

City of Marshfield, Wisconsin

Comprehensive
ANNUAL REPORT
Financial



**Including Auditors' Report
for the fiscal year ended
December 31, 2003**

**CITY OF MARSHFIELD, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

ON THE COVER: PEACH AVENUE UNDERPASS OF VETERANS PARKWAY

Veteran's Parkway is the recently completed four-lane highway that runs diagonally through the City of Marshfield. The first section was opened to traffic in October of 2002 and the final section was opened in October of 2003. This was a \$40+ million-dollar project including acquisition and infrastructure. The newest feature of Veteran's Parkway was a second highway and railway underpass for Peach Avenue. This provides the City a second railway underpass to reduce the amount of traffic congestion and allows the safe movement of bicyclists and pedestrians as they traverse the corridor. Photo by Tom Turchi, City Engineer.

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INTRODUCTORY SECTION



May 11, 2004

To the Honorable Mayor, members of the Common Council and the Citizens of the City of Marshfield:

The comprehensive annual financial report of the City of Marshfield for the fiscal year ended December 31, 2003, is hereby submitted. This report consists of management's representations concerning the finances of the City of Marshfield. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Marshfield has established a comprehensive internal control framework. It is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of financial statements in conformance with generally accepted accounting principles (GAAP). This comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement because the cost of internal controls should not exceed their benefits. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Hawkins, Ash, Baptie & Company, LLP, a firm of licensed certified public accountants has audited the City of Marshfield's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 2003 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Marshfield's financial statements for the fiscal year ended December 31, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Marshfield's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Marshfield was incorporated in 1883, under the provisions of Chapter 280, Laws of Wisconsin, 1883. Marshfield is one of four major cities in the Central Wisconsin area, being located in the exact center of the state. Hence, Marshfield is known as the "City in the Center". The city currently has a land area of 13.3 square miles. It is a city rich in Wisconsin lore, with lumbering, rich farmlands and railroading dominating its earlier history.

An elected Mayor and Common Council under a mayor-council form of government govern the City. Common Council members serve two-year staggered terms, with five members elected every year. The Mayor is elected to serve a two-year term. All ten of the Common Council members are elected by district and the Mayor elected at large. The Common Council meets in regular session twice monthly and performs the legislative and policy making functions of city government. By statute, the Mayor presides at Council meetings and serves as the Chief Elected Officer. Since 1989, administrative functions of city government have been delegated to a City Administrator who is hired by and reports to the Mayor and Common Council.

Under an organizational plan approved in 1989, the City Administrator is responsible for certain departments including Finance, Information Technology, Public Works, Parks and Recreation, and Planning and Economic Development. The City Administrator annually prepares and presents an executive budget recommendation to the Mayor and Common Council. In 1990, a 5-year Capital Improvement Program (CIP) policy statement was adopted by the Common Council and a 5-year Capital Improvement Program has been subsequently adopted every year.

With an estimated 2003 population of 18,861, the city has seen a slight decline in population and significant growth in its tax base over the past decade. In the 1990 publication, *The Rating Guide To Life In America's Small Cities*, Marshfield was ranked 14th in America, 3rd in the Midwest and 1st in Wisconsin for its quality of life. Each community was graded on its performance in ten clearly defined classifications: Climate/Environment, Diversions, Economics, Education, Sophistication, Health Care, Housing, Public Safety, Transportation and Urban Proximity. In addition, Marshfield was recently named as the 8th best place to live in America by *Demographics Daily*.

The city employs 200 full-time equivalent employees. The police department has 38 officers and 15 staff employees. The Marshfield Fire and Rescue Department that employs 33 firefighters and one staff employee provide fire protection. The fire insurance rating is class 4.

The city provides a full range of services including police and fire protection; sanitation services; construction and maintenance of highways, streets and other infrastructure; planning and economic development; and library, recreational activities and cultural events. Also included are activities of the Board of Water and Light Commissioners, Fire and Police Commission, Library Board, and smaller boards and commissions over which the Common Council exercises, or has the ability to exercise direct administrative authority and/or responsibility.

The annual budget serves as the foundation for the City of Marshfield's financial planning and control. All departments of the City of Marshfield are required to submit budget requests for the following fiscal year to the Finance Department by the first Friday of August. The Finance Department performs a technical review of all requests and then compiles and prepares the initial budget as a starting point for the City Administrator by the last week of August. The first full week of September, the City Administrator and Finance Director hold budget hearings with Departments to review budget requests with Department heads. The City Administrator then prepares and presents a proposed budget to the Common Council at the first regular Common Council meeting in October.

A series of three special budget work sessions of the Common Council are held to review the Administrator's recommended budget prior to publication of the Common Council proposed budget. The Council is required to hold a public hearing on the proposed budget and adopts a final budget by the last Common Council meeting in November. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department with the exception of capital outlay. Transfers of appropriations between departments or capital outlay, however, require the special approval of the Common Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Marshfield operates.

Economic Condition and Outlook: The Marshfield family of industries is best described as diversified with 63 manufacturing firms employing 6,100 employees, 13 industrial distribution firms employing 750, 4 transport firms employing 2,300, 26 utility, communication, and printing firms employing 415, and medical service firms employing 6,280.

The Marshfield Clinic, founded in 1916, is Wisconsin's most comprehensive health care system with 729 physicians and medical specialists, serving patients in Marshfield and 40 regional centers throughout central, western, eastern and northern Wisconsin. Marshfield Clinic served approximately 1.8 million patient encounters in 2003.

Saint Joseph's Hospital, which adjoins the Clinic, is one of the largest rural referral medical centers in Wisconsin, and the only 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 including Wisconsin and Upper Michigan. Among Saint Joseph's specialties are oncology and cardiac services.

Marshfield Clinic Research Foundation has grown into the largest private medical research institute in the state and among the largest in the nation. Over 600 clinical trials and other research projects are active in the system at any time. These studies provide knowledge to the medical community across the United States and around the world.

Marshfield Laboratories, a joint venture of Saint Joseph's Hospital and Marshfield Clinic, is the state's largest medical laboratory with over 20 million test results reported annually. The laboratory serves clients across the nation.

In addition to Marshfield being a major medical service center, the focus of the manufactured housing industry in the state, and the home for manufactured wood products, the city is also a strong metalworking and machinery center, especially stainless steel products. Marshfield is known for its dairy food processing, most notably for its cheese. One unique business is Figi's Inc., a mail order cheese, sausage, gift firm which employs over 3,000 during the October-December peak gift period.

The Marshfield-Wood County area economy experienced improvement over the past twelve months. Most economic indicators are positive at December 31, 2003. Even with an expanding labor force, unemployment rates are trending lower. Wood County's unemployment rate decreased 7.4% in 2003 from 5.6% to 5.1%. This corresponds to what is occurring in the state and the nation as a whole. The total number of unemployment claims in Wood County increased slightly from 1,652 claims in 2002 to 1,670 claims in 2003, an increase of 1.1%. Total employment growth showed healthy increases taking place with an estimated growth of 3.7%. Sectors experiencing employment growth were Transportation & Utilities, Financial Activities, Education & Health Services and Leisure & Hospitality. The sectors experiencing reductions in 2003 were Manufacturing, Trade, Construction and Government.

Marshfield's businesses continued to grow in 2003 with the addition of 21 new commercial and industrial buildings valued at \$12,401,287. Additionally, 82 businesses remodeled and/or expanded existing facilities valued at \$5,854,537. The city also experienced an increase in residential housing starts from 63 in 2002 to 64 in 2003 valued at \$13,715,023.

The city is positioned to experience increased development as improvements are made to State Highway 13 on the north end of the city, completion of the new Veteran's Parkway (Marshfield Boulevard) in 2003, completion of infrastructure construction in Mill Creek Business Park in 2003 and future development of Yellowstone Industrial Park, anticipated for 2007 and 2008.

Retirement Program: All eligible City of Marshfield employees participate in the Wisconsin Retirement System (System), a cost-sharing, multiple-employer, defined benefit public employee retirement system (PERS). Additional details regarding this are presented in Note 8 – Defined Benefit Pension Plans in the Notes to Financial Statements.

Debt Administration: As of December 31, 2003, the city had 31 debt issues outstanding. These issues included \$26,160,233 of general obligation bonds, notes and land contracts and \$26,552,973 of mortgage revenue bonds. The city has continually maintained its "Aa3" rating from Moody's Investors Service on general obligation debt issues and its electric mortgage revenue bond issues and an "A" rating on its water mortgage revenue bond issues. Under Wisconsin statutes, general obligation debt is subject to a legal limitation based on 5% of total equalized value of real and personal property. As of December 31, 2003, the city's net general obligation debt of \$26,160,233 was well below the legal limit of \$47,493,350. Net bonded debt per capita equaled \$1,312. The city adheres to an aggressive repayment policy.

