95,392</u>

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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ 4,780
2024	4,605
2025	4,118
2026	4,511
2027	1,804
Thereafter	58
Total	<u>\$ 19,876</u>

Actuarial Assumptions

The total OPEB liability in the January 1, 2021 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, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
WRS Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return Percent</u>
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	45.0	1.68
U.S. Long Credits Bonds	Bloomberg US Long Credits	5.0	1.82
U.S. Mortgages	Bloomberg US MBS	50.0	1.94
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality and separation rates.

The long-term expected rate of return remained unchanged from the prior year at 4.25. 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. The expected inflation rate increased from 2.20% as of December 31, 2020, to 2.30% as of December 31, 2021.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 2.17% was used to measure the total OPEB liability, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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 2.17%, 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 (1.17%) or one-percentage-point higher (3.17%) than the current rate:

	One Percent Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	One Percent Increase to Discount Rate (3.17%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,627,406	\$ 1,199,585	\$ 877,670
Utilities' Proportionate Share of the Net OPEB Liability (Asset)	489,016	360,462	263,729
CDA's Proportionate Share of the Net OPEB Liability (Asset)	110,748	81,634	59,727

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, 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, 2022.

**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, 2022, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Advance to Other Funds	\$ 156,972
Inventories and Prepaid Items	<u>30,831</u>
Total General Fund Nonspendable	
Fund Balance	187,803

Permanent Fund:

Nonspendable:

Cemetery Perpetual Care	<u>229,569</u>
Total Nonspendable Fund Balance	<u><u>\$ 417,372</u></u>

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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, 2022, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Resident Rehabilitation Loans	\$ 420,005
Economic Development Developer Agreements	374,700
Public Safety	138,818
Municipal Court - Spencer	19,580
Municipal Court - Stratford	<u>7,178</u>
Total	<u>960,281</u>

Debt Service Fund	238,326
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Capital Projects Funds:

Restricted for:

Public Safety Capital Outlay	36,615
TID #4 (Downtown Redevelopment)	871,436
TID #7 (Yellowstone Industrial Park)	689,591
TID #9 (Central Avenue and Ives Street)	640,570
TID #10 (Marshfield Mall Area)	371,022
TID #11 (Veterans Parkway/Highway 10 Interchange)	163,903
TID #13 (South Hume Avenue)	<u>4,396</u>
Total	<u>2,777,533</u>

Total Restricted Fund Balance	<u><u>\$ 3,976,140</u></u>
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**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, governmental fund balance was committed as follows:

General Fund:

Committed for:

Fire Department	\$ 42,519
MEUW Training	10,950
Information Technology	60,000
Library Operations/Maintenance	191,498
PEHP Benefit Payments	<u>361,442</u>
Total General Fund Committed Fund Balance	666,409

Special Revenue Funds:

Committed for:

Economic Development	581,516
Business Improvement District	3,008
Cable Television	<u>151,267</u>
Total	735,791

Capital Projects Funds:

Committed for:

Infrastructure Construction	27,449
Public Safety Capital Outlay	75,183
Public Facilities Capital Outlay	101,283
Airport Capital Outlay	<u>49,310</u>
Total	<u>253,225</u>

Total Committed Fund Balance	<u><u>\$ 1,655,425</u></u>
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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 2022 General Fund Expenditures	\$ 23,579,930
Minimum Fund Balance Percent	(x) 25% - 30%
Minimum Fund Balance Amount	<u><u>\$5,894,983 to \$7,073,979</u></u>

The City's unassigned general fund balance of \$5,753,011 is not within the minimum fund balance ranges.

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION**

**A. Component Units**

This report contains the Community Development Authority of the City of Marshfield, Wisconsin (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, 2022, 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 \$979,010 on March 31, 2022 as summarized below:

Deposits with Financial Institutions	\$ 739,665
Cash Held by Fiscal Agent for Debt Service	239,145
Petty Cash	200
Total	<u><u>\$ 979,010</u></u>

Reconciliation to the basic financial statements

Government-Wide Statement of Net Position:

Cash and Investments	\$ 666,185
Restricted Cash and Investments	312,825
Total	<u><u>\$ 979,010</u></u>

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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, 2022, \$409,860 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.

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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	48,802	36,825	85,627	-
Total Capital Assets, Nondepreciable	469,747	36,825	85,627	420,945
Capital Assets, Depreciable:				
Buildings and Improvements	14,029,134	103,456	232,219	13,900,371
Furniture and Equipment	728,226	72,818	168,050	632,994
Subtotals	14,757,360	176,274	400,269	14,533,365
Less: Accumulated Depreciation	10,341,514	409,118	293,948	10,456,684
Total Capital Assets, Depreciable, Net	4,415,846	(232,844)	106,321	4,076,681
Governmental Activities Capital Assets, Net	<u>\$ 4,885,593</u>	<u>\$ (196,019)</u>	<u>\$ 191,948</u>	<u>\$ 4,497,626</u>

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, Wisconsin. 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, Wisconsin.

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Long-Term Debt (Continued)

As of March 31, 2022, the CDA's long-term obligation is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
2017 Lease Revenue Bonds	\$ 2,285,000	\$ -	\$ 160,000	\$ 2,125,000	\$ 165,000
Debt Discount	(15,748)	-	(1,379)	(14,369)	-
Long-Term Obligations	<u>\$ 2,269,252</u>	<u>\$ -</u>	<u>\$ 158,621</u>	<u>\$ 2,110,631</u>	<u>\$ 165,000</u>

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

Year Ending March 31,	Principal	Interest	Total
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	185,000	49,499	234,499
2028-2032	1,020,000	141,274	1,161,274
2033	230,000	4,313	234,313
Total	<u>\$ 2,125,000</u>	<u>\$ 449,923</u>	<u>\$ 2,574,923</u>

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 eight 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 eight active TIDs is as follows:

	TID #4	TID #5	TID #7	TID #9	TID #10	TID #11	TID #12	TID #13
Project Revenues:								
Tax Increment	\$ 12,352,445	\$ 6,416,652	\$ 4,608,236	\$ 1,710,147	\$ 416,474	\$ 420,621	\$ -	\$ -
Special Assessments	898,430	-	-	-	-	-	-	-
Intergovernmental Revenue	1,164,771	2,856,626	17,189	22,218	163,329	577	-	-
Miscellaneous	262,845	648,092	893,490	-	155,535	-	-	166,514
Transfers from Other Funds	5,096,333	414,609	1,741,274	-	70,000	-	-	-
Proceeds from Long-Term Debt	12,751,670	6,164,630	9,128,197	2,810,310	539,264	495,277	457,194	-
Total Project Revenues as of December 31, 2022	32,526,494	16,500,609	16,388,386	4,542,675	1,344,602	916,475	457,194	166,514
Project Expenditures:								
Conservation and Development	359,756	961,609	2,667,420	1,700,364	11,367	10,776	-	112,754
Miscellaneous	1,705,124	272,166	61,203	169,302	47,580	6,508	52,532	20,646
Capital Expenditures	14,734,927	5,597,496	6,063,884	776,925	598,209	401,363	438,221	28,718
Debt Issuance Cost	158,335	72,619	112,206	3,039	9,464	9,277	7,194	-
Transfer to Other Funds	14,696,916	9,877,284	6,794,082	1,252,475	306,960	324,648	-	-
Total Project Expenditures as of December 31, 2022	31,655,058	16,781,174	15,698,795	3,902,105	973,580	752,572	497,947	162,118
Fund Balance as of December 31, 2022	871,436	(280,565)	689,591	640,570	371,022	163,903	(40,753)	4,396
Outstanding Principal on Debt	4,981,000	250,000	4,158,019	2,109,058	363,600	225,000	460,000	-
Unrecovered Cost of The TID	4,109,564	530,565	3,468,428	1,468,488	(7,422)	61,097	500,753	(4,396)
Projected Future Interest Payments	443,960	18,128	1,278,694	448,781	26,241	9,150	173,145	-
Balance to be Collected on TID District	\$ 4,553,524	\$ 548,693	\$ 4,747,122	\$ 1,917,269	\$ 18,819	\$ 70,247	\$ 673,898	\$ (4,396)
Termination Date	9/24/2033	3/25/2030	5/22/2034	8/13/2040	9/30/2042	4/12/2037	4/27/2042	9/14/2041

**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, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Segment Information**

The City issues separate revenue bonds to finance its electric and water 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.

	Electric Utility	Water Utility
<b>CONDENSED STATEMENT OF NET POSITION</b>		
<b>ASSETS</b>		
Current	\$ 31,090,197	\$ 4,269,830
Restricted	6,935,997	1,682,033
Noncurrent:		
Net Capital Assets	65,851,919	30,786,065
Other Assets	14,642,463	428,704
Total Assets	<u>118,520,576</u>	<u>37,166,632</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	2,807,212	643,319
<b>LIABILITIES</b>		
Current	12,371,475	3,534,093
Noncurrent:		
Long-Term	32,539,284	6,892,379
Total Liabilities	<u>44,910,759</u>	<u>10,426,472</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	3,274,507	1,519,767
<b>NET POSITION</b>		
Net Investment in Capital Assets	32,773,920	23,685,803
Restricted	1,587,945	315,105
Unrestricted	38,780,657	1,862,804
Total Net Position	<u><u>\$ 73,142,522</u></u>	<u><u>\$ 25,863,712</u></u>

**CITY OF MARSHFIELD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Segment Information (Continued)**

	Electric Utility	Water Utility
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>		
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 38,173,099	\$ 5,986,804
Other	538,174	199,482
Total Operating Revenues	<u>38,711,273</u>	<u>6,186,286</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	29,984,658	1,805,889
Customer Accounts	568,828	257,935
Administrative and General	1,144,825	613,541
Depreciation and Amortization	3,517,591	1,789,587
Taxes	227,861	5,895
Total Operating Expenses	<u>35,443,763</u>	<u>4,472,847</u>
<b>OPERATING INCOME</b>	3,267,510	1,713,439
<b>NONOPERATING INCOME (EXPENSES)</b>		
Interest Revenue	144,490	23,082
Gain (Loss) on Disposal of Capital Assets	(622,519)	-
Amortization of Debt Premium and Discount	53,122	38,103
Interest and Fiscal Charges	(285,491)	(248,274)
Miscellaneous	6,013	-
Total Nonoperating Income (Expenses)	<u>(704,385)</u>	<u>(187,089)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	2,563,125	1,526,350
Customer Contributions	228,467	6,709
Transfers Out	<u>(1,497,600)</u>	<u>(786,297)</u>
<b>CHANGE IN NET POSITION</b>	1,293,992	746,762
Net Position - Beginning of Year	<u>71,848,530</u>	<u>25,116,950</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 73,142,522</u></u>	<u><u>\$ 25,863,712</u></u>



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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	\$ 6,171,921	\$ 3,896,329
Cash Flows from Noncapital Financing Activities	(1,497,600)	(786,297)
Cash Flows from Capital and Related Financing Activities	(11,454,127)	(3,417,812)
Cash Flows from Investing Activities	<u>(573,412)</u>	<u>23,082</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(7,353,218)	(284,698)
Cash and Cash Equivalents - Beginning of Year	<u>38,158,357</u>	<u>1,198,498</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 30,805,139</u></u>	<u><u>\$ 913,800</u></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. A property owner within the City is currently disputing several years of tax assessments. If successful, the City would be required to refund a portion of the tax collected during those years. 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 2022, one customer was billed \$4,242,005 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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**City of Marshfield**

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.10216259 %	\$ (2,509,393)	\$ 10,834,459	23.16 %	102.74 %
12/31/15	0.10082936	1,638,458	10,843,726	15.11	98.20
12/31/16	0.10077381	830,617	11,144,170	7.45	99.12
12/31/17	0.10259540	(3,046,179)	11,338,138	26.87	102.93
12/31/18	0.10549752	3,753,271	11,665,694	32.17	96.45
12/31/19	0.10785977	(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
12/31/21	0.11214202	(9,038,853)	12,737,103	70.96	106.02

**Marshfield Utilities**

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
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	0.02232689	794,320	3,291,064	24.14	96.45
12/31/19	0.02163118	(697,488)	3,303,103	21.12	102.96
12/31/20	0.02103915	(1,313,503)	3,520,120	37.31	105.26
12/31/21	0.02094308	(1,688,050)	3,638,790	46.39	106.02

**Marshfield CDA**

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
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	0.00199883	(59,348)	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
12/31/21	0.00178953	(144,239)	289,001	49.91	106.02

See accompanying Notes to Required Supplementary Information.

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

**City of Marshfield**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 958,019	\$ 958,019	\$ -	\$ 10,843,729	8.83 %
12/31/16	969,371	969,371	-	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	-	11,665,694	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
12/31/22	1,301,620	1,301,620	-	12,915,684	10.08

**Marshfield Utilities**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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
12/31/22	262,030	262,030	-	4,045,927	6.48

**Marshfield CDA**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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	-	290,067	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	-	274,630	6.75
12/31/22	17,533	17,533	-	300,306	5.84

See accompanying Notes to Required Supplementary Information.

**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\***

	2022	2021	2020	2019	2018
<b>TOTAL OPEB LIABILITY</b>					
Service Cost	\$ 87,270	\$ 85,422	\$ 78,500	\$ 75,484	\$ 93,048
Interest	45,342	45,578	55,880	56,986	57,431
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	249,525	(48,110)	(136,334)	(52,514)	(323,714)
Changes of Assumptions	(455,916)	18,115	145,266	28,149	(98,039)
Benefit Payments	(48,529)	(33,511)	(45,849)	(82,337)	(81,684)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	<b>(122,308)</b>	<b>67,494</b>	<b>97,463</b>	<b>25,768</b>	<b>(352,958)</b>
Total OPEB Liability - Beginning of Year	2,148,652	2,081,157	1,983,694	1,957,926	2,310,884
<b>TOTAL OPEB LIABILITY - END OF YEAR</b>	<b>\$ 2,026,344</b>	<b>\$ 2,148,651</b>	<b>\$ 2,081,157</b>	<b>\$ 1,983,694</b>	<b>\$ 1,957,926</b>
Covered-Employee Payroll	\$ 3,638,791	\$ 3,638,791	\$ 3,520,121	\$ 3,303,103	\$ 3,291,065
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	55.69%	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.

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

**City of Marshfield**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
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
12/31/21	0.2029630	1,199,585	11,875,000	10.10	29.57

**Marshfield Utilities**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
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	0.0535890	228,192	3,303,103	6.91	37.58
12/31/20	0.0560610	308,376	3,520,121	8.76	31.36
12/31/21	0.0609880	360,462	3,585,000	10.05	29.57

**Marshfield CDA**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.0128980 %	\$ 37,902	\$ 285,157	13.29 %	44.81 %
12/31/18	0.0136850	35,312	257,000	13.74	48.69
12/31/19	0.0139450	59,381	241,000	24.64	37.58
12/31/20	0.0138800	75,294	211,000	35.68	31.36
12/31/21	0.0138120	81,634	257,000	31.76	29.57

See accompanying Notes to Required Supplementary Information.

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

**City of Marshfield**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
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
12/31/22	4,154	4,154	-	11,875,000	0.03

**Marshfield Utilities**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
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
12/31/22	1,248	1,248	-	3,585,000	0.03

**Marshfield CDA**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
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
12/31/22	282	282	-	257,000	0.11

See accompanying Notes to Required Supplementary Information.

**CITY OF MARSHFIELD**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2022**

**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 2022, increasing from 2.05% to 3.70%. Projected salary increases increased from 3.0% to 4.0%. The Healthcare Cost Trend Rates starting rate decreased 0.1% and the Pharmacy Cost Trend Rates starting rate decreased 0.7% compared to the starting rates used for the December 31, 2021 measurement date.

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

**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.* The ETF Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the discount rate from 2.25% to 2.17%
- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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



**CITY OF MARSHFIELD**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2022**

**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.*

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

## **SUPPLEMENTARY INFORMATION**

**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND**  
**OTHER FINANCING SOURCES**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property	\$ 10,751,968	\$ 10,751,968	\$ 10,633,334	\$ (118,634)
General Sales	100	100	149	49
Mobile Home Fees	69,000	69,000	58,304	(10,696)
Payment in Lieu of Taxes:				
Other Tax Exempt Entities	142,500	142,500	129,734	(12,766)
Interest and Taxes	1,000	1,000	1,291	291
Total Taxes	10,964,568	10,964,568	10,822,812	(141,756)
<b>Special Assessments:</b>				
Water Mains	15,000	15,000	23,773	8,773
Paving	350,000	350,000	436,295	86,295
Sidewalks	20,000	20,000	2,474	(17,526)
Streets	5,000	5,000	2,304	(2,696)
Storm Sewer	1,000	1,000	-	(1,000)
Total Special Assessments	391,000	391,000	464,846	73,846
<b>Intergovernmental:</b>				
State:				
State Shared Taxes	5,289,854	5,289,854	5,232,745	(57,109)
Fire Insurance Tax	77,500	77,500	77,234	(266)
Other Public Safety	19,113	19,113	21,012	1,899
Transportation Aids	1,619,622	1,619,622	1,615,693	(3,929)
Recycling	62,500	62,500	62,083	(417)
Municipal Services	80,000	80,000	77,660	(2,340)
Grants from Local Governments	390,677	390,677	411,056	20,379
Total Intergovernmental	7,539,266	7,539,266	7,497,483	(41,783)
<b>Licenses and Permits:</b>				
Licenses:				
Liquor and Malt Beverage	34,800	34,800	42,312	7,512
Other Business and Occupational	13,000	13,000	16,449	3,449
Dog	8,000	8,000	6,509	(1,491)
Permits:				
Building	225,000	225,000	161,279	(63,721)
Zoning and Conditional Use	8,750	8,750	9,685	935
Total Licenses and Permits	289,550	289,550	236,234	(53,316)
<b>Fines and Forfeits:</b>				
Court Fines and Penalties	191,000	191,000	155,861	(35,139)
Parking Violations	30,000	30,000	27,423	(2,577)
Total Fines and Forfeits	221,000	221,000	183,284	(37,716)

**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND**  
**OTHER FINANCING SOURCES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
Public Charges for Services:				
Other General Government	\$ 21,600	\$ 21,600	\$ 38,982	\$ 17,382
Public Safety	15,850	15,850	15,280	(570)
Public Works	49,000	49,000	61,259	12,259
Weed and Nuisance Control	2,000	2,000	5,031	3,031
Health and Human Services	189,000	189,000	173,036	(15,964)
Senior center	2,000	2,000	2,723	723
Culture, Recreation, and Education	499,600	499,600	504,742	5,142
Conservation and Development	4,000	4,000	6,538	2,538
Total Public Charges for Services	783,050	783,050	807,591	24,541
Intergovernmental Charges for Services:				
State	2,000	2,000	2,545	545
Other Local Governments	5,000	5,000	120	(4,880)
Local Departments	36,720	36,720	34,992	(1,728)
Total Intergovernmental Charges for Services	43,720	43,720	37,657	(6,063)
Miscellaneous:				
Interest on Investments	328,600	328,600	427,215	98,615
Interest on Special Assessments	3,000	3,000	2,669	(331)
Rent	72,000	72,000	113,245	41,245
Sale of Other Equipment and Property	14,000	14,000	25,553	11,553
Donations from Individuals/Organizations	10,000	10,000	96,120	86,120
Miscellaneous Revenue	70,000	123,000	105,631	(17,369)
Total Miscellaneous	497,600	550,600	770,433	219,833
Total Revenues	20,729,754	20,782,754	20,820,340	37,586
Other Financing Sources:				
Transfer from Other Funds	-	-	43,736	43,736
Transfer from Municipal Utility	2,000,000	2,000,000	1,992,657	(7,343)
Total Other Financing Sources	2,000,000	2,000,000	2,036,393	36,393
Total Revenue and Other Financing Sources	\$ 22,729,754	\$ 22,782,754	\$ 22,856,733	\$ 73,979

