

**OFFICIAL STATEMENT DATED MARCH 27, 2012**

**\$5,440,000**

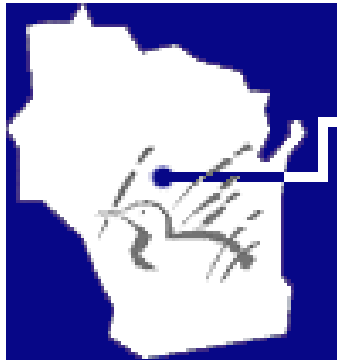
**General Obligation Promissory Notes, Series 2012A  
(the "Notes")**

**\$475,000**

**Taxable General Obligation Refunding Bonds, Series 2012B  
(the "Bonds")**

**(Both issues collectively referred to as the "Obligations")**

**City of Marshfield  
Wood and Marathon Counties, Wisconsin**



Detailed information relating to the issues is set forth herein.

*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. See "LEGAL MATTERS – Tax Exemption – The Notes" 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 will be designated by the City as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.*

### OFFICIAL STATEMENT

**\$5,440,000**

**CITY OF MARSHFIELD  
WOOD AND MARATHON COUNTIES, WISCONSIN  
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012A**

**Dated:** Date of Delivery

**Due:** March 1, 2013/2022

The \$5,440,000 General Obligation Promissory Notes, Series 2012A (the "Notes") are being issued by the City of Marshfield, Wisconsin (the "City") pursuant to Wisconsin Statutes, Section 67.12(12). The Notes will be issued to provide financing for certain capital projects as described in "DESCRIPTION OF THE NOTES – Purpose," herein, the refunding of certain obligations of the City, and to pay the costs of issuing the Notes. The Notes will be general obligations of the City for which its full faith and credit and unlimited taxing powers are pledged.

The Notes will be issued as fully registered notes without coupons and, when issued, will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company (the "Depository" or "DTC"). The Depository will act as securities depository of the Notes. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. (See "Book-Entry-Only System" herein.)

Principal, payable on each March 1, as set forth below, and interest on the Notes, payable semiannually on each March 1 and September 1 commencing March 1, 2013, will be paid to the Depository, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2013	\$ 835,000	1.00%	0.35%	572852 G21	2018	\$ 305,000	2.00%	1.50%	572852 G70
2014	1,015,000	1.00%	0.50%	572852 G39	2019	310,000	2.00%	1.65%	572852 G88
2015	950,000	2.00%	0.75%	572852 G47	2020	315,000	2.00%	1.75%	572852 G96
2016	620,000	2.00%	1.00%	572852 G54	2021	325,000	2.00%	1.95%	572852 H20
2017	435,000	2.00%	1.20%	572852 G62	2022	330,000	2.10%	2.10%	572852 H38

The Notes maturing on March 1, 2020 and thereafter are subject to prior redemption at the option of the City on March 1, 2019 and any date thereafter at a price of par plus accrued interest.

**Bank Qualified:** The Notes will be designated as "qualified tax-exempt obligations."

**Paying Agent:** The City of Marshfield Finance Director

**Financial Advisor:** Public Financial Management, Inc., Milwaukee, Wisconsin

**Date of Delivery:** Delivery of the Notes is anticipated on or about April 12, 2012

The date of this Official Statement is March 27, 2012.

*(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.)*

*In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Bonds is included in gross income for federal income tax purposes. See "LEGAL MATTERS - Taxability of Interest – The Bonds" herein. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.*

**OFFICIAL STATEMENT**

**\$475,000**

**CITY OF MARSHFIELD**

**WOOD AND MARATHON COUNTIES, WISCONSIN**

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012B**

**Dated:** Date of Delivery

**Due:** March 1, 2013/2015

The \$475,000 Taxable General Obligation Refunding Bonds, Series 2012B (the "Bonds") are being issued by the City of Marshfield, Wisconsin (the "City") pursuant to Chapter 67 of the Wisconsin Statutes. The Bonds will be issued to refund certain outstanding obligations of the City, and to pay the costs of issuing the Bonds. The Bonds will be general obligations of the City for which its full faith and credit and unlimited taxing powers are pledged.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company (the "Depository" or "DTC"). The Depository will act as securities depository of the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. (See "Book-Entry-Only System" herein.)

Principal, payable on each March 1, as set forth below, and interest on the Bonds, payable semiannually on each March 1 and September 1 commencing March 1, 2013, will be paid to the Depository, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2013	\$ 75,000	0.50%	0.50%	572852 H46
2014	200,000	0.65%	0.65%	572852 H53
2015	200,000	1.00%	0.85%	572852 H61

The Bonds are not subject to call and prior redemption.

**Paying Agent:** The City of Marshfield Finance Director

**Financial Advisor:** Public Financial Management, Inc., Milwaukee, Wisconsin

**Date of Delivery:** Delivery of the Bonds is anticipated on or about April 12, 2012.

The date of this Official Statement is March 27, 2012.

*(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.)*

**BOSC, INC.**

A subsidiary of BOK Financial Corporation

No dealer, broker, salesman or other person has been authorized by the City, the Financial Advisor or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the City, the Financial Advisor or the Underwriters. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but it is not to be construed as a representation by the Financial Advisor or Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the City or in any other information contained herein, since the date hereof.

## TABLE OF CONTENTS

	<u>Page</u>	<u>Page</u>
<b>INTRODUCTION TO THE OFFICIAL STATEMENT</b> .....	1	
<b>DESCRIPTION OF THE OBLIGATIONS</b> .....	3	
Authorization .....	3	
Purpose.....	3	
Sources and Uses .....	4	
Security Provisions .....	4	
Redemption Provisions .....	4	
Interest Payments and Computation.....	4	
Registration .....	4	
Book-Entry-Only System.....	5	
Continuing Disclosure.....	7	
<b>THE CITY</b> .....	8	
Introduction.....	8	
City Government.....	8	
Employee Relations and Collective Bargaining.....	9	
Pension and Retirement Plan .....	9	
Education .....	10	
Health Care .....	10	
Services and Enterprises .....	11	
Economic Development.....	12	
<b>ECONOMIC AND DEMOGRAPHIC INFORMATION</b> .....	13	
Population .....	13	
Unemployment.....	13	
Construction.....	13	
Major Employers .....	14	
<b>CITY OF MARSHFIELD FINANCIAL SUMMARY</b> .....	15	
<b>INDEBTEDNESS</b> .....	16	
General Obligation Debt .....	16	
Short-Term Debt .....	18	
		18
		18
		18
		19
		19
<b>FINANCIAL INFORMATION</b> .....	20	
Financial Reports .....	20	
Certificates of Achievement for Excellence in Financial Reporting .....	21	
Budgeting.....	21	
Investments .....	21	
<b>PROPERTY VALUATIONS AND TAXES</b> .....	22	
Assessed and Equalized Values .....	22	
Tax Levy and Collection Procedures .....	23	
Levy Limits .....	24	
<b>LEGAL MATTERS</b> .....	25	
Pending Litigation.....	25	
Approval of Legal Proceedings.....	25	
Tax Exemption – The Notes .....	25	
Qualified Tax-Exempt Obligations – The Notes .....	26	
Taxability of Interest – The Bonds.....	26	
<b>MISCELLANEOUS</b> .....	26	
Rating.....	26	
Financial Advisor.....	27	
Underwriting.....	27	
Certificate Concerning Official Statement.....	27	
		Appendix A – Excerpts from City’s Financial Statements
		Appendix B – Forms of Legal Opinions
		Appendix C – Forms of Continuing Disclosure Certificates

## INTRODUCTION TO THE OFFICIAL STATEMENT

*The following information is furnished solely to provide limited introductory information regarding the City's \$5,440,000 General Obligation Promissory Notes, Series 2012A (the "Notes"), and \$475,000 Taxable General Obligation Refunding Bonds, Series 2012B (the "Bonds") (collectively the "Obligations"), and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.*

- Issuer:** City of Marshfield, Wisconsin.
- Dated Date:** Date of Delivery.
- Delivery:** The City will deliver the Obligations anywhere in the United States as designated by the purchasers within 45 days against payment in immediately available funds. Delivery is expected on or about April 12, 2012.
- Security:** The Obligations will be general obligations of the City, secured by an unlimited tax levy. The Obligations will be payable from ad valorem taxes levied upon all taxable property in the City which may be levied without limitation of rate or amount.
- Authority:**
- The Notes:** The Notes are being issued pursuant to the laws of the State of Wisconsin including Section 67.12(12) of the Wisconsin Statutes, a set sale resolution adopted by the Common Council on February 28, 2012, and an award resolution adopted by the Common Council on March 27, 2012.
- The Bonds:** The Bonds are being issued pursuant to the laws of the State of Wisconsin including Chapter 67 of the Wisconsin Statutes, a set sale resolution adopted by the Common Council on February 28, 2012, and an award resolution adopted by the Common Council on March 27, 2012.
- Purpose:**
- The Notes:** The Notes will be issued to provide financing for certain capital projects, the refunding of certain obligations of the City, and to pay the costs of issuing the Notes.
- The Bonds:** The Bonds are being issued to refund certain outstanding obligations of the City, and to pay the costs of issuing the Bonds.
- Optional Redemption:**
- The Notes:** The Notes maturing on March 1, 2020 and thereafter are subject to prior redemption at the option of the City on March 1, 2019 and any date thereafter at a price of par plus accrued interest.
- The Bonds:** The Bonds are not subject to call and prior redemption.
- Denominations:** \$5,000 or integral multiples thereof.
- Record Date:** The 15<sup>th</sup> day of the calendar month preceding the payment date.
- Principal Payments:**
- The Notes:** Annually, March 1, 2013 through 2022.  
**The Bonds:** Annually, March 1, 2013 through 2015.
- Interest Payments:** On each March 1 and September 1, commencing March 1, 2013.

**Tax Status:** **The Notes:** Interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes, see “LEGAL MATTERS - Tax Exemption – The Notes” herein. Interest on the Notes is not exempt from Wisconsin income or franchise taxes.

**The Bonds:** Interest on the Bonds is included in gross income for federal income tax purposes, see “LEGAL MATTERS – Taxability of Interest – The Bonds” herein. Interest of the Bonds is not exempt from Wisconsin income or franchise taxes.

**Notes are Bank Qualified:** **The Notes:** The Notes will be designated as “qualified tax-exempt obligations.”

**The Bonds:** The Bonds will not be designated as “qualified tax-exempt obligations.”

**Professional Consultants:** *Financial Advisor:* Public Financial Management, Inc.  
Milwaukee, Wisconsin

*Bond Counsel:* Quarles & Brady LLP  
Milwaukee, Wisconsin

*Paying Agent/Registrar:* The City of Marshfield Finance Director

**Legal Matters:** Legal matters incident to the authorization and issuance of the Obligations are subject to the opinions of Quarles & Brady LLP, Bond Counsel, as to validity; and for the Notes, tax exemption. The opinions will be substantially in the forms set forth in Appendix B attached hereto. Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the sections entitled “LEGAL MATTERS – Tax Exemption – The Notes”, “LEGAL MATTERS – Taxability of Interest – The Bonds”, and “Forms of Legal Opinions” attached hereto as Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

**Conditions Affecting Issuance:** The Obligations are offered when, as and if issued, subject to the approving legal opinions of Quarles & Brady LLP, Milwaukee, Wisconsin.

**Book-Entry Only:** The Obligations will be issued as book-entry-only securities through The Depository Trust Company.

**No Litigation:** There is no litigation now pending or, to the knowledge of City officials, threatened, which questions the validity of the Obligations or of any proceedings of the City taken with respect to the issuance or sale thereof.

**Continuing Disclosure:** In the resolutions awarding the sale of the Obligations, the City will covenant and agree, for the benefit of the holders of the Obligations from time to time, to comply with the provisions of Securities and Exchange Commission Regulations, 17 C.F.R. Section 240, Paragraph (b)(5) of 15c2-12, (the “Rule”); and, for this purpose, to provide certain financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The City is the only “obligated person” in respect of the Obligations within the meaning of the Rule. A description of the undertaking is in Appendix C.

Questions regarding the Obligations or the Official Statement can be directed Public Financial Management, Inc., 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, (414) 771-2700, the City’s financial advisor, or the Finance Director at the City of Marshfield, Wisconsin.

\* \* \* \* \*

## DESCRIPTION OF THE OBLIGATIONS

### *Authorization*

The Notes are being issued pursuant to the laws of the State of Wisconsin including Section 67.12(12) of the Wisconsin Statutes, a set sale resolution adopted by the Common Council on February 28, 2012, and an award resolution adopted by the Common Council on March 27, 2012.

The Bonds are being issued pursuant to the laws of the State of Wisconsin including Chapter 67 of the Wisconsin Statutes, a set sale resolution adopted by the Common Council on February 28, 2012, and an award resolution to be adopted by the Common Council on March 27, 2012.

### *Purpose*

The Notes will be issued to provide financing for certain capital projects as described in Table 1, the refunding of certain obligations of the City as described in Table 2, and to pay the costs of issuing the Notes.

**Table 1**  
**Project List – The Notes**

General 2012 Capital Improvement Projects	\$ 2,464,705
Fire Station	350,000
Developer Incentive Payment	77,000
Total Projects	\$ 2,891,705

**Table 2**  
**Refunded Obligations – The Notes**

<u>Dated</u>	<u>Issue</u>	<u>Maturities</u> <u>Outstanding</u>	<u>Maturities</u> <u>Refinanced</u>	<u>Amount</u> <u>Refinanced</u>	<u>Call</u> <u>Date</u>
01/15/2003	General Obligation Refunding Bonds, Series 2003	2013-2021	2013-2021	\$ 785,000	05/01/2012
05/15/2004	General Obligation Corporate Purpose Bonds, Series 2004A	2013-2017	2013-2017	790,000	05/01/2012
05/15/2005	General Obligation Promissory Notes, Series 2005	2012-2015	2013-2015	1,050,000	05/01/2012

The Bonds will be issued for the refunding of certain obligations of the City as described in Table 3, and to pay the costs of issuing the Bonds.

**Table 3**  
**Refunded Obligations – The Bonds**

<u>Dated</u>	<u>Issue</u>	<u>Maturities</u> <u>Outstanding</u>	<u>Maturities</u> <u>Refinanced</u>	<u>Amount</u> <u>Refinanced</u>	<u>Call</u> <u>Date</u>
05/01/2001	Taxable General Obligation Community Development Bonds, Series 2001	2015-2021	2015-2021	\$ 455,000	05/01/2012

## ***Sources and Uses***

The estimated sources and uses for the Obligations are presented in the table below.

**Table 4**  
**Estimated Sources and Uses**

<u>Estimated Sources</u>	<u>The Notes</u>	<u>The Bonds</u>	<u>Total</u>
Par Amount	\$ 5,440,000.00	\$ 475,000.00	\$ 5,915,000.00
Original Issue Premium	109,869.50	852.00	110,721.50
Cash on Hand	67,447.50	14,897.50	\$ 82,345.00
Total Sources	<u>\$ 5,617,317.00</u>	<u>\$ 490,749.50</u>	<u>\$ 6,108,066.50</u>
<u>Estimated Uses</u>			
Refunding Refunded Obligations	\$ 2,648,557.08	\$ 459,965.83	\$ 3,108,522.91
Project Fund	2,891,705.00	--	2,891,705.00
Estimated Cost of Issuance	74,826.23	27,937.50	102,763.73
Deposit to DSF (Rounding)	2,228.69	2,846.17	5,074.86
Total Uses	<u>\$ 5,617,317.00</u>	<u>\$ 490,749.50</u>	<u>\$ 6,108,066.50</u>

## ***Security Provisions***

*Direct, Annual Irrepealable Tax.* As security for the Obligations, the City pledges its full faith, credit and taxing powers and there will be levied on all of the taxable property in the City a direct, annual irrepealable tax in an amount and the times sufficient to pay the principal of and interest on the Obligations.

The resolutions provide that the taxes will be, from year to year, carried onto the tax rolls of the City and collected as other taxes are collected and that the City shall not repeal such levies or obstruct the collection of the taxes. Provision is made for reducing the amount of taxes carried onto the tax rolls by the amount of any surplus money in the respective Debt Service Funds for the Obligations.

## ***Redemption Provisions***

**The Notes:** The Notes maturing on March 1, 2020 and thereafter are subject to prior redemption at the option of the City on March 1, 2019 and any date thereafter at a price of par plus accrued interest.

**The Bonds:** The Bonds are not subject to call and prior redemption.

## ***Interest Payments and Computation***

Interest on the Obligations will be computed on a 360-day year, 30-day month basis. Payments coming due on a non-business day will be paid the following business day. Interest will be payable semiannually on March 1 and September 1, commencing March 1, 2013.

## ***Registration***

The City has initially designated the City's Finance Director to serve as Registrar and Paying Agent for the Obligations. The City may, at any time, at its option replace the City's Finance Director as Registrar for the Obligations with a bank, trust company or national banking association designated by the City to serve as fiscal agent.

The Obligations will be initially registered in the name of Cede & Co., as nominee of the Depository. The Depository will act as securities depository for the Obligations. Individual purchases may be made in book-entry-



only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Obligations purchased. See “Book-Entry-Only System.”