During the year, the city issued \$2,385,000 of general obligation notes to fund various public purpose capital projects. Additionally, the city issued mortgage revenue bonds of \$1,455,000 for costs associated with improvements to the sanitary sewerage system. Finally, the City issued \$3,160,000 in Taxable Note Anticipation Notes and \$3,255,000 Taxable General Obligation Refunding bonds to refinance the WI Retirement System Unfunded Pension Liability as well as issuing \$2,050,000 General Obligation Refunding Bonds to refinance the callable portion of the 1997A General Obligation Bonds.

Cash Management: Cash temporarily idle during the year was invested in demand deposits, government agencies, corporate bonds, and the State of Wisconsin Local Government Investment Pool. The average yield on investments ranged from 0.97% to 1.32%. The city and its proprietary funds earned interest revenue of \$842,503 on all investments for the year ended December 31, 2003.

The city's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, it is the city's policy that deposits are either insured by federal depository insurance or collateralized. For brief periods of time certain amounts were not collateralized pending transfer to the State of Wisconsin Local Government Investment Pool. All collateral on deposits was held either by the city, our agent or a financial institution's trust department in the city's name.

Remaining investments were held in long-term securities in accordance with State Statutes and the city's investment policy adopted in 2001. During 2003 the city maintained investments of \$6,500,00 in long-term government agency securities of varying maturity dates with interest rates between 4.0% and 6.3% with an emphasis on Safety, Liquidity and Yield on the funds invested.

Risk Management: The City of Marshfield is a member of the League of Wisconsin Municipalities Insurance Plan. This plan provides workers' compensation, casualty, professional liability and errors and omissions coverage tailored specifically for Wisconsin municipalities. The City is also a member of the WI Local Government Property Insurance Fund program for property coverage needs for Wisconsin municipalities.

Awards and Acknowledgements

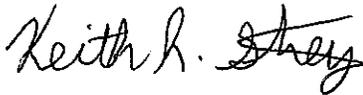
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Marshfield for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2002. The certificate is the highest form of recognition for state and local governments. This was the ninth consecutive year that the City of Marshfield Finance Department has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

I would like to acknowledge the City Administrator, city departments and all others who assisted and contributed to the preparation of this report. Also, I would like to thank our independent auditors, Hawkins, Ash, Baptie & Company for their assistance and professional guidance, which contributed significantly to the report quality and adherence to accounting standards. Their experience and expertise was extremely valuable during this period of transition for the Finance department and implementation of GASB 34.

Finally, I would like to acknowledge and express my sincere appreciation to the entire staff of the Finance Department for their outstanding work throughout the year. Without their support, preparation of this report would not have been possible.

Respectfully submitted,



Keith R. Strey, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Marshfield,
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

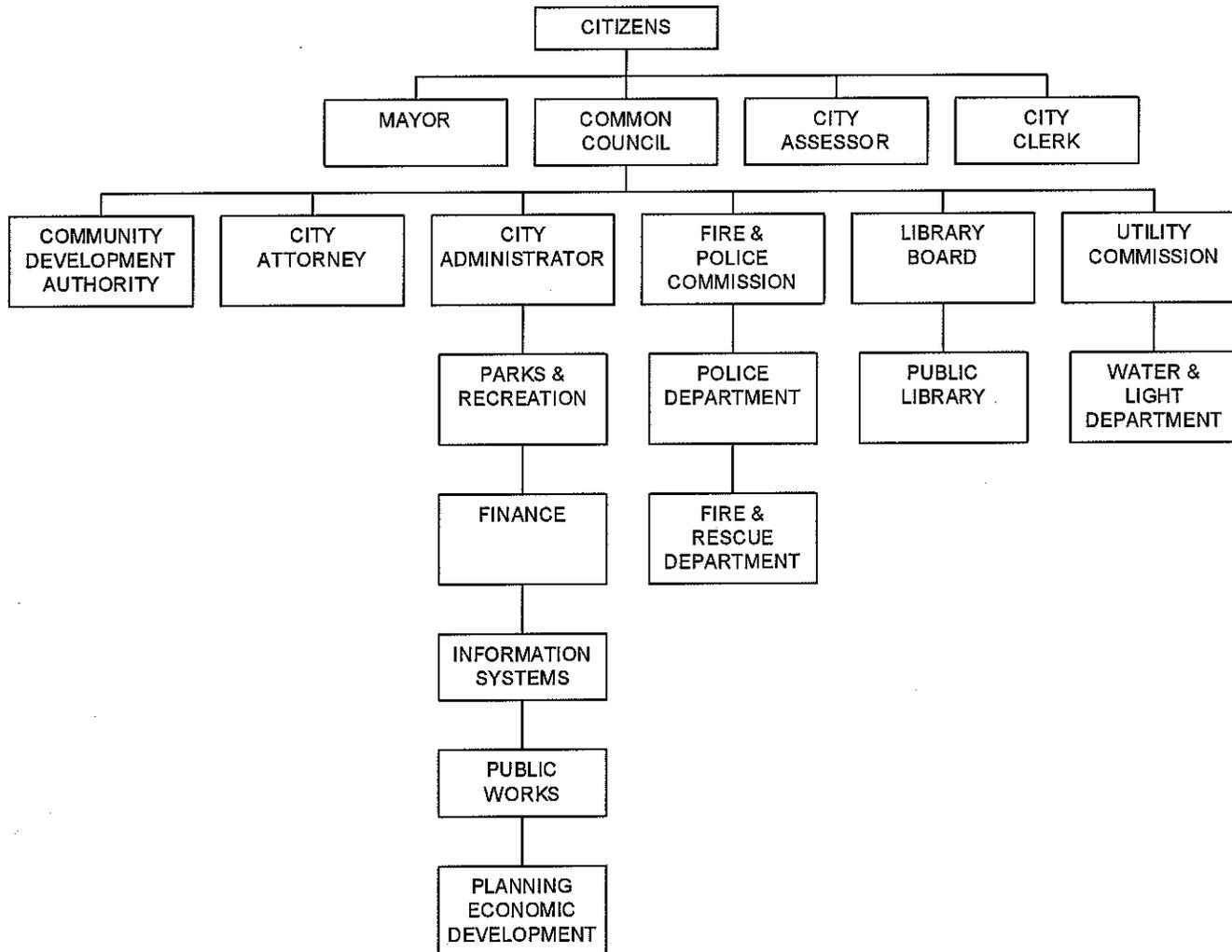
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF MARSHFIELD ORGANIZATION CHART



CITY OF MARSHFIELD, WISCONSIN
List of Principal Officials – 2003

ELECTED

Mayor.....Michael Meyers
Common Council President.....Russel Stauber
City Clerk.....Deb Hall
City Assessor.....Joan Spencer
Municipal Judge.....John Adam Kruse

District	Aldersperson:
First	Michael Feirer
Second	Brad Parks
Third	Gerald Nelson
Fourth	Tim Kraus
Fifth	Jerry Bennington, Sr.
Sixth	Russell Stauber
Seventh	Donald Krueger
Eighth	Ray Gougeon
Ninth	Tom Buttke
Tenth	Edward Beaudry, Jr.

APPOINTED

Administrator.....Michael F. Brehm
City Attorney.....John Hutchinson
Finance Director.....Keith R. Strey
Assistant Finance Director.....Vacant
Human Resources Specialist.....Lara Baehr
Information Systems Director.....John Beck
Police Chief.....Joseph Stroik
Fire Chief.....Gregg Cleveland
Director of Public Works.....Daniel Knoeck
City Engineer.....Thomas Turchi
Library Director.....Lori Belongia
Parks and Recreation Director.....Edward Englehart

FINANCIAL SECTION



Hawkins, Ash, Baptie & Company, LLP

Certified Public Accountants ◆ *Management Consultants*

INDEPENDENT AUDITORS' REPORT

To the Common Council
City of Marshfield, Wisconsin

We have audited the accompanying basic financial statements of the City of Marshfield, Wisconsin ("City"), as of December 31, 2003, and for the year then ended, as identified in the *Table of Contents*. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Marshfield, Wisconsin as of December 31, 2003, and the results of its operations and cash flows of its proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the City adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements* during the year ended December 31, 2003.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 11, 2004, on our consideration of the City of Marshfield, Wisconsin's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements, and schedules identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Marshfield, Wisconsin. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hawkins, Ash, Bapstie & Company, LLP

Marshfield, Wisconsin
May 11, 2004

**MANAGEMENT'S DISCUSSION
AND
ANALYSIS**

Management's Discussion and Analysis

As management of the City of Marshfield, Wisconsin, we offer readers of the City of Marshfield, Wisconsin's basic financial statements this narrative overview and analysis of the financial activities of the City of Marshfield, Wisconsin for the fiscal year ended December 31, 2003. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which follow this narrative.