**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND**  
**OTHER FINANCING USES**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government:				
Council	\$ 141,610	\$ 141,610	\$ 143,895	\$ (2,285)
Municipal Court	95,471	95,471	170,539	(75,068)
City Attorney	194,000	194,000	220,982	(26,982)
City Administrator	853,760	746,138	398,936	347,202
Clerk	219,217	219,217	218,436	781
Elections	65,256	65,256	51,173	14,083
Information Technology	1,176,929	1,176,929	1,060,016	116,913
Finance	575,751	575,751	488,553	87,198
Property Assessment	165,283	165,283	171,060	(5,777)
City Hall	163,146	163,146	174,377	(11,231)
Uncollectible Taxes and Refunds	15,000	15,000	-	15,000
Other General Government	124,163	124,163	202,960	(78,797)
Total General Government	3,789,586	3,681,964	3,300,927	381,037
Public Safety:				
Law Enforcement	5,901,164	5,901,164	5,715,548	185,616
Fire Protection	3,619,292	3,681,129	3,550,562	130,567
Emergency Government	10,787	10,787	7,024	3,763
Total Public Safety	9,531,243	9,593,080	9,273,134	319,946
Public Works:				
Administration	699,877	699,877	661,459	38,418
Street Maintenance	1,184,836	1,184,836	1,015,995	168,841
Snow and Ice Control	975,437	975,437	945,876	29,561
Traffic Control	240,724	240,724	229,431	11,293
Street Lighting	215,700	215,700	241,975	(26,275)
Sidewalks and Crosswalks	69,421	69,421	82,614	(13,193)
Storm Sewers	432,615	432,615	330,662	101,953
Parking Facilities	8,180	8,180	45,561	(37,381)
Airport	166,305	166,305	142,901	23,404
Refuse and Recycling	1,000,567	1,000,567	1,008,025	(7,458)
Parades, Holidays, Signs	28,591	28,591	29,026	(435)
Forestry	267,820	267,820	317,426	(49,606)
Total Public Works	5,290,073	5,290,073	5,050,951	239,122
Health and Human Services:				
Aging	25,065	25,065	40,371	(15,306)
Cemetery	240,446	243,946	264,322	(20,376)
Total Health and Human Services	265,511	269,011	304,693	(35,682)

**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND**  
**OTHER FINANCING USES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
Culture and Recreation:				
Library	\$ 1,640,386	\$ 1,640,386	\$ 1,642,865	\$ (2,479)
Community Center	134,872	151,725	145,404	6,321
Parks	934,520	934,520	758,126	176,394
Recreation Programs and Events	477,461	477,461	484,441	(6,980)
Zoo	316,631	316,631	308,144	8,487
Aquatic Facilities	258,722	258,722	326,315	(67,593)
Fairgrounds	89,778	89,778	89,642	136
UW Stevens Point	56,021	56,021	56,688	(667)
Special Recreation Programs	-	-	92,906	(92,906)
Total Culture and Recreation	3,908,391	3,925,244	3,904,531	20,713
Conservation and Development:				
Tourism and Economic Development	10,690	10,690	14,421	(3,731)
Other Conservation and Development	680,392	704,392	530,578	173,814
Total Conservation and Development	691,082	715,082	544,999	170,083
Debt Service				
Principal	36,200	36,200	60,354	(24,154)
Interest	6,500	6,500	4,850	1,650
Total Debt Service	42,700	42,700	65,204	(22,504)
Total Expenditures	23,518,586	23,517,154	22,444,439	1,072,715
Other Financing Uses:				
Transfer to Special Revenue Fund	-	25,991	25,991	-
Transfer to Capital Project Fund	-	36,785	36,785	-
Total Other Financing Uses	-	62,776	62,776	-
Total Expenditures and Other Financing Uses	\$ 23,518,586	\$ 23,579,930	\$ 22,507,215	\$ 1,072,715

**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	Special Revenue					
	Room Tax	Residential Rehabilitation	Economic Development	Public Safety	Business Improvement District	Taxi System
<b>ASSETS</b>						
Cash and Investments	\$ -	\$ 71,598	\$ 925,269	\$ 183,481	\$ 18,546	\$ -
Restricted Cash and Investments	-	-	52,200	-	-	-
Receivables:						
Taxes and Special Charges	-	-	-	-	49,891	-
Special Assessments	-	-	-	-	-	-
Loans	-	348,407	-	-	-	-
Other	35,321	-	-	53,977	-	142,527
Due from Other Governments	-	-	-	-	-	36,075
Total Assets	<u>\$ 35,321</u>	<u>\$ 420,005</u>	<u>\$ 977,469</u>	<u>\$ 237,458</u>	<u>\$ 68,437</u>	<u>\$ 178,602</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ 19,006	\$ 98,640	\$ -	\$ 40,677
Due to Other Funds	-	-	-	-	-	114,930
Advance from Other Funds	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	1,480
Special Deposits	-	-	-	-	-	-
Unearned Revenues	35,321	-	2,247	-	-	-
Total Liabilities	<u>35,321</u>	<u>-</u>	<u>21,253</u>	<u>98,640</u>	<u>-</u>	<u>157,087</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes Levied for						
Subsequent Year	-	-	-	-	65,429	-
Unavailable Revenue - Grants	-	-	-	-	-	36,075
Special Assessments	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,429</u>	<u>36,075</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	420,005	374,700	138,818	-	-
Committed	-	-	581,516	-	3,008	-
Unassigned	-	-	-	-	-	(14,560)
Total Fund Balances	<u>-</u>	<u>420,005</u>	<u>956,216</u>	<u>138,818</u>	<u>3,008</u>	<u>(14,560)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 35,321</u>	<u>\$ 420,005</u>	<u>\$ 977,469</u>	<u>\$ 237,458</u>	<u>\$ 68,437</u>	<u>\$ 178,602</u>

**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2022**

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
\$ 156,956	\$ 22,547	\$ 9,985	\$ 1,166,717	\$ 111,798	\$ 101,283	\$ 49,310
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 156,956</u>	<u>\$ 22,547</u>	<u>\$ 9,985</u>	<u>\$ 1,166,717</u>	<u>\$ 111,798</u>	<u>\$ 101,283</u>	<u>\$ 49,310</u>
\$ 5,689	\$ 2,967	\$ 2,807	\$ 50,395	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,116,322	-	-	-
<u>5,689</u>	<u>2,967</u>	<u>2,807</u>	<u>1,166,717</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
151,267	19,580	7,178	-	36,615	-	-
-	-	-	-	75,183	101,283	49,310
-	-	-	-	-	-	-
<u>151,267</u>	<u>19,580</u>	<u>7,178</u>	<u>-</u>	<u>111,798</u>	<u>101,283</u>	<u>49,310</u>
<u>\$ 156,956</u>	<u>\$ 22,547</u>	<u>\$ 9,985</u>	<u>\$ 1,166,717</u>	<u>\$ 111,798</u>	<u>\$ 101,283</u>	<u>\$ 49,310</u>



**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2022**

	Capital Projects (Continued)			
	Parks and Rec Capital Projects	TID #4 (Downtown Redevelopment)	TID #5 (Mill Creek Business Park)	TID #7 (Yellowstone Industrial Park)
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 1,142,330	\$ -	\$ 858,949
Restricted Cash and Investments	-	-	-	-
Receivables:				
Taxes and Special Charges	-	810,974	465,464	593,656
Special Assessments	-	226,789	-	-
Loans	-	-	-	-
Other	349,245	-	-	41,000
Due from Other Governments	105,427	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 454,672</u>	<u>\$ 2,180,093</u>	<u>\$ 465,464</u>	<u>\$ 1,493,605</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 750
Due to Other Funds	213,877	-	-	-
Advance from Other Funds	-	-	116,219	-
Due to Other Governments	-	-	-	-
Special Deposits	-	-	-	-
Unearned Revenues	349,245	27,176	-	-
Total Liabilities	<u>563,122</u>	<u>27,176</u>	<u>116,219</u>	<u>750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for				
Subsequent Year	-	1,057,826	629,810	803,264
Unavailable Revenue - Grants	105,427	-	-	-
Special Assessments	-	223,655	-	-
Total Deferred Inflows of Resources	<u>105,427</u>	<u>1,281,481</u>	<u>629,810</u>	<u>803,264</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	871,436	-	689,591
Committed	-	-	-	-
Unassigned	(213,877)	-	(280,565)	-
Total Fund Balances	<u>(213,877)</u>	<u>871,436</u>	<u>(280,565)</u>	<u>689,591</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 454,672</u>	<u>\$ 2,180,093</u>	<u>\$ 465,464</u>	<u>\$ 1,493,605</u>

**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2022**

Capital Projects (Continued)			Capital Projects (Continued)		Permanent Fund	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 Hume Avenue)	Cemetery Perpetual Care	
\$ 758,588	\$ 381,177	\$ 195,234	\$ -	\$ 14,719	\$ -	\$ 6,168,487
-	2,000	-	-	-	229,569	283,769
334,251	109,887	88,737	-	29,238	-	2,482,098
-	-	-	-	-	-	226,789
-	-	-	-	-	-	348,407
-	28,644	-	-	-	-	650,714
-	-	-	-	-	-	141,502
<u>\$ 1,092,839</u>	<u>\$ 521,708</u>	<u>\$ 283,971</u>	<u>\$ -</u>	<u>\$ 43,957</u>	<u>\$ 229,569</u>	<u>\$ 10,301,766</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,931
-	-	-	-	-	-	328,807
-	-	-	40,753	-	-	156,972
-	-	-	-	-	-	1,480
-	2,000	-	-	-	-	2,000
-	-	-	-	-	-	1,530,311
-	2,000	-	40,753	-	-	2,240,501
452,269	148,686	120,068	-	39,561	-	3,316,913
-	-	-	-	-	-	141,502
-	-	-	-	-	-	223,655
452,269	148,686	120,068	-	39,561	-	3,682,070
-	-	-	-	-	229,569	229,569
640,570	371,022	163,903	-	4,396	-	3,737,814
-	-	-	-	-	-	961,567
-	-	-	(40,753)	-	-	(549,755)
<u>640,570</u>	<u>371,022</u>	<u>163,903</u>	<u>(40,753)</u>	<u>4,396</u>	<u>229,569</u>	<u>4,379,195</u>
<u>\$ 1,092,839</u>	<u>\$ 521,708</u>	<u>\$ 283,971</u>	<u>\$ -</u>	<u>\$ 43,957</u>	<u>\$ 229,569</u>	<u>\$ 10,301,766</u>

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Special Revenue					
	Room Tax	Residential Rehabilitation	Economic Development	Public Safety	Business Improvement District	Taxi System
<b>REVENUES</b>						
Taxes	\$ 685,671	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	405,999	-	599,189
Licenses and Permits	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	66,571	456,603
Miscellaneous	-	1,454	745	31,600	-	-
Total Revenues	685,671	1,454	745	437,599	66,571	1,055,792
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	103,178	-	-
Public Works	-	-	-	217,702	-	982,789
Culture and Recreation	488,866	-	-	-	-	-
Conservation and Development	-	589	151,979	-	69,299	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	488,866	589	151,979	320,880	69,299	982,789
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	196,805	865	(151,234)	116,719	(2,728)	73,003
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	-	-	-	-	5,000
Proceeds from Sale of Capital Assets	-	-	370,000	-	-	8,535
Transfers In	-	-	282,505	-	-	25,991
Transfers Out	(196,805)	-	(35,000)	-	-	-
Total Other Financing Sources (Uses)	(196,805)	-	617,505	-	-	39,526
<b>NET CHANGE IN FUND BALANCES</b>	-	865	466,271	116,719	(2,728)	112,529
Fund Balances - Beginning of Year	-	419,140	489,945	22,099	5,736	(127,089)
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 420,005	\$ 956,216	\$ 138,818	\$ 3,008	\$ (14,560)

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

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	-	-	817,010	-	-	-
204,863	-	-	-	-	-	-
-	16,206	12,334	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	50,000	-	-
<u>254,379</u>	<u>16,206</u>	<u>12,334</u>	<u>817,010</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
228,335	15,393	11,116	107,408	-	21,785	-
-	-	-	46,674	-	-	-
-	-	-	120,000	-	-	-
-	-	-	142,928	-	-	-
-	-	-	-	-	-	-
15,836	-	-	-	60,306	-	-
796	-	-	-	4,126	-	1,955
-	-	-	400,000	160,516	8,198	-
<u>244,967</u>	<u>15,393</u>	<u>11,116</u>	<u>817,010</u>	<u>224,948</u>	<u>29,983</u>	<u>1,955</u>
9,412	813	1,218	-	(174,948)	(29,983)	(1,955)
-	-	-	-	191,350	102,000	-
-	-	-	-	-	106,785	-
-	-	-	-	46,250	36,785	-
-	-	-	-	(95,820)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,780</u>	<u>245,570</u>	<u>-</u>
9,412	813	1,218	-	(33,168)	215,587	(1,955)
<u>141,855</u>	<u>18,767</u>	<u>5,960</u>	<u>-</u>	<u>144,966</u>	<u>(114,304)</u>	<u>51,265</u>
<u>\$ 151,267</u>	<u>\$ 19,580</u>	<u>\$ 7,178</u>	<u>\$ -</u>	<u>\$ 111,798</u>	<u>\$ 101,283</u>	<u>\$ 49,310</u>

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Capital Projects (Continued)			
	Parks and Rec Capital Projects	TID #4 (Downtown Redevelopment)	TID #5 (Mill Creek Business Park)	TID #7 (Yellowstone Industrial Park)
<b>REVENUES</b>				
Taxes	\$ -	\$ 853,975	\$ 576,575	\$ 825,886
Special Assessments	-	89,999	-	-
Intergovernmental	-	36,411	343,186	4,023
Licenses and Permits	-	-	-	-
Fines and Forfeits	-	-	-	-
Public Charges for Services	-	-	-	-
Miscellaneous	287,000	158	100	12,080
Total Revenues	287,000	980,543	919,861	841,989
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	3,472	2,192	3,844	5,282
Debt Service:				
Principal	24,943	563,000	40,000	406,547
Interest and Fiscal Charges	686	115,258	39,517	132,178
Capital Outlay	400,506	-	-	-
Total Expenditures	429,607	680,450	83,361	544,007
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(142,607)	300,093	836,500	297,982
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	41,000
Transfers In	196,805	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	196,805	-	-	41,000
<b>NET CHANGE IN FUND BALANCES</b>	54,198	300,093	836,500	338,982
Fund Balances - Beginning of Year	(268,075)	571,343	(1,117,065)	350,609
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (213,877)</u>	<u>\$ 871,436</u>	<u>\$ (280,565)</u>	<u>\$ 689,591</u>

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

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 Hume Avenue)		
\$ 395,650	\$ 93,798	\$ 85,840	\$ -	\$ -	\$ -	\$ 3,517,395
-	-	-	-	-	-	89,999
5,224	28,611	144	-	-	-	2,289,313
-	-	-	-	-	-	204,863
-	-	-	-	-	-	28,540
-	-	-	-	-	2,066	525,240
9	55,368	-	-	-	3,254	441,768
400,883	177,777	85,984	-	-	5,320	7,097,118
-	-	-	-	-	-	384,037
-	-	-	-	-	-	149,852
-	-	-	-	37,308	-	1,357,799
-	-	-	-	-	-	631,794
2,509	20,672	1,510	9,534	82,975	-	353,857
204,600	55,600	55,000	-	-	-	1,425,832
83,392	8,706	5,050	7,194	-	-	398,858
-	-	-	438,221	-	-	1,407,441
290,501	84,978	61,560	454,949	120,283	-	6,109,470
110,382	92,799	24,424	(454,949)	(120,283)	5,320	987,648
-	-	-	457,194	-	-	755,544
-	-	-	-	166,514	-	692,834
-	-	-	-	-	-	588,336
-	-	-	-	-	-	(327,625)
-	-	-	457,194	166,514	-	1,709,089
110,382	92,799	24,424	2,245	46,231	5,320	2,696,737
530,188	278,223	139,479	(42,998)	(41,835)	224,249	1,682,458
\$ 640,570	\$ 371,022	\$ 163,903	\$ (40,753)	\$ 4,396	\$ 229,569	\$ 4,379,195

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



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

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 the City of Marshfield, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Marshfield, Wisconsin's basic financial statements, and have issued our report thereon dated June 5, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Marshfield, Wisconsin'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, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Marshfield, Wisconsin's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.



### **Report on Compliance and Other Matters**

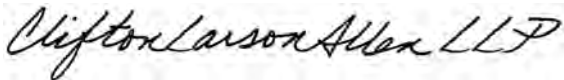
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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, Wisconsin's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Marshfield, Wisconsin's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City of Marshfield, Wisconsin'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  
June 5, 2023

**CITY OF MARSHFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022**

**2022 – 001 Preparation of Annual Financial Report**

**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 or specific requirement:** 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.

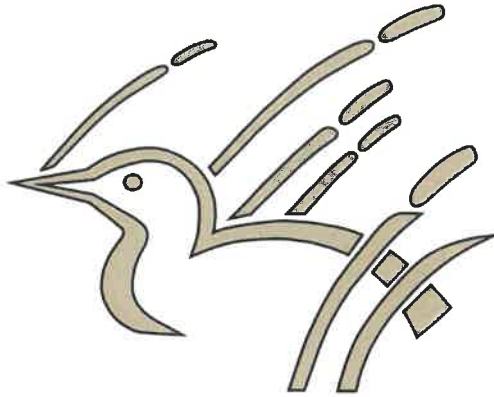
**Effect:** Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

**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.

**Repeat Finding:** Repeat of Finding 2021-002

**Recommendation:** We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual processing 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.

**Views of responsible officials and planned corrective actions:** Management does not disagree with finding 2022-001 and staff with technical knowledge will continue to review the annual financial report.



**CITY OF MARSHFIELD, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2023**

-TENTATIVE REPORT-  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

**CITY OF MARSHFIELD  
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**TENTATIVE REPORT  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION**

## INDEPENDENT AUDITORS' REPORT

City Council  
City of Marshfield, Wisconsin  
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, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Marshfield, Wisconsin'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, Wisconsin, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund 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, Wisconsin 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.

#### **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, Wisconsin's ability to continue as a going concern for twelve 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, Wisconsin'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, Wisconsin'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.

### ***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, as listed in the table of contents, 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, Wisconsin's basic financial statements. The detailed comparison of budgeted and actual revenues, other financing sources, expenditures and other financing uses and the combining nonmajor governmental 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 governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the City of Marshfield, Wisconsin'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, Wisconsin'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, Wisconsin's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
REPORT DATE



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

-TENATIVE REPORT-  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

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



Jennifer Selenske  
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, 2023.

**Financial Highlights**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of December 31, 2023 by \$255,755,209 (net position). Total net position includes all infrastructure of the government unit.
- The City's total net position increased by \$13,615,877.
- As of December 31, 2023, the City's governmental funds reported combined ending fund balances of \$13,827,850, an increase of \$2,575,657 in comparison with the prior year. Approximately \$1,849,000 of the change was generated by the City's tax increment districts (TID). The General fund had a modest increase in fund balance of \$288,611.
- The fund balance of the City's major funds including the General fund, the Debt Service fund and the Infrastructure Construction fund increased \$365,695 from \$6,872,998 as of December 31, 2022 to \$7,258,693 as of December 31, 2023.
- Tax increment districts (TID) continue to perform above expectations and the amount of advances from the General Fund was reduced from \$3,484,367 in 2019, to \$2,088,866 in 2020, to \$1,048,622 in 2021, to \$156,972 as of December 31, 2022 and \$136,364 2023. The advance from TID 5 was repaid in full, all expenditures were recovered, and the TID was closed in 2023.
- The Emergency Medical Services fund ended the year with a positive cash balance.