### ***Book-Entry-Only System***

*The information contained in the following paragraphs of this subsection “Book-Entry-Only System” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE.” The City makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Obligations. The Obligations 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 certificate will be issued for each annual maturity of each series of the Obligations, each in the aggregate principal amount of such annual maturity, and such certificates will be deposited with DTC.

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 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) and [www.dtc.org](http://www.dtc.org).

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations 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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations 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.

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.

Redemption notices shall be sent to DTC. If less than all of the Obligations 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Obligations 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 paying agent ("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.

DTC may discontinue providing its services as depository with respect to the Obligations 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, certificates for the Obligations are required to be printed and delivered.

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, certificates for the Obligations will be printed and delivered to DTC.

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.

NEITHER THE CITY, NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE OBLIGATIONS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO CERTIFICATEHOLDERS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS CERTIFICATEHOLDER; OR (5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OBLIGATIONS.

## ***Continuing Disclosure***

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City shall covenant pursuant to resolutions adopted by the Governing Body to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Obligations to provide certain financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificates to be executed and delivered by the City at the time the Obligations are delivered. Such Certificates will be in substantially the forms attached hereto as Appendix C. In the previous five years, the City has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the City to comply with the Undertaking will not constitute an event of default on the Obligations (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a 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 Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price.

The City will file its continuing disclosure information using the Electronic Municipal Market Access system. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

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## THE CITY

### *Introduction*

The City is a regional center with a population of 19,451. The City is located near the geographic center of the State, with portions of its territory in Wood and Marathon Counties. The City is part of a cluster of central Wisconsin cities with an urban population of over 120,000 and regional trade area of 300,000. The City is located approximately 160 miles from the Twin Cities and 285 miles from Chicago.

The City was incorporated in 1883, under the provisions of Chapter 280, Laws of Wisconsin, 1883. The City provides the following services to its residents: public safety, highways and streets, sanitation, health and human services, culture/recreation, education, public improvements, planning and zoning, and general administrative services.

Historically, the City grew and developed as a railroad community. Today, the strongest sectors of the economy are medical services and manufactured wood products. Other strong industries in the area of the City are metalworking, machinery, distribution, and processed dairy products.

### *City Government*

The City operates under the mayor-council form of government. The common council members are elected to two-year staggered terms, with five elected every year. The mayor is elected to serve a two-year term. All ten common council members are elected by district, and the mayor is elected at large. The common council meets in regular session twice monthly and performs the legislative and policymaking functions of city government. By statute, the mayor presides at common council meetings and serves as the chief executive officer. Since 1989, the administrative functions of the city government have been delegated to a city administrator, who is hired by and reports to the mayor and common council. The current common council members and elected officials are listed in the tables below.

#### Common Council

<u>Name</u>	<u>District</u>	<u>Term Expiration Dates</u>
Michael Feirer	1 <sup>st</sup> District	2012
Alanna Feddick	2 <sup>nd</sup> District	2013
Dave LaFontaine	3 <sup>rd</sup> District	2012
Gordon Earll	4 <sup>th</sup> District	2013
Ed Wagner	5 <sup>th</sup> District	2012
Russell Stauber	6 <sup>th</sup> District	2013
Gary Cummings	7 <sup>th</sup> District	2012
John Spiros	8 <sup>th</sup> District	2013
Tom Buttke	9 <sup>th</sup> District	2012
Peter Hendler	10 <sup>th</sup> District	2013

#### Elected and Appointed Officials

<u>Name</u>	<u>Title</u>
Chris L. Meyer	<i>Mayor</i>
Steve Barg	<i>Administrator</i>
Keith R. Strey, CPA	<i>Finance Director</i>
Deb M. Hall	<i>Clerk</i>
Harold C. Wolfgram	<i>Attorney</i>
Joan Spencer	<i>Assessor</i>

## ***Employee Relations and Collective Bargaining***

The City employs 192 full-time equivalent employees. The Marshfield Police Department has 39 officers and eight staff employees. The Marshfield Fire Department provides fire protection and employs 36 fire fighters and one support staff on a full-time basis. The fire insurance rating is a Class 4. The list of the bargaining units is provided in Table 5. Relations between labor and management are best described as cooperative on most issues.

All eligible City personnel are covered by the Municipal Employment Relations Act (MERA) of the Wisconsin Statutes. Pursuant to that law, employees have limited rights to organize and collectively bargain with the 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 requirements of these two acts, two bargaining units failed to recertify by the annual deadline to do so effective January 1, 2012. Those bargaining units were Clerical Technical (16 members) and Public Works/Parks & Recreation/Custodial (35 members).

Certain legal challenges have been brought with respect to the Act. On May 26, 2011, the Dane County Circuit Court (the "Circuit Court") issued a decision which voided the legislative action taken with respect to the Act due to violations of the State's Open Meetings Law. However, on June 14, 2011, the Supreme Court of Wisconsin overturned the Circuit Court's decision by vacating and declaring all orders and judgments of the Circuit Court with respect to the Act to be void. As a result, the Act took effect on June 29, 2011, the day after it was published in accordance with State statutes. On June 15, 2011, a number of labor unions filed a lawsuit in the United States District Court for the Western District of Wisconsin asking, among other things, that a declaratory judgment be entered on the basis that the Act violates the First and Fourteenth Amendments and that preliminary and permanent orders be entered to enjoin the implementation and enforcement of the Act.

As a result of the amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety employees, with respect to any factor or condition of employment except total base wages. The City or employee union has the option to pursue mediation and grievance arbitration. Voluntary impasse resolution procedures are prohibited for municipal employees, other than public safety employees, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Impasse resolution for public safety employees is subject to final and binding arbitration procedures, which do not include a right to strike.

**Table 5**  
**Bargaining Units**

<u>Union/Association</u>	<u>Contract Expiration</u>	<u>Number of Members</u>
Fire Fighters	12/31/2010	32
Ordinance Enforcement Officers	12/31/2012	2
Police Officers	12/31/2012	33
Wastewater Employees	12/31/2012	8

## ***Pension and Retirement Plan***

All eligible City employees participate in the Wisconsin Retirement System, a cost sharing, multiple-employer, defined benefit public employee retirement system. The payroll for the City employees covered by the Wisconsin Retirement System for the year ended December 31, 2010 was \$12,691,746, the employer's total payroll was \$13,211,087. The City does not have an outstanding pension liability with the Wisconsin Retirement System.

## ***Education***

The City has 16 different schools (seven are private) providing education to students in elementary through high school classes. The Marshfield Public School District, a unified school district, has approximately 4,653 students. It employs 277 teachers, 20 administrators, and 153 support personnel. The kindergarten through twelfth grade structure involves six elementary schools within the City limits, one rural school, one middle school for grades seven and eight, and one senior high school for grades nine through twelve. The senior high school offers students the opportunity to participate in up to 22 different advanced placement classes to receive college credit. Enrollment for the Marshfield Public School District for the past five academic years is presented in Table 6 which follows.

**Table 6**  
**Public School Enrollment**<sup>1</sup>

<u>Year</u>	<u>Public Enrollment</u>	<u>Private Enrollment</u>	<u>Total Enrollment</u>
2011 / 2012	4,038	615	4,653
2010 / 2011	4,038	719	4,757
2009 / 2010	4,084	727	4,811
2008 / 2009	4,094	763	4,857
2007 / 2008	4,057	744	4,801

The area is also home to the Mid-State Technical College-Marshfield Campus and the University of Wisconsin Center Marshfield/Wood County campus. Mid-State Technical College-Marshfield Campus offers technical training in over 47 careers by granting one and two-year technical diplomas and two-year associate degrees in three program areas: agribusiness & urban forestry, business and information technology, and health. Apprenticeship opportunities are also available as well as adult and continuing education courses and seminars, career-awareness workshops, academic support services, pre-employment training and personal enrichment courses. The number of students enrolled in undergraduate courses during the 2010-2011 academic year is approximately 5,412. The number of students enrolled in both college degree programs and apprenticeships is 8,835.

The University of Wisconsin-Marshfield/Wood County, a two-year campus in the University of Wisconsin System, offers freshman/sophomore level programs leading to an Associate of Arts degree, a collaborative bachelors degree program in Nursing with the UW-Eau Claire, bachelor's degrees in General Studies, Business Administration or Web and Digital Media Development with UW-Stevens Point, continuing education courses and a quality program of performing and visual arts events for the community. Credits are transferable to all institutions in the UW System. The Performing Arts Series offers new programs yearly.

## ***Health Care***

Medical services provide 38% of the City's industrial employment. Top-notch specialists, state-of-the-art facilities and equipment, combined with the largest medical research institution in Wisconsin have brought Marshfield national recognition.

Marshfield Clinic is the largest private group medical practice in Wisconsin and one of the largest in the United States, with about 779 physician specialists representing 86 medical specialties and total employment of nearly 7,200 in more than 54 Clinic centers in Wisconsin. Marshfield Clinic was founded in 1916 in Marshfield and its Marshfield Center, located at 1000 North Oak Avenue, is the largest center in the Clinic system. The Clinic system also includes Marshfield Clinic Research Foundation; Marshfield Clinic Education Foundation; and Security Health Plan of Wisconsin, Inc., a health maintenance organization. There were over 3.8 million patient encounters in 2010.

Saint Joseph's Hospital is a 500-plus bed tertiary care teaching institution. One of the largest rural referral medical centers in Wisconsin, and the only Level II verified trauma center in the north central part of the state, it provides health care, including all major medical and surgical specialties and subspecialties, to a service area in Wisconsin and Upper Michigan. More than 350 Marshfield Clinic physicians are on its medical staff, with more than 2,300 quality caregivers providing round-the-clock support. Saint Joseph's Hospital, a member of Ministry Health Care,

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<sup>1</sup> Source: Wisconsin Department of Public Instruction

was founded more than 110 years ago by the Sisters of the Sorrowful Mother. Their mission is to continually improve the health and well-being of all people, especially the poor, in the communities it serves. In 2006, the comprehensive pediatric services at the hospital were awarded the recognition of “children’s hospital” by the National Association of Children’s Hospitals and Related Institutions (“NACHRI”). At the same time, the hospital revealed a new name for these services – Saint Joseph’s Children’s Hospital. It joins only two other hospitals in the state with this honor.

Marshfield Clinic Research Foundation (“MCRF”) was established by Clinic physicians in 1959 and merged into the Clinic in 1990. MCRF is the largest private medical research foundation in Wisconsin and one of the largest in the nation. Many research projects are conducted by Clinic physicians in collaboration with MCRF scientists. Areas of focus within MCRF include clinical research, rural and agricultural health and safety, epidemiology, human genetics, personalized medicine, health services research and biomedical informatics. Though research is conducted throughout the Clinic system, two buildings on the Marshfield Clinic campus in Marshfield – Lawton Center and Laird Center for Medical Research – are dedicated to research.

The Laird Center for Medical Research, a world-class diagnostic laboratory and research facility, is a 112,300 square-foot \$40 million addition to the Melvin R. Laird Center. The building was dedicated in October 2008.

The Marshfield Clinic Laboratories system is one of the largest full-service private practice laboratory systems in the nation, reporting approximately 25 million test results a year. The Marshfield Clinic Laboratories system serves as a reference laboratory for more than 500 health care facilities, 3,000 veterinary practices, thousands of Substance Abuse and Mental Health Service Administration workplace clients and many research and Food Safety clients across the nation.

Established in 1986 as an outgrowth of the Greater Marshfield Community Health Plan, Security Health Plan of Wisconsin, Inc. serves more than 182,000 people in a 32-county area in northern, western, and central Wisconsin. It offers a variety of health insurance options for employer groups, individuals of all ages and families. Security Health Plan, owned by Marshfield Clinic, offers an extensive network of affiliated hospitals, more than 2,750 affiliated physicians and other providers and over 45,000 pharmacies nationwide. In 2010, Security Health Plan was named the nation’s 36<sup>th</sup> best private health plans by the National Committee for Quality Assurance (NCQA) and this is the 6<sup>th</sup> consecutive year they ranked on the NCQA list. In 2010 Security Health Plan was also among only three health plans in the nation to receive a 5-star rating — the highest possible — from the Centers for Medicare and Medicaid Services (CMS) for its Advocare Medicare Advantage plans. The star-rating system was initiated in 2007 to enable CMS and Medicare beneficiaries to assess health plans based on quality. Security Health has ranked every year since the 5-star rating system’s inception in 2007.

Security Health Plan ([www.securityhealth.org/advocare](http://www.securityhealth.org/advocare)) is a health maintenance organization, sponsored by Marshfield Clinic. Security Health Plan serves more than 180,000 residents in a 32-county service area of Wisconsin. Founded in 1971 as the Greater Marshfield Community Health Plan, Security Health Plan has grown to become the fourth largest HMO in Wisconsin. Accredited by the National Committee for Quality Assurance (NCQA), Security Health Plan provides fully-insured and self-funded plans to a variety of large and small employers, as well as to individuals and families.

## ***Services and Enterprises***

Marshfield Utilities (the “Utility”) is a municipal-owned utility that provides electric, water, and communications services to the City’s residents. The Electric System accounts for approximately 70% of the assets and 90% of the revenues of the Utility. The water system accounts for approximately 29% of the assets and 10% of the revenues of the Utility. The communications system accounts for less than one-percent of the assets and revenues of the Utility.

The Utility purchases the majority of its power supply from the Wisconsin Public Service Corporation (“WPSC”), but during 2011 the Utility finished construction of a 55MW natural-gas-fired electric generating plant (the “M-1”) within the City’s boundaries. The purposes of constructing the M-1 electric generating plant are (1) to increase the reliability of electric service in the Utility’s service territory, (2) to extend from the year 2018 to the year 2028 the current power supply contract with WPSC, (3) to hedge against rising demand-related costs, and (4) to hedge against future market energy costs. The service area for the Electric System includes the City and surrounding areas for a total service area of approximately 120 square miles. Of the approximately 13,616 customers of the Electric System, roughly 77% are located within the City.

The water system has 14 wells with a maximum daily capacity of 5.1 million gallons, a pumping capacity of 8,000 gallons/minute and a peak daily usage of 4.1 million gallons/day.

The City also provides wastewater services to the City's residents. The peak design flow at the wastewater treatment plant is 30 million gallons/day with an average daily design flow of 4.63 million gallons/day.

### ***Economic Development***

Over the course of the last three years, the City of Marshfield has been working with the "frac sand" industry in an effort to attract this industry to our community. Frac sand is utilized in fracking or hydraulic fracturing, a process that releases oil and natural gas from rock formations. Within the past year or so, the City has been fortunate to experience significant development in this area as evidenced by the below examples.

- Completion Industrial Minerals, LLC is nearly complete with the construction of its \$25 million operation in the Yellowstone Industrial park. The plant has been operational since November 2011.
- Panther Creek began shipping frac sand from their processing plant in July of 2011. A split operation, with mining and washing taking place outside of the City, this \$7 million operation occupies the eastern 5.75 acres of the former Wick Building Systems property.
- CARBO Ceramics is currently working through the permitting process with a goal of plant distributions starting in the second quarter of 2012. With an estimated construction cost of \$42 million, this new facility will occupy the remaining 38.6 acres of the former Wick Building Systems property.

It is estimated that over 300 jobs will be created (direct or indirect) by the Marshfield frac sand industry, with another 600 jobs being supported. These numbers are based upon the information provided by the owners as well as the recent economic modeling that was completed by Economic Modeling Specialists Inc.

Other projects that were completed in 2011 include:

- Prevention Genetics has recently doubled its footprint with a 10,000 square-foot (\$1,500,000 value) addition. The expansion allows their business to continue to explore new opportunities with their business and had doubled their employment numbers (now over 100 FTE's).
- Ministry Health Care recently opened the doors to their new 18,000 square-foot (\$1,300,000 value) House of the Dove Facility. This new 12-room hospice facility provides end of life care for patients in a comfortable setting separate from the hospital facility.
- The Prairie Run Development opened its second commercial building with the addition of Prairie Crossing. This 5,000 square-foot multi-tenant facility (\$400,000 value) is the new home for Design Unlimited and Edward Jones Investment with additional space still available.
- After several months of offering a temporary store at the Shoppes of Woodridge, Furniture and Appliance Mart made the investment (\$700,000) to open a permanent store (47,725 square-feet) in the space that was vacated by Steve & Barry's.

The City continues to offer a façade improvement program for our downtown business owners. This 50/50 matching grant program assists business owners in making much needed improvements to restoring the character and historic value in the heart of the community. To date, the City has contributed over \$250,000 in matching grant funds to 20 different projects. In return, the City has seen nearly \$1,000,000 in improvements to downtown properties.

During 2011, the City completed construction and commenced operation of a new 55MW combustion turbine generator (designated "M-1") located within the City near Yellowstone Industrial Park (TIF #7). The construction cost of this plant was \$36.6 million. Additionally, during 2011 the City contracted with a consulting firm to assess the status of all active Tax Incremental Districts (TIDs), identify options for the City to maximize performance of each TID, adopted a strategic plan for each TID, and completed the appropriate TID Plan Amendments included in the TID strategic plan.