Financial Highlights

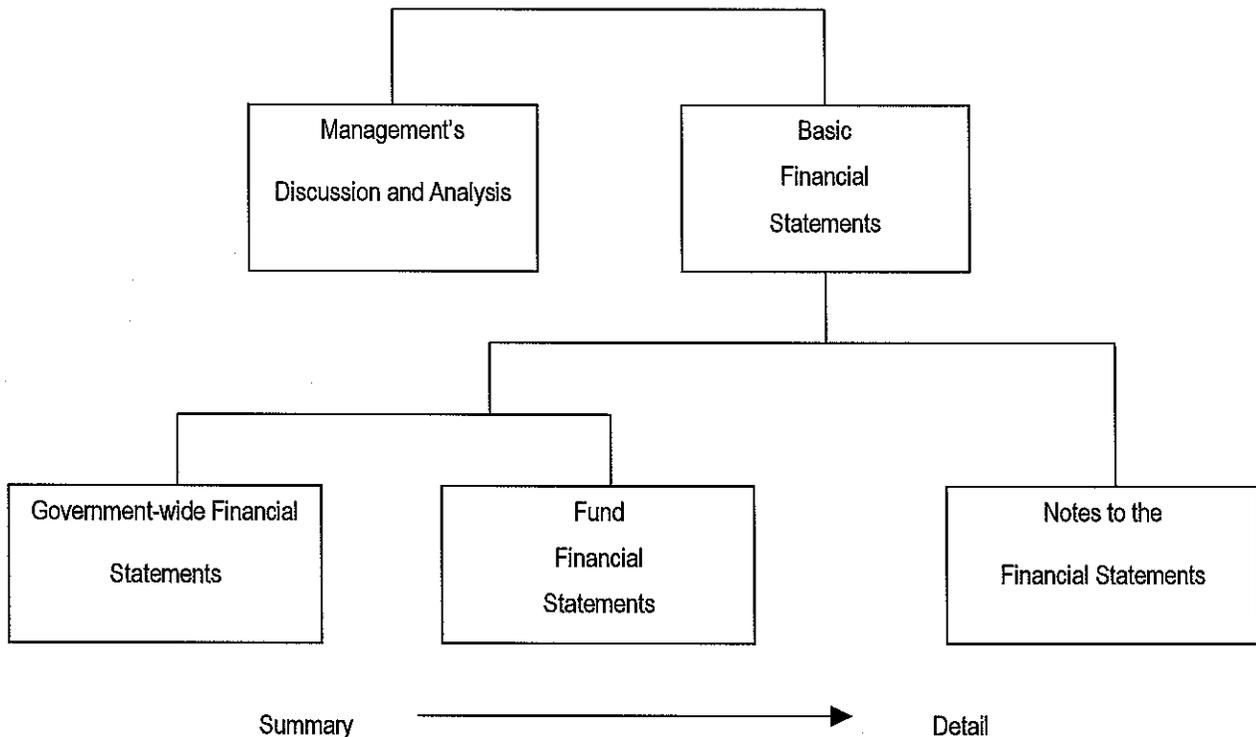
- The assets of the City of Marshfield, Wisconsin exceeded its liabilities at the close of the fiscal year by \$102,729,260 (*net assets*).
- The government's total net assets increased by \$2,303,576, primarily due to increases in the business-type activities net assets.
- As of the close of the current fiscal year, the City of Marshfield, Wisconsin's governmental funds reported combined ending fund balances of \$10,475,076, a decrease of \$1,290,558 in comparison with the prior year. The decrease is primarily due to a reduction in capital project expenditures, and timing of related financing.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,262,681, or 37 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Marshfield, Wisconsin's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Marshfield, Wisconsin.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the electric, water, sewer, ambulance and storm water services offered by the City of Marshfield, Wisconsin.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Marshfield, Wisconsin, like all other governmental entities in Wisconsin, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the State of Wisconsin Statutes or the City's budget ordinance. All of the funds of City of Marshfield, Wisconsin can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Marshfield, Wisconsin adopts an annual budget for its governmental funds (except those for which multi-year project budgets are approved) as required by the State of Wisconsin Statutes. The budget is a legally adopted document that incorporates input from citizens of the City, management of the City, and decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary comparison schedule provided for the General and Debt Service Funds demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The statement shows four columns: 1) the original budget as adopted by the council; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual revenues and expenditures.

Proprietary Funds – City of Marshfield, Wisconsin has two different kinds of proprietary funds, Enterprise and Internal Service Funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Marshfield, Wisconsin uses enterprise funds to account for its electric and water activity, sanitary sewer operations, ambulance services and storm water activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Marshfield's various functions. The City of Marshfield uses internal service funds to account for its machinery and equipment. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric and Water Utility and for the Wastewater Utility, both of which are considered to be major funds of the City of Marshfield. Conversely, the internal service fund is presented in the proprietary fund financial statements, as a single column.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Marshfield, Wisconsin's own programs. The most significant fiduciary fund maintained by the City of Marshfield, Wisconsin is the Property Tax Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of Marshfield, Wisconsin. The accounting used for fiduciary funds is much like that used for governmental funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Marshfield, Wisconsin. Required supplementary information can be found following the notes to the financial statements

Government-Wide Financial Analysis

The government-wide financial statements for the fiscal year ended December 31, 2003 are the beginning of a new era in financial reporting for the City of Marshfield, Wisconsin, and many other units of government across the United States. Prior to this year, the City of Marshfield, Wisconsin maintained their governmental and proprietary fund groups as two separate and very distinct types of accounting without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the City of Marshfield, Wisconsin. These statements were basically the equivalent of the fund financial statements that appear in this report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in.

The changes in the financial statement reporting model are mandated by the Governmental Accounting Standards Board (GASB). GASB Statement 34 dictated the changes you see in the City of Marshfield, Wisconsin's financial reports as well as those of many other units of government. While the City of Marshfield, Wisconsin was required to implement these changes for the fiscal year ended December 31, 2003, other units were required to implement Statement 34 in 2002, and any remaining governments will be implementing in 2004.

Because of the new reporting model, comparative data for all facets of this report are not available. When comparative numbers are accessible, they have been included. Future years' reports will have more comparative data that will allow more opportunities for comparative analysis.

The City of Marshfield, Wisconsin's Net Assets

Figure 1

(In Thousands of dollars)

	Governmental Activities <u>2003</u>	Business-Type Activities <u>2003</u>	Total <u>2003</u>
Current & other assets	\$ 22,167	\$ 13,006	\$ 35,173
Capital assets	<u>55,370</u>	<u>81,343</u>	<u>136,713</u>
Total assets	<u>\$ 77,537</u>	<u>\$ 94,349</u>	<u>\$ 171,886</u>
Long-term liabilities outstanding	\$ 22,834	\$ 27,378	\$ 50,212
Other liabilities	<u>13,226</u>	<u>5,718</u>	<u>18,944</u>
Total liabilities	<u>\$ 36,060</u>	<u>\$ 33,096</u>	<u>\$ 69,156</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 30,829	\$ 54,807	\$ 85,636
Restricted	<u>4,753</u>	<u>3,710</u>	<u>8,463</u>
Unrestricted	<u>5,895</u>	<u>2,736</u>	<u>8,631</u>
Total net assets	<u>\$ 41,477</u>	<u>\$ 61,253</u>	<u>\$ 102,730</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City of Marshfield, Wisconsin exceeded liabilities by \$102,730,000 as of December 31, 2003. The City's net assets increased by \$2,304,000 for the fiscal year ended December 31, 2003. However, the largest portion (83%) reflects the City's investment in capital assets (e.g. land, land improvements, buildings, and equipment), less any related debt still outstanding that was issued to acquire those items. The City of Marshfield, Wisconsin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Marshfield, Wisconsin's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Marshfield, Wisconsin's net assets (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,631,000 is unrestricted.

City of Marshfield, Wisconsin Changes in Net Assets

Figure 2

(In Thousands of dollars)

	Governmental Activities <u>2003</u>	Business-Type Activities <u>2003</u>	Total <u>2003</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,557	\$ 25,754	\$ 27,311
Grants & contributions	2,965	597	3,562
General revenues:			
Taxes	10,740	--	10,740
State shared revenue	5,645	--	5,645
Interest and investment income	452	390	842
Miscellaneous	142	--	142
Total revenues	<u>\$ 21,501</u>	<u>\$ 26,741</u>	<u>\$ 48,242</u>
Expenses:			
General government	\$ 2,641	\$ --	\$ 2,641
Public safety	7,124	--	7,124
Public works	5,897	--	5,897
Health and human services	148	--	148
Culture, recreation & education	3,374	--	3,374
Conservation & development	1,992	--	1,992
Interest on long-term debt	1,297	--	1,297
Electric & water	--	19,522	19,522
Wastewater	--	3,170	3,170
Other business-type activities	--	773	773
Total expenses	<u>\$ 22,473</u>	<u>\$ 23,465</u>	<u>\$ 45,938</u>
Transfers	<u>\$ 1,004</u>	<u>\$ (1,004)</u>	<u>\$ --</u>
Change in net assets	\$ 32	\$ 2,272	\$ 2,304
Net assets, beginning of year	41,445	58,981	100,426
Net assets, end of year	<u>\$ 41,477</u>	<u>\$ 61,253</u>	<u>\$ 102,730</u>

Figure 2 provides summarized operating results and their impact on net assets. Both governmental and business-type activities increased the City's financial position.