**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.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023**

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 27 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, and infrastructure construction fund 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 16 - 20 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 Marshfield Utilities, the combined electric, water, and communication utilities of the City, the wastewater utility and 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 Marshfield Utilities 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 21 - 25 of this report.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023**

**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 those 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 26-27 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 28-35 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 \$255,755,209 at the close of 2023.

City of Marshfield, Wisconsin's Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 37,142,502	\$ 43,076,769	\$ 73,414,931	\$ 72,131,264	\$ 110,557,433	\$ 115,208,033
Capital Assets	116,249,290	115,036,526	339,870,556	139,245,599	256,059,846	254,282,125
Total Assets	153,391,792	158,113,295	213,225,487	211,376,863	366,617,279	369,490,158
Deferred Outflows of Resources	19,439,645	15,487,945	7,487,646	5,963,239	26,927,291	21,451,184
Long-Term Liabilities Outstanding	53,771,471	50,250,400	42,767,550	44,376,600	96,539,021	94,627,000
Other Liabilities	3,132,170	3,474,721	3,092,505	5,106,083	6,224,675	8,580,804
Total Liabilities	56,903,641	53,725,121	45,860,055	49,482,683	102,763,696	103,207,804
Deferred Inflows of Resources	29,973,758	37,806,406	5,051,907	7,787,800	35,025,665	45,594,206
Net Investment in Capital Assets	73,373,455	71,270,262	102,562,091	97,957,616	175,776,329	168,984,153
Restricted	6,170,727	11,745,376	3,699,837	6,016,757	9,870,614	17,762,133
Unrestricted	6,409,806	(945,925)	63,539,243	56,095,246	70,108,266	55,393,046
Total Net Position	\$ 85,954,038	\$ 82,069,713	\$ 169,801,171	\$ 160,069,619	\$ 255,755,209	\$ 242,139,332

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.) net of debt 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.

The increase in net position for both governmental and business-type activities can primarily be attributed to the City's pension. In 2022, the City recorded a pension asset of \$7,777,993 in its governmental activities and \$2,948,911 in its business-type activities. However, in 2023, the City recorded a net pension liability of \$5,142,479 in its governmental funds and \$1,955,917 in its business-type funds. Additionally, deferred outflows related to pension increased \$5,576,605 and deferred inflows of resources related to pension decreased \$10,370,957 over prior year.

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

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023**

**Change in net position.** Governmental activities increased the City's net position by \$3,884,325 and the business-type activities increased net position by \$9,731,552. 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		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 2,291,095	\$ 2,076,022	\$ 52,574,403	\$ 54,932,830	\$ 54,865,498	\$ 57,008,852
Operating Grants and Contributions	3,938,537	3,726,912	130,386	140,046	4,068,923	3,866,958
Capital Grants and Contributions	2,403,721	786,540	333,901	270,441	2,737,622	1,056,981
<b>General Revenues:</b>						
Taxes	19,382,109	18,890,033	-	-	19,382,109	18,890,033
Grants and Contributions Not Restricted to Specific Programs	6,034,042	6,594,530	-	-	6,034,042	6,594,530
Other	1,304,017	1,258,842	3,715,985	266,101	5,020,002	1,524,943
<b>Total Revenues</b>	<b>35,353,521</b>	<b>33,332,879</b>	<b>56,754,675</b>	<b>55,909,418</b>	<b>92,108,196</b>	<b>88,942,297</b>
<b>Expenses:</b>						
General Government	4,142,942	3,436,215	-	-	4,142,942	3,436,215
Public Safety	10,056,372	9,579,166	-	-	10,056,372	9,579,166
Public Works	11,107,569	8,144,703	-	-	11,107,569	8,144,703
Health and Human Services	283,531	296,019	-	-	283,531	296,019
Culture, Recreation, and Education	6,024,604	4,318,609	-	-	6,024,604	4,318,609
Conservation and Development	791,949	2,566,452	-	-	791,949	2,566,452
Interest on Long-Term Debt	1,189,710	1,104,293	-	-	1,189,710	1,104,293
Electric Utility	-	-	32,971,424	36,295,845	32,971,424	36,295,845
Water Utility	-	-	4,841,127	4,683,018	4,841,127	4,683,018
Communications	-	-	100,318	110,058	100,318	110,058
Wastewater	-	-	4,896,950	4,512,443	4,896,950	4,512,443
EMS	-	-	2,085,823	2,434,261	2,085,823	2,434,261
<b>Total Expenses</b>	<b>33,596,677</b>	<b>29,444,457</b>	<b>44,895,642</b>	<b>48,035,625</b>	<b>78,492,319</b>	<b>77,480,082</b>
<b>Changes in Net Position before Transfers</b>	<b>1,756,844</b>	<b>3,888,422</b>	<b>11,859,033</b>	<b>7,573,793</b>	<b>13,615,877</b>	<b>11,462,215</b>
Transfers	2,127,481	2,290,147	(2,127,481)	(2,290,147)	-	-
<b>Change in Net Position</b>	<b>3,884,325</b>	<b>6,178,569</b>	<b>9,731,552</b>	<b>5,283,646</b>	<b>13,615,877</b>	<b>11,462,215</b>
Net Position - January 1	82,069,713	75,891,144	160,069,619	154,785,973	242,139,332	230,677,117
<b>Net Position - December 31</b>	<b>\$ 85,954,038</b>	<b>\$ 82,069,713</b>	<b>\$ 169,801,171</b>	<b>\$ 160,069,619</b>	<b>\$ 255,755,209</b>	<b>\$ 242,139,332</b>

A summary of key changes follows:

**Governmental Activities:**

- The increase in net position from 2022 to 2023 can be attributed to the pension changing from an asset to a liability and related deferred inflows and outflows in 2023.

**Business Type Activities:**

- The increase in net position from 2022 to 2023 was mainly due to the continued profitability of Marshfield Utilities and the Wastewater Utility.
- The Electric Utility received \$2,787,153 less in operating revenues spread across all service and spent \$2,970,717 less for operating expenditures in 2023 as compared to 2022. Nonoperating revenues (primarily interest income) were \$1,272,993 higher in the current year.
- The Wastewater Utility had a slight decrease of \$34,542 as compared to prior year and had a \$1,012,215 increase nonoperating revenues (primarily interest income) as compared to prior year.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023**

**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, 2023, the City's governmental funds reported combined ending fund balances of \$13,827,850, an increase of \$2,575,657 in comparison with the prior year. The increase is due to continued improvement in the City's TIDs. TID 4 Downtown Redevelopment, TID 5 Mill Creek Business Park, and TID 7 Yellowstone Industrial Park are mature districts that have not had recent development activity; as a result, they contributed \$407,158, \$902,966, and \$284,652, respectively, of increased fund balance. The City's other TIDs contributed an additional \$253,754 of positive fund balance. All in all, the TIDs generated revenues of \$3,729,844 and had \$1,888,784 of expenditures which consisted primarily of debt service payments.

The fund balance increased \$509,885 in the Parks and Recreation Capital Outlay fund due to the difference in timing between revenue receipts and project expenditures for the pickleball courts and plaza restrooms.

The fund balance of the City's general fund increased by \$288,611 during the current year. Revenue in the General fund exceeded prior year by \$565,271 (2.5%) primarily due to interest revenue, an insurance recovery and receipt of a tourism grant. Those increases were offset by a decrease in a PILOT payment and special assessments as compared to prior year. Increases in contractual services, wages and benefits, and supplies resulted in an increase of \$626,166 (2.8%) of expenditures in the General fund in 2023 as compared to 2022.

The final budget adopted by the City applied \$79,977 of fund committed balance and \$2,012,74 of unassigned fund balance to balance the budget. Total revenues in the general fund were \$505,728 more than revised budget and total expenditures were \$2,113,537 less than revised budget. Interest revenue and insurance recoveries were \$638,317 greater than budget while PILOT, public charges for services, and special assessments were \$656,487 less than budget. Contingency and wages with related benefits were \$1,848,073 less than budget.

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 \$6,980,869 while total fund balance was \$6,895,834. 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 26.4% of total actual general fund expenditures.

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 \$217,786, a decrease of \$20,540 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 \$106,622,062 with \$61,085,319 net investment in capital assets, \$314,235 restricted, and \$45,222,508 as unrestricted. The fund experienced an increase in net position of \$5,515,815.

Total net position of the City's Wastewater Utility at the end of the year amounted to \$60,850,125 with \$40,362,537 net investment in capital assets, \$3,385,602 restricted, and \$17,101,986 unrestricted. The fund experienced a growth in net position of \$3,896,825.

**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023**

Total net position of the City's Emergency Medical Services fund at the end of the year amounted to \$2,143,320 with \$1,114,235 net investment in capital assets, and \$1,029,085 as unrestricted. The fund experienced an increase in net position of \$302,521.

The City's internal service fund reported net position of \$4,594,360 at the end of the year, an increase of \$484,026 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.

**General Fund Budgetary Highlights**

The original budget is at times, modified via the budget resolution process. Budget resolutions utilizing fund balance were \$414,478 for unanticipated expenditures primarily relating to a longer and more eventful snow season than anticipated, and costly repairs to large equipment.

During the year, actual revenues and other financing sources exceeded budget revenues by \$126,585. Fines, forfeitures, and penalties, intergovernmental charges for services and miscellaneous revenues exceeded budget while taxes, special assessments, public charges for services, and licenses and permits were less than budget expectations. Actual expenditures were under original budgeted expenditures by \$2,171,537. Favorable variances were experienced in all governmental activities. Most of the favorability was primarily due to utilizing fewer contingency funds than anticipated and wages and benefits related to vacant positions.

**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, 2023 amounts to \$256,059,846 (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**

- Street construction and improvements \$2,887,022
- Donated building and land valued at \$1,825,300

**Business-Type Activities**

- Wastewater utility collecting mains \$403,166 and Vactor sewer equipment \$510,811
- Electric, water, and communications buildings, utilities equipment and infrastructure projects \$9,199,778

City of Marshfield Capital Assets						
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 7,745,237	\$ 7,649,942	\$ 2,778,679	\$ 2,627,859	\$ 10,523,916	\$ 10,277,801
Construction in Progress	327,608	140,617	2,453,406	670,405	2,781,014	811,022
Buildings and Improvements	55,865,061	53,815,621	50,338,844	50,161,531	106,203,905	103,977,152
Machinery and Equipment	21,680,529	20,962,399	14,381,798	14,141,274	36,062,327	35,103,673
Infrastructure	114,448,945	111,369,881	167,286,423	163,448,704	281,735,368	274,818,585
Right-to-Use Lease Asset	59,676	38,908	-	-	59,676	38,908
Less: Accumulated Depreciation and Amortization	(83,877,766)	(78,940,842)	(97,428,594)	(91,804,174)	(181,306,360)	(170,745,016)
Total	\$ 116,249,290	\$ 115,036,526	\$ 139,810,556	\$ 139,245,599	\$ 256,059,846	\$ 254,282,125

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



**CITY OF MARSHFIELD, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023**

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$81,873,448. Of this amount, \$45,368,500 comprises debt backed by the full faith and credit of the government and \$34,920,000 is backed by the revenues of the electric and water utilities.

<b>City of Marshfield Outstanding Debt</b>						
<b>General Obligation Debt, Revenue Bonds and Bond Anticipation Notes</b>						
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General Obligation Debt:						
Bonds	\$ 36,805,000	\$ 35,385,000	\$ 900,000	\$ 1,045,000	\$ 37,705,000	\$ 36,430,000
Notes	6,480,000	8,875,000	-	-	6,480,000	8,875,000
State Trust Fund	940,500	1,310,343	-	-	940,500	1,310,343
Bank Notes	243,000	-	-	-	243,000	-
Total General Obligation Debt	44,468,500	45,570,343	900,000	1,045,000	45,368,500	46,615,343
Financed Purchase	1,558,433	1,852,019	-	27,550	1,558,433	1,879,569
Lease Liability	26,515	23,067	-	-	26,515	23,067
Revenue Bonds	-	-	34,920,000	38,170,000	34,920,000	38,170,000
Total	\$ 46,053,448	\$ 47,445,429	\$ 35,820,000	\$ 39,242,550	\$ 81,873,448	\$ 86,687,979

State 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 \$104,889,540 which is in excess of the City's \$45,368,500 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**

2023 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 2023 and early 2024.

- Residential
  - The City entered into an agreement with a residential builder to construct 77 homes over the next several years.
  - Permits for new 3 single-family homes and new 12 commercial/industrial permits were issued in 2023.
  - Five homes have been constructed in the City's Daniel's subdivision.
- Kwik Trip opened a fourth location in the northwest section of the City.
- Valvoline Instant Oil Change and Pizza Hut opened in a newly constructed buildings.
- The Marshfield Mall now known as Marshfield Towne Centre completed a multi-million-dollar renovation; new retailers include 5-Below, Ross Dress for Less, and Hobby Lobby.
- The former Rose Bowl Lanes site is being redeveloped as a car wash.

#### **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 54449.



**BASIC FINANCIAL STATEMENTS**

-TENTATIVE REPORT-  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

**CITY OF MARSHFIELD  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Total	Component Unit Marshfield CDA
<b>ASSETS</b>				
Cash and Investments	\$ 18,490,346	\$ 38,295,141	\$ 56,785,487	\$ 1,692,959
Receivables:				
Taxes and Special Charges	13,554,330	17,655	13,571,985	-
Delinquent Taxes	26,647	-	26,647	-
Accounts, Net	307,065	7,468,639	7,775,704	658
Special Assessments	918,946	65,710	984,656	-
Loans	324,117	-	324,117	-
Loan Due From Primary Government	-	-	-	1,960,000
Leases	735,729	684,616	1,420,345	-
Other	35,458	736,736	772,194	-
Internal Balances	1,973,603	(1,973,603)	-	-
Due from Other Governments	275,769	-	275,769	7,188
Inventories and Prepaid Items	201,844	2,816,320	3,018,164	25,419
Investment in ATC LLC	-	14,183,146	14,183,146	-
Other	-	138,452	138,452	-
Restricted Assets:				
Cash and Investments	298,648	10,982,119	11,280,767	319,716
Capital Assets, Not Being Depreciated	8,072,845	232,085	13,304,930	420,945
Capital Assets, Being Depreciated and Amortized, Net	108,176,445	134,378,471	242,754,916	3,708,924
Total Assets	153,391,792	213,225,487	366,617,279	8,135,809
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	19,195,785	7,310,314	26,506,099	337,631
Other Postemployment Related Amounts	243,869	177,332	421,192	19,906
Total Deferred Outflows Of Resources	19,439,654	7,487,646	26,927,291	357,537
<b>LIABILITIES</b>				
Accounts Payable	163,997	2,418,306	3,572,303	42,008
Accrued and Other Current Liabilities	32,420	-	32,420	-
Due to Other Governments	458,768	50,810	509,578	-
Accrued Interest Payable	434,059	66,928	497,987	5,762
Special Deposits	16,433	389,101	405,534	64,666
Unearned Revenues	1,039,493	167,360	1,206,853	-
Long-Term Obligations:				
Due Within One Year	5,974,972	3,858,554	9,833,526	190,783
Due in More Than One Year	40,633,104	34,438,229	75,071,333	1,777,010
Financed Purchase Due To Component Unit	1,375,858	-	1,375,858	-
Net Pension Liability	5,142,479	1,955,917	7,098,396	94,584
Other Postemployment Benefits	645,058	2,514,850	3,159,908	47,326
Total Liabilities	56,903,641	45,860,055	102,763,696	2,222,139
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	17,947,399	-	17,947,399	-
Leases	735,729	684,616	1,420,345	-
Pension Related Amounts	10,795,531	4,107,526	14,903,057	198,312
Other Postemployment Related Amounts	495,099	259,765	754,864	38,561
Total Deferred Inflows Of Resources	29,973,758	5,051,907	35,025,665	236,873
<b>NET POSITION</b>				
Net Investment in Capital Assets	73,373,455	102,562,091	175,776,329	4,129,869
Restricted				
TIF Expenditures	4,602,347	-	4,602,347	-
Capital Improvements	-	3,482,337	3,482,337	-
Housing Loans	420,439	-	420,439	-
Economic Development	374,700	-	374,700	-
Other	773,291	217,500	990,791	243,544
Unrestricted	6,409,806	63,539,243	70,108,266	1,660,921
Total Net Position	\$ 85,954,038	\$ 169,801,171	\$ 255,755,209	\$ 6,034,334

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 4,142,942	\$ 434,681	\$ 201,993	\$ 1,865,358
Public Safety	10,056,372	87,175	625,841	-
Public Works	11,107,569	835,969	2,504,154	512,518
Health and Human Services	283,531	205,330	-	-
Culture and Recreation	6,024,604	511,478	501,185	25,845
Conservation and Development	791,949	216,462	105,364	-
Interest and Fiscal Charges	1,189,710	-	-	-
Total Governmental Activities	33,596,677	2,291,095	3,938,537	2,403,721
<b>BUSINESS-TYPE ACTIVITIES</b>				
Electric Utility	32,971,424	35,924,120	-	169,324
Water Utility	4,841,127	6,402,989	-	20,166
Communications Utility	100,318	277,155	-	78,177
Wastewater Utility	4,896,950	7,882,413	300	66,234
Emergency Medical Services	2,085,823	2,087,726	130,086	-
Total Business-Type Activities	44,895,642	52,574,403	130,386	333,901
Total Primary Government	\$ 78,492,319	\$ 54,865,498	\$ 4,068,923	\$ 2,737,622
<b>COMPONENT UNIT</b>				
Marshfield CDA	\$ 2,004,833	\$ 880,335	\$ 1,556,989	\$ 36,685

**GENERAL REVENUES**

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

**CHANGE IN NET POSITION**

Net Position - Beginning of Year

**NET POSITION - END OF YEAR**

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Totals	Marshfield CDA
\$ (1,640,910)	\$ -	\$ (1,640,910)	\$ -
(9,343,356)	-	(9,343,356)	-
(7,254,928)	-	(7,254,928)	-
(78,201)	-	(78,201)	-
(4,986,096)	-	(4,986,096)	-
(470,123)	-	(470,123)	-
(1,189,710)	-	(1,189,710)	-
(24,963,324)	-	(24,963,324)	-
-	3,122,020	3,122,020	-
-	1,582,028	1,582,028	-
-	255,014	255,014	-
-	3,051,997	3,051,997	-
-	131,989	131,989	-
-	8,143,048	8,143,048	-
(24,963,324)	8,143,048	(16,820,276)	-
-	-	-	169,176
15,241,662	-	15,241,662	-
3,251,484	-	3,251,484	-
888,963	-	888,963	-
6,034,042	-	6,034,042	-
789,435	3,516,258	4,305,691	17,909
445,783	66,322	534,105	141,061
68,799	111,407	180,206	-
2,127,481	(2,127,481)	-	-
28,847,649	1,588,504	30,436,153	158,970
3,884,325	9,731,552	13,615,877	628,146
82,069,713	160,069,619	242,139,332	5,406,188
\$ 85,954,038	\$ 169,801,171	\$ 255,755,209	\$ 6,034,334