## ECONOMIC AND DEMOGRAPHIC INFORMATION

### *Population*

The preliminary January 1, 2011 population estimate for the City by the State of Wisconsin Department of Administration is 19,107. The populations of the City, Wood and Marathon Counties for the past four censuses are presented in the following table.

**Table 7**  
**Population Estimates**

<u>Year</u>	<u>City of Marshfield</u>	<u>Wood County</u>	<u>Marathon County</u>
2010	19,118	74,749	134,063
2000	18,800	75,555	125,834
1990	19,293	73,605	115,400
1980	18,290	72,799	111,270

### *Unemployment*

The Department of Workforce Development provides estimates of the unemployment rate for Wood County, Marathon County, and the State of Wisconsin. Table 8 provides the average annual unemployment rate for the last five years. The unadjusted unemployment rate for Wood County, Marathon County, and the State during December 2011 was 6.6 percent, 6.5 percent, and 6.6 percent, respectively.

**Table 8**  
**Unemployment Rate**

<u>Year</u>	<u>Wood County</u>	<u>Marathon County</u>	<u>State of Wisconsin</u>
2010	8.6%	8.8%	8.3%
2009	8.7%	8.7%	8.7%
2008	5.3%	4.5%	4.9%
2007	5.1%	4.2%	4.8%
2006	5.3%	4.2%	4.7%

### *Construction*

Table 9 presents construction activity within the City for the past five years.

**Table 9**  
**Building Permits**

<u>Year</u>	<u>Commercial / Industrial</u>		<u>Residential</u>	
	<u># of Units</u>	<u>Value</u>	<u># of Units</u>	<u>Value</u>
2010	10	\$ 9,663,449	10	\$ 1,932,640
2009	5	4,921,080	14	2,557,000
2008	10	2,986,000	14	3,643,196
2007	5	1,005,000	27	4,508,026
2006	10	3,344,820	12	3,672,000

## ***Major Employers***

The Marshfield economy is diversified with 62 manufacturing firms; 13 industrial distribution firms; four transport firms; 26 utility, communication, and printing firms; and several medical service firms. A representative list of the major employers in the City is presented in Table 10 below.

**Table 10**  
**Major Employers**

<u>Name</u>	<u>Product/Service</u>	<u>Employees</u>
Marshfield Clinic	Health Care	4,148
Roehl Transport, Inc.	Transportation	2,003
Saint Joseph's Hospital	Health Care	1,645
Marshfield Door Systems	Wood Products	570
Marshfield School District	Education	463
De Boer Transportation, Inc	Transportation	405
Land O' Lakes	Food Products	385
A&B Process Systems Corp (Stratford, WI)	Manufacturing	278
V&H Heavy Trucks Inc.	Transportation	225
Marshfield Clinic Research Foundation (MCRF)	Private Medical Research	210
Figi's, Inc.	Food Products	200
Felker Bros. Corp.	Manufacturing	200
City of Marshfield, WI	Public Service	193
Wisconsin Homes, Inc.	Manufacturing	150
H&S Manufacturing Co. Inc	Manufacturing	146
Automated Products	Wood Products	185
Stratford Homes	Manufacturing	140
Bethel Center	Nursing Home	132
Marshfield Care Center	Health Care	125
Dental Clinic	Health Care	121
Weinbrenner Shoe	Manufacturing	120

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## CITY OF MARSHFIELD FINANCIAL SUMMARY

*The following financial summary presents pertinent statistics relating to property valuations as assessed in 2011 for taxes collectible in 2012, indebtedness, population and area, and the indebtedness of overlapping governmental units to the City. The information provided in the Financial Summary is subject in all respects to more complete information contained in this Official Statement.*

Equalized Value (January 1, 2011)		
Marathon County portion	\$ 105,764,900	
Wood County portion	<u>\$ 1,259,881,800</u>	\$ 1,365,646,700
General Obligation Debt (includes the Obligations)		\$ 32,327,011
Revenue Debt		\$ 47,114,517
Overlapping Debt		\$ 18,101,774
Area		13.4 sq. miles
Population (2011 State estimate)		19,107

<u>Debt Statistics</u>	<u>Amount</u>	Debt <u>Per Capita</u>	Debt as % of Equalized <u>Value</u>
Direct Debt (Levy Supported)	\$ 32,327,011	\$ 1,692	2.37%
Overlapping Debt	<u>18,101,774</u>	<u>947</u>	<u>1.33%</u>
Total	<u>\$ 50,428,785</u>	<u>\$ 2,639</u>	<u>3.69%</u>

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## INDEBTEDNESS

### *General Obligation Debt*

Table 8 and Table 9 present the City's general obligation long-term debt as of May 1, 2012 and reflect the issuance of the Obligations.

**Table 11**  
**Outstanding General Obligation Long-Term Debt by Issue**

Date of Issue	Obligation	Amount Issued	Final Maturity	Interest Rates Outstanding	Principal Outstanding
05/01/2001	Taxable Bonds <sup>2</sup>	\$ 780,000	03/01/2021	6.40% - 6.65%	--
01/15/2003	Refunding Bonds <sup>3</sup>	2,050,000	04/01/2016	3.70% - 4.05%	--
05/15/2004	Corporate Purpose Bonds <sup>3</sup>	3,175,000	04/01/2017	3.60% - 4.10%	--
05/15/2004	Taxable Refunding Bonds	730,000	04/01/2015	5.00% - 5.50%	210,000
05/15/2005	Promissory Notes <sup>3</sup>	3,045,000	05/01/2015	3.45% - 3.60%	--
03/01/2006	Promissory Notes	5,285,000	03/01/2016	3.50% - 3.625%	905,000
12/01/2006	Promissory Notes	2,470,000	03/01/2016	3.65% - 3.70%	1,210,000
12/15/2007	Promissory Notes	1,855,000	03/01/2017	3.50%	1,110,000
04/30/2009	State Trust Fund Loan	178,220	03/15/2019	4.50%	132,011
05/01/2009	Promissory Notes	6,450,000	03/01/2019	3.00% - 3.50%	4,510,000
11/15/2009	Taxable Fire Station BABs	5,000,000	03/01/2029	3.90% - 6.00%	5,000,000
04/15/2010	Taxable Corporate BABs	3,150,000	03/01/2029	3.40% - 5.80%	3,150,000
11/15/2010	Taxable Promissory Notes	2,880,000	03/01/2015	1.05% - 1.70%	1,900,000
06/01/2011	Promissory Notes	6,575,000	03/01/2021	0.70% - 2.70%	6,215,000
11/15/2011	Refunding Bonds	1,570,000	05/01/2022	2.00% - 2.40%	1,570,000
11/15/2011	Taxable Notes	605,000	05/01/2016	0.75% - 1.60%	500,000
	Existing G.O. Debt				<u>\$ 26,412,011</u>
04/12/2012	Promissory Notes	5,440,000	03/01/2022	1.00% - 2.10%	5,440,000
04/12/2012	Taxable Bonds	475,000	03/01/2015	0.50% - 1.00%	475,000
	The Obligations				<u>\$ 5,915,000</u>
	Total G.O. Debt				<u>\$ 32,327,011</u>

*(The remainder of this page has been left blank intentionally.)*

<sup>2</sup> Principal Outstanding reflects refunding by the Bonds.

<sup>3</sup> Principal Outstanding reflects refunding by the Notes.

**Table 12**  
**Annual Maturity Schedule**

<u>Year</u>	<u>Existing G.O. Debt</u>		<u>The Obligations</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$ 2,946,463	\$ 842,783	\$ 910,000	\$ 126,355	\$ 4,825,601
2014	2,722,204	779,571	1,215,000	79,855	4,796,630
2015	2,512,978	718,888	1,150,000	63,630	4,445,496
2016	2,468,778	652,644	620,000	46,930	3,788,351
2017	2,309,633	581,494	435,000	36,380	3,362,506
2018	2,200,516	512,070	305,000	28,980	3,046,566
2019	2,411,439	439,885	310,000	22,830	3,184,154
2020	1,745,000	374,738	315,000	16,580	2,451,318
2021	1,655,000	320,140	325,000	10,180	2,310,320
2022	900,000	274,290	330,000	3,465	1,507,755
2023	585,000	240,825	--	--	825,825
2024	600,000	209,380	--	--	809,380
2025	625,000	175,864	--	--	800,864
2026	645,000	140,306	--	--	785,306
2027	670,000	102,803	--	--	772,803
2028	695,000	63,085	--	--	758,085
2029	720,000	21,320	--	--	741,320
2030	--	--	--	--	--
2031	--	--	--	--	--
<b>Total</b>	<b>26,412,011</b>	<b>6,450,085</b>	<b>5,915,000</b>	<b>435,185</b>	<b>39,212,281</b>

*(The remainder of this page has been left blank intentionally.)*

### ***Short-Term Debt***

The City does not issue short-term debt for operational purposes.

### ***Overlapping Debt***

Four taxing jurisdictions' boundaries overlap the City's boundaries. Table 13 sets forth the general obligation debt for those jurisdictions and the amount of their debt allocable to the City as of the issuance of the Obligations.

**Table 13**  
**Overlapping Debt**

<u>Taxing District</u>	2011 Equalized <u>Value</u>	Percent Allocable to <u>The City</u>	Total <u>G.O. Debt</u>	Portion Allocable to <u>the City</u>
Marathon County	\$ 9,724,225,700	1.09%	\$ 14,810,000	\$ 161,080
Wood County	4,698,255,100	26.82%	700,000	187,712
Mid-State Technical College	12,331,685,879	11.07%	24,735,000	2,739,226
School District of Marshfield	2,033,433,710	67.16%	22,355,327	15,013,756
Total				<u>\$ 18,101,774</u>

### ***Legal Debt Limit***

Wisconsin Statutes, Section 67.03, and Section III, Article XI, of the Wisconsin Constitution, limit the City's indebtedness to 5% of the equalized value of taxable property located within the City. In general, such indebtedness may be in the form of bonds and promissory notes for various public purposes.

The City's unused borrowing capacity as of the issuance of the Obligations will be as follows:

2011 Equalized Value	\$ 1,365,646,700
Legal Debt Limit (5% of Equalized Value)	68,282,335
Debt Outstanding (47.3% of Capacity)	<u>32,327,011</u>
Remaining borrowing capacity (52.7% of Capacity)	<u>\$ 35,955,324</u>

### ***No Default on City Indebtedness***

The City has never defaulted on any of its prior or outstanding indebtedness.

## Revenue Debt

Table 14 presents the City's revenue debt by issue as of May 1, 2012.

**Table 14**  
**Revenue Debt by Issue**

### Sewer Revenue Debt

<u>Date</u>	<u>Obligation</u>	<u>Original Issue Size</u>	<u>Final Maturity</u>	<u>Interest Rates Outstanding</u>	<u>Principal Outstanding</u>
03/25/1998	Clean Water Fund Loan	\$ 3,483,825	05/01/2017	2.76%	\$ 1,042,465
09/09/1998	Clean Water Fund Loan	20,685,998	05/01/2018	2.76%	7,682,052
12/01/2006	Sewer Revenue Bonds	1,530,000	05/01/2021	3.65% - 4.00%	1,080,000
07/01/2009	Sewer Revenue Bonds	1,350,000	05/01/2023	3.50% - 4.50%	1,330,000
	Total Sewer Revenue Debt				<u>\$ 11,134,517</u>

### Water Revenue Debt

<u>Date</u>	<u>Obligation</u>	<u>Original Issue Size</u>	<u>Final Maturity</u>	<u>Interest Rates Outstanding</u>	<u>Principal Outstanding</u>
10/01/2006	Water Revenue Bonds	\$ 1,590,000	12/01/2026	3.75% - 4.50%	\$ 1,320,000
06/01/2009	Water Revenue Bonds	3,150,000	12/01/2028	3.00% - 4.60%	3,140,000
	Total Water Revenue Debt				<u>\$ 4,460,000</u>

### Electric Revenue Debt

<u>Date</u>	<u>Obligation</u>	<u>Original Issue Size</u>	<u>Final Maturity</u>	<u>Interest Rates Outstanding</u>	<u>Principal Outstanding</u>
07/15/2008	Taxable Electric Ref. Bonds	\$ 3,880,000	12/01/2018	6.125%	\$ 3,430,000
11/30/2010	Electric Ref. Bonds	28,090,000	12/01/2030	2.00% - 5.50%	28,090,000
	Total Electric Revenue Debt				<u>\$ 31,520,000</u>

### Total Revenue Debt

\$ 47,114,517

## Future Financings

The City has no plans for issuing additional debt during the 2012 calendar year.

## FINANCIAL INFORMATION

### *Financial Reports*

The City's accounts are independently audited. Excerpts from the audited financial statements for the year ended December 31, 2010 are attached hereto as Appendix A. Copies of prior audits are available upon request from Public Financial Management, the City's financial advisor. The auditors have not performed any additional review and have not consented to the inclusion of the audit report or extracts from the audit report in this Official Statement. The City did not seek the consent of the auditors. A comparative Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund for years 2007 to 2010 data is presented below.

**Table 15**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance for the General Fund**  
**(Years Ended December 31)**

<u>Revenues</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Taxes	\$ 7,744,885	\$ 7,907,812	\$ 8,743,774	\$ 8,808,033
Special Assessments	416,277	433,610	545,014	331,540
Intergovernmental Revenues	7,916,249	7,831,861	7,733,735	7,597,400
Licenses & Permits	206,673	192,210	174,888	174,888
Fines & Forfeitures	134,092	141,603	125,395	115,316
Charges for Services	877,105	824,157	813,139	763,020
Miscellaneous	984,140	884,271	741,439	670,054
Total Revenues	<u>18,279,421</u>	<u>18,215,524</u>	<u>18,877,384</u>	<u>18,460,251</u>
<u>Expenditures</u>				
General Government	2,742,988	2,856,151	2,907,046	2,960,504
Public Safety	6,800,138	7,108,076	7,364,442	7,758,947
Public Works	5,416,012	5,756,699	5,684,247	4,725,748
Health & Human Services	149,944	165,838	158,250	174,372
Culture Recreation & Education	2,811,302	2,899,139	2,964,522	3,114,717
Conservation & Development	484,049	391,262	414,141	514,521
Capital Outlay	311,788	181,904	304,448	7,305
Total Expenditures	<u>18,716,221</u>	<u>19,359,069</u>	<u>19,797,096</u>	<u>19,256,114</u>
Excess of Revenues Over (Under) Expend.	(436,800)	(1,143,545)	(919,712)	(795,863)
<u>Other Financing Sources</u>				
Issuance of Long-term Debt			75,000	--
Transfer from Enterprise Fund	854,331	900,603	999,088	1,589,436
Transfers In	10,496	69,042	662	1,866
Transfers Out	(147,651)	(16,427)	(84,339)	(40,220)
Operating Transfer-nonexpendable Trust	--	--	--	--
Total Other Financing Sources (Uses)	<u>717,176</u>	<u>953,218</u>	<u>990,411</u>	<u>1,551,082</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	280,376	(190,327)	70,699	755,219
Fund Balance Beginning of Year	6,823,982	7,104,358	6,914,032	6,984,734
Residual Equity Transfer	--	--	--	--
Fund Balance End of Year	<u>\$ 7,104,358</u>	<u>\$ 6,914,031</u>	<u>\$ 6,984,731</u>	<u>\$ 7,739,953</u>



## ***Certificates of Achievement for Excellence in Financial Reporting***

The City's comprehensive annual financial report has been prepared following guidelines recommended by the Government Finance Officers Association of the United States and Canada. The Government Finance Officers Association awards a Certificate of Achievement for Excellence in Financial Reporting to those governments whose comprehensive annual financial reports are judged to conform substantially to the high standards of public financial reporting and generally accepted accounting principles. The City has been awarded the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report for the years ended December 31, 1994 through 2009. The City has submitted its comprehensive annual financial report for the year ended December 31, 2010 for review.

## ***Budgeting***

In August of each year all agencies of the City submit requests for appropriations to the city administrator so that a budget may be prepared. Prior to October 15, the city administrator submits to the common council a proposed operating budget, including capital expenditures, for the fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them. A public hearing is held in the common council chamber to obtain taxpayer comments. Prior to December 1, the budget is legally adopted by the common council through the passage of a resolution.

## ***Investments***

State statutes authorize the City to invest in obligations of the United States Treasury, U.S. government agencies and instrumentalities, obligations of Wisconsin governmental units, time deposits with maturities of less than three years in any financial institution in Wisconsin, the State of Wisconsin Local Government Investment Pool, the Wisconsin Investment Trust, any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency, repurchase agreements if secured by U.S. government securities, and securities of open-end management investment companies or investment trusts if the portfolio meets certain restrictions. The City only deposits and invests its monies in investments allowed by State statute.

Bank deposits are insured to \$250,000 per depositor, per insured bank, through December 31, 2013 by the Federal Deposit Insurance Corporation (FDIC). On January 1, 2014, the FDIC's standard maximum deposit insurance amount is scheduled to return to \$100,000 per depositor, per insured bank. Additionally, bank deposits are also guaranteed by the State up to \$400,000 for each depository, for losses incurred, subject to the availability of funds in the State's Deposit Guarantee Fund (the State is not currently replenishing this Fund).