Governmental activities: The City relies primarily on state shared revenue (50%) and taxes (26%) to provide basic services. Revenues were generally at similar levels in 2002. Public safety (32%) and public works (25%) comprise the majority of expenses.

Business-type activities: Utility revenue increased by approximately 9% over 2002. Wholesale electric power cost increased by \$1.7 million over 2002. These costs are passed along to electric customers, and accounts for most of the increase in revenues.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City of Marshfield, Wisconsin's governmental funds provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Marshfield, Wisconsin's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the primary operating fund of the City of Marshfield, Wisconsin. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$6,262,681, while total fund balance was \$7,006,516. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 37 percent of total General Fund expenditures, while total fund balance represents 41 percent of that same amount.

At December 31, 2003, the governmental funds of City of Marshfield, Wisconsin reported a combined fund balance of \$10,475,076, a decrease of \$1,290,558 from last year. The decrease is attributable to capital outlay costs incurred prior to the related financing.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once more accurate information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services or cover unanticipated expenses.

Revenues were less than budgeted amounts primarily because of declining interest rates, anticipated grant funds the City originally had expected to receive became unavailable and certain fees being less than expected.

Proprietary Funds. The City of Marshfield, Wisconsin's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Information on enterprise fund net assets follows:

	<u>Unrestricted Net Assets</u>	<u>Change in Net Assets</u>
Electric and Water	\$ 1,737,950	\$ 1,807,938
Wastewater	1,034,756	468,708
EMS	37,172	66,211
Storm Water	(60,264)	(56,546)

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

Capital Asset and Debt Administration

Capital assets. The City of Marshfield, Wisconsin's investment in capital assets for its governmental and business-type activities as of December 31, 2003, totals \$136,712,821 (net of accumulated depreciation). These assets include land, land improvements, buildings, construction in progress, and infrastructure.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Completion of the Peach Avenue underpass.
- Reconstruction of Oak Avenue.
- Utility upgrades and extension of service

City of Marshfield, Wisconsin's Capital Assets

Figure 3

(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land and land improvements	\$ 7,611	\$ 7,642	\$ 833	\$ 833	\$ 8,444	\$ 8,475
Buildings and improvements	17,032	16,885	27,497	27,030	44,529	43,915
Machinery and equipment	12,853	12,808	16,122	15,648	28,975	28,456
Infrastructure/systems	43,424	40,819	60,590	57,591	104,014	98,410
Construction in progress	--	--	1,164	1,669	1,164	1,669
Less: Accumulated depreciation	(25,550)	(24,107)	(24,863)	(22,718)	(50,413)	(46,825)
TOTAL	<u>\$ 55,370</u>	<u>\$ 54,047</u>	<u>\$ 81,343</u>	<u>\$ 80,053</u>	<u>\$ 136,713</u>	<u>\$ 134,100</u>

Additional information on the City's capital assets can be found in the notes to the Comprehensive Annual Financial Statements.

Long-term Obligations. As of December 31, 2003, the City of Marshfield, Wisconsin had total long-term obligations outstanding of \$52,713,206. Of this, \$26,160,233 is debt backed by the full faith and credit of the City. The remainder of the City's debt represents mortgage revenue bonds secured solely by specified revenue sources (i.e. revenue bonds) and compensated absences.

City of Marshfield, Wisconsin's Outstanding Long-Term Obligations

Figure 4

(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
General obligation bonds/notes	\$ 25,349	\$ 23,204	\$ 811	\$ --	\$ 26,160	\$ 23,204
Mortgage revenue bonds	--	--	26,295	26,256	26,295	26,256
Other long-term obligations	258	2,443	--	--	258	2,443
TOTAL	<u>\$ 25,607</u>	<u>\$ 25,647</u>	<u>\$ 27,106</u>	<u>\$ 26,256</u>	<u>\$ 52,713</u>	<u>\$ 51,903</u>

The City of Marshfield, Wisconsin's total debt increased by \$809,816 (1.6%) during the past fiscal year. This is due to the issuance of \$2,385,000 for capital projects and \$1,802,795 to complete the wastewater treatment facility, less principal payments during the year.

The State of Wisconsin statutes limit the amount of general obligation debt that a unit of government can issue to 5 percent of the total equalized value of taxable property located within that government's boundaries. The legal debt limit for City of Marshfield, Wisconsin is \$47,493,350.

Additional information regarding the City of Marshfield, Wisconsin's long-term debt can be found in the notes to the financial statements.

Economic Factors Bearing on the City's Future

In 2003, the city refinanced one long-term debt obligation and one outstanding pension liability to realize current and future interest cost savings. For 2004, the city completed additional refinancing of nine long-term debt issues for additional future savings.

The 2004 adopted General Fund budget is \$18.6 million, an increase of 1.57% over the 2003 revised budget of \$18.3 million. The overall 2004 adopted budget for all funds is \$34.2 million, a decrease of 4.16% over the 2003 revised budget for all funds of \$35.7 million. Property taxes levied in 2003 for 2004 city purposes increased by \$223,286. The tax rate for city purposes in 2003 for 2004 decreased by \$1.88 per thousand of assessed valuation due to a citywide property revaluation completed in 2003.

During 2003, several large construction projects broke ground. Significant projects completed in 2003 were at an estimated value of \$31 million. Projects started in 2003 that are scheduled to be completed in 2004 are at an estimated value of \$23 million.

In April of 2004, the WI State Supreme court issued a ruling that meant the Marshfield Clinic real and personal property was taxable, effective January 1, 2004. This ruling, in addition to completion of large construction projects in 2003, will increase the assessed valuation of the city in 2004.

During 2004, the city is considering the formation of a Storm Water Utility for implementation in 2005. The city is also working with the City of Wisconsin Rapids and Wood County to evaluate the creation of a Joint Emergency Services Dispatch center with the initial goal of beginning operation in July 2005. Finally, the city is contemplating the transfer of the Public Fire Protection Charge (Fire Hydrant Rental) from tax levy funding to Water Utility fee based funding, effective January 1, 2005.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, City of Marshfield, P.O. Box 727, Marshfield, Wisconsin 54449.

**BASIC
FINANCIAL
STATEMENTS**

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	<u>GOVERNMENTAL</u>	<u>BUSINESS</u>	<u>TOTAL</u>
	<u>ACTIVITIES</u>	<u>TYPE</u>	<u>ACTIVITIES</u>
ASSETS			
Cash and equivalents	\$ 12,329,163	\$ 2,107,615	\$ 14,436,778
Investments	87,803	1,815,709	1,903,512
Receivables			
Taxes	6,206,750	498,736	6,705,486
Accounts	208,102	2,109,849	2,317,951
Special assessments	829,545	--	829,545
Loans	1,427,956	--	1,427,956
Other	6,629	--	6,629
Inventories	102,225	807,117	909,342
Prepays	15,392	520	15,912
Deferred charges	--	169,510	169,510
Due from other governments	162,554	344	162,898
Due from other funds	790,158	--	790,158
Restricted assets			
Cash and investments	--	5,496,788	5,496,788
Capital assets (net of accumulated depreciation)	<u>55,370,271</u>	<u>81,342,550</u>	<u>136,712,821</u>

TOTAL ASSETS	<u>\$ 77,536,548</u>	<u>\$ 94,348,738</u>	<u>\$ 171,885,286</u>
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(Continued on page 23)

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF NET ASSETS - Continued
DECEMBER 31, 2003

	<u>GOVERNMENTAL</u>	<u>BUSINESS</u>	<u>TOTAL</u>
	<u>ACTIVITIES</u>	<u>TYPE</u>	<u>ACTIVITIES</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 1,125,868	\$ 1,617,427	\$ 2,743,295
Accrued interest	310,054	--	310,054
Other accrued expenses	19,205	963,791	982,996
Payable from restricted assets			
Current portion of long-term debt	138,432	1,222,887	1,361,319
Other	--	20,417	20,417
Due to			
Other funds	--	790,158	790,158
Other governments	158,922	20	158,942
Deferred revenues	8,838,388	678,732	9,517,120
Current portion of long-term liabilities	<u>2,635,274</u>	<u>425,000</u>	<u>3,060,274</u>
TOTAL CURRENT LIABILITIES	\$ 13,226,143	\$ 5,718,432	\$ 18,944,575
NONCURRENT LIABILITIES			
Capital leases payable	\$ --	\$ 153,762	\$ 153,762
Customer deposits	--	1,766,076	1,766,076
Noncurrent portion of long-term obligations	<u>22,833,563</u>	<u>25,458,050</u>	<u>48,291,613</u>
TOTAL NONCURRENT LIABILITIES	\$ 22,833,563	\$ 27,377,888	\$ 50,211,451
TOTAL LIABILITIES	\$ 36,059,706	\$ 33,096,320	\$ 69,156,026
NET ASSETS			
Invested in capital assets, net of related debt	\$ 30,828,790	\$ 54,806,859	\$ 85,635,649
Restricted for			
Special revenue funds	3,572,388	--	3,572,388
Capital projects	(1,742,116)	--	(1,742,116)
Debt service	1,406,547	1,356,085	2,762,632
Other activities	1,516,372	2,354,210	3,870,582
Unrestricted	<u>5,894,861</u>	<u>2,735,264</u>	<u>8,630,125</u>
TOTAL NET ASSETS	\$ 41,476,842	\$ 61,252,418	\$ 102,729,260
TOTAL LIABILITIES AND NET ASSETS	\$ 77,536,548	\$ 94,348,738	\$ 171,885,286