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Debt Service	Infrastructure Construction	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and Investments	\$ 8,320,288	\$ 1,423,615	\$ -	\$ 7,883,660	\$ 17,627,563
Restricted Cash and Investments	-	-	-	298,648	298,648
Receivables:					
Taxes and Special Charges	8,248,100	3,585,880	-	1,720,350	13,554,330
Delinquent Taxes	26,647	-	-	-	26,647
Accounts, Net	152,825	-	81,289	-	234,114
Special Assessments	718,222	-	-	200,724	918,946
Loans	-	-	-	24,117	324,117
Leases	735,729	-	-	-	735,729
Other	-	-	-	89,475	89,475
Due from Other Funds	1,984,410	-	432,730	-	2,416,740
Due from Other Governments	-	-	-	274,709	274,709
Inventories and Prepaid Items	95,213	-	-	4,308	99,521
<b>Total Assets</b>	<b>\$ 20,281,434</b>	<b>\$ 5,009,495</b>	<b>\$ 513,619</b>	<b>\$ 10,795,991</b>	<b>\$ 36,600,539</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 524,977	\$ -	\$ 292,503	\$ 310,624	\$ 1,128,104
Accrued and Other Current Liabilities	32,420	-	-	-	32,420
Due to Other Funds	-	-	21,724	265,547	287,271
Due to Other Governments	457,408	-	-	1,365	458,768
Special Deposits	14,433	-	-	2,000	16,433
Unearned Revenues	59,830	-	-	979,663	1,039,493
<b>Total Liabilities</b>	<b>1,089,063</b>	<b>-</b>	<b>314,227</b>	<b>1,559,199</b>	<b>2,962,489</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Subsequent Year	10,887,175	4,791,709	-	2,268,515	17,947,399
Unavailable Revenue - Grants	17,340	-	54,319	202,546	274,205
Special Assessments	656,293	-	-	196,574	852,867
Leases	735,729	-	-	-	735,729
<b>Total Deferred Inflows of Resources</b>	<b>12,296,537</b>	<b>4,791,709</b>	<b>54,319</b>	<b>2,667,635</b>	<b>19,810,200</b>
<b>FUND BALANCES</b>					
Nonspendable	95,213	-	-	248,756	343,969
Restricted	327,688	217,786	-	5,402,067	5,947,541
Committed	392,044	-	145,073	1,185,986	1,723,103
Unassigned	6,080,889	-	-	(267,652)	5,813,237
<b>Total Fund Balances</b>	<b>6,895,834</b>	<b>217,786</b>	<b>145,073</b>	<b>6,569,157</b>	<b>13,827,850</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 20,281,434</b>	<b>\$ 5,009,495</b>	<b>\$ 513,619</b>	<b>\$ 10,795,991</b>	<b>\$ 36,600,539</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2023**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page \$ 13,827,850

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. 112,661,443

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

    Special Assessments 852,867  
    Unavailable Grant Revenue 274,205

Net position of the internal service fund is reported in the statement of net position as governmental activities. 4,408,696

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 18,929,454  
    Deferred Inflows Related to Pensions (10,646,065)  
    Deferred Outflows Related to Other Postemployment Benefits 240,484  
    Deferred Inflows Related to Other Postemployment Benefits (488,244)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

    Bonds and Notes Payable (44,468,500)  
    Financed Purchase (1,558,433)  
    Lease Liability (26,515)  
    Premium on Debt (1,026,578)  
    Compensated Absences (888,160)  
    Net Pension Liability (5,071,280)  
    Other Postemployment Benefit (636,127)  
    Accrued Interest on Long-Term Obligations (431,059)

Net Position of Governmental Activities as Reported on the Statement of Net Position \$ 85,954,038

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Infrastructure Construction	Other Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 11,003,746	\$ 4,434,440	\$ -	\$ 3,943,923	\$ 19,382,109
Special Assessments	324,875	-	-	37,058	361,933
Intergovernmental	7,637,201	-	142,368	1,776,796	9,556,365
Licenses and Permits	270,478	-	-	201,993	472,471
Fines and Forfeits	324,567	-	-	30,783	355,350
Public Charges for Services	854,709	-	-	579,217	1,433,926
Intergovernmental Charges for Services	54,613	-	202,377	-	256,990
Miscellaneous	1,134,218	66,981	-	233,830	1,435,029
Total Revenues	21,604,407	4,501,421	344,745	6,803,600	33,254,173
<b>EXPENDITURES</b>					
Current:					
General Government	3,337,604	-	-	466,610	3,804,214
Public Safety	9,524,151	-	-	181,578	9,705,729
Public Works	5,350,734	-	2,459,721	1,584,555	9,395,010
Health and Human Services	282,183	-	-	-	282,183
Culture and Recreation	4,015,688	-	-	533,898	4,549,586
Conservation and Development	456,345	-	3,750	412,249	872,344
Debt Service:					
Principal	62,289	3,720,581	-	1,467,432	5,250,302
Interest and Fiscal Charges	7,054	902,565	-	345,727	1,255,346
Capital Outlay	-	-	1,084,801	763,497	1,848,298
Total Expenditures	23,036,048	4,623,146	3,548,272	5,755,546	36,963,012
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,431,641)	(121,725)	(3,203,527)	1,048,054	(3,708,839)
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	39,750	3,069,000	729,250	3,838,000
Premium on Debt Issued	-	230,385	-	-	230,385
Proceeds from Sale of Capital Assets	-	-	-	48,630	48,630
Transfers In	1,817,591	-	252,151	848,489	2,918,231
Transfers Out	(97,339)	(168,950)	-	(484,461)	(750,750)
Total Other Financing Sources (Uses)	1,720,252	101,185	3,321,151	1,141,908	6,284,496
<b>NET CHANGE IN FUND BALANCES</b>	288,611	(20,540)	117,624	2,189,962	2,575,657
Fund Balances - Beginning of Year	6,607,223	238,326	27,449	4,379,195	11,252,193
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,895,834</u>	<u>\$ 217,786</u>	<u>\$ 145,073</u>	<u>\$ 6,569,157</u>	<u>\$ 13,827,850</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ 2,575,657

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	4,033,934
Contributed Capital Assets	1,865,359
Depreciation and Amortization Expense Reported in the Statement of Activities	(4,920,164)
Net Book Value of Disposals	(163,426)

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	82,733
Special Assessments	150,585

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	(3,858,768)
Premium on Debt Issued	(230,385)
Principal Repaid	5,250,749

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	(59,297)
Amortization of Debt Premiums	73,354
Compensated Absences	397
Net Pension Liability (Asset)	(12,736,164)
Deferred Outflows of Resources Related to Pensions	3,987,512
Deferred Inflows of Resources Related to Pensions	7,412,984
Other Postemployment Benefits	381,113
Deferred Outflows of Resources Related to Other Postemployment Benefits	(80,095)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(349,388)

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.

467,635

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 3,884,325

See accompanying Notes to Basic Financial Statements.



**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 11,011,940	\$ 11,011,940	\$ 11,003,746	\$ (8,194)
Special Assessments	418,874	418,874	324,875	(93,999)
Intergovernmental	7,684,541	7,684,541	7,637,201	(47,340)
Licenses and Permits	273,600	273,600	270,478	(3,122)
Fines and Forfeits	182,000	182,000	324,567	142,567
Public Charges for Services	935,924	1,010,722	854,709	(156,013)
Intergovernmental Charges for Services	48,018	48,018	54,613	6,595
Miscellaneous	445,650	468,984	1,134,218	665,234
Total Revenues	21,000,547	21,098,679	21,604,407	505,728
<b>EXPENDITURES</b>				
Current:				
General Government	5,545,632	4,952,093	3,337,604	1,614,489
Public Safety	9,627,706	9,792,666	9,524,151	268,515
Public Works	5,061,308	5,368,550	5,350,734	17,816
Health and Human Services	287,556	287,556	282,183	5,373
Culture and Recreation	4,005,130	4,088,467	4,015,688	72,779
Conservation and Development	613,538	613,538	456,345	157,193
Debt Service:				
Principal	41,325	41,325	62,289	(20,964)
Interest and Fiscal Charges	5,390	5,390	7,054	(1,664)
Total Expenditures	25,207,585	25,149,585	23,036,048	2,113,537
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,207,038)	(4,050,906)	(1,431,641)	2,619,265
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,196,734	2,196,734	1,817,591	(379,143)
Transfers Out	(82,415)	(147,100)	(97,339)	49,761
Total Other Financing Sources (Uses)	2,114,319	2,049,634	1,720,252	(329,382)
<b>NET CHANGE IN FUND BALANCE</b>	(2,092,719)	(2,001,272)	288,611	2,289,883
Fund Balance - Beginning of Year	6,607,223	6,607,223	6,607,223	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,514,504</u>	<u>\$ 4,605,951</u>	<u>\$ 6,895,834</u>	<u>\$ 2,289,883</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**DECEMBER 31, 2023**

	Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services		
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 22,867,317	\$ 15,425,519	\$ 2,305	\$ 38,295,141	\$ 862,783
Receivables:					
Taxes and Special Charges	-	17,655	-	17,655	-
Customer Accounts	6,481,206	166,811	820,622	7,468,639	18,797
Special Assessments	-	65,710	-	65,710	-
Other	736,736	-	-	736,736	137
Due from Other Funds	136,341	1,426,400	-	1,562,741	31,329
Due from Other Governments	-	-	-	-	1,060
Inventories and Prepaid Items	2,689,881	122,411	1,028	2,816,320	102,323
Total Current Assets	32,911,481	17,224,506	3,333	50,962,942	1,016,429
<b>NONCURRENT ASSETS</b>					
Restricted Assets:					
Cash and Investments	7,596,517	3,385,602	-	10,982,119	-
Lease Receivables	684,616	-	-	684,616	-
Investment in ATC LLC	14,183,146	-	-	14,183,146	-
Other	138,452	-	-	138,452	-
Total Noncurrent Assets	22,602,731	3,385,602	-	25,988,333	-
<b>CAPITAL ASSETS</b>					
Nondepreciable	3,795,358	1,190,162	246,565	5,232,085	228,909
Depreciable	93,638,423	39,172,377	1,767,671	134,578,471	3,358,938
Total Capital Assets	97,433,781	40,362,539	2,014,236	139,810,556	3,587,847
<b>Total Assets</b>	<u>\$ 152,947,993</u>	<u>\$ 60,972,647</u>	<u>\$ 2,841,191</u>	<u>\$ 216,761,831</u>	<u>\$ 4,604,276</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Amounts	\$ 4,264,453	\$ 933,186	\$ 2,112,675	\$ 7,310,314	\$ 266,331
Other Postemployment Related Amounts	138,606	11,841	26,885	177,332	3,376
Total Deferred Outflows of Resources	4,403,059	945,027	2,139,560	7,487,646	269,707

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**DECEMBER 31, 2023**

	Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services		
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 2,247,101	\$ 147,097	\$ 24,108	\$ 2,418,306	\$ 25,893
Due to Other Funds	3,657,673	62,928	1,407	3,722,008	1,531
Due to Other Governments	50,810	-	-	50,810	-
Accrued Interest	-	-	5,625	5,625	-
Special Deposits	158,665	-	1,667	160,332	-
Unearned Revenue	167,360	-	-	167,360	-
Current Portion of Long-Term Debt	322,865	28,238	171,823	522,926	15,748
Current Portion of Other Postemployment Benefits	30,628	-	-	30,628	-
Payable from Restricted Assets:					
Special Deposits	228,769	-	-	228,769	-
Current Portion of Revenue Bonds	3,305,000	-	-	3,305,000	-
Accrued Interest	61,303	-	-	61,303	-
Total Payable from Restricted Assets	3,595,072	-	-	3,595,072	-
Total Current Liabilities	10,230,174	238,263	204,630	10,673,067	43,172
<b>LONG-TERM OBLIGATIONS, Less</b>					
<b>Current Portion</b>					
General Obligation Debt	-	-	750,000	750,000	-
Revenue Bonds	32,783,189	-	-	32,783,189	-
Compensated Absences	905,040	-	-	905,040	-
Net Pension Liability	1,139,289	249,710	566,938	1,955,917	71,199
Other Postemployment Benefits	2,412,412	91,323	71,115	2,514,850	8,931
Total Long-Term Liabilities	37,239,910	281,033	1,388,053	38,908,996	80,130
Total Liabilities	47,470,084	519,296	1,592,683	49,582,063	123,302
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases Receivable	684,616	-	-	684,616	-
Pension Related Amounts	2,393,149	524,212	1,190,165	4,107,526	149,466
Other Postemployment Related Amounts	181,141	24,041	54,583	259,765	6,855
Total Deferred Inflows of Resources	3,258,906	548,253	1,244,748	5,051,907	156,321
<b>NET POSITION</b>					
Net Investment In Capital Assets	61,085,319	40,362,537	1,114,235	102,562,091	3,587,847
Restricted					
Capital Improvements	96,735	3,385,602	-	3,482,337	-
Other	217,500	-	-	217,500	-
Unrestricted	45,222,508	17,101,986	1,029,085	63,353,579	1,006,513
Total Net Position	\$ 106,622,062	\$ 60,850,125	\$ 2,143,320	169,615,507	\$ 4,594,360
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				185,664	
Net Position of Business-Type Activities as Reported on the Statement of Net Position				\$ 169,801,171	

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Enterprise Funds				
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services	Totals	Governmental Activities - Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 41,805,738	\$ 6,884,846	\$ 2,087,726	\$ 50,778,310	\$ 2,405,100
Other	798,526	997,567	-	1,796,093	-
Total Operating Revenues	42,604,264	7,882,413	2,087,726	52,574,403	2,405,100
<b>OPERATING EXPENSES</b>					
General and Administrative	2,548,621	-	-	2,548,621	-
Customer Accounts	896,336	-	-	896,336	-
Operation and Maintenance	28,215,482	3,747,857	1,909,403	33,872,742	1,556,880
Depreciation	5,293,500	1,152,386	158,020	6,603,906	420,647
Taxes	272,756	-	-	272,756	-
Total Operating Expenses	37,226,695	4,900,243	2,067,423	44,194,361	1,977,527
<b>OPERATING INCOME (LOSS)</b>	5,377,569	2,982,170	20,303	8,380,042	427,573
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	2,621,920	894,386	715	3,516,971	-
Nonoperating Grants	-	300	130,086	130,386	6,855
Gain (Loss) on Disposal of Capital Assets	-	110,690	-	110,690	33,239
Interest and Fiscal Charges	(696,151)	-	(22,519)	(717,670)	(64)
Other Nonoperating Revenues (Expenses)	12,186	47,246	28,890	88,322	56,423
Total Nonoperating Revenues (Expenses)	1,938,955	1,052,572	137,172	3,128,699	96,453
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	7,316,524	4,034,742	157,475	11,508,741	524,026
Capital Contributions	267,687	66,234	-	333,901	-
Transfers In	-	-	168,950	168,950	-
Transfers Out	(2,068,376)	(204,151)	(23,904)	(2,296,431)	(40,000)
<b>CHANGE IN NET POSITION</b>	5,515,815	3,896,825	302,521	9,715,161	484,026
Net Position - Beginning of Year	101,106,247	56,953,300	1,840,799		4,110,334
<b>NET POSITION - END OF YEAR</b>	<u>\$ 106,622,062</u>	<u>\$ 60,850,125</u>	<u>\$ 2,143,320</u>		<u>\$ 4,594,360</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				16,391	
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities				<u>\$ 9,731,552</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 42,656,471	\$ 7,846,634	\$ 2,010,236	\$ 52,513,341	\$ 2,434,449
Cash Received from Tower Rental	90,845	-	-	90,845	-
Cash Paid for Employee Wages and Benefits	(4,440,717)	(1,023,784)	(989,394)	(6,453,895)	(385,031)
Cash Paid to Suppliers	(28,146,016)	(2,536,713)	(602,905)	(31,285,634)	(1,169,558)
Miscellaneous Nonoperating Income (Expense)	12,186	-	-	12,186	-
Net Cash Provided by Operating Activities	10,172,769	4,286,137	417,937	14,876,843	879,860
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental Revenues	-	-	130,086	130,086	6,855
Due to/from Other Funds	-	-	(347,374)	(347,374)	-
Transfer in	-	-	168,950	168,950	-
Transfer Out	(2,068,376)	(204,151)	(23,904)	(2,296,431)	(40,000)
Net Cash Used by Noncapital Financing Activities	(2,068,376)	(204,151)	(72,242)	(2,344,769)	(33,145)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(7,288,087)	(1,523,569)	(146,678)	(9,258,334)	(853,624)
Capital Contributions	257,667	55,913	-	323,580	-
Sale of Capital Assets	-	170,324	-	170,324	69,155
Principal Paid on Long-Term Debt	(3,250,000)	-	(172,550)	(3,422,550)	-
Interest Paid on Long-Term Debt	(790,989)	-	(24,877)	(815,866)	(64)
Net Cash Used by Capital and Related Financing Activities	(11,061,409)	(1,597,332)	(344,105)	(13,002,846)	(784,533)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	1,701,911	894,336	715	2,596,962	-
Net Cash Provided (Used) by Investing Activities	1,701,911	894,336	715	2,596,962	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,255,105)	3,378,990	2,305	2,126,190	62,182
Cash and Cash Equivalents - Beginning of Year	31,718,939	15,432,131	-	47,151,070	800,601
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 30,463,834</u>	<u>\$ 18,811,121</u>	<u>\$ 2,305</u>	<u>\$ 49,277,260</u>	<u>\$ 862,783</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Enterprise Funds				
	Marshfield Utilities	Wastewater Utility	Nonmajor Emergency Medical Services	Totals	Governmental Activities - Internal Service Fund
<b>RECONCILIATION OF OPERATING</b>					
<b>INCOME TO NET CASH PROVIDED (USED)</b>					
<b>BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 5,377,569	\$ 2,982,170	\$ 20,303	\$ 8,380,042	\$ 427,573
Nonoperating Miscellaneous Revenue (Expense)	12,186	47,546	28,890	88,622	56,423
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	5,293,500	1,152,386	158,020	6,603,906	420,647
Depreciation Charged to Clearing Accounts	178,762	-	-	178,762	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:					
Change in Pension Asset (Liability)	2,827,319	617,486	1,460,023	4,904,828	184,308
Change in Pension Deferred Outflow	(957,567)	(211,572)	(374,316)	(1,543,455)	(45,638)
Change in Pension Deferred Inflow	(1,584,639)	(342,297)	(314,010)	(2,840,946)	(117,027)
Change in OPEB Liability	56,234	3,541	10,468	70,243	1,355
Change in OPEB Deferred Outflow	5,039	(17,486)	(47,410)	(59,857)	(6,080)
Change in OPEB Deferred Inflow	132,888	17,378	38,404	188,670	4,806
Change in Operating Assets And Liabilities:					
Taxes Receivable	-	956	-	8,956	-
Customer Accounts Receivable	228,413	14,276	42,620	285,309	(18,797)
Other Receivables	(214,068)	-	-	(214,068)	13,184
Due from Other Funds	980,605	(99,377)	-	841,228	(22,272)
Due from Other Governments	(38,653)	366	-	(38,287)	811
Inventories and Prepaid Items	(647,775)	1,078	1,593	(645,104)	21,829
Other Assets	169	-	-	169	-
Preliminary Survey	(21,922)	-	-	(21,922)	-
Accounts Payable	(335,006)	72,938	(17,039)	(339,107)	(43,925)
Due to Other Funds	(998,605)	62,928	-	(837,677)	1,531
Due to Other Governments	(319,479)	-	-	(319,479)	-
Customer Advances	41,742	-	-	41,742	-
Special Deposits	186,796	-	1,667	188,463	-
Compensated Absences	(47,072)	(4,180)	8,724	(42,528)	1,132
Net Cash Provided (Used) by Operating Activities	\$ 10,172,769	\$ 4,286,137	\$ 417,937	\$ 14,876,843	\$ 879,860
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:					
Cash and Cash Equivalents in Current Assets	\$ 22,867,317	\$ 15,425,519	\$ 2,305	\$ 38,295,141	\$ 862,783
Cash and Cash Equivalents in Restricted Assets	7,596,517	3,385,602	-	10,982,119	-
Total Cash and Cash Equivalents	\$ 30,463,834	\$ 18,811,121	\$ 2,305	\$ 49,277,260	\$ 862,783
Noncash Capital and Related Financing Activities:					
Investment in American Transmission Company	\$ 317,610	\$ -	\$ -	\$ 317,610	\$ -
Change in Fair Value of Investments	\$ 501,867	\$ -	\$ -	\$ 501,867	\$ -
Purchase of Capital Assets on Account	\$ 260,273	\$ -	\$ -	\$ 260,273	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD  
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
DECEMBER 31, 2023**

	<u>Tax Collection Custodial Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 5,126,072
Receivables:	
Taxes	<u>15,216,524</u>
Total Assets	<u>20,342,596</u>
<b>LIABILITIES</b>	
Accounts Payable	999
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	<u>20,341,597</u>
<b>NET POSITION</b>	
Restricted	<u><u>\$ -</u></u>

-TENTATIVE REPORT-  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

See accompanying Notes to Basic Financial Statements.