A description of investment practices and investments at year-end 2010 is included in Appendix A in the Notes to Financial Statements. A summary of the market value of the City's investments as of February 29, 2012 is presented below.

**Table 16**  
**Cash and Investments**

State of Wisconsin Investment Pool	\$ 11,900,338
Other	—
Total	<u>\$ 11,900,338</u>

## PROPERTY VALUATIONS AND TAXES

### *Assessed and Equalized Values*

The Assessed Value is the value of taxable property upon which tax levies are spread. With the exception of manufacturing property, it is determined annually by the local assessor as of January 1. The State Department of Revenue makes the annual assessment of all manufacturing property in the State.

The Equalized Value is determined by the Department of Revenue in order to maintain equity between municipalities and counties. The value represents the current market value of all the property in the taxing district. These certified values are used for apportioning county property taxes, public school taxes, and vocational school taxes as well as for distributing property tax relief.

Wisconsin courts have determined that the constitutional requirement for uniformity of assessment is met even though the assessment in question may be less than full value, provided all property within the tax district is assessed at the same proximate level. Beginning in 1986, all municipalities were required to assess taxable property at a minimum of 90% of State equalized values at least once every five years.

The State of Wisconsin equalizes local assessments to full values. This equalized valuation is the basis used in computing the five-percent State constitutional debt limitation. Table 17 shows the total equalized value trends for the City and the year-over-year increase since 2006, and Table 18 provides the 2010 equalized value by class.

**Table 17**  
**Property Value Trends**

	Wood County Portion	Marathon County Portion	Total	Year Over Year Increase
<u>Year</u>	<u>Equalized Value</u>	<u>Equalized Value</u>	<u>Equalized Value</u>	
2011	\$ 1,259,881,800	\$ 105,764,900	\$ 1,365,646,700	2.5%
2010	1,230,488,400	102,258,200	1,332,746,600	-0.1%
2009	1,231,387,600	102,362,300	1,333,749,900	0.3%
2008	1,229,547,100	100,411,900	1,329,959,000	3.7%
2007	1,184,952,300	97,802,900	1,282,755,200	3.4%

**Table 18**  
**Equalized Value by Category**

	2011 Equalized Value <u>Wood County</u>	2011 Equalized Value <u>Marathon County</u>	2011 Total <u>Equalized Value</u>
<u>Real Property</u>			
Residential	\$ 749,572,200	\$ 28,207,000	\$ 777,779,200
Commercial	418,146,800	66,705,600	484,852,400
Manufacturing	39,834,100	4,247,300	44,081,400
Agriculture	36,600	66,300	102,900
Underdeveloped	20,400	2,000	22,400
Forest	44,800	135,200	180,000
Other	214,100	210,900	425,000
<u>Personal Property</u>	52,012,800	6,190,600	58,203,400
<b>Total</b>	<b>\$ 1,259,881,800</b>	<b>\$ 105,764,900</b>	<b>\$ 1,365,646,700</b>

## ***Tax Levy and Collection Procedures***

Taxes are levied in December of each year. Personal property taxes, special assessments, special charges, and special taxes must be paid in full to the town, city, or village treasurer by January 31.

Municipalities have the option of adopting payment plans, which allow taxpayers to pay their real property taxes in installments provided that the first installment is paid by January 31 and the remainder is paid by July 31. On or before January 15 and February 15 and on the 15th day of each month following a month in which an installment payment is due the town, city, or village treasurer settles with other taxing jurisdictions for all collections through the preceding month.

On or before August 15 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 taxing delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Table 19 presents tax levies for the City for the last five years.

**Table 19**  
**Property Tax Levies and Collection**

Collection		Current
<u>Year</u>	<u>Total Tax Levy</u>	<u>Tax Collections</u>
2010	\$ 12,847,458	\$ 12,847,314
2009	12,512,423	12,512,423
2008	12,366,755	12,366,755
2007	12,069,068	12,069,068
2006	11,946,891	11,946,891

Table 20 presents the tax rates per \$1,000 of equalized value for the last five fiscal years.

**Table 20**  
**Tax Rates Per \$1,000 of Equalized Value**

<u>Wood County Portion</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City	\$ 9.91	\$ 9.87	\$ 9.87	\$ 9.86	\$ 8.96
School	7.78	7.46	8.84	9.64	9.64
Technical College	1.62	1.62	1.65	1.70	1.62
County	5.18	5.26	5.24	5.21	4.64
State	0.19	0.19	0.19	0.19	0.18
Total	<u>\$ 24.68</u>	<u>\$ 24.40</u>	<u>\$ 25.79</u>	<u>\$ 26.60</u>	<u>\$ 25.04</u>
<u>Marathon County Portion</u>					
City	\$ 9.91	\$ 9.87	\$ 9.87	\$ 9.86	\$ 8.96
School	7.54	7.28	8.50	9.41	8.95
Technical College	1.57	1.58	1.59	1.66	1.59
County	5.25	5.31	5.12	5.15	4.61
State	0.18	0.18	0.18	0.18	0.16
Total	<u>\$ 24.45</u>	<u>\$ 24.22</u>	<u>\$ 25.26</u>	<u>\$ 26.26</u>	<u>\$ 24.27</u>

The ten largest taxpayers in the City based on January 1, 2010 Assessed Values are found in Table 21.

**Table 21**  
**Largest Taxpayers**

<u>Taxpayer</u>	-	2010 <u>Assessed Value</u>	% of Total Assessed <u>Valuation</u>
Marshfield Clinic	Health Care	\$ 132,456,410	9.79%
Wal-Mart Development	Retail Sales Development	17,558,780	1.30%
Menards Development	Home Improvement Retail	15,335,460	1.13%
V & H Ford Development	Auto / Heavy Truck Sales & Service	12,083,860	0.89%
Ken Staab Partnerships	Residential / Commercial Construction	11,083,280	0.82%
Festival Foods Development	Food Sales / Office Products	10,854,620	0.80%
Marshfield Door Systems	Wood Doors Manufacturer	10,330,400	0.76%
Badger Housing	Apartment Complexes	10,329,960	0.76%
Security Health	Health Insurance	7,585,650	0.56%
Pick N Save	Grocery / Retail Sales	6,978,670	0.52%
Total - Top 10 Taxpayers		<u>234,597,090</u>	<u>17.34%</u>
Total 2010 Assessed Value		<u>\$ 1,352,678,040</u>	

### ***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 the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. 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 0.5% of the prior year's actual levy. In addition, for property tax levies imposed in 2011 and 2012, the use of the carry forward levy adjustment needs to be approved 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, and for towns, 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 two-thirds vote or more).

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 exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

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. This required adjustment is suspended for property tax levies that will be imposed in 2011 for political subdivisions that did not claim the carry forward adjustment described above.

- (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 Obligations will be authorized after July 1, 2005.

## **LEGAL MATTERS**

### ***Pending Litigation***

There is no pending litigation or, to the knowledge of the City of Marshfield City Attorney's Office, threatened litigation, which would restrain or enjoin the issuance, sale, execution or delivery of the Obligations or in any way contest or affect the validity of the Obligations or of any proceedings of the City taken with respect to the issuance and sale of the Obligations.

### ***Approval of Legal Proceedings***

Certain legal matters incident to the authorization and issuance of the Obligations are subject to the approval of Quarles & Brady LLP, Bond Counsel, whose approving legal opinions will be available at the time of the delivery of the Obligations. The proposed forms of such opinions are attached hereto as Appendix B. Bond Counsel has not participated in the preparation of this Official Statement, except for guidance concerning the sections entitled "LEGAL MATTERS – Tax Exemption – The Notes," and "LEGAL MATTERS – Taxability of Interest – The Bonds," and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in the Official Statement, and will express no opinion with respect thereto.

See Appendix B for the "Forms of Legal Opinion" for the Obligations.

### ***Tax Exemption – The Notes***

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 corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Notes is included in adjusted current earnings. 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."

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.

### ***Qualified Tax-Exempt Obligations – The Notes***

The City will designate the Notes as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) 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.

### ***Taxability of Interest – The Bonds***

Interest on the Bonds is included in gross income for present Federal income tax purposes.

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

In order to comply with Treasury Circular 230, the opinion of Bond Counsel will state that unless specifically stated to the contrary in writing, any advice contained in the opinion of Bond Counsel concerning tax issues or submissions is not intended to be used, and cannot be used, by the taxpayer for the purpose of avoiding any tax penalties that may be imposed upon the taxpayer by any governmental taxing authority or agency.

## **MISCELLANEOUS**

### ***Rating***

The Obligations have received a rating of “Aa2” by Moody’s Investors Service, Inc. A rating reflects only the view of the rating organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. 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 Obligations.

***Financial Advisor***

The City has retained Public Financial Management, Inc., of Milwaukee, Wisconsin, as financial advisor (the "Financial Advisor") in connection with the issuance of the Obligations. In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, which have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Obligations.

Requests for information concerning the City should be addressed to Public Financial Management, Inc., 115 South 84<sup>th</sup> Street, Suite 315, Milwaukee, Wisconsin 53214 (414/771-2700).

***Underwriting***

Bids for the Obligations were received at a competitive public sale on March 27, 2012.

Robert W. Baird & Co., Inc. has agreed, subject to the conditions of closing set forth in the Official Notice of Sale for the Bonds, to purchase the Bonds at a purchase price of \$5,516,293.28 (consisting of the par amount of the Bonds, plus an original issue premium of \$109,869.50, less an underwriter's discount of \$33,576.22), plus accrued interest.

BOSC, Inc., a subsidiary of BOK Financial Corporation ("BOSC") Oklahoma State has agreed, subject to the conditions of closing set forth in the Official Notice of Sale for the Notes, to purchase the Notes at a purchase price of \$473,514.50 (consisting of the par amount of the Notes, plus and original issue premium of \$852.00, less an underwriter's discount of \$2,337.50), plus accrued interest.

The Obligations will be offered at the initial public offering prices which produce the yields shown on the respective cover pages of this Official Statement. After the Obligations are released for sale to the public, the initial public offering prices and other selling terms may from time to time be varied by the underwriters.

***Certificate Concerning Official Statement***

Concurrently with the delivery of the Obligations, the Mayor of the City and the Clerk of the City will deliver to the purchasers of the Obligations a certificate stating, that, to the best of their knowledge, the Official Statement did not as of its date and as of the sale date and does not, as of the date of delivery of the Obligations, contain an untrue statement of a material fact or omit to state a material fact required to be included therein for the purpose for which the Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made not misleading.

The execution and delivery of this Official Statement by its Finance Director has been duly authorized by the Common Council.

**CITY OF MARSHFIELD, WISCONSIN**

By /s/ Keith R. Strey  
Finance Director

\* \* \* \* \*

**APPENDIX A**

**City of Marshfield, Wisconsin  
Excerpts from Financial Statements  
for the Year Ended December 31, 2010**

The Auditor was not asked to perform any additional review in connection with this Official Statement



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**CITY OF MARSHFIELD, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Prepared by:  
Finance Department  
Keith R. Strey, CPA  
Finance Director

**ON THE COVER: CENTRAL FIRE STATION**

Construction of a new Central Fire Station for the City of Marshfield was completed in 2010. This \$7.4 million, 32,890 square foot building was occupied on August 3, 2010 and is the first fire station in Wisconsin built with Gold Certified Leadership in Energy Efficient Design (LEED). This station utilizes geothermal heating, solar hot water heat, a photovoltaic power grid, grey water toilets, a rain water reclamation tank, white roofing, passive solar lighting, low flow plumbing, high efficiency boilers, bi-fold apparatus doors and rain gardens.

**CITY OF MARSHFIELD, WISCONSIN  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS  
 DECEMBER 31, 2010**

	<b>Page Number</b>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter	5
Organization Chart	9
Directory of Officials	10
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	11
Management's Discussion and Analysis	13
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Assets	20
Statement of Activities	22
Fund Financial Statements	
Balance Sheet - Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	26
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Assets - Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds	31
Statement of Fiduciary Net Assets - Fiduciary Funds	33
NOTES TO THE FINANCIAL STATEMENTS	34
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule for the General Fund	54
Notes to Required Supplementary Information on Budgetary Accounting and Control	55

**CITY OF MARSHFIELD, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS - Continued**  
**DECEMBER 31, 2010**

	<b>Page Number</b>
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
General Fund	
Detailed Schedule of Revenues – Budget and Actual	56
Detailed Schedule of Expenditures – Budget and Actual	58
Debt Service Fund	
Budgetary Comparison Schedule for the Debt Service Fund	60
Capital Project Fund	
Budgetary Comparison Schedule for the Public Safety Capital Outlay Fund	61
Nonmajor Governmental Funds - Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	62
Combining Balance Sheet – Detail of Nonmajor Special Revenue Funds	63
Combining Balance Sheet – Detail of Nonmajor Capital Project Funds	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Detail of Nonmajor Special Revenue Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Detail of Nonmajor Capital Project Funds	70
Special Revenue Funds	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Year Ended December 31, 2010	
Room Tax	72
Convention and Visitors Bureau	73
Residential Rehabilitation	74
Economic Development	75
Public Safety	76
Health and Human Services	77
Taxi System	78
Cable Television	79
Business Improvement District	80

**CITY OF MARSHFIELD, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS - Continued**  
**DECEMBER 31, 2010**

	<b>Page Number</b>
<b>Capital Project Funds</b>	
Schedules of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual for the Year Ended December 31, 2010	
Infrastructure Construction	81
Airport Outlay	82
Parks/Recreation	83
T.I.D. #3 (Tower Hall)	84
T.I.D. #2 (Purdy Building)	85
T.I.D. #4 (Downtown Redevelopment)	86
T.I.D. #6 (Figi Project)	87
T.I.D. #5 (Mill Creek Business Park)	88
T.I.D. #7 (Yellowstone Industrial Park)	89
T.I.D. #8 (Shoppes at Wood Ridge)	90
Public Facilities	91
 <b>Nonmajor Enterprise Funds</b>	
Combining Balance Sheet	92
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	93
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	94
 <b>Fiduciary Funds</b>	
Combining Statement of Fiduciary Net Assets	95
Combining Statement of Changes in Assets and Liabilities -- All Agency Funds	96

**CITY OF MARSHFIELD, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS - Continued**  
**DECEMBER 31, 2010**

	<b>Page Number</b>
<b>OTHER REPORTS</b>	
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	97
<b>STATISTICAL SECTION</b>	
Schedule 1 – Net Assets by Component - Last Seven Fiscal Years	98
Schedule 2 – Changes in Net Assets - Last Seven Fiscal Years	99
Schedule 3 – Fund Balances, Governmental Funds - Last Ten Fiscal Years	101
Schedule 4 - Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	102
Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	104
Schedule 6 – Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	105
Schedule 7 – Principal Property Tax Payers – Current Year and Nine Years Ago	106
Schedule 8 – Property Tax Levies and Collections – Last Ten Fiscal Years	107
Schedule 9 – Ratios of Net Outstanding Debt by Type - Last Ten Fiscal Years	108
Schedule 10 – Ratios of Net General Obligation Bonded Debt Outstanding - Last Ten Fiscal Years	109
Schedule 11 – Direct and Overlapping Governmental Activities Debt	110
Schedule 12 – Legal Debt Margin Information - Last Ten Fiscal Years	111
Schedule 13 – Pledged-Revenue Coverage - Last Ten Fiscal Years	112
Schedule 14 – Demographic and Economic Statistics - Last Ten Calendar Years	113
Schedule 15 – Principal Employers - Current Year and Nine Years Ago	114
Schedule 16 – Full Time-Equivalent City Government Employees by Function / Program – Last Ten Fiscal Years	115
Schedule 17 – Operating Indicators by Function / Program – Last Ten Fiscal Years	116
Schedule 18 – Capital Asset Statistics by Function / Program – Last Ten Fiscal Years	117

**BASIC  
FINANCIAL  
STATEMENTS**

**CITY OF MARSHFIELD**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and equivalents	\$ 8,704,207	\$ 9,069,947	\$ 17,774,154
Investments	103,425	6,439,027	6,542,452
Receivables			
Taxes	9,713,656	93,186	9,806,842
Accounts	-	3,357,819	3,357,819
Special assessments	690,744	30,582	721,326
Loans	673,151	-	673,151
Other	71,664	1,250	72,914
Inventories	72,785	1,260,879	1,333,664
Prepays	12,398	41,679	54,077
Deferred charges	-	866,900	866,900
Due from other governments	226,909	263	227,172
Internal balances	1,593,602	(1,593,602)	-
Restricted assets			
Cash and investments	461,977	12,718,116	13,180,093
Capital assets, net of accumulated depreciation			
Land and construction in progress	9,578,362	44,362,755	53,941,117
Buildings, systems and equipment	68,546,942	82,936,880	151,483,822
<b>TOTAL ASSETS</b>	<b>\$ 100,449,822</b>	<b>\$ 159,585,681</b>	<b>\$ 260,035,503</b>

(Continued on page 21)

The accompanying notes are an integral part of these statements.