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES				
General government	\$ 2,640,966	\$ 686,549	\$ --	\$ --
Public safety	7,123,740	280,599	77,335	--
Public works	5,896,876	199,818	2,490,681	--
Health and human services	147,601	103,013	--	--
Culture, recreation and education	3,374,193	247,905	396,677	--
Conservation and development	1,992,523	38,743	--	--
Debt service				
Interest and fiscal charges	1,296,748	--	--	--
TOTAL GOVERNMENTAL ACTIVITIES	\$ 22,472,647	\$ 1,556,627	\$ 2,964,693	\$ --
BUSINESS-TYPE ACTIVITIES				
Electric	\$ 17,255,263	\$ 18,071,987	\$ 365,101	\$ --
Water	2,266,670	2,874,818	190,539	--
Wastewater	3,169,566	4,064,932	--	--
EMS	680,833	741,667	5,357	--
Storm Water	92,433	--	35,887	--
TOTAL BUSINESS TYPE ACTIVITIES	\$ 23,464,765	\$ 25,753,404	\$ 596,884	\$ --
TOTAL	\$ 45,937,412	\$ 27,310,031	\$ 3,561,577	\$ --

General revenues
Property taxes
Other taxes
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 25)

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,954,417)		\$ (1,954,417)
(6,765,806)		(6,765,806)
(3,206,377)		(3,206,377)
(44,588)		(44,588)
(2,729,611)		(2,729,611)
(1,953,780)		(1,953,780)
--		
(1,296,748)		(1,296,748)
\$ (17,951,327)		\$ (17,951,327)
\$ --	\$ 1,181,825	\$ 1,181,825
--	798,687	798,687
--	895,366	895,366
--	66,191	(66,191)
--	(56,546)	56,546
\$ --	\$ 2,885,523	\$ 2,885,523
\$ (17,951,327)	\$ 2,885,523	\$ (15,065,804)

9,232,674		
1,507,516		
5,645,489		
452,431	390,072	
141,198		
1,003,634	(1,003,634)	
\$ 17,982,942	\$ (613,562)	
\$ 31,615	\$ 2,271,961	
41,445,227	58,980,457	
\$ 41,476,842	\$ 61,252,418	

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and equivalents	\$ 5,681,894	\$ 1,691,806	\$ 4,573,999	\$ 11,947,699
Receivables				
Taxes	4,817,158	621,841	767,751	6,206,750
Accounts	163,844	--	--	163,844
Special assessments	829,545	--	--	829,545
Loans	--	--	1,324,773	1,324,773
Other	--	--	6,629	6,629
Prepays	13,145	--	2,247	15,392
Due from other governments	27,373	--	133,637	161,010
Due from other funds	4,388,875	--	--	4,388,875
	\$ 15,921,834	\$ 2,313,647	\$ 6,809,036	\$ 25,044,517
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 899,836	\$ --	\$ 118,952	\$ 1,018,788
Due to				
Other funds	82,573	--	3,488,891	3,571,464
Other governments	148,878	--	10,044	158,922
Deferred revenues	7,784,031	907,100	1,129,136	9,820,267
TOTAL CURRENT LIABILITIES	\$ 8,915,318	\$ 907,100	\$ 4,747,023	\$ 14,569,441
FUND BALANCES				
Reserved for				
Special revenue funds	--	--	3,654,786	3,654,786
Capital projects	--	--	(1,742,116)	(1,742,116)
Debt service	--	1,406,547	--	1,406,547
Other activities	743,835	--	149,343	893,178
Unreserved	6,262,681	--	--	6,262,681
TOTAL FUND BALANCES	\$ 7,006,516	\$ 1,406,547	\$ 2,062,013	\$ 10,475,076
	\$ 15,921,834	\$ 2,313,647	\$ 6,809,036	\$ 25,044,517

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
YEAR ENDED DECEMBER 31, 2003

Fund balances - total governmental funds	\$	10,475,076
Amounts reported for governmental activities in the statement of assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		52,554,230
Some revenues are deferred in the funds because they are not available to pay current period's expenditures		981,879
Internal service funds are used by management to change 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.		2,250,621
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	\$ (310,054)	
Bonds and notes payable	(24,217,054)	
Compensated absences	(257,856)	(24,784,964)
Total net assets of governmental activities		<u>\$ 41,476,842</u>

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

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2003

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUE				
Taxes	\$ 7,507,186	\$ 2,259,927	\$ 974,642	\$ 10,741,755
Special assessments	415,819	--	--	415,819
Intergovernmental revenues	7,412,156	--	729,749	8,141,905
Licenses and permits	201,029	--	157,362	358,391
Fines, forfeits and penalties	144,742	--	--	144,742
Charges for services	673,142	--	130,751	803,893
Other revenue	<u>679,852</u>	<u>--</u>	<u>222,490</u>	<u>902,342</u>
TOTAL REVENUES	<u>\$ 17,033,926</u>	<u>\$ 2,259,927</u>	<u>\$ 2,214,994</u>	<u>\$ 21,508,847</u>
EXPENDITURES				
Current				
General government	\$ 2,348,785	\$ --	\$ 73,751	\$ 2,422,536
Public safety	6,943,438	--	--	6,943,438
Public works	4,443,162	--	309,871	4,753,033
Health and human services	129,354	--	--	129,354
Culture, recreation and education	2,468,992	--	200,173	2,669,165
Conservation and development	342,933	--	190,793	533,726
Capital outlay	358,370	--	4,743,601	5,101,971
Debt service				
Principal retirement	--	5,735,630	--	5,735,630
Interest and fiscal charges	--	<u>1,232,960</u>	<u>16,226</u>	<u>1,249,186</u>
TOTAL EXPENDITURES	<u>\$ 17,035,034</u>	<u>\$ 6,968,590</u>	<u>\$ 5,534,415</u>	<u>\$ 29,538,039</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,108)</u>	<u>\$ (4,708,663)</u>	<u>\$ (3,319,421)</u>	<u>\$ (8,029,192)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ --	\$ 3,252,868	\$ 2,387,132	\$ 5,640,000
Proceeds of refunding bonds	--	2,050,000	--	2,050,000
Transfer from Enterprise Fund	--	475,000	528,634	1,003,634
Operating transfers in	93,049	884,163	918,825	1,896,037
Operating transfers out	(121,800)	--	(1,776,682)	(1,898,482)
Payment to refunding bond escrow agent	--	(1,955,000)	--	(1,955,000)
Operating transfer-nonexpendable trust	<u>2,445</u>	<u>--</u>	<u>--</u>	<u>2,445</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (26,306)</u>	<u>\$ 4,707,031</u>	<u>\$ 2,057,909</u>	<u>\$ 6,738,634</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (27,414)</u>	<u>\$ (1,632)</u>	<u>\$ (1,261,512)</u>	<u>\$ (1,290,558)</u>
FUND BALANCES AT BEGINNING OF YEAR	7,166,045	1,408,179	3,191,410	11,765,634
Residual equity transfer	<u>(132,115)</u>	<u>--</u>	<u>(132,115)</u>	<u>--</u>
FUND BALANCES AT END OF YEAR	<u>\$ 7,006,516</u>	<u>\$ 1,406,547</u>	<u>\$ 2,062,013</u>	<u>\$ 10,475,076</u>

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003

Net change in fund balances - total governmental funds \$ (1,290,558)

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	\$	5,101,971	
Less expenditures not capitalized		(1,958,459)	
Depreciation expense reported in the statement of activities		<u>(1,631,273)</u>	
Amount by which capital outlays are greater than depreciation in the current period.			1,512,239

The net effect of various miscellaneous transactions involving capital asset sales, trade-ins, and donations and changes in accrual of revenues that do not provide current financial resources (32,915)

Internal service funds are used by management to charge the costs of fleet machinery and equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (159,438)

Some capital assets acquired during the year were financed with loans. The amount of the loan is reported in the governmental funds as a source of financing. In the statement of net assets however, loans are not reported as a financing source, but rather constitute a long-term liability. The amount of loans reported in the governmental funds statement is: (5,800,870)