**CITY OF MARSHFIELD  
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	Tax Collection Custodial Fund
<b>ADDITIONS</b>	
Property Tax Collections	\$ 26,023,032
<b>DEDUCTIONS</b>	
Payments to Taxing Jurisdictions	26,023,032
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	-
<b>NET POSITION - END OF YEAR</b>	<b>\$ -</b>

-TENTATIVE REPORT -  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

See accompanying Notes to Basic Financial Statements.



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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, 2023 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, Wisconsin 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, Wisconsin 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**B. Joint Venture (Continued)**

**1. Marshfield Fairgrounds Commission (Continued)**

The City of Marshfield, Wisconsin 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, Wisconsin. 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, Wisconsin, 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, Wisconsin 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, Wisconsin 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 from 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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.

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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 \$270,748 and the emergency medical services receivable net of an allowance of \$1,038,000 which represents estimated 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 2023 tax roll are recognized as revenue in 2023.) Special assessments are subject to collection procedures.

**6. Leases Receivable**

The City determines if an arrangement is a lease at inception. Leases are included in the lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

**6. Leases Receivable (Continued)**

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a received and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extend, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use the interest rate on the investment purchased closest to the commencement date of the lease to calculate the present value of expected lease payments.

**7. 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.

**8. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

**8. 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.

**9. 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.

**10. 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.

**11. 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 \$14,183,146 as of December 31, 2023, and is reported on the statement of net position as an asset.



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

**12. 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:

<u>Assets</u>	Governmental Activities	Business-Type Activities
	Years	
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
Right to Use Lease Asset - Machinery and Equipment	1 to 6	2

**13. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

**13. 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 lesser 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.

**14. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets 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 and grants. These inflows are recognized as revenues in the government-wide financial statements.

**15. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

**16. Leases Payable**

The City determines if an arrangement is a lease at inception. Leases are included in right-to-use (lease assets) and lease liabilities in the statement of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City recognizes payments for short-term leases with a lease term of 12 months or less, including options to extend, as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

**17. Pensions**

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

**18. 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. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

**19. 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 or amortization, 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 and program level. Expenditures may not exceed appropriations at the program level for the City.
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, 2023.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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, 2023 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund:	
Principal	\$ 20,964
Interest	1,664

**C. Deficit Fund Equity**

The following funds had deficit fund balance or net position as of December 31, 2023:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Special Revenue Funds:	
Taxi System	\$ 130,039
Capital Projects Funds:	
TID #12 (East Yellowstone Industrial Park)	118,065
TID #14 (West McMillan Street)	19,548

The City anticipates funding the above deficits from future revenues and tax increments of the funds.

**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 2022 and 2023 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 2023 budget was 0.55%. The actual limit for the City for the 2024 budget was 0.73%. 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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.

The carrying amount of the City's cash and investments totaled \$73,192,326 on December 31, 2023 as summarized below:

Petty Cash and Cash on Hand	\$ 10,543
Deposits with Financial Institutions	16,370,876
Investments	56,810,907
Total	<u>\$ 73,192,326</u>

**Reconciliation to the basic financial statements:**

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 56,785,487
Restricted Cash and Investments	11,280,767
Fiduciary Fund Statement of Net Position:	
Cash and Investments	5,126,072
Total	<u>\$ 73,192,326</u>

**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, 2023:

	Fair Value Measurements Using:			Total
	Level 1	Level 2	Level 3	
Investments:				
U.S. Treasuries	\$ -	\$ 175,255	\$ -	\$ 175,255
Negotiable Certificates of Deposit	-	5,821,517	-	5,821,517
Federal National Mortgage Association	-	227,790	-	227,790
Federal Home Loan Mortgage Corporation	-	1,214,830	-	1,214,830
Federal Home Loan Banks	-	8,583,412	-	8,583,412
Federal Farm Credit Bank System	-	1,864,248	-	1,864,248
Total	<u>\$ -</u>	<u>\$ 17,887,052</u>	<u>\$ -</u>	<u>\$ 17,887,052</u>



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**A. Cash and Investments (Continued)**

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.

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, 2023, \$16,325,241 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. \$16,289,310 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**A. Cash and Investments (Continued)**

Credit Risk (Continued)

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
U.S. Treasuries	\$ 175,255	\$ 175,255	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	5,821,517	-	-	-	5,821,517
Federal National Mortgage Association	227,790	-	227,790	-	-
Federal Home Loan Mortgage Corporation	1,214,830	-	1,214,830	-	-
Federal Home Loan Banks	8,583,412	-	8,583,412	-	-
Federal Farm Credit Bank System	1,864,248	-	1,864,248	-	-
Wisconsin Local Government Investment Pool	38,360,036	-	-	-	38,360,036
<b>Totals</b>	<b>\$ 56,247,088</b>	<b>\$ 175,255</b>	<b>\$ 11,890,280</b>	<b>\$ -</b>	<b>\$ 44,181,553</b>

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.

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
U.S. Treasuries	\$ 175,255	\$ 175,255	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	5,821,517	718,259	1,837,879	3,265,379	-
Federal National Mortgage Association	227,790	-	227,790	-	-
Federal Home Loan Mortgage Corporation	1,214,830	983,690	231,140	-	-
Federal Home Loan Banks	8,583,412	974,578	-	7,608,834	-
Federal Farm Credit Bank System	1,864,248	-	941,449	922,799	-
Wisconsin Local Government Investment Pool	38,360,036	38,360,036	-	-	-
<b>Totals</b>	<b>\$ 56,247,088</b>	<b>\$ 41,211,818</b>	<b>\$ 3,238,258</b>	<b>\$ 11,797,012</b>	<b>\$ -</b>

The City has investments in the Wisconsin Local Government Investment Pool of \$38,360,036 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, 2023, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. As of December 31, 2023, the LGIP has a weighted average maturity of 17 days.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**B. Restricted Assets**

Restricted assets on December 31, 2023 totaled \$11,280,767 and consisted of cash and investments held for the following purposes:

Funds	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 Mall Area):		
Developer Deposit	2,000	Developer deposit contingent on meeting various developer agreement requirements
Cemetery Perpetual Care:		
Care of the Cemetery	<u>244,448</u>	Funds restricted for operations and maintenance of the City cemetery
Total Governmental Activities	298,648	
<b>Marshfield Utilities</b>		
Electric Utility:		
Bond Redemption	261,750	Funds set aside for future principal and interest payments to meet the terms of the outstanding electric revenue bonds.
Bond Reserve	2,307,710	Funds set aside to meet the debt service reserve requirements of the outstanding electric revenue bonds.
M-1 Maintenance	3,686,346	Funds set aside for future maintenance of the M-1 combustion turbine unit. This is a utility designation only.
Customer Deposits	228,769	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	48,318	Funds restricted for future principal and interest payments on water revenue bonds.
Water Main Replacement	181,546	Revenues received that are restricted for the replacement of water mains by the Public Service Commission
Bond Reserve	<u>881,478</u>	Funds set aside to meet the debt service reserve requirements of the outstanding water revenue bonds.
Total Marshfield Utilities	7,596,517	
Wastewater Utility		
Equipment Replacement	<u>3,385,602</u>	Funds restricted for maintenance and upgrades of the wastewater treatment plant.
Total Restricted Assets	<u>\$ 11,280,767</u>	

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 7,649,942	\$ 107,000	\$ 11,705	\$ 7,745,237
Construction in Progress	140,617	313,515	126,524	327,608
Total Capital Assets, Nondepreciable	7,790,559	420,515	138,229	8,072,845
Capital Assets Being Depreciated and Amortized:				
Buildings and Improvements	53,815,621	2,078,360	28,920	55,865,061
Machinery and Equipment	20,962,399	1,193,828	475,696	21,680,529
Infrastructure	111,369,881	3,079,664	-	114,448,945
Right-to-Use Lease Asset	38,908	20,768	-	59,676
Subtotals	186,186,809	5,372,018	504,616	192,054,211
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	18,422,168	1,459,884	10,457	19,871,595
Machinery and Equipment	14,259,761	993,484	393,430	14,859,815
Infrastructure	46,242,606	2,869,752	-	49,112,358
Right-to-Use Lease Asset	16,307	17,691	-	33,998
Subtotals	78,940,842	5,340,811	403,887	83,877,766
Total Capital Assets, Being Depreciated and Amortized, Net	107,245,967	1,031,207	100,729	108,176,445
Governmental Activities Capital Assets, Net	\$ 115,936,526	\$ 1,451,722	\$ 238,958	116,249,290
Less: Capital Related Long Term Debt				(41,784,227)
Less: Capital Related Debt Premium				(1,009,964)
Less: Capital Related Payable and Retainage				(81,644)
Net Investment in Capital Assets				\$ 73,373,455
<b>Business-Type Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 2,627,859	\$ 150,820	\$ -	\$ 2,778,679
Construction in Progress	750,180	6,682,704	4,979,478	2,453,406
Total Capital Assets, Nondepreciable	3,378,039	6,833,524	4,979,478	5,232,085
Capital Assets, Depreciable:				
Buildings and Improvements	50,161,531	191,672	14,359	50,338,844
Machinery and Equipment	14,273,013	761,769	652,984	14,381,798
Infrastructure	163,237,190	4,651,302	602,069	167,286,423
Subtotals	227,671,734	5,604,743	1,269,412	232,007,065
Less: Accumulated Depreciation for:				
Buildings and Improvements	18,258,687	1,285,779	14,360	19,530,106
Machinery and Equipment	11,214,993	672,411	594,008	11,293,396
Infrastructure	62,330,494	4,824,478	549,880	66,605,092
Subtotals	91,804,174	6,782,668	1,158,248	97,428,594
Total Capital Assets, Depreciable, Net	135,867,560	(1,177,925)	111,164	134,578,471
Business-Type Activities Capital Assets, Net	\$ 139,245,599	\$ 5,655,599	\$ 5,090,642	139,810,556
Less: Capital Related Long Term Debt				(35,820,000)
Less: Capital Related Debt Premium				(1,168,189)
Less: Capital Related Payable and Retainage				(260,276)
Net Investment in Capital Assets				\$ 102,562,091

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**C. Capital Assets (Continued)**

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

**Governmental Activities:**

General Government	\$ 132,142
Public Safety	888,512
Public Works	2,983,089
Culture and Recreation	1,109,114
Health and Human Services	7,307
Internal Service Fund	420,647
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 5,340,811</u>

**Business-Type Activities:**

Electric Utility	\$ 3,808,329
Water Utility	1,601,359
Communication Utility	62,574
Wastewater Utility	1,152,386
Emergency Medical Services	158,020
Total Increase in Depreciation	6,782,668
Depreciation Charged to Clearing Accounts and Other Utilities	<u>(178,762)</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 6,603,906</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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, 2023 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds:		
General Fund	\$ 1,697,139	\$ -
Capital Projects Funds:		
Infrastructure Construction	432,330	-
Enterprise Funds:		
Marshfield Utilities	136,341	3,657,673
Wastewater Utility	1,426,400	62,928
Emergency Medical Services	-	1,407
Vehicle/Equipment Internal Service Fund	31,329	1,531
Temporary Cash Advances to Finance Operating		
Cash Deficits of Other Funds:		
General Fund	287,271	-
Special Revenue Funds:		
Taxi System	-	129,183
Capital Projects Funds:		
Infrastructure Construction	-	21,724
TID #12 (East Yellowstone Industrial Park)	-	117,826
TID #14 (West McMillan Street)	-	18,538
Totals	<u>\$ 4,010,810</u>	<u>\$ 4,010,810</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

Interfund transfers for the year ended December 31, 2023 were as follows:

<u>Fund</u>	Transfer In	Transfer Out
General Fund	\$ 1,817,591	\$ 97,339
Special Revenue Funds:		
Room Tax		206,003
Economic Development	286,743	277,500
Public Safety Fund	-	958
Debt Service Fund	-	168,950
Capital Projects Funds:		
Infrastructure Construction	252,151	-
Public Safety Capital Outlay Fund	81,558	-
Public Facilities Capital Outlay	6,685	-
Airport Outlay Fund		
Parks and Rec Capital Projects	466,003	-
TID #12 (East Yellowstone Industrial Park)	7,500	-
Enterprise Funds		
Marshfield Utilities	-	2,068,376
Wastewater Utility	168,950	204,151
Emergency Medical Services	-	23,904
Vehicle/Equipment Internal Service Fund	-	40,000
Totals	<u>\$ 3,087,181</u>	<u>\$ 3,087,181</u>

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Marshfield Utilities to General Fund	\$ 1,772,549
Annual Dividend Paid by Marshfield Utilities	286,743
Transfer of Resources to Fund Authorized to Spend	206,003
Fund Repayment to Capital Project Funds	40,000
Transfer of Debt Premium	168,950
Fund Capital Outlay	560,394
Other	52,542
Total	<u>\$ 3,087,181</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**E. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Debt:					
Bonds	\$ 35,385,000	\$ 3,595,000	\$ 2,175,000	\$ 36,805,000	\$ 2,610,000
Notes	8,875,000	-	2,395,000	6,480,000	2,035,000
Notes From Direct Borrowings:					
State Trust Fund Loans	1,310,343	-	369,843	940,500	446,811
Notes	-	243,000	-	243,000	80,313
Total General Obligation Debt	45,570,343	3,838,000	2,544,843	46,863,500	5,172,124
Debt Premium	869,547	230,385	3,354	1,026,578	-
Financed Purchase	131,161	-	123,586	7,575	7,575
Financed Purchase - Due to Component Unit	1,720,858	-	170,000	1,550,858	175,000
Lease Liability	23,067	20,768	17,320	26,515	9,174
Compensated Absences	903,173	111,714	110,979	903,908	611,099
Governmental Activities Long-Term Obligations	<u>\$ 49,218,149</u>	<u>\$ 4,200,867</u>	<u>\$ 5,435,082</u>	<u>\$ 47,983,934</u>	<u>\$ 5,974,972</u>
<b>Business-Type Activities</b>					
General Obligation Debt:					
Bonds	\$ 1,045,000	\$ -	\$ 145,000	\$ 900,000	\$ 150,000
Revenue Bonds	36,170,000	-	3,250,000	34,920,000	3,305,000
Debt Premium	259,415	-	91,226	1,168,189	-
Financed Purchase	27,550	-	27,550	-	-
Compensated Absences	1,320,492	-	47,070	1,273,422	371,926
Business-Type Activities Long-Term Obligations	<u>\$ 41,822,457</u>	<u>\$ -</u>	<u>\$ 3,560,846</u>	<u>\$ 38,261,611</u>	<u>\$ 3,826,926</u>

Total interest paid during the year on long-term debt totaled \$1,940,697.

The City's outstanding notes from direct borrowings related to governmental activities of \$940,500 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.

The City's outstanding notes from direct borrowings related to governmental activities of \$243,000 contain a provision that in an event of default the unpaid balance shall, at the option of the lender, without notice, mature and become immediately payable.



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**E. 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 12/31/23
General Obligation Bonds	4/15/13	3/1/30	2.00 - 2.75%	\$ 3,030,000	\$ 1,760,000
General Obligation Note	4/1/14	3/1/24	1.50 - 2.30%	400,000	380,000
General Obligation Bonds	4/14/15	3/1/30	2.00 - 2.50%	3,405,000	2,100,000
General Obligation Note	4/14/15	3/1/25	2.00%	2,820,000	515,000
General Obligation Bonds	3/1/16	3/1/36	2.00 - 3.00%	3,840,000	2,830,000
General Obligation Note	3/1/16	3/1/26	1.00 - 2.00%	3,865,000	1,245,000
General Obligation Bonds	11/1/16	3/1/28	1.00 - 2.50%	2,210,000	1,155,000
General Obligation Note	11/1/16	3/1/26	1.00 - 2.00%	2,110,000	650,000
General Obligation Note	4/4/17	3/1/27	2.00 - 3.00%	2,900,000	1,235,000
General Obligation Bonds	12/5/17	9/1/35	2.75 - 3.50%	3,075,000	2,450,000
General Obligation Note	7/31/18	3/1/28	3.00%	4,585,000	2,455,000
General Obligation Bonds	8/28/18	3/1/39	2.00 - 4.00%	15,475,000	13,025,000
State Trust Fund Loan	11/28/19	3/15/26	3.25%	750,000	396,687
State Trust Fund Loan	8/27/20	3/15/25	2.50%	736,000	301,966
General Obligation Bonds	9/17/20	3/1/37	1.00 - 2.00%	6,215,000	4,600,000
State Trust Fund Loan	6/1/21	3/15/24	2.50%	302,667	102,847
General Obligation Bonds	5/26/21	3/1/36	2.00 - 3.00%	2,580,000	2,150,000
General Obligation Bonds	8/30/22	3/1/42	3.00 - 3.75%	4,235,000	4,040,000
State Trust Fund Loan	12/29/22	3/15/25	5.50%	139,000	139,000
General Obligation Bonds	6/29/23	3/1/38	4.00 - 5.00%	3,595,000	3,595,000
General Obligation Note	8/16/23	3/15/26	5.65%	243,000	243,000
Total Outstanding General Obligation Debt					<u>\$ 45,368,500</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$45,368,500 on December 31, 2023 are detailed below:

Year Ending December 31	Governmental Activities				Total
	Bonded Debt		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	
2024	\$ 4,645,000	\$ 1,085,882	\$ 527,124	\$ 40,419	\$ 6,298,425
2025	4,415,000	950,162	436,276	21,873	5,823,311
2026	4,330,000	837,720	220,100	9,225	5,397,045
2027	4,110,000	732,144	-	-	4,842,144
2028	4,020,000	637,470	-	-	4,657,470
2029 - 2033	12,985,000	2,293,861	-	-	15,278,861
2034 - 2038	7,365,000	926,714	-	-	8,291,714
2039 - 2042	1,415,000	77,919	-	-	1,492,919
Total	\$ 43,285,000	\$ 7,541,872	\$ 1,183,500	\$ 71,517	\$ 52,081,889

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

General Obligation Debt (Continued)

Year Ending December 31,	Business-Type Activities		Total
	Bonded Debt		
	Principal	Interest	
2024	\$ 150,000	\$ 21,000	\$ 171,000
2025	150,000	17,250	167,250
2026	150,000	12,750	162,750
2027	150,000	9,000	159,000
2028	150,000	6,000	156,000
2029	150,000	2,250	152,250
Total	\$ 900,000	\$ 68,250	\$ 968,250

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, 2023 was \$59,531,040 as follows:

Equalized Valuation of the City	\$ 2,097,990,800
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	104,899,540
Total Outstanding General Obligation Debt Applicable to Debt Limitation	45,368,500
Legal Margin for New Debt	<u>\$ 59,531,040</u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2023 totaled \$34,920,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
Water Utility	10/14/14	12/1/33	2.00 - 3.50%	\$ 3,845,000	\$ 2,375,000
Water Utility	9/15/15	12/1/34	3.00 - 3.40%	3,180,000	2,115,000
Water Utility	12/5/18	12/1/27	4.00 - 5.00%	2,695,000	1,290,000
Electric Utility	9/10/20	12/1/30	1.33%	19,745,000	14,085,000
Electric Utility	3/11/21	12/1/41	1.00 - 4.00%	15,710,000	15,055,000
Total Outstanding Revenue Bonds					<u>\$ 34,920,000</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

Revenue Bonds (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$34,920,000 on December 31, 2023 are detailed below:

Year Ending December 31,	Business-Type Activities		Total
	Principal	Interest	
2024	\$ 3,305,000	\$ 735,639	\$ 4,040,639
2025	3,370,000	662,554	4,032,554
2026	3,445,000	587,553	4,032,553
2027	3,405,000	510,236	3,915,236
2028	3,195,000	436,353	3,631,353
2029 - 2033	9,215,000	1,082,506	10,297,506
2034 - 2038	5,155,000	616,708	5,771,708
2039 - 2041	3,830,000	190,972	4,020,972
Total	<u>\$ 34,920,000</u>	<u>\$ 4,822,521</u>	<u>\$ 39,742,521</u>

Utility Revenues Pledged

The City has pledged future electric and water customer revenues, net of specified operating expenses, to repay the electric and water 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 \$32,943,898. Principal and interest paid for the current year and total customer net revenues were \$3,143,156 and \$9,732,983, respectively.