**CITY OF MARSHFIELD**  
**STATEMENT OF NET ASSETS - Continued**  
**DECEMBER 31, 2010**

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 920,402	\$ 2,440,386	\$ 3,360,788
Bond anticipation notes	-	10,000,000	10,000,000
Accrued interest	380,660	96,296	476,956
Other accrued expenses	13,168	1,039,810	1,052,978
Payable from restricted assets			
Current portion of long-term debt	56,796	1,906,729	1,963,525
Other	-	206,881	206,881
Due to other governments	104,895	56,836	161,731
Unearned revenue	13,074,954	-	13,074,954
<b>NONCURRENT LIABILITIES</b>			
Due within one year	3,293,209	2,325,000	5,618,209
Customer deposits	-	697,453	697,453
Unamortized bond premium	-	2,095,527	2,095,527
Noncurrent portion of long-term obligations	<u>22,605,642</u>	<u>52,100,134</u>	<u>74,705,776</u>
<b>TOTAL LIABILITIES</b>	<u>40,449,726</u>	<u>72,965,052</u>	<u>113,414,778</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	51,905,874	73,465,761	125,371,635
Restricted for			
Public safety	64,892	-	64,892
Culture, recreation and education	295,636	-	295,636
Conservation and development	1,255,834	-	1,255,834
Other purposes	151,934	-	151,934
Debt service	220,714	10,153,697	10,374,411
Perpetual care - nonexpendable	205,381	-	205,381
Unrestricted	<u>5,899,831</u>	<u>3,001,171</u>	<u>8,901,002</u>
<b>TOTAL NET ASSETS</b>	<u>60,000,096</u>	<u>86,620,629</u>	<u>146,620,725</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 100,449,822</u>	<u>\$ 159,585,681</u>	<u>\$ 260,035,503</u>

The accompanying notes are an integral part of these statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 3,260,294	\$ 810,056	\$ 89,069	\$ -
Public safety	9,594,245	253,590	217,368	4,015
Public works	5,520,843	64,430	2,159,904	100,000
Health and human services	548,620	134,968	-	-
Culture, recreation and education	3,399,249	320,980	316,445	4,950
Conservation and development	1,732,273	120,376	15,481	-
Debt service				
Interest and fiscal charges	1,128,733	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>25,184,257</b>	<b>1,704,400</b>	<b>2,798,267</b>	<b>108,965</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Electric	26,533,890	29,380,427	94,220	-
Water	3,021,251	3,515,209	267,009	-
Communications	44,606	70,746	15,539	-
Wastewater	3,856,213	4,627,965	-	-
EMS	1,104,934	984,921	55,886	-
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	<b>34,560,894</b>	<b>38,579,268</b>	<b>432,654</b>	<b>-</b>
<b>TOTAL</b>	<b>\$ 59,745,151</b>	<b>\$ 40,283,668</b>	<b>\$ 3,230,921</b>	<b>\$ 108,965</b>

General revenues  
Property taxes  
Public accomodation taxes  
Other taxes and payments in lieu of tax  
Unrestricted state shared revenues  
Unrestricted investment earnings  
Miscellaneous revenues  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets - beginning of year  
Net assets - end of year

(Continued on page 23)

The accompanying notes are an integral part of these statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF ACTIVITIES - Continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (2,361,169)	\$ -	\$ (2,361,169)
(9,119,272)	-	(9,119,272)
(3,196,509)	-	(3,196,509)
(413,652)	-	(413,652)
(2,756,874)	-	(2,756,874)
(1,596,416)	-	(1,596,416)
-	-	-
(1,128,733)	-	(1,128,733)
<u>(20,572,625)</u>	<u>-</u>	<u>(20,572,625)</u>
-	2,940,757	2,940,757
-	760,967	760,967
-	41,679	41,679
-	771,752	771,752
-	(64,127)	(64,127)
<u>-</u>	<u>4,451,028</u>	<u>4,451,028</u>
<u>(20,572,625)</u>	<u>4,451,028</u>	<u>(16,121,597)</u>
12,568,324	-	12,568,324
267,453	-	267,453
134,724	-	134,724
5,577,595	-	5,577,595
202,382	695,273	897,655
342,746	(6,873)	335,873
1,798,654	(1,794,421)	4,233
<u>20,891,878</u>	<u>(1,106,021)</u>	<u>19,785,857</u>
319,253	3,345,007	3,664,260
<u>59,680,843</u>	<u>83,275,622</u>	<u>142,956,465</u>
<u>\$ 60,000,096</u>	<u>\$ 86,620,629</u>	<u>\$ 146,620,725</u>

The accompanying notes are an integral part of these statements.

**CITY OF MARSHFIELD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2010**

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS PUBLIC SAFETY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and equivalents	\$ 4,777,888	\$ 865,568	\$ -	\$ 2,817,530	\$ 8,460,986
Receivables					
Taxes	6,259,516	1,813,177	36,883	-	8,109,576
Accounts	68,629	-	-	1,604,080	1,672,709
Special assessments	690,744	-	-	-	690,744
Loans	-	-	-	585,416	585,416
Other	16,224	-	41,598	22,102	79,924
Prepays	6,632	-	-	5,766	12,398
Due from other governments	42,092	-	1,609	180,280	223,981
Due from other funds	5,541,189	-	-	-	5,541,189
<b>TOTAL ASSETS</b>	<b>17,402,914</b>	<b>2,678,745</b>	<b>80,090</b>	<b>5,215,174</b>	<b>25,376,923</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	456,845	-	11,268	424,809	892,922
Due to					
Other funds	13,971	-	519,162	3,419,549	3,952,682
Other governments	18,543	-	-	86,352	104,895
Deferred revenues	9,173,602	2,458,031	50,000	2,302,020	13,983,653
<b>TOTAL LIABILITIES</b>	<b>9,662,961</b>	<b>2,458,031</b>	<b>580,430</b>	<b>6,232,730</b>	<b>18,934,152</b>
<b>FUND BALANCES</b>					
Reserved for					
Special revenue	-	-	-	1,607,459	1,607,459
Capital projects	-	-	-	160,837	160,837
Debt service	-	220,714	-	-	220,714
Other activities	6,632	-	-	198,749	205,381
Unreserved, designated	366,633	-	-	-	366,633
Special revenue	-	-	-	158,187	158,187
Unreserved, undesignated	7,366,688	-	-	-	7,366,688
Special revenue	-	-	-	80,880	80,880
Capital projects	-	-	(500,340)	(3,223,668)	(3,724,008)
<b>TOTAL FUND BALANCES</b>	<b>7,739,953</b>	<b>220,714</b>	<b>(500,340)</b>	<b>(1,017,556)</b>	<b>6,442,771</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,402,914</b>	<b>\$ 2,678,745</b>	<b>\$ 80,090</b>	<b>\$ 5,215,174</b>	<b>\$ 25,376,923</b>

The accompanying notes are an integral part of these statements.

**CITY OF MARSHFIELD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2010**

Fund balances - total governmental funds	\$	6,442,771
Amounts reported for governmental activities in the statement of assets are different because:		
Net capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		75,870,660
Some revenues are deferred in the funds because they are not available to pay current period's expenditures.		908,699
Internal service funds are used by management to charge the costs of fleet machinery and equipment to individual funds. The assets, liabilities and net assets of the internal service fund are included with governmental activities on the Statement of Net Assets.		2,943,369
A portion of long-term debt is to be paid by an outside entity. This is recognized as revenue as it is received in the funds, however the remaining balance is recorded as a receivable on the Statement of Net Assets.		87,735
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets.		
Accrued interest payable	\$ (380,660)	
Bonds and notes payable	(25,486,565)	
Compensated absences	<u>(385,913)</u>	<u>(26,253,138)</u>
<b>Total net assets of governmental activities</b>		<b><u>\$ 60,000,096</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

REVENUE	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER	TOTAL
			PUBLIC SAFETY	GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
Taxes	\$ 8,808,033	\$ 2,633,500	\$ 40,000	\$ 1,490,824	\$ 12,972,357
Special assessments	331,540	-	-	-	331,540
Intergovernmental revenues	7,597,400	-	94,174	572,611	8,264,185
Licenses and permits	174,888	-	-	206,840	381,728
Fines, forfeits and penalties	115,316	-	-	-	115,316
Charges for services	763,020	-	-	85,628	848,648
Other revenue	670,054	81,032	7,700	307,274	1,066,060
<b>TOTAL REVENUES</b>	<b>18,460,251</b>	<b>2,714,532</b>	<b>141,874</b>	<b>2,663,177</b>	<b>23,979,834</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	2,960,504	-	-	200,772	3,161,276
Public safety	7,758,947	-	-	30,920	7,789,867
Public works	4,725,748	-	-	437,631	5,163,379
Health and human services	174,372	-	-	54,162	228,534
Culture, recreation and education	3,114,717	-	-	324,086	3,438,803
Conservation and development	514,521	-	-	832,424	1,346,945
Capital outlay	7,305	-	3,771,973	4,595,549	8,374,827
<b>Debt service</b>					
Principal retirement	-	2,921,135	-	-	2,921,135
Interest and fiscal charges	-	1,004,299	1,130	55,831	1,061,260
<b>TOTAL EXPENDITURES</b>	<b>19,256,114</b>	<b>3,925,434</b>	<b>3,773,103</b>	<b>6,531,375</b>	<b>33,486,026</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(795,863)</b>	<b>(1,210,902)</b>	<b>(3,631,229)</b>	<b>(3,868,198)</b>	<b>(9,506,192)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term debt	-	47,510	93,131	3,159,359	3,300,000
Issuance of long-term refunding debt	-	706,717	-	-	706,717
Payment of refunded debt	-	(2,049,957)	-	-	(2,049,957)
Transfer from Enterprise Fund	1,589,436	1,548,225	-	-	3,137,661
Transfers in	1,866	1,001,387	10,220	308,718	1,322,191
Transfers out	(40,220)	-	(619,007)	(2,001,971)	(2,661,198)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,551,082</b>	<b>1,253,882</b>	<b>(515,656)</b>	<b>1,466,106</b>	<b>3,755,414</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>755,219</b>	<b>42,980</b>	<b>(4,146,885)</b>	<b>(2,402,092)</b>	<b>(5,750,778)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED</b>	<b>6,984,734</b>	<b>177,734</b>	<b>3,646,545</b>	<b>1,384,536</b>	<b>12,193,549</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 7,739,953</b>	<b>\$ 220,714</b>	<b>\$ (500,340)</b>	<b>\$ (1,017,556)</b>	<b>\$ 6,442,771</b>

The accompanying notes are an integral part of these statements.

**CITY OF MARSHFIELD**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2010**

Net change in fund balances - total governmental funds \$ (5,750,778)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay reported in governmental fund statements	\$ 8,374,827	
Assets capitalized, not recorded as capital outlay	(361,160)	
Depreciation expense reported in the statement of activities	(2,626,051)	
Net book value of capital assets disposed	<u>(65,939)</u>	
Amount by which capital outlays are greater than depreciation in the current period.		5,321,677

Certain long-term debt amounts are being reimbursed by an outside entity. For governmental funds this reimbursement is recognized as revenue, however for the statement of net assets it is recorded as a reduction of a note receivable. (2,293)

Internal service funds are used by management to charge the costs of fleet machinery and equipment to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities. 155,043

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual increased by: (91,517)

Certain revenues are deferred in the governmental funds because they are not available to pay current period expenditures. In the statement of activities, these are recorded as revenue in the current year.  
Special assessments to be collected after year end: (206,746)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.  
The amount of long-term debt principal payments in the current year: 4,971,092

Proceeds from the issuance of long-term debt in the governmental funds is a revenue, but it is reported as an increase in long-term debt in the statement of net assets and does not affect the statement of activities.  
The amount of long-term debt proceeds in the current year is: (4,006,717)

In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues.  
The amount of interest paid during the current period: 1,003,955  
The amount of interest accrued during the current period: (1,074,463)  
Interest paid is greater (less) than interest accrued by: (70,508)

**Change in net assets - governmental activities \$ 319,253**

The accompanying notes are an integral part of these financial statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
			OTHER		
	MARSHFIELD		ENTERPRISE	TOTAL	INTERNAL
	UTILITIES	WASTEWATER	FUNDS		SERVICE
					FUND
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and equivalents	\$ 7,196,820	\$ 1,407,205	\$ 465,922	\$ 9,069,947	\$ 808,623
Taxes receivable	-	93,186	-	93,186	-
Accounts receivable	3,209,130	14,606	135,333	3,359,069	-
Special assessments receivable	-	30,582	-	30,582	-
Prepaid expenses	41,200	479	-	41,679	-
Due from other funds	32,214	624,695	-	656,909	6,961
Due from other governments	-	263	-	263	2,928
Restricted assets, cash and investments	10,512,842	2,205,274	-	12,718,116	-
Inventories	1,155,382	105,496	-	1,260,878	72,785
<b>TOTAL CURRENT ASSETS</b>	<b>22,147,588</b>	<b>4,481,786</b>	<b>601,255</b>	<b>27,230,629</b>	<b>891,297</b>
<b>NONCURRENT ASSETS</b>					
Deferred charges	866,900	-	-	866,900	-
Investments	6,439,027	-	-	6,439,027	-
	<u>7,305,927</u>	<u>-</u>	<u>-</u>	<u>7,305,927</u>	<u>-</u>
Capital assets, at cost					
Land and construction in progress	44,233,161	29,961	99,633	44,362,755	20,728
Buildings, systems and equipment	71,355,274	51,171,440	1,269,430	123,796,144	6,833,413
Less accumulated depreciation	<u>(26,451,982)</u>	<u>(13,897,188)</u>	<u>(510,094)</u>	<u>(40,859,264)</u>	<u>(4,599,497)</u>
Net capital assets	<u>89,136,453</u>	<u>37,304,213</u>	<u>858,969</u>	<u>127,299,635</u>	<u>2,254,644</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b>96,442,380</b>	<b>37,304,213</b>	<b>858,969</b>	<b>134,605,562</b>	<b>2,254,644</b>
<b>TOTAL ASSETS</b>	<b>\$ 118,589,968</b>	<b>\$ 41,785,999</b>	<b>\$ 1,460,224</b>	<b>\$ 161,836,191</b>	<b>\$ 3,145,941</b>

(Continued on page 29)

The accompanying notes are an integral part of these statements.



**CITY OF MARSHFIELD**  
**STATEMENT OF NET ASSETS - Continued**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
	MARSHFIELD		OTHER		ACTIVITIES-
	UTILITIES	WASTEWATER	ENTERPRISE	TOTAL	INTERNAL
					SERVICE
					FUND
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 2,425,370	\$ 83,089	\$ 8,815	\$ 2,517,274	\$ 27,480
Bond anticipation notes	10,000,000	-	-	10,000,000	-
Due to other funds	2,215,847	34,664	-	2,250,511	1,866
Due to other governments	-	56,836	-	56,836	-
Accrued salaries, wages and compensated absences	985,033	34,304	20,473	1,039,810	12,059
Accrued interest	-	89,507	6,789	96,296	1,109
Current portion of long-term debt	61,371	132,663	34,428	228,462	56,796
Deferred revenues	-	-	16,735	16,735	-
Unamortized bond premium	2,095,527	-	-	2,095,527	-
Customer advances	680,718	-	-	680,718	-
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>					
Accrued interest	206,881	-	-	206,881	-
Current portion mortgage revenue bonds and notes	2,325,000	1,678,267	-	4,003,267	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>20,995,747</b>	<b>2,109,330</b>	<b>87,240</b>	<b>23,192,317</b>	<b>99,310</b>
<b>NONCURRENT LIABILITIES</b>					
Long-term obligations	36,635,178	14,809,888	655,068	52,100,134	26,373
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>36,635,178</b>	<b>14,809,888</b>	<b>655,068</b>	<b>52,100,134</b>	<b>26,373</b>
<b>TOTAL LIABILITIES</b>	<b>57,630,925</b>	<b>16,919,218</b>	<b>742,308</b>	<b>75,292,451</b>	<b>125,683</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	51,085,028	21,521,764	858,969	73,465,761	2,171,475
Restricted for debt services	7,901,312	556,564	-	8,457,876	-
Restricted for wastewater activities	-	1,695,821	-	1,695,821	1,417,254
Unrestricted	1,972,703	1,092,632	(141,053)	2,924,282	(568,471)
<b>TOTAL NET ASSETS</b>	<b>60,959,043</b>	<b>24,866,781</b>	<b>717,916</b>	<b>86,543,740</b>	<b>3,020,258</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 118,589,968</b>	<b>\$ 41,785,999</b>	<b>\$ 1,460,224</b>		<b>\$ 3,145,941</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				76,889	
Net assets of business-type activities on statement of activities.				<u>\$ 86,620,629</u>	