Certain employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by: 919

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 (14,775)

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 is: 5,801,500

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 \$ 1,249,186
The amount of interest accrued during the current period (1,233,673)
Interest paid is greater (less) than interest accrued by 15,513

Change in net assets - governmental activities \$ 31,615

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

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				GOVERNMENTAL
	ELECTRIC AND WATER UTILITY	WASTE- WATER UTILITY	OTHER ENTERPRISE FUNDS	TOTAL	ACTIVITIES- INTERNAL SERVICE FUND
ASSETS					
CURRENT ASSETS					
Cash	\$ 769,661	\$ 1,059,111	\$ 278,843	\$ 2,107,615	\$ 469,267
Investments	1,815,709	--	--	1,815,709	--
Taxes receivable	--	41,162	457,574	498,736	--
Accounts receivable	1,958,893	47,183	103,773	2,109,849	--
Due from other funds	71,914	607,777	--	679,691	3,969
Due from other governments	--	344	--	344	1,544
Inventories	<u>732,175</u>	<u>74,942</u>	<u>--</u>	<u>807,117</u>	<u>102,225</u>
TOTAL CURRENT ASSETS	<u>\$ 5,348,352</u>	<u>\$ 1,830,519</u>	<u>\$ 840,190</u>	<u>\$ 8,019,061</u>	<u>\$ 577,005</u>
NONCURRENT ASSETS					
Restricted assets, cash and investments	\$ 3,142,578	\$ 2,354,210	\$ --	\$ 5,496,788	\$ --
Deferred debits	169,510	--	--	169,510	--
Other assets	<u>270</u>	<u>250</u>	<u>--</u>	<u>520</u>	<u>--</u>
	<u>\$ 3,312,358</u>	<u>\$ 2,354,460</u>	<u>\$ --</u>	<u>\$ 5,666,818</u>	<u>\$ --</u>
Capital assets, at cost	\$ 61,062,066	\$ 44,592,080	\$ 551,207	\$ 106,205,353	\$ 6,313,421
Less accumulated depreciation	<u>(17,771,203)</u>	<u>(6,678,405)</u>	<u>(413,195)</u>	<u>(24,862,803)</u>	<u>(3,497,380)</u>
Net capital assets	<u>\$ 43,290,863</u>	<u>\$ 37,913,675</u>	<u>\$ 138,012</u>	<u>\$ 81,342,550</u>	<u>\$ 2,816,041</u>
TOTAL NONCURRENT ASSETS	<u>\$ 46,603,221</u>	<u>\$ 40,268,135</u>	<u>\$ 138,012</u>	<u>\$ 87,009,368</u>	<u>\$ 2,816,041</u>
 TOTAL ASSETS AND OTHER DEBITS	 <u>\$ 51,951,573</u>	 <u>\$ 42,098,654</u>	 <u>\$ 978,202</u>	 <u>\$ 95,028,429</u>	 <u>\$ 3,393,046</u>

(Continued on page 31)

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF NET ASSETS - Continued
PROPRIETARY FUNDS
DECEMBER 31, 2003

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
	ELECTRIC AND WATER UTILITY	WASTE- WATER UTILITY	OTHER ENTERPRISE FUNDS	TOTAL	ACTIVITIES- INTERNAL SERVICE FUND
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 1,449,305	\$ 104,823	\$ 19,041	\$ 1,573,169	\$ 107,080
Due to other funds	1,411,355	36,334	52,068	1,499,757	1,314
Due to other governments	--	20	--	20	--
Accrued salaries, wages and compensated absences	919,522	28,153	16,116	963,791	19,205
Current portion of long-term debt	--	1,221,542	1,345	1,222,887	138,432
Deferred revenues	--	--	678,732	678,732	--
Customer advances	<u>1,766,076</u>	<u>--</u>	<u>--</u>	<u>1,766,076</u>	<u>--</u>
TOTAL CURRENT LIABILITIES	<u>\$ 5,546,258</u>	<u>\$ 1,390,872</u>	<u>\$ 767,302</u>	<u>\$ 7,704,432</u>	<u>\$ 266,031</u>
CURRENT LIABILITIES PAYABLE					
FROM RESTRICTED ASSETS					
Accrued interest	\$ 20,417	\$ --	\$ --	\$ 20,417	\$ --
Current portion mortgage revenue bonds	<u>425,000</u>	<u>--</u>	<u>--</u>	<u>425,000</u>	<u>--</u>
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>\$ 445,417</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 445,417</u>	<u>\$ --</u>
NONCURRENT LIABILITIES					
Capital leases payable	\$ --	\$ 153,762	\$ --	\$ 153,762	\$ --
Long-term obligations	<u>5,291,813</u>	<u>20,070,257</u>	<u>95,980</u>	<u>25,458,050</u>	<u>890,744</u>
TOTAL NONCURRENT LIABILITIES	<u>\$ 5,291,813</u>	<u>\$ 20,224,019</u>	<u>\$ 95,980</u>	<u>\$ 25,611,812</u>	<u>\$ 890,744</u>
TOTAL LIABILITIES	<u>\$ 11,283,488</u>	<u>\$ 21,614,891</u>	<u>\$ 863,282</u>	<u>\$ 33,761,661</u>	<u>\$ 1,156,775</u>
NET ASSETS					
Invested in capital assets, net of related debt	\$ 37,574,050	\$ 17,094,797	\$ 138,012	\$ 54,806,859	\$ 1,786,865
Restricted for debt services	1,356,085	--	--	1,356,085	--
Restricted for other activities	--	2,354,210	--	2,354,210	449,406
Unrestricted	<u>1,737,950</u>	<u>1,034,756</u>	<u>(23,092)</u>	<u>2,749,614</u>	<u>--</u>
TOTAL NET ASSETS	<u>\$ 40,668,085</u>	<u>\$ 20,483,763</u>	<u>\$ 114,920</u>	<u>\$ 61,266,768</u>	<u>\$ 2,236,271</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 51,951,573</u>	<u>\$ 42,098,654</u>	<u>\$ 978,202</u>	<u>\$ 61,266,768</u>	<u>\$ 3,393,046</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>(14,350)</u>	
Net assets of business-type activities on statement of activities.				<u>\$ 61,252,418</u>	

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2003

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
	ELECTRIC AND WATER UTILITY	WASTE- WATER UTILITY	OTHER ENTERPRISE FUNDS	TOTAL	ACTIVITIES- INTERNAL SERVICE FUND
	UTILITY	UTILITY	FUNDS	TOTAL	FUND
OPERATING REVENUES					
Charges for services	\$ 20,946,805	\$ 4,064,932	\$ 782,911	\$ 25,794,648	\$ 1,282,392
OPERATING EXPENSES					
Operations	\$ 14,812,826	\$ 556,758	\$ 655,419	\$ 16,025,003	\$ 954,455
Maintenance	1,053,361	589,890	--	1,643,251	--
General	501,359	415,181	88,141	1,004,681	--
Depreciation	1,928,504	989,459	24,933	2,942,896	447,592
Taxes	950,810	--	--	950,810	--
TOTAL OPERATING EXPENSES	<u>\$ 19,246,860</u>	<u>\$ 2,551,288</u>	<u>\$ 768,493</u>	<u>\$ 22,566,641</u>	<u>\$ 1,402,047</u>
OPERATING INCOME	<u>\$ 1,699,945</u>	<u>\$ 1,513,644</u>	<u>\$ 14,418</u>	<u>\$ 3,228,007</u>	<u>\$ (119,655)</u>
NONOPERATING REVENUE (EXPENSE)					
Interest income	\$ 353,999	\$ 34,615	\$ 20	\$ 388,634	\$ --
Interest and fiscal charges	(261,204)	(605,989)	(4,773)	(871,966)	(63,075)
Amortization of debt issue costs	(11,808)	--	--	(11,808)	--
Contributions from customers	555,640	--	--	555,640	--
Miscellaneous	--	1,438	--	1,438	9,717
Other nonoperating expenses	--	--	--	--	(775)
TOTAL NONOPERATING REVENUE	<u>\$ 636,627</u>	<u>\$ (569,936)</u>	<u>\$ (4,753)</u>	<u>\$ 61,938</u>	<u>\$ (54,133)</u>
INCOME BEFORE					
OPERATING TRANSFERS	<u>\$ 2,336,572</u>	<u>\$ 943,708</u>	<u>\$ 9,665</u>	<u>\$ 3,289,945</u>	<u>\$ (173,788)</u>
TRANSFER TO (FROM) OTHER FUNDS					
Transfers to general fund	\$ (528,634)	\$ (475,000)	\$ --	\$ (1,003,634)	\$ --
TOTAL TRANSFER TO (FROM)					
OTHER FUNDS	<u>\$ (528,634)</u>	<u>\$ (475,000)</u>	<u>\$ --</u>	<u>\$ (1,003,634)</u>	<u>\$ --</u>
CHANGE IN NET ASSETS	<u>\$ 1,807,938</u>	<u>\$ 468,708</u>	<u>\$ 9,665</u>	<u>\$ 2,286,311</u>	<u>\$ (173,788)</u>
NET ASSETS - January 1	<u>38,860,147</u>	<u>20,015,055</u>	<u>105,255</u>		<u>2,410,059</u>
NET ASSETS - December 31	<u>\$ 40,668,085</u>	<u>\$ 20,483,763</u>	<u>\$ 114,920</u>		<u>\$ 2,236,271</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund:				<u>(14,350)</u>	
Change in net assets of business-type activities on statement of activities.				<u>\$ 2,271,961</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, 2003