The total principal and interest remaining to be paid on the water bonds is \$6,798,623. Principal and interest paid for the current year and total customer net revenues were \$897,833 and \$3,459,956, respectively.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

Financed Purchase

A summary of the financed purchase arrangements of the City is below.

**Infrastructure Improvements:** The City entered into an agreement with the Community Development Authority of the City of Marshfield, Wisconsin, a discretely presented component unit, to fund various infrastructure improvement projects. Interest rates on the agreement range from 2.70%-3.75% with principal amounts due through 2032. The outstanding balance of the financed purchase as of December 31, 2023 is \$1,550,858.

**Machinery and Equipment:** The City has entered into various agreements for machinery and equipment. The financed purchases expire at various dates through 2024 with interest rates between 3.00%-4.50%. the outstanding balance of the financed purchases as of December 31, 2023 are \$7,575.

Annual principal and interest maturities of the outstanding financed purchases of \$1,903,254 on December 31, 2023 are detailed below:

Year Ending December 31,	Governmental Activities		Total
	Principal	Interest	
2024	\$ 182,575	\$ 65,128	\$ 247,703
2025	180,000	58,355	238,355
2026	185,000	52,505	237,505
2027	190,000	46,493	236,493
2028	195,000	39,652	234,652
2029-2032	625,858	82,688	708,546
Total	\$ 1,558,433	\$ 344,821	\$ 1,903,254

Lease Liability

The City leases various pieces of machinery and equipment for various terms under long-term, noncancelable lease agreements. These leases expire at various dates through 2028.

Total principal and interest costs for such leases for governmental funds were \$28,800 for the year ended December 31, 2023. The future minimum lease payments for these agreements are as follows:

Year Ending December 31,	Governmental Activities		Total
	Principal	Interest	
2024	\$ 9,174	\$ 275	\$ 9,449
2025	4,987	304	5,291
2026	4,842	449	5,291
2027	4,701	590	5,291
2028	2,811	667	3,478
Total	\$ 26,515	\$ 2,285	\$ 28,800

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Pension Plan**

**1. Plan Description**

The Wisconsin Retirement System (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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. 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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	-9.6%	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%
2021	5.1%	13.0%
2022	7.4%	15.0%

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

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Pension Plan (Continued)**

**3. Contributions (Continued)**

During the year ended December 31, 2023, the WRS recognized \$1,436,125 in contributions from the City, \$288,418 from the Utilities, and \$23,463 from the CDA.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the City reported a liability of \$5,959,127, the Utility reported a liability of \$1,139,269, and the CDA reported a liability of \$94,584 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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 liability was based on the entity's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.11248511%, which was an increase of 0.00034309% from its proportion measured as of December 31, 2021. At December 31, 2022, the Utilities' proportion was 0.02150496%, which was an increase of 0.00056188% from its proportion measured as of December 31, 2021. At December 31, 2022, the CDA's proportion was 0.00178539%, which was a decrease of 0.00000414% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$3,027,840, the Utilities recognized pension expense of \$574,749, and the CDA recognized pension expense of \$48,283.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Pension Plan (Continued)**

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

At December 31, 2023, 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
City of Marshfield:		
Differences between Expected and Actual Experience	\$ 9,491,044	\$ 12,469,101
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	10,123,183	-
Changes in Assumptions	1,171,811	-
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	19,483	40,808
Employer Contributions Subsequent to the		
Measurement Date	1,436,125	-
Total	<u>\$ 22,241,646</u>	<u>\$ 12,509,909</u>
Marshfield Utilities:		
Differences between Expected and Actual Experience	\$ 1,814,502	\$ 2,383,849
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	1,935,355	-
Changes in Assumptions	224,027	-
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	2,151	9,300
Employer Contributions Subsequent to the		
Measurement Date	288,418	-
Total	<u>\$ 4,264,453</u>	<u>\$ 2,393,149</u>
Community Development Authority of the		
City of Marshfield:		
Differences between Expected and Actual Experience	\$ 150,643	\$ 197,914
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	18,599	-
Changes in Assumptions	160,679	-
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	1,228	398
Employer Contributions Subsequent to the		
Measurement Date	6,482	-
Total	<u>\$ 337,631</u>	<u>\$ 198,312</u>



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Pension Plan (Continued)**

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

Amounts reported as employer contributions subsequent to the measurement date, \$1,436,125 from the City, \$288,418 from the Utilities, and \$6,482 from the CDA, will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ 344,067
2025	1,715,771
2026	1,755,053
2027	4,480,721
Total	<u>\$ 8,295,612</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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ 63,028
2025	327,653
2026	335,969
2027	856,236
Total	<u>\$ 1,582,886</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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ 5,588
2025	27,556
2026	28,370
2027	71,323
Total	<u>\$ 132,837</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Pension Plan (Continued)**

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.6%
Discount Rate:	4.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. 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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation Percent</u>	<u>Long-Term Expected Nominal Rate of Return Percent</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
Public Equity	48.0 %	7.6 %	5.0 %
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Cash	(15.0)	N/A	N/A
Total Core Fund	100.0 %	7.4 %	4.8 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	7.2 %	4.6 %
International Equities	30.0	8.1 %	5.5 %
Total Variable Fund	100.0 %	7.7 %	5.1 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

Single Discount Rate

A single discount rate of 6.80% 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 6.80% and a municipal bond rate of 4.05% (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, 2021. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 6.8%, 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 (5.8%) or one-percentage-point higher (7.8%) than the current rate:

	One Percent Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	One Percent Increase to Discount Rate (7.8%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,778,151	\$ 5,959,127	\$ (3,547,175)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	3,781,196	1,139,269	(678,150)
CDA's Proportionate Share of the Net Pension Liability (Asset)	313,923	94,584	(56,301)

Pension Plan Fiduciary Net Position

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

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Pension Plan (Continued)**

**6. Payables to the Pension Plan**

The City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

The Utilities reported a payable of \$83,263 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

The CDA reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

**G. Other Postemployment Benefits**

The City reports OPEB related balances at December 31, 2023 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,045,871	\$ 441,098	\$ 793,425	\$ 91,588
Single-Employer Defined OPEB Plan	2,191,991	-	-	218,834
Total OPEB Liability	<u>\$ 3,237,862</u>	<u>\$ 441,098</u>	<u>\$ 793,425</u>	<u>\$ 310,422</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) coverage 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Active Employees	51
Total	<u>52</u>

Total OPEB Liability

The Utilities' total OPEB liability was measured as of December 31, 2023, 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:	4%
Discount Rate:	3.30%
Healthcare Cost Trend Rates:	4.7% for 2023 increasing to 4.8% for 2024, 4.6% for 2025, 4.5% for 2026, 4.4% for 2027, 4.4% for 2028, 4.3% for 2029, and decreasing to 4.2% thereafter
Pharmacy Cost Trend Rates:	5.2% for 2023, decreasing to 4.8% for 2024, 4.7% for 2025, 4.6% for 2026, 4.5% for 2027, 4.4% for 2028, 4.3% for 2029, and decreasing to 4.2% 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, 2023, 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 3.30%, as opposed to 3.70% for the prior year. The discount rate is based on the 20-year tax exempt municipal bond yield as of the measurement date.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**G. 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, 2022	\$ 2,026,344
Changes for the Year:	
Service Cost	82,543
Interest	77,424
Effect of Economic/Demographic Gains or Losses	(55,435)
Effect of Assumptions Changes or Inputs	104,302
Benefit Payments	(53,187)
Net Changes	165,647
Balance at December 31, 2023	\$ 2,191,991

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 (2.30%) or one-percentage-point higher (4.30%) than the current rate:

	One Percent Decrease to Discount Rate (2.30%)	Current Discount Rate (3.30%)	One Percent Increase to Discount Rate (4.30%)
Total OPEB Liability	\$ 2,487,658	\$ 2,191,991	\$ 1,944,006

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 (4.2% decreasing to 3.2%) or one-percentage-point higher (6.2% decreasing to 5.2%) than the current healthcare cost trend rates:

	One Percent Decrease (4.2% decreasing to 3.2%)	Healthcare Cost Trend Rates (5.2% decreasing to 4.2%)	One Percent Increase (6.2% decreasing to 5.2%)
Total OPEB Liability	\$ 1,871,305	\$ 2,191,991	\$ 2,580,964

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**G. 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, 2023, the Utilities recognized OPEB expense of \$218,834.

Payable to the OPEB Plan

The Utilities reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2023.

**2. Local Retiree Life Insurance Fund**

Plan Description

The LRLIF is a 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 (ACFR), 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 also be found using the link above.

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.



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**G. 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, 2023 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement 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, 2022 are listed below:

Life Insurance Employee Contribution Rates* for the Year Ended December 31, 2022		
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, Wisconsin, Marshfield Utilities (the Utilities), and the Community Development Authority of the City of Marshfield, Wisconsin (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 \$3,936 in contributions from the City, \$1,253 from the Utilities, and \$239 from the CDA.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**G. 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, 2023, the City reported a liability of \$747,496, the Utilities reported a liability of \$251,049, and the CDA reported a liability of \$47,326 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. 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, 2022, the City's proportion was 0.1962020%, which was a decrease of 0.006761% from its proportion measured as of December 31, 2021. At December 31, 2022, the Utilities' proportion was 0.0658950%, which was an increase of 0.004907% from its proportion measured as of December 31, 2021. At December 31, 2022, the CDA's proportion was 0.0124220%, which was a decrease of 0.00139% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the City recognized OPEB expense of \$57,280, the Utilities recognized OPEB expense of \$29,836 and the CDA recognized OPEB expense of \$4,432.

At December 31, 2023, 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	\$ -	\$ 73,155
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	14,027	-
Changes in Assumptions	268,559	441,227
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	-	59,341
Total	<u>\$ 282,586</u>	<u>\$ 573,723</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**G. 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
Marshfield Utilities:		
Differences between Expected and Actual Experience	\$ -	\$ 24,568
Net Differences between Projected and Actual		
Earnings on OPEB Plan Investments	4,710	-
Changes in Assumptions	90,196	148,188
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	43,700	8,385
Total	<u>\$ 138,606</u>	<u>\$ 181,141</u>
Community Development Authority of the City of Marshfield:		
Differences between Expected and Actual Experience	\$ -	\$ 4,631
Net Differences between Projected and Actual		
Earnings on OPEB Plan Investments	17,003	27,935
Changes in Assumptions	888	-
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	1,962	5,995
Employer Contributions Subsequent to the		
Measurement Date	53	-
Total	<u>\$ 19,906</u>	<u>\$ 38,561</u>

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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ (32,764)
2025	(36,336)
2026	(19,024)
2027	(52,699)
2028	(78,603)
Thereafter	(71,711)
Total	<u>\$ (291,137)</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**G. 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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ (406)
2025	(1,921)
2026	5,546
2027	(7,765)
2028	(18,371)
Thereafter	(19,618)
Total	<u>\$ (42,535)</u>

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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ (1,229)
2025	(1,679)
2026	(1,374)
2027	(3,824)
2028	(5,467)
Thereafter	(5,135)
Total	<u>\$ (18,708)</u>

Actuarial Assumptions

The total OPEB liability in the January 1, 2022 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, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

\* Based on the Bond Buyers GO Index

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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

Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 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.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return Percent</u>
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	50.0	2.45
U.S. Mortgages	Bloomberg US MBS	50.0	2.83
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality and separation rates.

The long-term expected rate of return remained unchanged from the prior year at 4.25. 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. The expected inflation rate remained unchanged from the prior year at 2.30%

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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

Single Discount Rate

A single discount rate of 3.76% was used to measure the total OPEB liability for the current year as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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 3.76%, 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 (2.76%) or one-percentage-point higher (4.76%) than the current rate:

	One Percent Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	One Percent Increase to Discount Rate (4.76%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,019,131	\$ 747,496	\$ 539,319
Utilities' Proportionate Share of the Net OPEB Liability (Asset)	342,278	251,049	181,132
CDA's Proportionate Share of the Net OPEB Liability (Asset)	64,524	47,326	34,146

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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

Payable to the OPEB Plan

At December 31, 2023, 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, 2023.

**H. 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, 2023, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Inventories and Prepaid Items	\$ 95,213
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Special Revenue Funds:

Nonspendable:

Inventory and Prepaid Items	4,308
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Permanent Fund:

Nonspendable:

Cemetery Perpetual Care	<u>244,448</u>
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Total Nonspendable Fund Balance	<u><u>\$ 343,969</u></u>
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**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**H. 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, 2023, restricted fund balance was as follows:

General Fund:

Restricted for:

Main Street Marshfield Donations	\$ 74,825
Library Appropriations	252,863
Total General Fund Restricted Fund Balance	<u>327,688</u>

Special Revenue Funds:

Restricted for:

Resident Rehabilitation Loans	420,439
Economic Development Developer Agreements	374,700
Public Safety	108,429
Municipal Court - Spencer	21,394
Municipal Court - Stratford	8,308
Total	<u>933,270</u>

Debt Service Fund	217,786
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Capital Projects Funds:

Restricted for:

Public Safety Capital Outlay	63,024
TID #4 (Downtown Redevelopment)	1,278,594
TID #5 (Mill Creek Business Park)	622,431
TID #7 (Yellowstone Industrial Park)	974,243
TID #9 (Central Avenue and Ives Street)	812,066
TID #10 (Marshfield Mall Area)	483,111
TID #14 (Veterans Parkway/Highway 10 Interchange)	227,437
TID #13 (South Hume Avenue)	7,891
Total	<u>4,468,797</u>

Total Restricted Fund Balance	<u><u>\$ 5,947,541</u></u>
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**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**H. 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, 2023, governmental fund balance was committed as follows:

General Fund:

Committed for:

Compensation Study	\$ 21,380
Recruitment Assistance	12,700
Information Technology	56,000
Claim	40,662
Donation	4,525
PEHP Benefit Payments	256,777
Total General Fund Committed Fund Balance	<u>392,044</u>

Special Revenue Funds:

Committed for:

Economic Development	559,982
Business Improvement District	2,445
Cable Television	136,193
Total	<u>698,620</u>

Capital Projects Funds:

Committed for:

Infrastructure Construction	145,073
Public Safety Capital Outlay	10,025
Public Facilities Capital Outlay	112,023
Airport Capital Outlay	69,310
Parks and Rec - Capital Projects	296,008
Total	<u>632,439</u>

Total Committed Fund Balance

\$ 1,723,103

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 2022 General Fund Expenditures	\$ 25,265,000
Minimum Fund Balance Percent	(x) 25% - 30%
Minimum Fund Balance Amount	<u><u>\$6,316,250 to \$7,579,500</u></u>

The City's unassigned general fund balance of \$6,080,889 is not within the minimum fund balance ranges.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 OTHER INFORMATION**

**A. Component Units**

This report contains the Community Development Authority of the City of Marshfield, Wisconsin (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, 2023, 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 \$2,012,675 on March 31, 2023 as summarized below:

Deposits with Financial Institutions	\$ 1,768,530
Cash Held by Fiscal Agent for Debt Service	243,945
Petty Cash	200
Total	<u>\$ 2,012,675</u>

**Reconciliation to the basic financial statements**

**Government-Wide Statement of Net Position:**

Cash and Investments	\$ 1,692,959
Restricted Cash and Investments	319,716
Total	<u>\$ 2,012,675</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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, 2023, \$409,860 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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
Total Capital Assets, Nondepreciable	420,945	-	-	420,945
Capital Assets, Depreciable:				
Buildings and Improvements	13,900,370	39,624	18,468	13,921,526
Furniture and Equipment	632,994	7,662	6,156	634,500
Subtotals	14,533,364	47,286	24,624	14,556,026
Less: Accumulated Depreciation	10,456,685	406,499	16,082	10,847,102
Total Capital Assets, Depreciable, Net	4,076,679	(359,213)	8,542	3,708,924
Governmental Activities Capital Assets, Net	<u>\$ 4,497,624</u>	<u>\$ (359,213)</u>	<u>\$ 8,542</u>	<u>\$ 4,129,869</u>

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, Wisconsin. 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, Wisconsin.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Long-Term Debt (Continued)

As of March 31, 2023, the CDA's long-term obligation is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
2017 Lease Revenue Bonds	\$ 2,125,000	\$ -	\$ 165,000	\$ 1,960,000	\$ 170,000
Debt Discount	(14,369)	-	(1,379)	(12,990)	-
Long-Term Obligations	<u>\$ 2,110,631</u>	<u>\$ -</u>	<u>\$ 163,621</u>	<u>\$ 1,947,010</u>	<u>\$ 170,000</u>

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

<u>Year Ending March 31,</u>	Principal	Interest	Total
2024	\$ 170,000	\$ 66,592	\$ 236,592
2025	175,000	61,199	236,199
2026	180,000	55,429	235,429
2027	185,000	49,499	234,499
2028	190,000	43,072	233,072
2023-2033	1,060,000	102,515	1,162,515
Total	<u>\$ 1,960,000</u>	<u>\$ 378,306</u>	<u>\$ 2,338,306</u>

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 eight 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.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 eight active TIDs is as follows:

	TID #4	TID #5	TID #7	TID #9	TID #10	TID #11	TID #12	TID #13	TID #14
<b>Project Revenues:</b>									
Tax Increment	\$ 13,410,271	\$ 7,046,482	\$ 5,411,500	\$ 2,162,416	\$ 565,160	\$ 540,689	\$ -	\$ 39,561	\$ -
Special Assessments	935,488	-	-	-	-	-	-	-	-
Intergovernmental Revenue	1,201,182	3,189,812	21,212	27,442	191,940	721	-	-	-
Miscellaneous	264,819	648,192	911,460	-	155,535	-	-	166,514	-
Transfers from Other Funds	5,096,333	414,609	1,741,274	-	70,000	-	7,500	-	-
Proceeds from Long-Term Debt	12,751,670	6,164,630	9,128,197	2,813,969	539,264	495,277	457,194	-	-
<b>Total Project Revenues as of December 31, 2023</b>	<b>33,659,763</b>	<b>17,473,705</b>	<b>17,213,643</b>	<b>5,003,827</b>	<b>1,521,899</b>	<b>1,036,687</b>	<b>464,694</b>	<b>206,075</b>	<b>-</b>
<b>Project Expenditures:</b>									
Conservation and Development	364,102	978,047	2,670,560	1,703,030	12,325	13,454	69,848	148,820	19,548
Miscellaneous	1,705,124	272,166	61,203	169,302	47,596	6,508	52,532	20,646	-
Capital Expenditures	14,734,927	5,597,496	6,063,884	776,925	598,209	401,363	438,221	28,718	-
Debt Issuance Cost	156,335	72,619	112,206	3,039	5,464	9,277	7,194	-	-
Transfer to Other Funds	15,418,681	9,930,946	7,331,547	1,539,455	370,210	378,648	14,964	-	-
<b>Total Project Expenditures as of December 31, 2023</b>	<b>32,381,169</b>	<b>16,851,274</b>	<b>16,239,400</b>	<b>4,191,761</b>	<b>1,038,788</b>	<b>809,250</b>	<b>582,759</b>	<b>198,184</b>	<b>19,548</b>
<b>Fund Balance as of December 31, 2023</b>	<b>1,278,594</b>	<b>622,431</b>	<b>974,243</b>	<b>812,066</b>	<b>483,111</b>	<b>227,437</b>	<b>(118,065)</b>	<b>7,891</b>	<b>(19,548)</b>
<b>Outstanding Principal on Debt</b>	<b>4,363,000</b>	<b>210,000</b>	<b>3,744,950</b>	<b>1,897,465</b>	<b>308,000</b>	<b>175,000</b>	<b>460,000</b>	<b>-</b>	<b>-</b>
<b>Unrecovered Cost of The TID</b>	<b>3,084,408</b>	<b>(412,431)</b>	<b>2,767,713</b>	<b>1,085,389</b>	<b>(175,111)</b>	<b>(52,437)</b>	<b>578,065</b>	<b>(7,891)</b>	<b>19,548</b>
<b>Projected Future Interest Payments</b>	<b>352,297</b>	<b>12,863</b>	<b>662,738</b>	<b>371,293</b>	<b>18,591</b>	<b>5,150</b>	<b>158,188</b>	<b>-</b>	<b>-</b>
<b>Balance to be Collected on TID District</b>	<b>\$ 3,436,703</b>	<b>\$ (399,548)</b>	<b>\$ 3,450,451</b>	<b>\$ 1,456,682</b>	<b>\$ 18,819</b>	<b>\$ (47,287)</b>	<b>\$ 736,253</b>	<b>\$ (7,891)</b>	<b>\$ 19,548</b>
<b>Termination Date</b>	<b>9/24/2033</b>	<b>9/25/2030</b>	<b>9/22/2064</b>	<b>8/13/2040</b>	<b>9/30/2042</b>	<b>4/12/2037</b>	<b>4/27/2042</b>	<b>9/14/2041</b>	<b>9/26/2043</b>

**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, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Segment Information**

The City issues separate revenue bonds to finance its electric and water 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.

	Electric Utility	Water Utility
<b>CONDENSED STATEMENT OF NET POSITION</b>		
<b>ASSETS</b>		
Current	\$ 30,508,541	\$ 3,345,765
Restricted	6,485,175	1,111,342
Noncurrent:		
Net Capital Assets	65,030,184	31,556,947
Other Assets	14,196,553	809,931
Total Assets	116,220,453	36,823,985
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	3,599,047	804,012
<b>LIABILITIES</b>		
Current	9,496,794	3,224,252
Noncurrent:		
Long-Term	30,852,886	6,387,024
Total Liabilities	40,349,680	9,611,276
<b>DEFERRED INFLOWS OF RESOURCES</b>	2,103,779	1,155,127
<b>NET POSITION</b>		
Net Investment in Capital Assets	34,881,381	25,357,288
Restricted	217,500	96,735
Unrestricted	42,267,160	1,407,571
Total Net Position	<u>\$ 77,366,041</u>	<u>\$ 26,861,594</u>

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Segment Information (Continued)**

	Electric Utility	Water Utility
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>		
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 35,328,566	\$ 6,200,017
Other	595,554	202,972
Total Operating Revenues	35,924,120	6,402,989
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	26,023,403	2,161,188
Customer Accounts	633,121	263,215
Administrative and General	1,771,228	770,907
Depreciation and Amortization	3,778,458	1,452,468
Taxes	266,836	5,553
Total Operating Expenses	32,473,046	4,653,331
<b>OPERATING INCOME</b>	3,451,074	1,749,658
<b>NONOPERATING INCOME (EXPENSES)</b>		
Interest Revenue	2,473,581	108,939
Interest and Fiscal Charges	(507,355)	(187,796)
Miscellaneous	11,152	1,034
Total Nonoperating Income (Expenses)	1,977,378	(77,823)
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	5,428,452	1,671,835
Customer Contributions	169,324	20,166
Transfers Out	(1,374,257)	(694,119)
<b>CHANGE IN NET POSITION</b>	4,223,519	997,882
Net Position - Beginning of Year	73,142,522	25,863,712
<b>NET POSITION - END OF YEAR</b>	<u>\$ 77,366,041</u>	<u>\$ 26,861,594</u>



**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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	\$ 5,987,040	\$ 4,225,129
Cash Flows from Noncapital Financing Activities	(1,374,257)	(694,119)
Cash Flows from Capital and Related Financing Activities	(7,619,002)	(3,442,407)
Cash Flows from Investing Activities	1,553,572	108,939
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,452,647)	197,542
Cash and Cash Equivalents - Beginning of Year	30,805,139	913,800
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 29,352,492</u>	<u>\$ 1,111,342</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 2023, one customer was billed \$3,912,075 by the electric utility. This represents 11.35% of the electric utility's operating revenue. No other utility customer accounted for more than 10% of operating revenue.

**CITY OF MARSHFIELD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**H. Subsequent Events**

On May 8, 2024 the City issued \$447,514 of Water System Revenue Bonds, Series 2024 through the Safe Drinking Water Fund Loan Program due through 2029 with an interest rate of 2.145% per annum. The proceeds will be used for the purpose of constructing improvements and extensions to the water system. As of the date of this report, the City has drawn \$390,245 on the note.

**-TENTATIVE REPORT -  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION**

REQUIRED SUPPLEMENTARY INFORMATION

-TENTATIVE REPORT-  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

**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	1,638,458	10,843,726	15.11	98.20
12/31/16	0.10077381	830,617	11,144,170	7.45	99.12
12/31/17	0.10259540	(3,046,179)	11,338,138	26.87	102.93
12/31/18	0.10549752	3,753,271	11,665,694	32.17	96.45
12/31/19	0.10785977	(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
12/31/21	0.11214202	(9,038,853)	12,737,103	70.96	106.02
12/31/22	0.11248511	5,959,127	12,915,683	46.14	95.72

**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)	\$ 2,892,638	17.38 %	102.74 %
12/31/15	0.02138442	647,493	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	(568,579)	3,400,543	19.66	102.93
12/31/18	0.02232689	794,320	3,291,064	24.14	96.45
12/31/19	0.02163118	(597,488)	3,303,103	21.12	102.96
12/31/20	0.02105915	(1,313,503)	3,520,120	37.31	105.26
12/31/21	0.02091308	(1,688,050)	3,638,790	46.39	106.02
12/31/22	0.02150496	1,139,269	4,045,927	28.16	95.72

**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	0.00199883	(59,348)	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
12/31/21	0.00178953	(144,239)	289,001	49.91	106.02
12/31/22	0.00178539	94,584	339,362	(27.87)	95.72

See accompanying Notes to Required Supplementary Information.

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

**City of Marshfield**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 958,019	\$ 958,019	\$ -	\$ 10,843,729	8.83 %
12/31/16	969,371	969,371	-	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	-	11,665,694	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	-	12,730,861	10.10
12/31/21	1,302,657	1,302,657	-	12,737,103	10.23
12/31/22	1,301,620	1,301,620	-	12,915,684	10.08
12/31/23	1,436,125	1,436,125	-	13,130,668	10.94

**Marshfield Utilities**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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
12/31/22	262,030	262,030	-	4,045,927	6.48
12/31/23	288,418	288,418	-	4,239,796	6.80

**Marshfield CDA**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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	-	290,067	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	-	274,630	6.75
12/31/22	17,533	17,533	-	300,306	5.84
12/31/23	22,149	22,149	-	336,985	6.57

See accompanying Notes to Required Supplementary Information.

**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\***

	2023	2022	2021	2020	2019	2018
<b>TOTAL OPEB LIABILITY</b>						
Service Cost	\$ 92,543	\$ 87,270	\$ 85,422	\$ 78,500	\$ 75,484	\$ 93,048
Interest	77,424	45,342	45,578	55,830	56,986	57,431
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(55,435)	249,525	(48,110)	(136,334)	(52,514)	(323,714)
Changes of Assumptions	104,302	(455,916)	18,115	145,266	28,149	(98,039)
Benefit Payments	(53,187)	(48,529)	(33,511)	(45,849)	(82,337)	(81,684)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	<b>165,647</b>	<b>(122,308)</b>	<b>67,494</b>	<b>97,463</b>	<b>25,768</b>	<b>(352,958)</b>
Total OPEB Liability - Beginning of Year	2,026,344	2,148,652	2,081,157	1,983,694	1,957,926	2,310,884
<b>TOTAL OPEB LIABILITY - END OF YEAR</b>	<b>\$ 2,191,991</b>	<b>\$ 2,026,344</b>	<b>\$ 2,148,651</b>	<b>\$ 2,081,157</b>	<b>\$ 1,983,694</b>	<b>\$ 1,957,926</b>
Covered-Employee Payroll	\$ 4,239,796	\$ 3,638,791	\$ 3,638,791	\$ 3,520,121	\$ 3,303,103	\$ 3,291,065

City's Total OPEB Liability as a Percentage of Covered-Employee Payroll

54.70%      55.60%      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.

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

**City of Marshfield**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
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
12/31/21	0.2029630	1,199,585	11,875,000	10.10	29.57
12/31/22	0.1962020	747,496	11,880,000	6.29	38.81

**Marshfield Utilities**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.0582610 %	\$ 175,283	\$ 3,400,543	5.15 %	44.81 %
12/31/18	0.0490710	126,629	3,291,064	3.85	48.69
12/31/19	0.0535890	228,192	3,303,103	6.91	37.58
12/31/20	0.0560670	308,376	3,520,121	8.76	31.36
12/31/21	0.0609880	360,462	3,585,000	10.05	29.57
12/31/22	0.0658950	251,049	4,045,927	6.20	38.81

**Marshfield CDA**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.0128980 %	\$ 37,902	\$ 285,157	13.29 %	44.81 %
12/31/18	0.0136850	35,312	257,000	13.74	48.69
12/31/19	0.0139450	59,381	241,000	24.64	37.58
12/31/20	0.0138800	75,294	211,000	35.68	31.36
12/31/21	0.0138120	81,634	257,000	31.76	29.57
12/31/22	0.0124220	47,326	181,000	26.15	38.81

See accompanying Notes to Required Supplementary Information.

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

**City of Marshfield**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
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
12/31/22	4,154	4,154	-	11,875,000	0.03
12/31/23	3,936	3,936	-	11,680,000	0.03

**Marshfield Utilities**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
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
12/31/22	1,248	1,248	-	3,585,000	0.03
12/31/23	1,253	1,253	-	4,239,796	0.03

**Marshfield CDA**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
3/31/18	\$ 243	\$ 243	\$ -	\$ 285,157	0.09 %
3/31/19	270	270	-	257,000	0.11
3/31/20	277	277	-	241,000	0.11
3/31/21	272	272	-	211,000	0.13
3/31/22	288	288	-	257,000	0.11
3/31/23	239	239	-	181,000	0.13

See accompanying Notes to Required Supplementary Information.



**CITY OF MARSHFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2023**

**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 2023, decreasing from 3.70% to 3.30%.

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

**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**

The ETF Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the discount rate from 2.25% to 2.17%
- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

**CITY OF MARSHFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2023**

**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

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

**SUPPLEMENTARY INFORMATION**

-TENATIVE REPORT-  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

**CITY OF MARSHFIELD  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND  
OTHER FINANCING SOURCES  
YEAR ENDED DECEMBER 31, 2023**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Taxes:</b>				
General Property	\$ 10,807,221	\$ 10,807,221	\$ 10,807,222	\$ 1
General Sales	120	120	159	39
Mobile Home Fees	62,500	62,500	60,047	(2,453)
Payment in Lieu of Taxes:				
Other Tax Exempt Entities	138,099	138,099	134,911	(3,188)
Interest and Taxes	4,000	4,000	1,407	(2,593)
Total Taxes	11,011,940	11,011,940	11,003,746	(8,194)
<b>Special Assessments:</b>				
Water Mains	17,500	17,500	6,289	(11,211)
Paving	400,000	400,000	317,212	(82,788)
Streets	1,374	1,374	1,374	-
Total Special Assessments	418,874	418,874	324,875	(93,999)
<b>Intergovernmental:</b>				
State:				
State Shared Taxes	5,347,300	5,347,300	5,287,865	(59,435)
Fire Insurance Tax	79,550	79,550	88,069	8,519
Other Public Safety	24,113	24,113	27,667	3,554
Transportation Aids	1,594,242	1,594,242	1,594,424	182
Recycling	62,500	62,500	62,114	(386)
Other State Grants	50,000	50,000	300	(49,700)
Municipal Services	78,000	78,000	77,660	(340)
Grants from Local Governments	448,836	448,836	494,508	45,672
Total Intergovernmental	7,684,541	7,684,541	7,637,201	(47,340)
<b>Licenses and Permits:</b>				
Licenses:				
Liquor and Malt Beverage	35,000	35,000	48,780	13,780
Other Business and Occupational	24,100	24,100	29,105	5,005
Dog	6,500	6,500	8,090	1,590
Permits:				
Building	200,000	200,000	177,662	(22,338)
Zoning and Conditional Use	8,000	8,000	6,841	(1,159)
Total Licenses and Permits	273,600	273,600	270,478	(3,122)
<b>Fines and Forfeits:</b>				
Court Fines and Penalties	162,000	162,000	294,765	132,765
Parking Violations	20,000	20,000	29,802	9,802
Total Fines and Forfeits	182,000	182,000	324,567	142,567

**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND**  
**OTHER FINANCING SOURCES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Public Charges for Services:</b>				
Other General Government	\$ 39,000	\$ 39,000	\$ 27,559	\$ (11,441)
Public Safety	109,500	109,500	30,289	(79,211)
Public Works	215,029	215,029	87,798	(127,231)
Weed and Nuisance Control	3,500	3,500	1,644	(1,856)
Health and Human Services	192,201	192,201	201,117	8,916
Senior center	2,040	2,040	3,851	1,011
Culture, Recreation, and Education	367,654	442,452	496,274	53,822
Conservation and Development	7,000	7,000	6,977	(23)
Total Public Charges for Services	935,924	1,010,722	854,709	(156,013)
<b>Intergovernmental Charges for Services:</b>				
State	2,000	2,000	2,595	595
Other Local Governments	8,000	8,000	16,720	8,720
Local Departments	38,018	38,018	35,298	(2,720)
Total Intergovernmental Charges for Services	48,018	48,018	54,613	6,595
<b>Miscellaneous:</b>				
Interest on Investments	215,000	215,000	701,991	486,991
Interest on Special Assessments	3,500	3,500	22,559	19,059
Rent	102,000	102,000	104,756	2,756
Sale of Other Equipment and Property	1,000	1,000	9,077	8,077
Insurance Recoveries		23,334	169,713	146,379
Donations from Individuals/Organizations	74,150	74,150	78,102	3,952
Miscellaneous Revenue	50,000	50,000	48,020	(1,980)
Total Miscellaneous	445,650	468,984	1,134,218	665,234
Total Revenues	21,000,547	21,098,679	21,604,407	505,728
<b>Other Financing Sources:</b>				
Transfer from Other Funds	86,734	86,734	45,042	(41,692)
Transfer from Municipal Utility	2,110,000	2,110,000	1,772,549	(337,451)
Total Other Financing Sources	2,196,734	2,196,734	1,817,591	(379,143)
Total Revenue and Other Financing Sources	\$ 23,197,281	\$ 23,295,413	\$ 23,421,998	\$ 126,585

**CITY OF MARSHFIELD  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND  
OTHER FINANCING USES  
YEAR ENDED DECEMBER 31, 2023**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government:				
Council	\$ 101,918	\$ 101,918	\$ 94,227	\$ 7,691
Municipal Court	112,995	112,995	163,858	(50,863)
City Attorney	175,000	175,000	217,408	(42,408)
City Administrator	2,496,554	1,821,810	423,836	1,397,974
Clerk	252,843	252,843	230,609	22,234
Elections	45,462	45,462	34,557	10,905
Information Technology	1,212,948	1,272,948	1,082,631	270,317
Finance	575,690	575,690	592,074	23,616
Property Assessment	171,098	171,098	179,297	(8,199)
Purchasing	-	-	5	(5)
City Hall	174,683	174,683	181,855	(7,172)
Uncollectible Taxes and Refunds	10,000	31,205	50,812	(19,607)
Other General Government	216,441	216,441	206,435	10,006
Total General Government	5,545,632	4,952,093	3,337,604	1,614,489
Public Safety:				
Law Enforcement	5,947,893	5,963,891	5,828,273	135,618
Fire Protection	3,670,865	3,819,827	3,691,329	128,498
Emergency Government	8,948	8,948	4,549	4,399
Total Public Safety	9,627,706	9,792,666	9,524,151	268,515
Public Works:				
Administration	676,408	814,895	776,819	38,076
Street Maintenance	1,058,221	1,058,221	1,074,200	(15,979)
Snow and Ice Control	325,126	1,070,876	1,040,386	30,490
Traffic Control	213,870	213,870	204,034	9,836
Street Lighting	235,000	235,000	241,251	(6,251)
Sidewalks and Crosswalks	59,397	59,397	74,255	(14,858)
Storm Sewers	427,193	427,193	346,284	80,909
Parking Facilities	8,629	8,629	15,602	(6,973)
Airport	161,418	161,418	158,436	2,982
Water Mains	50,000	50,000	-	50,000
Refuse and Recycling	956,786	956,786	1,006,571	(49,785)
Parades, Holidays, Signs	34,006	34,006	47,467	(13,461)
Forestry	278,259	278,259	365,429	(87,170)
Total Public Works	5,081,308	5,368,550	5,350,734	17,816
Health and Human Services:				
Aging	29,031	29,031	27,528	1,503
Cemetery	258,525	258,525	254,655	3,870
Total Health and Human Services	287,556	287,556	282,183	5,373