The accompanying notes are an integral part of these statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
	MARSHFIELD		OTHER	TOTAL	ACTIVITIES-
	UTILITIES	WASTEWATER	ENTERPRISE FUNDS		INTERNAL SERVICE FUND
<b>OPERATING REVENUES</b>					
Charges for services	\$ 32,966,382	\$ 4,627,965	\$ 1,040,807	\$ 38,635,154	\$ 1,710,547
<b>OPERATING EXPENSES</b>					
Operations and maintenance	25,868,909	2,264,749	1,039,090	29,172,748	1,315,412
General	634,906	-	-	634,906	-
Depreciation	2,286,790	1,032,213	41,370	3,360,373	282,804
Taxes	177,042	-	-	177,042	-
<b>TOTAL OPERATING EXPENSES</b>	<u>28,967,647</u>	<u>3,296,962</u>	<u>1,080,460</u>	<u>33,345,069</u>	<u>1,598,216</u>
<b>OPERATING INCOME</b>	<u>3,998,735</u>	<u>1,331,003</u>	<u>(39,653)</u>	<u>5,290,085</u>	<u>112,331</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>					
Interest income	687,189	8,060	-	695,249	-
Interest and fiscal charges	(517,294)	(559,304)	(25,931)	(1,102,529)	(3,035)
Amortization of debt issue costs	(118,588)	-	-	(118,588)	-
Miscellaneous	-	5,024	669	5,693	57,968
Loss on disposals of fixed assets	-	(12,543)	(6,928)	(19,471)	-
<b>TOTAL NONOPERATING REVENUE</b>	<u>51,307</u>	<u>(558,763)</u>	<u>(32,190)</u>	<u>(539,646)</u>	<u>54,933</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	4,050,042	772,240	(71,843)	4,750,439	167,264
Contributions from customers	376,768	-	-	376,768	-
Transfers to governmental funds	(1,589,436)	(204,985)	-	(1,794,421)	-
<b>CHANGE IN NET ASSETS</b>	2,837,374	567,255	(71,843)	3,332,786	167,264
<b>NET ASSETS - January 1</b>	<u>58,121,669</u>	<u>24,299,526</u>	<u>789,759</u>		<u>2,852,994</u>
<b>NET ASSETS - December 31</b>	<u>\$ 60,959,043</u>	<u>\$ 24,866,781</u>	<u>\$ 717,916</u>		<u>\$ 3,020,258</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				12,221	
Change in net assets of business-type activities on statement of activities.				<u>\$ 3,345,007</u>	

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	MARSHFIELD UTILITIES	WASTEWATER	OTHER ENTERPRISE FUNDS	TOTAL	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 37,776,970	\$ 260,007	\$ 1,032,884	\$ 39,069,861	\$ 1,767,489
Payments to wastewater utility (collection of wastewater revenue)	(4,412,634)	4,412,634	-	-	-
Payments to suppliers and vendors	(23,431,034)	(1,235,934)	(212,659)	(24,879,627)	(866,036)
Payments to employees	(3,252,659)	(936,997)	(821,454)	(5,011,110)	(448,807)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>6,680,643</b>	<b>2,499,710</b>	<b>(1,229)</b>	<b>9,179,124</b>	<b>452,646</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer to governmental funds	(1,589,436)	(204,985)	-	(1,794,421)	-
Public benefits receipts	210,146	-	-	210,146	-
Payments for public benefits	(210,960)	-	-	(210,960)	-
<b>TOTAL CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES</b>	<b>(1,590,250)</b>	<b>(204,985)</b>	<b>-</b>	<b>(1,795,235)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(14,208,509)	(1,453,756)	(644,545)	(16,306,810)	(371,076)
Special assessments receivable, net	-	7,983	-	7,983	-
Payments payroll & benefits for employees - capitalized	(518,711)	-	-	(518,711)	-
Payments for improvement of capital assets	(403,230)	-	-	(403,230)	-
Cost of retiring capital assets	(83,647)	-	-	(83,647)	-
Interest paid	(1,960,140)	(567,101)	(19,528)	(2,546,769)	(4,114)
Proceeds from sale of capital assets	6,490,118	-	-	6,490,118	-
Proceeds from issuance of debt	-	848,974	701,760	1,550,734	-
Proceeds from issuance of revenue bonds	30,402,233	-	-	30,402,233	-
Proceeds from bond anticipation notes	10,080,047	-	-	10,080,047	-
Principal payments of bonds payable	(390,000)	(1,765,797)	-	(2,155,797)	(84,599)
Principal payments of bond anticipation notes	(35,165,000)	-	-	(35,165,000)	-
Principal payments of GO refunding bonds	(18,986)	-	(97,180)	(116,166)	-
Contributed capital	445,882	-	-	445,882	-
Contributions refunded	(6,486)	-	-	(6,486)	-
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(5,336,429)</b>	<b>(2,929,697)</b>	<b>(59,493)</b>	<b>(8,325,619)</b>	<b>(459,789)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	546,075	8,060	-	554,135	-
Purchase of investments	(113,553)	-	-	(113,553)	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>432,522</b>	<b>8,060</b>	<b>-</b>	<b>440,582</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>186,486</b>	<b>(626,912)</b>	<b>(60,722)</b>	<b>(501,148)</b>	<b>(7,143)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>17,523,176</b>	<b>4,239,391</b>	<b>526,644</b>	<b>22,289,211</b>	<b>815,766</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 17,709,662</b>	<b>\$ 3,612,479</b>	<b>\$ 465,922</b>	<b>\$ 21,788,063</b>	<b>\$ 808,623</b>

(Continued on page 32)

The accompanying notes are an integral part of these financial statements.

CITY OF MARSHFIELD, WISCONSIN  
STATEMENT OF CASH FLOWS - Continued  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	MARSHFIELD UTILITIES	WASTEWATER	OTHER ENTERPRISE FUNDS	TOTAL	
<b>RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income	\$ 3,998,735	\$ 1,331,003	\$ (39,653)	\$ 5,290,085	\$ 112,331
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation charged to depreciation expense	2,090,076	1,032,213	41,370	3,163,659	282,804
Depreciation charged to clearing account	196,714	-	-	196,714	-
Changes in assets and liabilities					
(Increase) decrease in assets					
Taxes receivable	-	14,524	-	14,524	-
Accounts receivable	(511,208)	10,641	(9,076)	(509,643)	58,993
Prepaid expenses	(41,200)	(357)	-	(41,557)	-
Due from other funds	(5,782)	19,640	-	13,858	(1,099)
Due from other governments	-	(129)	-	(129)	(952)
Inventories	1,454	4,668	-	6,122	(6,159)
Increase (decrease) in current liabilities					
Accounts payable	(179,411)	36,553	2,057	(140,801)	5,288
Due to other funds	606,961	(6,434)	-	600,527	303
Customer advances	145,708	-	-	145,708	-
Due to other governments	-	56,836	-	56,836	-
Increase in other liabilities	119,891	-	-	119,891	-
Other accrued expenses	258,705	552	4,073	263,330	1,137
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>6,680,643</b>	<b>2,499,710</b>	<b>(1,229)</b>	<b>9,179,124</b>	<b>452,646</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>					
Cash	7,196,820	1,407,205	465,922	9,069,947	808,623
Construction and special redemption investments	10,433,193	509,453	-	10,942,646	-
Revenue bond depreciation investments	-	1,695,821	-	1,695,821	-
Customer deposits	79,649	-	-	79,649	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 17,709,662</b>	<b>\$ 3,612,479</b>	<b>\$ 465,922</b>	<b>\$ 21,788,063</b>	<b>\$ 808,623</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Dividends reinvested	\$ 249,392	\$ -	\$ -	\$ 249,392	\$ -

The accompanying notes are an integral part of these financial statements.

**CITY OF MARSHFIELD**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2010**

	AGENCY FUNDS
<b>ASSETS</b>	
Cash and equivalents	\$ 5,803,029
Investments	14,000
Taxes receivable	14,880,036
Other receivables	16,582
<b>TOTAL ASSETS</b>	<b>20,713,647</b>
<b>LIABILITIES</b>	
Accounts payable	22,138
Payroll deductions	412,429
Due to other governments	20,279,080
<b>TOTAL LIABILITIES</b>	<b>\$ 20,713,647</b>

**NOTES**  
**TO THE**  
**FINANCIAL STATEMENTS**

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**NOTE 1 - Summary of Significant Accounting Policies**

The accounting policies of the City of Marshfield, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

**Reporting Entity**

The City of Marshfield, Wisconsin was incorporated July 16, 1883, under the provisions 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), highways and streets, sanitation, health and social services, culture, recreation, education, public improvements, planning and zoning, and general administrative services.

The City's financial statements do not include any component units, as defined in GASB 14 and amended by GASB 39, as there are no organizations which meet the criterion.

The basic criterion for including a legally separate organization as a Component Unit is the degree of financial accountability the City has with the organization. The following circumstances set forth the City's financial accountability for a legally separate organization:

- a. The City is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.
- b. The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

**Government-Wide Financial Statements**

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

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

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board. The City has elected not to adopt the provision of GASB 20, paragraph 7, which states that all GASB statements and interpretations issued after November 30, 1989, can be applied to its proprietary funds. Unbilled utility receivables are not recorded as the amount is not material.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Marshfield Utility, wastewater and emergency medical services and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including fiduciary funds. Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

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

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

**Basis of Presentation**

The City reports the following major governmental funds:

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

**Debt Service** -- Used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

**Capital Outlay - Public Safety** -- Used to account for construction, improvement and remodeling costs for public safety service buildings.

The City reports the following major proprietary funds:

**Marshfield Utilities** - All activities necessary to provide electric, water and telecommunication services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance, and financing.

**Wastewater** - This fund accounts for the maintenance of the City's sanitary sewer system. Wisconsin State Statutes Section 66.076, permit municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.



**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

Additionally, the City reports the following fund types:

**Internal service fund** – Accounts for fleet machinery and equipment provided to other departments of the government, or to actual parties, on a cost reimbursement basis.

**Agency** - This fund accounts for taxes and deposits collected by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

**Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property tax revenue, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Taxes levied in 2010 that will be collected in 2011 are recorded as receivable and deferred revenue. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Eligibility includes timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds 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 all revenues to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual include property taxes, state share revenues, grants, contributions, and interest. All other revenue sources including licenses, permits, fines, and forfeits are considered to be measurable and available only when cash is received.

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

The City reports deferred revenues on its governmental funds balance sheet, which arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**CITY OF MARSHFIELD, WISCONSIN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2010

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Basis of Accounting - Continued**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance. The 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 water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Cash and Cash Equivalents**

Cash and cash equivalents, as classified in the statement of cash flows, consist of all highly liquid investments with an initial maturity of three months or less.

**Accounts Receivable**

Accounts receivable are recorded at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material.

**Inventory**

Inventory is priced at the lower of cost (first-in, first-out) or market. The cost of governmental fund-type inventories are recorded as expenditures when purchased.

**Prepaid Items**

Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year. Prepaid items in governmental funds are reserved for in fund balance, because prepaids are not expendable, available financial resources.

**Due To/From Other Funds**

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" or "due to other funds" on the balance sheet.

**Restricted Assets**

Certain proceeds of the Utility revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond special redemption" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond depreciation" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Other restricted assets include a "DNR Replacement Fund" which is required by the Wisconsin Department of Natural Resources for repairs and maintenance on the Wastewater Utility plant. "Customer Deposits" are deposits made by the customers which are due to the customers unless their bills are not paid.

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.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Capital Assets**

Capital assets, which includes property, plant, and equipment, and infrastructure, are reported at cost or estimated historical cost if actual cost is not available. Contributed assets are reported at estimated fair value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks and drainage, and lighting systems, acquired prior to January 1, 2005, are reported at estimated historical cost using prior financial information. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed. Interest expenses incurred during construction are capitalized as part of the additions to capital assets.

Capitalization thresholds and the estimated useful lives are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure	\$ 1,000	20-70
Land	-	N/A
Improvements	1,000	15-40
Buildings	1,000	15-50
Machinery and equipment	1,000	3-40

**Compensated Absences**

Vacation pay accumulates and is fully vested. All vacations are based upon the employee's anniversary date of hire. For substantially all City employees, vacation time earned and not taken at year-end must be used before their anniversary date in the subsequent year. All earned vacation is paid to terminating employees if they give at least two weeks notice prior to quitting, or, employees whose service is being terminated due to discharge, death, or retirement shall receive all earned vacation based upon actual months of service.

Sick leave can be accumulated up to a maximum of 120 days. All sick leave accumulated is cancelled when an employee leaves the employ of the City. For one represented employee group the maximum accumulation is 60 days. These same represented employees shall receive one additional day's pay for every month that they do not use sick leave after they've accumulated the maximum of 60 days. Such payment shall be made on an annual basis.

In addition to the pension benefits provided to employees through the Wisconsin Retirement Fund, the City provides the following post-employment benefits:

Upon termination of a non-represented employee who has worked at least 20 years for the City and has accepted to receive an annuity or disability from the Wisconsin Retirement System, the City will deposit the equivalent dollar value of the employee's accumulated unused sick leave balance, up to a maximum of 960 hours, into the employee's Post Employment Health Plan. Unused sick leave balances can only be utilized for medical insurance premiums. At the employees' discretion, contributions are invested in various investment instruments offered by the plan administrator. The accumulated balance of contributions to the plan can be utilized for any future medical expenses and/or medical insurance by the former employee.

Compensated absence expenditures and liabilities are recorded and adjusted to December 31st salaries/wages at the close of each fiscal year. The year-end liabilities are all deemed current since there is no limit on how much can be used on an annual basis.

**CITY OF MARSHFIELD, WISCONSIN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2010

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Bond Premiums, Discounts, and Issuance Costs**

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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 on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Advance Refundings of Debt**

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. Bonds payable are reported net of the applicable deferred amount.

**Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for specific purposes.

**Net Assets**

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

**Invested in Capital Assets, Net of Related Debt** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted** - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

**Unrestricted** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**State and Federal Aids**

State general and categorical aids are recognized as revenue in the entitlement year. Federal aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

**Interfund Transactions**

Interfund transactions are accounted for as revenue, expenses or expenditures in the fund financial statements. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as transfers.

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 (which are reported as transfers) and other charges between the government's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Use of Estimates**

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

**Subsequent Events**

The City has evaluated subsequent events through April 18, 2011 the date which the financial statements were available to be issued.

**NOTE 2-A - Cash and Investments**

State statutes permit the City to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of December 31, 2010, the City had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Carrying Amount</u>
Federal Home Loan Consolidation Bonds	Various dates from 2011-2020	\$ 3,000,000	\$ 3,000,000
State of Wisconsin Investment Pool	Less than one year	29,212,024	29,212,024
<b>Total Investments, December 31, 2010</b>		<b><u>\$ 32,212,024</u></b>	<b><u>\$ 32,212,024</u></b>

**Fair (Market) Value of Deposits and Investments** - Deposits and investments are reported at fair value. At December 31, 2010, the fair value of the City's deposits and investments approximated original cost, therefore no fair value adjustments were necessary.

**Determining Fair Value** - Fair value of the City's deposits and investments are determined as follows:

- 1) Deposits and investments with stated interest rates (savings account and certificate of deposits) are stated at cost.
- 2) U.S. Treasury bills/notes are stated as amortized cost, and
- 3) State of Wisconsin Local Government Investment Pool fair value is determined by the Pool's investment board based on published market quotations.

**Investment Pool Information** - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the City's position in the Pool is the same as the value of the Pool shares. At December 31, 2010, the Pool's fair value was 100 percent of book value.

**Income Allocation** - Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment.

**Interest Rate Risk.** State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The City's investment policy does not further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices. The State of Wisconsin Investment Pool is unrated, however, the investments at all times consist solely of securities and instrument in which Municipalities are permitted to invest. The Consolidation Bonds were rated AAA by Standard & Poor's and Moody's Investors Service.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 2-A - Cash and Investments - Continued**

**Custodial Credit Risk - Deposits.** Custodial credit is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires collateral on certificates of deposit and repurchase agreements of at least 110% of the market value. As of December 31, 2010, \$4,045,740 of the City's bank balance of \$4,820,673 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank	\$ 2,015,966
Uninsured and uncollateralized	<u>2,029,774</u>
	<u>\$ 4,045,740</u>

**Other Investment** – The Marshfield Utilities has invested in American Transmission Company, LLC (ATC). ATC is an electric power group consisting of 28 Wisconsin Electric Utilities. The Utility's investment gives the Utility approximately a .5% interest in ATC. This investment is carried on the Utility's books at cost plus undistributed earnings. For the 2010 year-end the Utility received cash distributions totaling \$507,528. The Utility's total earnings for 2010 were \$756,920. Separate financial information for ATC may be obtained by writing to American Transmission Company, P.O. Box 47, Waukesha, WI 53187-0047.

**NOTE 3 - Property Taxes**

Property taxes attach as an enforceable lien on property in December when the tax roll is certified. Taxes are levied in December and payable in two installments on January 31 and July 31, or payable in full on January 31. Special assessments, charges, and personal property taxes are payable in full on January 31. The City bills and collects its own property taxes and also taxes for the State, County, Technical College, and Public Schools until February 1, at which time all uncollected real estate taxes are turned over to the respective counties for collection. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Tax Agency Fund. City property tax revenue is recognized in the year they are levied for and available for use. The 2010 tax roll (levied for 2011) has been set up as a receivable and offset by the amounts due to other governmental units and deferred income tax revenue for the City's portion. Advance tax collections are offset against the receivable.