	BUSINESS-TYPE ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	ELECTRIC AND WATER	WASTEWATER	OTHER ENTERPRISE FUNDS		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 25,156,123	\$ 239,495	\$ 996,544	\$ 26,392,162	\$ 1,282,525
Payments to wastewater utility (collection of wastewater revenue)	(3,800,160)	3,800,160	--	--	--
Payments to suppliers and vendors	(14,858,196)	(659,076)	(57,056)	(15,574,328)	(472,806)
Payments to employees	(2,649,486)	(841,510)	(627,568)	(4,118,564)	(344,178)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 3,848,281	\$ 2,539,069	\$ 311,920	\$ 6,699,270	\$ 465,541
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer to governmental funds	\$ (528,634)	\$ (475,000)	\$ --	\$ (1,003,634)	\$ --
TOTAL CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES	\$ (528,634)	\$ (475,000)	\$ --	\$ (1,003,634)	\$ --
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of fixed assets	\$ (2,924,761)	\$ (1,274,713)	\$ (41,488)	\$ (4,240,962)	\$ (335,882)
Cost of retiring fixed assets	(127,214)	(844)	--	(128,058)	--
Interest paid	(262,616)	(605,989)	(4,773)	(873,378)	(63,075)
Proceeds from sale of fixed assets	97,700	--	--	97,700	9,717
Proceeds from bonds payable	--	1,653,209	--	1,653,209	--
Principal payments of bonds payable	(410,000)	(1,048,333)	--	(1,458,333)	(135,101)
Contributed capital	540,108	--	--	540,108	--
Contributions refunded	(212,946)	--	--	(212,946)	--
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (3,299,729)	\$ (1,276,670)	\$ (46,261)	\$ (4,622,660)	\$ (524,341)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	\$ 280,611	\$ 34,615	\$ 20	\$ 315,246	\$ --
Purchase of investments	(91,670)	--	--	(91,670)	--
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 188,941	\$ 34,615	\$ 20	\$ 223,576	\$ --
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 208,859	\$ 822,014	\$ 265,679	\$ 1,296,552	\$ (58,800)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,662,059	2,591,307	13,164	6,266,530	\$ 528,067
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,870,918	\$ 3,413,321	\$ 278,843	\$ 7,563,082	\$ 469,267

(Continued on page 34)

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, 2003

	BUSINESS-TYPE ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	ELECTRIC AND WATER	WASTEWATER	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income	\$ 1,699,945	\$ 1,513,644	\$ 14,418	\$ 3,228,007	\$ (119,655)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation charged to depreciation expense	1,643,241	989,459	24,933	2,657,633	447,592
Depreciation charged to clearing account	239,296	--	--	239,296	--
Amortization of deferred assets	216,064	--	--	216,064	--
Charges for Public Benefits program	201,261	--	--	201,261	--
Loss on fixed asset disposals	--	2,282	--	2,282	37,368
Changes in assets and liabilities					
(Increase) decrease in assets					
Accounts receivable	(249,898)	(128,922)	(453,114)	(831,934)	64
Due from other funds	83,268	103,778	--	187,046	(9)
Inventories	47,010	(3,685)	--	43,325	40,106
Increase (decrease) in current liabilities					
Accounts payable	348,689	58,568	8,908	416,165	51,235
Due to other funds	(329,545)	5,280	52,008	(272,257)	77
Other accrued expenses	(51,050)	(1,335)	664,767	612,382	9,537
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,848,281</u>	<u>\$ 2,539,069</u>	<u>\$ 311,920</u>	<u>\$ 6,699,270</u>	<u>\$ 466,315</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR					
Cash	\$ 2,494,416	\$ 1,059,111	\$ 278,843	\$ 3,832,370	\$ 469,267
Revenue bond special redemption investments	1,226,502	--	--	1,226,502	--
Revenue bond depreciation investments	150,000	2,354,210	--	2,504,210	--
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 3,870,918</u>	<u>\$ 3,413,321</u>	<u>\$ 278,843</u>	<u>\$ 7,563,082</u>	<u>\$ 469,267</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Dividends reinvested	<u>\$ 62,331</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 62,331</u>	<u>\$ --</u>

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

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2003

	AGENCY FUNDS
ASSETS	
Cash and equivalents	\$ 4,617,797
Investments	113,600
Taxes receivable	9,551,182
Other receivables	15,489
TOTAL ASSETS	\$ 14,298,068
LIABILITIES AND NET ASSETS	
Accounts payable	\$ 131,990
Other accrued expenses	232,800
Due to other governments	13,933,278
TOTAL LIABILITIES	\$ 14,298,068
NET ASSETS	
Restricted	--
TOTAL NET ASSETS	\$ --
TOTAL LIABILITIES AND NET ASSETS	\$ 14,298,068

The accompanying notes are an integral part of these statements.

NOTES
TO THE
FINANCIAL STATEMENTS

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

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, 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.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

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 expenditure/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.

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

Government-wide Statements - The government-wide statement of net assets and statement of activities report the overall financial activity of the City, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) fines, fees, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. 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.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 1 - Summary of Significant Accounting Policies - Continued

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.

The City reports the following major proprietary funds:

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

Sewer - This fund accounts for the maintenance of the City's 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.

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, proprietary, and fiduciary 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 2003 that will be collected in 2004 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.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

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.

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. Unbilled utility services at year end are recognized as revenues and receivables in the accompanying financial statements.

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.

CITY OF MARSHFIELD, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2003

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, 2003, 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.

Compensated absence expenditures and liabilities are recorded and adjusted to December 31st salaries/wages at the close of each fiscal year.

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.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

Quasi-external transactions are accounted for as revenue, expenditures, or expenses. 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/expense in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Accounting Change

Effective January 1, 2003, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. These statements establish new financial reporting requirements and significantly change the format and content of the City's financial statements. They require new information and restructure much of the information that the City has presented in the past.

CITY OF MARSHFIELD, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2003

NOTE 1 - Summary of Significant Accounting Policies - Continued

Accounting Change - Continued

Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. The government-wide financial statements include a statement of net assets and statement of activities. These financial statements do not provide information by fund or accounting group, but distinguish between the City's governmental activities, business-type activities, and activities of its discretely presented component units. The City's statement of net assets includes both non-current assets and non-current liabilities of the City, which were previously reported in the General Fixed Assets Account Group and the General Long-term Obligations Account Group, respectively. In addition to the capital assets previously reported in the General Fixed Assets Account Group, the City retroactively capitalized all infrastructure assets.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus for governmental funds. Accordingly, the accounting and financial reporting for the City's governmental funds is similar to that previously presented in the City's financial statements.

Statement No. 34 also requires, as supplementary information, a Management's Discussion and Analysis, which includes analytical overview of the City's financial activities. In addition, a budgetary comparison schedule is presented that compares the adopted and modified General Fund budget with actual results.

The implementation of GASB 34 resulted in the need to restate prior year ending balances. The following adjustments were necessary.

Financial statements for the year ended December 31, 2002 were issued in conformance with generally accepted accounting principles. GASB Statement No. 34 requires certain amounts be restated. The reconciliation of restated amounts to the December 31, 2002 year end balance is:

GOVERNMENTAL ACTIVITIES	
Total equity and other credits reported for December 31, 2002	\$ 105,472,818
Less:	
Investment in general fixed assets	(29,553,614)
Total equity enterprise fund	<u>(61,744,511)</u>
Beginning fund balance reported on governmental funds statement of revenues, expenditures and changes in fund balance, as adjusted	\$ 14,175,693

The following adjustments are necessary to determine the beginning net assets for the statement of activities:

Capital asset related items	
Capital assets reported on December 31, 2002	71,926,971
Accumulated depreciation for governmental type capital assets through December 31, 2002	(20,845,509)
Long-term outstanding obligations items	
Long-term obligations as of December 31, 2002	(25,293,836)
Accrued interest payable at December 31, 2002	(325,567)
Deferred revenue items	
Items deferred since they were not available at December 31, 2002	996,654

The following prior period adjustment was necessary to determine the beginning net assets:

During the year, the City issued G.O. refunding bonds to fully pay off its prior service liability with the Wisconsin Retirement System (WRS). The enterprise funds' share of this liability could not reasonable be calculated in prior years, but was allocated with the debt issuance.	<u>810,821</u>
Beginning net assets reported on statement of activities for governmental activities	<u>\$ 41,445,227</u>

CITY OF MARSHFIELD, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2003

NOTE 1 - Summary of Significant Accounting Policies - Continued

BUSINESS TYPE ACTIVITIES

Total retained earnings reported for December 31, 2002	\$ 51,791,277
Plus:	
Contributions in aid of construction	8,577,623
Beginning net assets, as adjusted	<u>\$ 59,791,277</u>

The following prior period adjustment was necessary to determine the beginning net assets:

During the year, the City issued G.O. refunding bonds to fully pay off its prior service liability with the WRS. The Utility's share of this liability could not reasonable be calculated in prior years, but was calculated with the debt issuance.	<u>(810,820)</u>
Beginning net assets reported on statement of activities for business type activities	<u>\$ 58,980,457</u>

Effective January 1, 2003, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This statement modifies, establishes, and rescinds certain financial statement note disclosures. The financial statements have been prepared in conformance with this statement.