**CITY OF MARSHFIELD**  
**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND**  
**OTHER FINANCING USES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Culture and Recreation:</b>				
Library	\$ 1,642,605	\$ 1,650,105	\$ 1,626,961	\$ 23,144
Community Center	116,977	116,977	111,739	5,238
Parks	952,626	957,898	968,283	(10,385)
Recreation Programs and Events	508,681	508,681	476,520	32,161
Zoo	306,371	306,371	339,544	(33,173)
Aquatic Facilities	212,515	283,080	235,678	47,402
Fairgrounds	90,563	90,563	90,195	368
UW Stevens Point	54,915	54,915	54,894	21
Special Recreation Programs	119,877	119,877	111,874	8,003
Total Culture and Recreation	4,005,130	4,088,467	4,015,688	72,779
<b>Conservation and Development:</b>				
Tourism and Economic Development	10,200	10,200	10,797	(597)
Other Conservation and Development	603,338	603,338	445,548	157,790
Total Conservation and Development	613,538	613,538	456,345	157,193
<b>Debt Service:</b>				
Principal	41,325	41,325	62,289	(20,964)
Interest	5,390	5,390	7,054	(1,664)
Total Debt Service	46,715	46,715	69,343	(22,628)
<b>Total Expenditures</b>	<b>25,207,586</b>	<b>25,149,585</b>	<b>23,036,048</b>	<b>2,113,537</b>
<b>Other Financing Uses:</b>				
Transfer to Special Revenue Fund	67,415	67,415	17,654	49,761
Transfer to Capital Project Fund	15,000	79,685	79,685	-
Total Other Financing Uses	82,415	147,100	97,339	49,761
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 25,290,000</b>	<b>\$ 25,296,685</b>	<b>\$ 23,133,387</b>	<b>\$ 2,163,298</b>

**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	Special Revenue					
	Room Tax	Residential Rehabilitation	Economic Development	Public Safety	Business Improvement District	Taxi System
<b>ASSETS</b>						
Cash and Investments	\$ 144,282	\$ 99,342	\$ 908,716	\$ 96,686	\$ 15,656	\$ -
Restricted Cash and Investments	-	-	52,200	-	-	-
Receivables:						
Taxes and Special Charges	-	-	-	-	57,023	-
Special Assessments	-	-	-	-	-	-
Loans	-	324,117	-	-	-	-
Other	35,321	-	-	38,019	-	-
Due from Other Governments	-	-	-	20,085	-	254,626
Inventories and Prepaid Items	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 179,603</b>	<b>\$ 423,459</b>	<b>\$ 960,916</b>	<b>\$ 154,788</b>	<b>\$ 72,679</b>	<b>\$ 254,626</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 144,282	\$ 3,020	\$ 23,987	\$ 46,359	\$ -	\$ 52,936
Due to Other Funds	-	-	-	-	-	129,183
Due to Other Governments	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	-
Unearned Revenues	35,321	-	2,247	-	-	-
<b>Total Liabilities</b>	<b>179,603</b>	<b>3,020</b>	<b>26,234</b>	<b>46,359</b>	<b>-</b>	<b>182,119</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes Levied for						
Subsequent Year	-	-	-	-	70,234	-
Unavailable Revenue - Grants	-	-	-	-	-	202,546
Special Assessments	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,234</b>	<b>202,546</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	420,439	374,700	108,429	-	-
Committed	-	-	559,982	-	2,445	-
Unassigned	-	-	-	-	-	(130,039)
<b>Total Fund Balances</b>	<b>-</b>	<b>420,439</b>	<b>934,682</b>	<b>108,429</b>	<b>2,445</b>	<b>(130,039)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 179,603</b>	<b>\$ 423,459</b>	<b>\$ 960,916</b>	<b>\$ 154,788</b>	<b>\$ 72,679</b>	<b>\$ 254,626</b>



**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2023**

Cable Television	Special Revenue (Continued)			Public Safety Capital Outlay	Capital Projects	
	Municipal Court Spencer	Municipal Court Stratford	ARPA Fund		Public Facilities Capital Outlay	Airport Outlay
\$ 140,240	\$ 24,922	\$ 10,500	\$ 914,921	\$ 85,976	\$ 112,023	\$ 69,310
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,308	-	-	-	-	-	-
<u>\$ 144,548</u>	<u>\$ 24,922</u>	<u>\$ 10,500</u>	<u>\$ 914,921</u>	<u>\$ 85,976</u>	<u>\$ 112,023</u>	<u>\$ 69,310</u>
\$ 4,047	\$ 2,622	\$ 1,733	\$ 914,921	\$ 12,927	\$ -	\$ -
-	-	-	-	-	-	-
-	906	459	-	-	-	-
-	-	-	-	-	-	-
-	-	-	914,921	-	-	-
4,047	3,528	2,192	914,921	12,927	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,308	-	-	-	-	-	-
-	21,394	8,308	-	63,024	-	-
136,193	-	-	-	10,025	112,023	69,310
-	-	-	-	-	-	-
<u>140,501</u>	<u>21,394</u>	<u>8,308</u>	<u>-</u>	<u>73,049</u>	<u>112,023</u>	<u>69,310</u>
<u>\$ 144,548</u>	<u>\$ 24,922</u>	<u>\$ 10,500</u>	<u>\$ 914,921</u>	<u>\$ 85,976</u>	<u>\$ 112,023</u>	<u>\$ 69,310</u>

**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2023**

	Capital Projects (Continued)			
	Parks and Rec Capital Projects	TID #4 (Downtown Redevelopment)	TID #5 (Mill Creek Business Park)	TID #7 (Yellowstone Industrial Park)
<b>ASSETS</b>				
Cash and Investments	\$ 293,781	\$ 1,422,894	\$ 734,881	\$ 1,159,736
Restricted Cash and Investments	-	-	-	-
Receivables:				
Taxes and Special Charges	-	461,509	320,428	538,295
Special Assessments	-	200,724	-	-
Loans	-	-	-	-
Other	16,135	-	-	-
Due from Other Governments	-	-	-	-
Inventories and Prepaid Items	-	-	-	-
Total Assets	<u>\$ 309,916</u>	<u>\$ 2,085,127</u>	<u>\$ 1,055,309</u>	<u>\$ 1,698,031</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 13,908	\$ 142	\$ 2,117	\$ 142
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Special Deposits	-	-	-	-
Unearned Revenues	-	27,174	-	-
Total Liabilities	<u>13,908</u>	<u>27,316</u>	<u>2,117</u>	<u>142</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	-	582,643	430,761	723,646
Unavailable Revenue - Grants	-	-	-	-
Special Assessments	-	196,574	-	-
Total Deferred Inflows of Resources	-	<u>779,217</u>	<u>430,761</u>	<u>723,646</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	1,278,594	622,431	974,243
Committed	296,008	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>296,008</u>	<u>1,278,594</u>	<u>622,431</u>	<u>974,243</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 309,916</u>	<u>\$ 2,085,127</u>	<u>\$ 1,055,309</u>	<u>\$ 1,698,031</u>

**CITY OF MARSHFIELD**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2023**

Capital Projects (Continued)			Capital Projects (Continued)			Permanent Fund	
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 Hume Avenue)	TID #14 (West McMillan Street)	Cemetery Perpetual Care	Totals
\$ 888,854	\$ 493,627	\$ 247,792	\$ -	\$ 19,521	\$ -	\$ -	\$ 7,883,660
-	2,000	-	-	-	-	244,448	298,648
222,597	30,128	58,704	-	31,666	-	-	1,720,350
-	-	-	-	-	-	-	200,724
-	-	-	-	-	-	-	324,117
-	-	-	-	-	-	-	89,475
-	-	-	-	-	-	-	274,709
-	-	-	-	-	-	-	4,308
<u>\$ 1,111,451</u>	<u>\$ 525,755</u>	<u>\$ 306,496</u>	<u>\$ -</u>	<u>\$ 51,187</u>	<u>\$ -</u>	<u>\$ 244,448</u>	<u>\$ 10,795,991</u>
\$ 142	\$ 142	\$ 142	\$ 239	\$ 727	\$ 1,010	\$ -	\$ 310,624
-	-	-	17,826	-	18,538	-	265,547
-	-	-	-	-	-	-	1,365
-	2,000	-	-	-	-	-	2,000
-	-	-	-	-	-	-	979,663
<u>142</u>	<u>2,142</u>	<u>142</u>	<u>118,065</u>	<u>727</u>	<u>19,548</u>	<u>-</u>	<u>1,559,199</u>
299,243	40,502	78,917	-	42,569	-	-	2,268,515
-	-	-	-	-	-	-	202,546
-	-	-	-	-	-	-	196,574
299,243	40,502	78,917	-	42,569	-	-	2,667,635
-	-	-	-	-	-	244,448	248,756
812,066	483,111	227,437	-	7,891	-	-	5,402,067
-	-	-	-	-	-	-	1,185,986
-	-	-	(118,065)	-	(19,548)	-	(267,652)
<u>812,066</u>	<u>483,111</u>	<u>227,437</u>	<u>(118,065)</u>	<u>7,891</u>	<u>(19,548)</u>	<u>244,448</u>	<u>6,569,157</u>
<u>\$ 1,111,451</u>	<u>\$ 525,755</u>	<u>\$ 306,496</u>	<u>\$ -</u>	<u>\$ 51,187</u>	<u>\$ -</u>	<u>\$ 244,448</u>	<u>\$ 10,795,991</u>

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Special Revenue					
	Room Tax	Residential Rehabilitation	Economic Development	Public Safety	Business Improvement District	Taxi System
<b>REVENUES</b>						
Taxes	\$ 692,439	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	417,555	-	585,360
Licenses and Permits	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	65,905	506,914
Miscellaneous	-	4,516	56,703	33,620	-	49,827
Total Revenues	692,439	4,516	56,703	451,175	65,905	1,142,101
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	160,678	-	-
Public Works	-	-	-	299,845	-	1,284,710
Culture and Recreation	486,436	-	-	-	-	-
Conservation and Development	-	4,082	184,980	20,083	66,468	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	486,436	4,082	184,980	480,606	66,468	1,284,710
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	206,003	434	(78,277)	(29,431)	(563)	(142,609)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	-	-	-	-	26,000
Proceeds from Sale of Capital Assets	-	-	47,500	-	-	1,130
Transfers In	-	-	286,743	-	-	-
Transfers Out	(206,003)	-	(277,500)	(958)	-	-
Total Other Financing Sources (Uses)	(206,003)	-	56,743	(958)	-	27,130
<b>NET CHANGE IN FUND BALANCES</b>	-	434	(21,534)	(30,389)	(563)	(115,479)
Fund Balances - Beginning of Year	-	420,005	956,216	138,818	3,008	(14,560)
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 420,439	\$ 934,682	\$ 108,429	\$ 2,445	\$ (130,039)

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

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	-	-	201,402	-	-	-
201,993	-	-	-	-	-	-
-	19,681	11,102	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	25,845	-	-
251,509	19,681	11,102	201,402	25,845	-	-
245,643	17,867	9,972	176,040	-	17,088	-
-	-	-	2,900	18,000	-	-
-	-	-	-	-	-	-
-	-	-	22,462	-	-	-
-	-	-	-	-	-	-
15,836	-	-	-	62,334	-	-
796	-	-	-	2,097	-	-
-	-	-	-	420,471	110,357	-
262,275	17,867	9,972	201,402	502,902	127,445	-
(10,766)	1,814	1,130	-	(477,057)	(127,445)	-
-	-	-	-	356,750	131,500	20,000
-	-	-	-	-	-	-
-	-	-	-	81,558	6,685	-
-	-	-	-	-	-	-
-	-	-	-	438,308	138,185	20,000
(10,766)	1,814	1,130	-	(38,749)	10,740	20,000
151,267	49,580	7,178	-	111,798	101,283	49,310
\$ 140,501	\$ 21,394	\$ 8,308	\$ -	\$ 73,049	\$ 112,023	\$ 69,310

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Capital Projects (Continued)			
	Parks and Rec Capital Projects	TID #4 (Downtown Redevelopment)	TID #5 (Mill Creek Business Park)	TID #7 (Yellowstone Industrial Park)
<b>REVENUES</b>				
Taxes	\$ -	\$ 1,057,826	\$ 629,810	\$ 803,264
Special Assessments	-	37,058	-	-
Intergovernmental	105,364	36,411	343,186	4,023
Licenses and Permits	-	-	-	-
Fines and Forfeits	-	-	-	-
Public Charges for Services	-	-	-	-
Miscellaneous	31,135	1,974	100	17,970
Total Revenues	136,499	1,133,269	973,096	825,257
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	25,000	-	-	-
Conservation and Development	29,948	4,346	16,438	3,140
Debt Service:				
Principal	-	643,000	40,000	416,062
Interest and Fiscal Charges	-	103,765	13,662	121,403
Capital Outlay	232,669	-	-	-
Total Expenditures	287,617	726,111	70,100	540,605
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(151,118)	407,158	902,996	284,652
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	195,000	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	466,003	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	661,003	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	509,885	407,158	902,996	284,652
Fund Balances - Beginning of Year	(213,877)	871,436	(280,565)	689,591
<b>FUND BALANCES - END OF YEAR</b>	\$ 296,008	\$ 1,278,594	\$ 622,431	\$ 974,243

**CITY OF MARSHFIELD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Capital Projects (Continued)						Permanent	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 Hume Avenue)	TID #14 (West McMillan Street)	Fund Cemetery Perpetual Care	
\$ 452,269	\$ 148,686	\$ 120,068	\$ -	\$ 39,561	\$ -	\$ -	\$ 3,943,923
-	-	-	-	-	-	-	37,058
5,224	28,611	144	-	-	-	-	1,776,796
-	-	-	-	-	-	-	201,993
-	-	-	-	-	-	-	30,783
-	-	-	-	-	-	6,398	579,217
3,659	-	-	-	-	-	8,481	233,830
461,152	177,297	120,212	-	39,561	-	14,879	6,803,600
-	-	-	-	-	-	-	466,610
-	-	-	-	-	-	-	181,578
-	-	-	-	-	-	-	1,584,555
-	-	-	-	-	-	-	533,898
2,666	1,958	2,678	69,848	35,066	19,548	-	412,249
209,600	55,600	50,000	-	-	-	-	1,467,432
77,390	7,650	4,000	14,964	-	-	-	345,727
-	-	-	-	-	-	-	763,497
289,656	65,208	56,678	84,812	36,066	19,548	-	5,755,546
171,496	112,089	63,534	(84,812)	3,495	(19,548)	14,879	1,048,054
-	-	-	-	-	-	-	729,250
-	-	-	-	-	-	-	48,630
-	-	-	7,500	-	-	-	848,489
-	-	-	-	-	-	-	(484,461)
-	-	-	7,500	-	-	-	1,141,908
171,496	112,089	63,534	(77,312)	3,495	(19,548)	14,879	2,189,962
640,570	371,022	163,903	(40,753)	4,396	-	229,569	4,379,195
\$ 812,066	\$ 483,111	\$ 227,437	\$ (118,065)	\$ 7,891	\$ (19,548)	\$ 244,448	\$ 6,569,157

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**

**-TENTATIVE REPORT-  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION**



**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 the City of Marshfield, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Marshfield, Wisconsin's basic financial statements, and have issued our report thereon dated REPORT DATE.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Marshfield, Wisconsin'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, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Marshfield, Wisconsin's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a significant deficiency.

### **Report on 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, Wisconsin's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Marshfield, Wisconsin's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City of Marshfield, Wisconsin'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  
REPORT DATE

**CITY OF MARSHFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2023**

**2023 – 001 Preparation of Annual Financial Report**

**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 or specific requirement:** 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.

**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.

**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.

**Repeat Finding:** Repeat of Finding 2022-001

**Recommendation:** We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual processing 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.

**Views of responsible officials and planned corrective actions:** Management does not disagree with finding 2023-001 and staff with technical knowledge will continue to review the annual financial report.

**FORM OF LEGAL OPINION**

(See following pages)

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

July 25, 2024

Re: City of Marshfield, Wisconsin ("Issuer")  
\$9,050,000 General Obligation Promissory Notes, Series 2024A,  
dated July 25, 2024 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. 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 Notes 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>
2025	\$100,000	___%
2026	260,000	___
2027	275,000	___
2028	295,000	___
2029	335,000	___
2030	400,000	___
2031	510,000	___
2032	575,000	___
2033	540,000	___
2034	525,000	___
2035	545,000	___
2036	550,000	___
2037	565,000	___
2038	580,000	___
2039	590,000	___
2040	605,000	___
2041	620,000	___
2042	630,000	___
2043	275,000	___
2044	275,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2025.

The Notes maturing on March 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2034 or on any date thereafter. Said Notes 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 Notes maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the Notes, 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes.

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

The rights of the owners of the Notes 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 \$9,050,000 General Obligation Promissory Notes, Series 2024A, dated July 25, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on July 9, 2024 (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 July 9, 2024 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) 486-3076, 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, 2023, 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 25th day of July, 2024.

(SEAL)

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Lois TeStrake  
Mayor

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Jessica A. Schiferl  
City Clerk



## APPENDIX E

### NOTICE OF SALE

#### **\$9,050,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A CITY OF MARSHFIELD, WISCONSIN**

Bids for the purchase of \$9,050,000\* General Obligation Promissory Notes, Series 2024A (the "Notes") 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 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com) or **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on July 9, 2024, 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 Notes upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

#### **AUTHORITY; PURPOSE; SECURITY**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of projects included in the City's capital improvement plan including street improvement projects, parks and public grounds projects, stormwater projects, UW System college campus projects, TID No. 13 infrastructure projects and the acquisition of vehicles and equipment. The Notes 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 Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

#### **DATES AND MATURITIES**

The Notes will be dated July 25, 2024, will be issued as fully registered Notes 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>
2025	\$100,000	2032	\$575,000	2039	\$590,000
2026	260,000	2033	540,000	2040	605,000
2027	275,000	2034	525,000	2041	620,000
2028	295,000	2035	545,000	2042	630,000
2029	335,000	2036	550,000	2043	275,000
2030	400,000	2037	565,000	2044	275,000
2031	510,000	2038	580,000		

#### **ADJUSTMENT OPTION**

\*The City reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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, 2025, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes, 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 Notes. So long as Cede & Co. is the registered owner of the Notes, 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 Notes.

## **PAYING AGENT**

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 Notes maturing on or after March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 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 Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

## DELIVERY

On or about July 25, 2024, the Notes 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 Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes 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 Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 Notes. 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 the Official Statement or other offering material relating to the Notes 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 the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## SUBMISSION OF BIDS

Bids must not be for less than \$8,936,875 nor more than \$9,593,000, plus accrued interest on the principal sum of \$9,050,000 from date of original issue of the Notes 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 10:00 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 IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

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 submission.

**A good faith deposit ("Deposit") in the amount of \$181,000 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 Notes 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 Notes 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 Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

### **AWARD**

The Notes 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 Notes 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 Notes 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 Notes 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 Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

### **CUSIP NUMBERS**

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes 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 Notes shall be designated 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 Underwriter (Syndicate Manager) 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 Notes. 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 Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate, the form of which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Notes 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 Notes, 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 Notes 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 Notes) will apply to the initial sale of the Notes (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 Notes to the bidder who submits a firm offer to purchase the Notes 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 Notes, 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 Notes 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 Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (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 Notes (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 Notes 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 Notes, that the underwriters will neither offer nor sell unsold Notes 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 Notes 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(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 Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes 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 Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes 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 Notes 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 Notes 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 Notes to the public),
- (iii) a purchaser of any of the Notes 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 Notes are awarded by the City to the winning bidder.

## **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Official Statement relating to the Notes 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 Underwriter (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

Jennifer Selenske, Finance Director  
City of Marshfield, Wisconsin



# BID FORM

The Common Council  
City of Marshfield, Wisconsin (the "City")

July 9, 2024

RE: \$9,050,000\* General Obligation Promissory Notes, Series 2024A (the "Notes")  
DATED: July 25, 2024

For all or none of the above Notes, 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 \$8,936,875 nor more than \$9,593,000) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % 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	_____ % due 2043
_____ % due 2030	_____ % due 2037	_____ % due 2044
_____ % due 2031	_____ % due 2038	

The City reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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 \$181,000 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 Notes 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 Notes 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 Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about July 25, 2024.

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 Official Statement for the Notes.

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 Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes 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 Notes.

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 July 25, 2024 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 July 9, 2024.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_