**NOTE 4 – Rehabilitation Loans**

The City has outstanding Community Development Block Grant (CDBG) loans receivable with various businesses and homeowners. These loans are originally made from grant proceeds. The loan agreements provide for various repayment options, including installment payments and payment in full upon transfer of the property secured by the loans. When the loans are repaid, the funds become the property of the City and are restricted for future rehabilitation loan projects. The loan activity for the year was as follows:

	Balance 1/1/10	Additions	Payments & Foreclosures	Balance 12/31/10
<b>Community Development Block Grant Program</b>	\$ 109,423	\$ -	\$ 15,310	\$ 94,113
Residential Revolving Loan	184,526	66,508	25,646	225,388
Economic Development Loans	<u>441,861</u>	<u>60,000</u>	<u>235,946</u>	<u>265,915</u>
<b>TOTAL</b>	<u>\$ 735,810</u>	<u>\$ 126,508</u>	<u>\$ 276,902</u>	<u>\$ 585,416</u>

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 5 - Capital Assets**

Capital asset activity for the year ended December 31, 2010, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,339,198	\$ 1,148,068	\$ (14,326)	\$ 9,472,940
Construction in progress	3,507,950	85,258	(3,487,786)	105,422
Total capital assets not being depreciated	11,847,148	1,233,326	(3,502,112)	9,578,362
Capital assets being depreciated:				
Buildings and improvements	22,814,082	5,760,455	-	28,574,537
Equipment	14,968,224	1,257,006	(596,238)	15,628,992
Infrastructure	60,505,478	3,710,796	-	64,216,274
Total capital assets being depreciated	98,287,784	10,728,257	(596,238)	108,419,803
Less accumulated depreciation for:				
Buildings and improvements	(8,848,147)	(682,508)	-	(9,530,655)
Equipment	(11,286,758)	(672,789)	455,573	(11,503,974)
Infrastructure	(17,284,673)	(1,553,558)	-	(18,838,231)
Total accumulated depreciation	(37,419,578)	(2,908,855)	455,573	(39,872,860)
Total capital assets being depreciated, net of accumulated depreciation	60,868,206	7,819,402	(140,665)	68,546,943
<b>Governmental activities capital assets, net of accumulated depreciation</b>	<b>\$ 72,715,354</b>	<b>\$ 9,052,728</b>	<b>\$ (3,642,777)</b>	<b>\$ 78,125,305</b>
Governmental activities depreciation:				
General government		\$ 203,145		
Public safety		362,259		
Public works		1,724,856		
Culture, recreation and education		327,067		
Conservation and development		8,724		
Other		282,804		
Total depreciation for governmental activities		<b>\$ 2,908,855</b>		

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 5 - Capital Assets - Continued**

	<u>Balances</u> <u>1/1/2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>12/31/2010</u>
<b>Business-Type Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,280,427	\$ 99,633	\$ (144,377)	\$ 2,235,683
Construction in progress	<u>29,639,869</u>	<u>14,413,953</u>	<u>(1,926,750)</u>	<u>42,127,072</u>
Total capital assets not being depreciated	<u>31,920,296</u>	<u>14,513,586</u>	<u>(2,071,127)</u>	<u>44,362,755</u>
<i>Capital assets being depreciated:</i>				
Buildings	28,870,990	676,648	(12,386)	29,535,252
Infrastructure/systems	90,349,043	3,062,696	(8,141,671)	85,270,068
Machinery and equipment	<u>8,909,827</u>	<u>227,337</u>	<u>(146,341)</u>	<u>8,990,823</u>
Total capital assets being depreciated	<u>128,129,860</u>	<u>3,966,681</u>	<u>(8,300,398)</u>	<u>123,796,143</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(9,331,507)	(723,533)	12,386	(10,042,654)
Infrastructure/systems	(26,198,190)	(2,096,218)	3,504,769	(24,789,639)
Machinery and equipment	<u>(5,587,018)</u>	<u>(540,622)</u>	<u>100,670</u>	<u>(6,026,970)</u>
Total accumulated depreciation	<u>(41,116,715)</u>	<u>(3,360,373)</u>	<u>3,617,825</u>	<u>(40,859,263)</u>
Total capital assets being depreciated, net	<u>87,013,145</u>	<u>606,308</u>	<u>(4,682,573)</u>	<u>82,936,880</u>
<b>Business-Type Activity Capital Assets, net</b>	<b><u>\$ 118,933,441</u></b>	<b><u>\$ 15,119,894</u></b>	<b><u>\$ (6,753,700)</u></b>	<b><u>\$ 127,299,635</u></b>

Depreciation expense for business-type activities was charged to functions as follows:

Electric	\$ 1,638,455
Water	626,243
Communications	22,092
Wastewater	1,032,213
Emergency Medical Services	<u>41,370</u>
<b>Total</b>	<b><u>\$ 3,360,373</u></b>

**NOTE 6 - Bond Anticipation Notes**

Lender	Date Issued	Due Date	Interest Rate	Balance 12/31/09	Additions (Reductions)	Balance 12/31/10
The Bank of New York Mellon Trust Company, N.A.	12/9/2008	12/1/2010	4.00%	35,165,000	(35,165,000)	-
The Bank of New York Mellon Trust Company, N.A.	11/30/2010	12/1/2011	2.00%	-	10,000,000	10,000,000
<b>TOTAL</b>				<u>35,165,000</u>	<u>(25,165,000)</u>	<u>10,000,000</u>



**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 7 - Long-Term Obligations**

Details of the City's long-term obligations are set forth below.

**Summary of Long-Term Obligations**

	BALANCE			AMOUNTS	
	1/1/10	ADDITIONS	REDUCTIONS	BALANCE	DUE WITHIN
				12/31/10	ONE YEAR
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds payable	\$ 13,592,556	\$ 4,006,717	\$ (3,687,556)	\$ 13,911,717	\$ 1,091,427
Notes payable	12,765,000	-	(1,312,285)	11,452,715	1,815,111
State Trust Fund Loans	261,153	-	(55,850)	205,303	57,554
Vacation pay and comp time	294,396	385,913	(294,396)	385,913	385,913
<b>TOTAL</b>	<b>\$ 26,913,105</b>	<b>\$ 4,392,630</b>	<b>\$ (5,350,087)</b>	<b>\$ 25,955,648</b>	<b>\$ 3,350,005</b>
<b>BUSINESS ACTIVITIES</b>					
General obligation bonds/notes	\$ 707,445	\$ 2,028,436	\$ (730,313)	\$ 2,005,568	\$ 228,461
Mortgage revenue bonds	26,140,296	28,090,000	(2,012,847)	52,217,449	2,133,267
Note anticipation note	1,870,000	-	-	1,870,000	1,870,000
Unamortized bond premium	-	2,095,527	-	2,095,527	-
Other debt	-	238,847	-	238,847	-
<b>TOTAL</b>	<b>\$ 28,717,741</b>	<b>\$ 32,452,810</b>	<b>\$ (2,743,160)</b>	<b>\$ 58,427,391</b>	<b>\$ 4,231,728</b>

For the governmental activities, compensated absences are generally liquidated by the general fund.

***General Obligation Debt***

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the City. The general obligation debt is expected to be repaid with general property taxes, and special assessments. General obligation debt at December 31, 2010, is comprised of the following issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>DATES OF MATURITY</u>	<u>BALANCE</u>
			<u>12/31/10</u>
<b>Bonds Payable</b>			
05-01	5.55 - 6.65	03-21	\$ 525,000
01-03	2.00 - 4.05	04-16	1,135,000
05-04	1.40 - 4.10	04-17	1,200,000
05-04	3.50 - 5.50	04-15	360,000
05-05	3.45 - 3.60	05-15	1,685,000
11-09	3.90 - 6.00	03-29	5,000,000
04-10	3.40 - 5.80	03-29	3,150,000
11-10	0.70 - 1.70	03-15	2,880,000

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 7 - Long-Term Obligations - Continued**

<b>Notes Payable</b>			
01-03	2.00 - 3.60	03-12	530,000
03-06	3.50 - 3.63	03-16	1,310,000
12-06	3.55 - 3.70	03-16	1,745,000
12-07	3.50	03-17	1,495,000
05-09	2.00 - 3.50	03-19	6,355,000
<b>State Trust Fund Loan</b>			
10-06	5.00	03-11	42,478
01-09	4.50	03-19	162,825
Total General Obligation Debt			\$ 27,575,303
Less General Obligation Debt to be repaid by Enterprise Funds			<u>2,005,568</u>
<b>TOTAL GOVERNMENTAL FUNDS GENERAL OBLIGATION DEBT</b>			<b><u>\$ 25,569,735</u></b>

**Enterprise Fund Debt**

Enterprise Fund debt is expected to be repaid with Enterprise Fund revenue. The mortgage revenue bonds are expected to be repaid with electric, water and wastewater revenue. Enterprise Fund debt at December 31, 2010, is comprised of the following issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>DATES OF MATURITY</u>	<u>BALANCE 12/31/10</u>
<b>Mortgage Revenue Bonds</b>			
03-98	2.76	05-17	1,421,292
09-98	2.76	05-18	9,976,157
06-02	3.00 - 4.35	12-11	135,000
05-03	2.00 - 3.50	05-13	480,000
05-05	4.13 - 4.65	05-20	1,275,000
10-06	3.55 - 4.50	12-26	1,380,000
12-06	3.60 - 4.00	05-21	1,280,000
07-08	6.13	12-18	3,680,000
07-08	4.75	07-11	1,870,000
06-09	3.00 - 4.60	12-28	3,150,000
07-09	3.50 - 4.50	05-22	1,350,000
11-10	2.00 - 5.50	12-30	28,090,000
11-10	2.00	12-11	10,000,000
<b>General Obligation Bonds/Notes</b>			
05-09	2.00 - 3.50	03-19	709,395
11-09	3.90 - 6.00	03-29	606,742
11-10	0.7 - 1.70	03-15	689,431
<b>TOTAL ENTERPRISE DEBT</b>			<b><u>\$ 66,093,017</u></b>

**General Obligation Debt Limit Calculation**

The 2010 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$1,332,746,600. The legal debt limit and margin of indebtedness as of December 31, 2010 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5% of \$1,332,746,600)	\$ 66,637,330
Applicable long-term debt	(27,575,303)
Amount available in debt service fund	<u>220,714</u>
<b>Margin of Indebtedness</b>	<b><u>\$ 39,282,741</u></b>

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 7 - Long-Term Obligations - Continued**

Maturities of Long-Term Obligations

Maturities of the long-term debt to maturity, at December 31, 2010, are:

<u>YEARS</u>	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2011	\$ 2,964,093	\$ 990,819	\$ 4,231,728	\$ 2,637,442
2012	2,920,021	851,004	2,990,381	2,267,561
2013	2,700,736	766,454	3,357,794	2,175,856
2014	2,516,259	685,248	3,261,447	2,076,866
2015	2,281,468	607,825	3,341,508	1,967,904
2016-2020	6,790,049	2,081,822	14,907,268	7,987,010
2021-2025	2,817,913	1,152,293	11,437,089	5,174,289
2026-2030	2,579,200	315,570	12,565,802	2,059,341
2031-2035	-	-	-	-
<b>TOTAL</b>	<b>\$ 25,569,739</b>	<b>\$ 7,451,035</b>	<b>\$ 56,093,017</b>	<b>\$ 26,346,269</b>

Current refunding

The government issued \$2,880,000 of general obligation bonds for a current refunding of \$2,840,000 of general obligation bonds of the City. The refunding was undertaken to reduce future debt service payments. The transaction resulted in an economic gain of \$788,176 and a reduction of \$1,031,762 in future debt service payments.

**NOTE 8 – Conduit Debt Obligations**

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from debt payment receipts on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2010, is one series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$2,500,000.

**NOTE 9 - Defined Benefit Pension Plans**

All eligible City of Marshfield employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.2 percent of their salary (3.2 percent for Elected Officials, 5.5 percent for Protective Occupations with Social Security, and 3.9 percent for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 9 - Defined Benefit Pension Plans - Continued**

The payroll for City of Marshfield employees covered by the WRS for the year ended December 31, 2010, was \$12,691,746, the employer's total payroll was \$13,211,087. The total required contribution for the year ended December 31, 2010, was \$1,851,551 which consisted of \$1,134,077 or 8.9 percent of payroll from the employer and \$717,474 or 5.7 percent of payroll from employees. Total contributions for the years ending December 31, 2009 and 2008, were \$1,733,604 and \$1,651,988 respectively, which is equal to 100 percent of the required contributions for each year.

Employees who retire at or after age 65 (62 for Elected Officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for Protective Occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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, are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**NOTE 10 - Interfund Receivables, Payables, and Transfers**

Individual fund interfund receivable and payable balances at December 31, 2010, are as follows:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
<b>Governmental Funds</b>		
General	Taxi System Fund	\$ 96,488
General	Public Safety	519,162
General	TID #4	1,820,330
General	TID #5	1,445,074
General	TID #6	33,217
General	TID #7	9,674
General	Marshfield Utilities	1,617,554
<b>Enterprise Funds</b>		
Marshfield Utilities	General	15,582
Marshfield Utilities	Economic Development	14,465
Marshfield Utilities	Cable Television Fund	274
Marshfield Utilities	Public Facilities	27
Marshfield Utilities	Vehicle/Equipment Fund	1,866
Wastewater	Marshfield Utilities	624,695
<b>TOTAL</b>		<b>\$ 6,198,408</b>

Balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, (4) and funds overdraw their share of pooled cash or when there are transactions between funds where one fund does not participate in the City's pooled cash.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 10 - Interfund Receivables, Payables, and Transfers - Continued**

Individual fund transfers during 2010 are as follows:

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>	<u>AMOUNT</u>
<b>Governmental Funds</b>		
General	Residential Rehabilitation	\$ 10,000
General	Public Facilities	20,000
General	Public Safety Capital Outlay	10,220
Public Safety	EMS (recorded as debt)	619,007
Park Outlay - Room Tax	Parks and Recreation	54,729
Park Outlay - Room Tax	Convention and Visitors Bureau	151,689
Capital Projects TID #2,3,4,5,6,7	Debt Service	1,001,387
Capital Projects TID #2,3,4,5,6,7	Infrastructure Construction	23,000
Capital Projects TID #2,3,4,5,6,7	Public Facilities	49,300
Capital Projects TID #2,3,4,5,6,7	Wastewater (recorded as debt)	720,000
Cemetery Perpetual Care	General	1,866
<b>Enterprise Funds</b>		
Marshfield Utilities	General	1,589,436
Wastewater Utility	Debt Service	204,985
Wastewater Utility (recorded as debt)	Debt Service	<u>1,343,240</u>
<b>TOTAL</b>		<b><u>\$ 5,798,859</u></b>

Transfers are used to (1) move revenues from the fund that statute or budget requires collection from to the fund that statute or budget required to expend them. (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 11 – Net Assets and Fund Equity**

Governmental activities net assets reported on the government-wide statement of net assets at December 31, 2010 includes the following:

	<u>Governmental</u>
Invested in capital assets, net of related debt	
Land and construction in progress	\$ 9,578,362
Other capital assets, net of accumulated depreciation	68,546,943
Less related long-term debt outstanding	
(excluding unspent capital related debt proceeds and including related debt costs)	(26,219,431)
Total invested in capital assets, net of related debt	51,905,874
 Restricted for:	
Public safety	64,892
Culture, recreation and education	295,636
Conservation and development	1,255,834
Other purposes	151,934
Debt service	220,714
Perpetual care – nonexpendable	205,381
Total restricted	2,194,391
 Unrestricted	5,899,831
 TOTAL NET ASSETS	\$ 60,000,096

Business-type activities net assets reported on the government-wide statement of net assets at December 31, 2010 includes the following:

Invested in capital assets, net of related debt	
Land and construction in progress	\$ 44,362,755
Other capital assets, net of accumulated depreciation	82,936,880
Less related long-term debt outstanding	
(excluding unspent capital related debt proceeds and including related debt costs)	(53,833,874)
Total invested in capital assets, net of related debt	73,465,761
 Restricted for debt service	10,153,697
Unrestricted	3,001,171
 TOTAL NET ASSETS	\$ 86,620,629

**Net Assets**

The Water, Electric, and Wastewater Utilities have \$701,076, \$9,478,542, and \$509,453 respectively, restricted in order to meet revenue bond and DNR requirements.

**Reservations and Designations**

Governmental fund balances are reserved for special revenue funds (specific purposes and long-term receivables), debt service funds (debt retirement), capital project funds (debt covenants and projects), and other activities (perpetual care). General Fund has reserved fund balance for prepaid items.

Fund balances have also been designated for specific purposes in the special revenue and capital projects funds, and for subsequent budgets in the general fund.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 11 – Net Assets and Fund Equity - Continued**

Deficits

The following individual funds had deficits at December 31, 2010:

Capital Project Funds	Public Safety	\$	500,340
	T.I.D. #4 (Downtown Redevelopment)		2,396,309
	T.I.D. #5 (Mill Creek Business Park)		1,496,468
	T.I.D. #6 (Figi Project)		33,626
	T.I.D. #7 (Yellowstone Industrial Park)		27,645

The deficits in the Tax Incremental Finance Districts (T.I.D.'s) are expected to be funded through future tax increments, and the remaining deficits will be funded by future revenues.

**NOTE 12 - 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; injuries to employees; and natural disasters. The City manages these risks through the purchase of various forms of commercial insurance. Certain of the commercial insurance policies have established deductible amounts whereby the City would be responsible for the portion of claims, losses and damages under the deductible limits. All funds participate in the coverages provided by the commercial insurance carriers. Each fund would be responsible for its share of losses either below the deductible amounts or for losses exceeding the coverage limits of the commercial policies.

There were no significant reductions in insurance coverages from the prior year. There were no settlements that exceeded insurance coverages in any of the last three years.

**NOTE 13 - Joint Ventures**

**Marshfield Fairgrounds Commission** - The Marshfield Fairgrounds Commission is a joint venture between the Common Council of the City of Marshfield and the Wood County Board of Supervisors for the improvement, maintenance, repair and operation of the Marshfield Fairgrounds. The Commission Board consists of six members: three aldermen from the City of Marshfield who are appointed by the mayor with approval of the council, and three county board supervisors who are appointed by the chairman of the Wood County Board with approval of the county board. The Fairgrounds Commission has the full, complete and exclusive jurisdiction of the fairgrounds. The City of Marshfield is to provide the necessary funds for the maintenance of the land, exclusive of the buildings and similar structures, while Wood County is providing funds for the construction, improvement, repair and maintenance of the buildings located on the Marshfield Fairgrounds, other than such properties owned by third parties. Any buildings or structures constructed upon the fairgrounds by the Commission become the property of the City of Marshfield. Accordingly, the real estate and related buildings are capitalized in the governmental activities' capital assets. Complete separate financial statements for the Fairgrounds Commission may be obtained at the Finance Department, City of Marshfield, 630 S. Central Avenue, Marshfield, WI 54449.

**University Extension Center Commission** - The University Extension Center Commission is a joint venture between the Common Council of the City of Marshfield and the Wood County Board of Supervisors for the purchase of the site and construction of said center, and the care, custody, maintenance, improvement and repair of the lands and buildings during its operation as a University Extension Center. The Commission Board consists of six members: three aldermen of the City of Marshfield who are appointed by the mayor with approval of the council, and three county board supervisors who are appointed by the chairman of the Wood County Board with approval of the county board. Before September of every year, the Commission submits to the Marshfield Common Council and the Wood County Board a budget indicating the amount needed from each governing body to defray the costs of maintenance, care, custody, repair and improvement of the buildings and premises of the University of Wisconsin - Marshfield/Wood County for the ensuing year. Each municipal unit has a 50% share of the venture, and accordingly, the City's 50% share is capitalized in the governmental activities' capital assets. Complete separate financial statements for the University Extension Center Commission may be obtained at the Office of the Finance Department, 630 S. Central Avenue, Marshfield, WI 54449.

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 14 - Tax Incremental Finance Districts**

Tax increment financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the City can recover its development and public improvement costs in Tax Incremental Finance District (TID) designated areas. These costs are recovered from the increased valuation in the designated area. The City has financed development and public improvement costs in its TID through general fund advances. Project costs have been reported as Capital Projects Fund expenditures. Tax increments will be used to repay general fund advances and to meet any future debt obligations incurred to provide financing for development and public improvements costs within the tax incremental district. The District is allowed to collect tax increments until its termination date. Any over collections are returned to the various taxing entities of the District. The City becomes liable for any cost not recovered by the termination date.

The City has seven active Tax Incremental Finance Districts. The following are project summaries of the activity and status of Districts #2, #3, #4 and #5 through December 31, 2010:

	<u>TIF #2</u>	<u>TIF #3</u>	<u>TIF #4</u>	<u>TIF #5</u>
<b>PROJECT REVENUES</b>				
Tax increment	\$ 1,251,643	\$ 257,788	\$ 3,504,622	\$ 1,187,222
Intergovernmental revenue	284	377	841,690	291,034
Miscellaneous	47,423	117,533	193,032	258,319
Transfer from other funds	-	-	395,674	389,609
Proceeds of long-term debt	<u>750,000</u>	<u>264,000</u>	<u>4,297,291</u>	<u>5,544,135</u>
Total project revenues as of December 31, 2010	<u>2,049,350</u>	<u>639,698</u>	<u>9,232,309</u>	<u>7,670,319</u>
<b>PROJECT EXPENDITURES</b>				
Public works	-	-	-	-
Conservation and development	805,041	252,071	248,329	105,949
Miscellaneous	-	-	-	-
Capital expenditures	-	-	6,647,561	5,727,452
Debt issuance cost	-	-	49,632	64,576
Transfer to other funds	<u>1,162,747</u>	<u>373,245</u>	<u>4,683,096</u>	<u>3,268,810</u>
Total project expenditures as of December 31, 2010	<u>1,967,788</u>	<u>625,316</u>	<u>11,628,618</u>	<u>9,166,787</u>
<b>FUND BALANCE (DEFICIT) AS OF DECEMBER 31, 2010</b>	<u>81,562</u>	<u>14,382</u>	<u>(2,396,309)</u>	<u>(1,496,468)</u>
<b>FUTURE REQUIREMENTS</b>				
Debt service	<u>341,988</u>	<u>64,710</u>	<u>3,446,818</u>	<u>1,937,667</u>
<b>BALANCE TO BE COLLECTED ON TIF DISTRICT</b>	<u>\$ 260,426</u>	<u>\$ 50,328</u>	<u>\$ 5,843,127</u>	<u>\$ 3,434,135</u>
Termination date	March 9, 2020	May 27, 2020	September 24, 2023	March 25, 2020



**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2010**

**NOTE 14 - Tax Incremental Finance Districts - Continued**

The following are project summaries of the activity and status of Districts #6, #7 and #8 through December 31, 2010:

	<u>TIF #6</u>	<u>TIF #7</u>	<u>TIF #8</u>
<b>PROJECT REVENUES</b>			
Tax increment	\$ 51,447	\$ 72,040	\$ 118,919
Intergovernmental revenue	34,575	-	8,059
Miscellaneous	30,000	46,877	-
Transfer from other funds	-	1,042,614	-
Proceeds of long-term debt	<u>516,259</u>	<u>894,095</u>	<u>-</u>
Total project revenues as of December 31, 2010	<u>632,281</u>	<u>2,055,626</u>	<u>126,978</u>
<b>PROJECT EXPENDITURES</b>			
Public works	-	-	1,658
Conservation and development	6,085	220,212	10,558
Miscellaneous	683	-	-
Capital expenditures	311,579	1,789,401	49,870
Debt issuance cost	-	16,596	-
Principal on long-term debt	-	57,063	-
Transfer to other funds	<u>347,560</u>	<u>-</u>	<u>-</u>
Total project expenditures as of December 31, 2010	<u>665,907</u>	<u>2,083,272</u>	<u>62,086</u>
<b>FUND BALANCE (DEFICIT) AS OF DECEMBER 31, 2010</b>	<u>(33,626)</u>	<u>(27,646)</u>	<u>64,892</u>
<b>FUTURE REQUIREMENTS</b>			
Debt service	<u>-</u>	<u>2,054,654</u>	<u>-</u>
<b>BALANCE TO BE COLLECTED ON TIF DISTRICT</b>	<u>\$ 33,626</u>	<u>\$ 2,082,300</u>	<u>\$ (64,892)</u>
Termination date	December 22, 2021	May 22, 2024	February 21, 2033

**NOTE 15 – Contingencies and Commitments**

Legal Contingencies

The City participates in a number of intergovernmental grant programs, which have various requirements, and are subject to audit by the awarding agencies. Such audits may result in reimbursements of funds advanced or disallowance of program expenditures. The amount, if any, of grant funds which may be disallowed by the grantor at future dates cannot be determined.

There are several lawsuits pending in which the City is involved. The City's attorneys estimate the potential claims resulting from litigation against the City that are not covered by insurance would not materially affect the financial statements of the City.

Construction Commitments

In 2010 the Marshfield Utility issued \$28,090,000 in revenue bond and \$10,000,000 in bond anticipation notes to pay off \$35,165,000 of previously issued bond anticipation notes for the construction of a new combustion turbine generator (designated "M-1") to be located in the City of Marshfield. The estimated cost of M-1 is \$34,700,000 with expected completion in 2011. Under the terms of an agreement between the Utility and Wisconsin Public Service Corporation, once the M-1 turbine becomes operational, Marshfield will transfer its undivided ownership in a combustion turbine generator (M-33) located in Marinette County in exchange for cash payment equal to the M-33's net depreciated book value (\$4.9 million).

**CITY OF MARSHFIELD, WISCONSIN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2010

**NOTE 16 - Subsequent Event**

On February 1, 2011, the Marshfield Utility sold and conveyed to Wisconsin Public Service Corporation (WPSC), for a good and valuable consideration of all of its right, title and interest in: (1) the M-33 CT Unit situated in Marinette County, Wisconsin; (2) the M-33 CT Portion of the Common Facilities property situated in Marinette County, Wisconsin; (3) all additional land, rights, facilities, and other tangible property acquired, constructed, installed or replaced solely in connection with the M-33 CT unit; (4) all intangible property rights associated with the planning, design, construction, acquisition, operation, renewal, addition, replacement, modification or disposal of the M-33 CT; (5) all permits, certificates, licenses, orders and regulatory documents necessary for or issued in connection with the location, construction, operation, maintenance and repair of the M-33 CT to the extent applicable to the M-33 CT; and (6) all contract rights directly involving the M-33 CT, including any modification, addition, maintenance, improvement, or replacement of the M-33 CT. Total sale price was \$4,885,984.

**NOTE 17 - Major Vendors**

In the Marshfield Utilities purchases to suppliers and vendors was \$25,084,573 and \$23,831,525 for 2010 and 2009, while payments to WPSC for purchased power was \$20,511,109 and \$19,224,266 for 2010 and 2009 respectively. Payments to WPSC accounted for 82% and 81% of all purchases to suppliers and vendors in 2010 and 2009.

**NOTE 18 - Prior Period Adjustments**

The beginning fund balance in the Public Safety Special Revenue fund was adjusted by \$12,572 for monies from previous years that was in fund balance and should have been recorded as a liability as well as set up a liability for state seized money. Also, the beginning fund balance in the Emergency Medical Systems fund was adjusted by \$4,843 for expenses that were recorded in the prior year that were actually construction expenses that should have been capitalized.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**CITY OF MARSHFIELD**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUE</b>				
Taxes	\$ 9,755,524	\$ 9,755,524	\$ 8,808,033	\$ (947,491)
Special assessments	445,000	445,000	331,540	(113,460)
Intergovernmental revenues	7,509,888	7,542,996	7,597,400	54,404
Licenses and permits	165,800	165,800	174,888	9,088
Fines, forfeits and penalties	188,750	188,750	115,316	(73,434)
Charges for services	822,981	874,681	763,020	(111,661)
Other revenue	798,614	801,964	670,054	(131,910)
<b>TOTAL REVENUES</b>	<u>19,686,557</u>	<u>19,774,715</u>	<u>18,460,251</u>	<u>(1,314,464)</u>
<b>EXPENDITURES</b>				
Current				
General government	3,259,420	3,178,101	2,960,504	217,597
Public safety	7,944,138	8,007,645	7,758,947	248,698
Public works	5,498,435	5,506,285	4,725,748	780,537
Health and human services	183,242	183,642	174,372	9,270
Culture, recreation and education	3,264,295	3,283,995	3,114,717	169,278
Conservation and development	561,975	599,775	514,521	85,254
Capital outlay	-	-	7,305	(7,305)
<b>TOTAL EXPENDITURES</b>	<u>20,711,505</u>	<u>20,759,443</u>	<u>19,256,114</u>	<u>1,503,329</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,024,948)</u>	<u>(984,728)</u>	<u>(795,863)</u>	<u>188,865</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term debt	-	-	-	-
Transfer from Enterprise Fund	-	-	1,589,436	1,589,436
Transfers in	2,500	2,500	1,866	(634)
Transfers out	-	(40,220)	(40,220)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,500</u>	<u>(37,720)</u>	<u>1,551,082</u>	<u>1,588,802</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(1,022,448)</u>	<u>(1,022,448)</u>	<u>755,219</u>	<u>1,777,667</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>6,984,734</u>	<u>6,984,734</u>	<u>6,984,734</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 5,962,286</u>	<u>\$ 5,962,286</u>	<u>\$ 7,739,953</u>	<u>\$ 1,777,667</u>

**CITY OF MARSHFIELD, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**ON BUDGETARY ACCOUNTING AND CONTROL**  
**DECEMBER 31, 2010**

**General Policies** - The City follows these procedures in establishing the budgetary data reflected in the financial statements:

Annual budgets, as required by state statutes, are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds except those noted later (those funds for which multi-year project budgets are approved). Appropriations lapse at year-end except those separately identified as designated for subsequent years' expenditures.

In August of each year, all agencies of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Prior to October 15, the City Administrator submits to the Common Council a proposed operating budget, including capital expenditures, for the fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them. A public hearing is held in the Common Council chamber to obtain taxpayer comments. Prior to December 1, the budget is legally adopted by the Common Council through the passage of a resolution.

The adopted budget is prepared by fund, function and sub-function (departments, activities or projects) level. The City's department or division heads may make transfers of appropriations within a sub-function upon approval of their respective commissions, boards or committees. Transfers of appropriations between sub-function require the approval of the Common Council. The legal level of budgetary control is the sub-function level. Expenditures cannot legally exceed appropriations at this level without two-thirds Common Council approval to amend the budget.

Although there are adopted budgets for the enterprise funds and the internal service fund, budget to actual data is not shown since there is no requirement under U.S. generally accepted accounting principles to present budget to actual comparisons for enterprise funds and internal service funds as part of the general purpose financial statements, even if annual budgets are legally adopted for these funds.

Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds, the Debt Service Funds and the Capital Projects Funds. Capital project funds may include multi-year projects and the associated expenditures and revenues are budgeted only during the initial year of the projects although annual auditing fees and transfers may be budgeted on an ongoing basis. Subsequent year expenditures for multi-year projects are achieved through utilization of the remaining fund balances.

**Encumbrances** - Encumbrance accounting is not used.

**Excess of Expenditures Over Appropriations** - For the year ended December 31, 2010, no expenditures exceeded budgeted amounts.

**APPENDIX B**

**Forms of Legal Opinions**

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April 12, 2012

Re: City of Marshfield, Wisconsin ("Issuer")  
\$5,440,000 General Obligation Promissory Notes, Series 2012A,  
dated April 12, 2012 ("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>
2013	\$ 835,000	1.00%
2014	1,015,000	1.00
2015	950,000	2.00
2016	620,000	2.00
2017	435,000	2.00
2018	305,000	2.00
2019	310,000	2.00
2020	315,000	2.00
2021	325,000	2.00
2022	330,000	2.10

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2013.

The Notes maturing on March 1, 2020 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2019 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.

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 corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Notes is included in adjusted current earnings. 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.

April 12, 2012

Re: City of Marshfield, Wisconsin ("Issuer")  
\$475,000 Taxable General Obligation Refunding Bonds, Series 2012B,  
dated April 12, 2012 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$ 75,000	0.50%
2014	200,000	0.65
2015	200,000	1.00

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2013.

The Bonds are not subject to optional redemption.

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is included for federal income tax purposes in the gross income of the owners of the Bonds.

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

In order to comply with Treasury Circular 230, we are required to inform you that unless we have specifically stated to the contrary in writing, any advice contained in this opinion concerning tax issues or submissions is not intended to be used, and cannot be used, by the taxpayer for the purpose of avoiding any tax penalties that may be imposed upon the taxpayer by any governmental taxing authority or agency.

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

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

**APPENDIX C**

**Forms of Continuing Disclosure Certificates**

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## 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 \$5,440,000 General Obligation Promissory Notes, Series 2012A, dated April 12, 2012 (the "Securities"). The Securities are being issued pursuant to Resolutions adopted by the Governing Body of the Issuer on February 28, 2012 and March 27, 2012 (collectively, the "Resolution") and delivered to Robert W. Baird & Co. Incorporated (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 March 27, 2012 delivered in connection with the Securities, which is available from the MSRB.

"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, 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 630 South Central Avenue, Marshfield, WI 54449, phone (715) 387-3033, fax (715) 384-9310.

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

"MSRB" means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, Virginia 22314.

"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 ended December 31, 2011, 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. Indebtedness
2. Financial Information
3. Property Valuations and Taxes

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 Material 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; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 Material Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material 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 such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

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 Material 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 Material 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 Material 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 material 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 12th day of April, 2012.

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Chris L. Meyer  
Mayor

(SEAL)

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Deb M. Hall  
City Clerk

## 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 \$475,000 Taxable General Obligation Refunding Bonds, Series 2012B, dated April 12, 2012 (the "Securities"). The Securities are being issued pursuant to Resolutions adopted by the Governing Body of the Issuer on February 28, 2012 and March 27, 2012 (collectively, the "Resolution") and delivered to BOSCO, Inc. (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:

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"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 March 27, 2012 delivered in connection with the Securities, which is available from the MSRB.

"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, Wisconsin which is the obligated person with respect to the Securities.

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

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"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.

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(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. Indebtedness
2. Financial Information
3. Property Valuations and Taxes

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.

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(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; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 Material Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material 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.

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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 such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

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 Material 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 Material 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 Material 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 material 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 12th day of April, 2012.

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Chris L. Meyer  
Mayor

(SEAL)

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Deb M. Hall  
City Clerk