Effective January 1, 2003, the City adopted the provisions of Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This interpretation clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in governmental funds. There was no significant impact on the City's financial statements as a result of adopting this interpretation.

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.

NOTE 2 - Cash and Investments

The City is required to invest its funds in accordance with Wisconsin Statutes. State statutes allow the following types of investments:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
3. Bonds issued by any local exposition district, local professional baseball park district, or the University of Wisconsin Hospitals and Clinics Authority.
4. Bonds or securities issued or guaranteed by the federal government or by a commission, board, or other instrumentality of the federal government.
5. The local government investment pool.
6. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
7. Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 2 - Cash and Investments - Continued

8. Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board, or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.
9. Any bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements, and may sell or hypothecate these bonds or securities.

No significant violations of these restrictions occurred during the year.

The City's cash and investments are categorized below to give an indication of the level of risk assumed by the entity at year end.

- Category 1: Includes deposits that are insured, registered or for which the collateral securities are held by the City or its agent in the City's name. This includes FDIC or equivalent insurance coverage. This category also includes investments in U.S. government securities.
- Category 2: Includes uninsured and unregistered deposits for which the collateral securities are held by the dealer's trust department or agent in the City's name.
- Category 3: Includes all other uninsured and uncollateralized cash and investments. These deposits may be guaranteed by the Wisconsin State Deposit Guarantee Fund. This coverage is provided for up to \$400,000 per depository, but is not certain due to the limited size of the fund.

The difference between the cash deposits bank balance and carrying value is due to outstanding checks and/or deposits in transit. Due to large property tax collections in January and at the end of December, the City's uncollateralized cash deposits are typically at their highest at those times. The City had no significant type of cash and investments during the year not included below.

Cash Deposits

<u>DEPOSITORY</u>	<u>DEPOSITORY BALANCES BY CATEGORY</u>			<u>TOTAL</u>	<u>CARRYING AMOUNT</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Community Bank					
General operations	\$ 263,803	\$ 1,799,737	\$ --	\$ 2,063,540	\$ 2,044,493
Utility	100,000	191,984	--	291,984	264,733
Total Cash Deposits	<u>\$ 363,803</u>	<u>\$ 1,991,721</u>	<u>\$ --</u>	<u>\$ 2,355,524</u>	<u>\$ 2,309,226</u>
Other cash					8,640
Total Cash Deposit, December 31, 2003					<u>\$ 2,317,866</u>

Investments

<u>TYPE OF INVESTMENT</u>	<u>FAIR VALUE</u>	<u>CARRYING AMOUNT</u>
Federal Home Loan Consolidation Bonds	<u>\$ 6,199,136</u>	\$ 6,191,792
State of Wisconsin Investment Pool	<u>\$ 16,230,000</u>	16,243,108
American Transmission Co., LLC	<u>\$ 1,815,709</u>	1,815,709
Total Investments, December 31, 2003		<u>\$ 24,250,609</u>
Total Cash Deposits And Investments, December 31, 2003		<u>\$ 26,568,475</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 2 - Cash and Investments - Continued

Restricted cash and investments on December 31, 2003, consisted of \$3,772,033 restricted for mortgage revenue bond requirements and \$2,000 restricted for the cemetery.

Fair (Market) value of Investments – Investments are reported at fair value. At December 31, 2003, the fair value of the City's investments approximated original cost, therefore no fair value adjustments were necessary.

Determining Fair Value – Fair value of the City's investments are determined as follows:

- 1) Investments with stated interest rates (savings accounts, CD's, repos) 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, 2003, the Pool's fair value was 99.9193 percent of book value.

Other investment – The Electric Utility invested \$1,583,000 in American Transmission Company, LLC (ATC). ATC is an electric power group consisting of 26 Wisconsin Electric utilities. The Utility's initial 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 2003 year-end the Utility received cash distributions totaling \$249,284. The Utility's total earnings for 2003 were \$312,066. Separate financial information for ATC was not available.

Income Allocation - Investment income is allocated to the fund that owns the investment.

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 2003 tax roll (levied for 2004) 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:

	<u>Balance 1/1/03</u>	<u>Additions</u>	<u>Payments & Foreclosures</u>	<u>Balance 12/31/03</u>
Community Development Block				
Grant Program	\$ 327,645	\$ --	\$ 22,400	\$ 305,245
Residential Revolving Loan	<u>176,330</u>	<u>24,482</u>	<u>40,028</u>	<u>160,784</u>
TOTAL	<u>\$ 503,975</u>	<u>\$ 24,482</u>	<u>\$ 62,428</u>	<u>\$ 466,029</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 5 - Capital Assets

Capital asset activity for the year ended December 31, 2003, was as follows:

	<u>BALANCES</u> <u>1/1/03</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCES</u> <u>12/31/03</u>
GOVERNMENTAL ACTIVITIES				
<i>Capital assets not being depreciated:</i>				
Land	\$ 7,642,304	\$ --	\$ 30,679	\$ 7,611,625
Total capital assets not being depreciated	<u>\$ 7,642,304</u>	<u>\$ --</u>	<u>\$ 30,679</u>	<u>\$ 7,611,625</u>
<i>Capital assets being depreciated</i>				
Buildings	\$ 15,470,056	\$ 186,466	\$ 66,636	\$ 15,589,886
Infrastructure	40,818,789	2,604,928	--	43,423,717
Improvements other than buildings	1,414,559	27,727	--	1,442,286
Machinery and equipment	12,807,885	660,275	615,115	12,853,042
Total capital assets being depreciated	<u>\$ 70,511,289</u>	<u>\$ 3,479,393</u>	<u>\$ 681,751</u>	<u>\$ 73,308,931</u>
Less accumulated depreciation for:				
Buildings	\$ 5,544,247	\$ 331,410	\$ 66,636	\$ 5,809,021
Infrastructure	8,995,453	1,017,507	--	10,012,960
Improvements other than buildings	266,300	64,646	--	330,946
Machinery and equipment	9,301,012	665,301	568,955	9,397,358
Total accumulated depreciation	<u>\$ 24,107,012</u>	<u>\$ 2,078,864</u>	<u>\$ 635,591</u>	<u>\$ 25,550,285</u>
Total capital assets being depreciated, net	<u>\$ 46,404,277</u>	<u>\$ 1,400,529</u>	<u>\$ 46,160</u>	<u>\$ 47,758,646</u>
Government Activity Capital Assets, Net	<u>\$ 54,046,581</u>	<u>\$ 1,400,529</u>	<u>\$ 76,839</u>	<u>\$ 55,370,271</u>

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$ 606,077
Public safety	178,142
Public works	1,061,990
Culture, recreation, and education	224,410
Conservation and development	<u>8,245</u>
Total	<u>\$ 2,078,864</u>

CITY OF MARSHFIELD, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2003

NOTE 5 - Capital Assets - Continued

	BALANCES 1/1/03	ADDITIONS	RETIREMENTS	BALANCES 12/31/03
BUSINESS-TYPE ACTIVITIES				
<i>Capital assets not being depreciated:</i>				
Land	\$ 833,272	\$ --	\$ --	\$ 833,272
Construction in progress	<u>1,668,755</u>	<u>1,163,570</u>	<u>1,668,755</u>	<u>1,163,570</u>
Total capital assets not being depreciated	<u>\$ 2,502,027</u>	<u>\$ 1,163,570</u>	<u>\$ 1,668,755</u>	<u>\$ 1,996,842</u>
<i>Capital assets being depreciated</i>				
Buildings	\$ 27,029,283	\$ 540,137	\$ 72,359	\$ 27,497,061
Infrastructure/systems	57,591,105	3,388,285	389,196	60,590,194
Machinery and equipment	<u>15,648,175</u>	<u>817,888</u>	<u>344,806</u>	<u>16,121,257</u>
Total capital assets being depreciated	<u>\$ 100,268,563</u>	<u>\$ 4,746,310</u>	<u>\$ 806,361</u>	<u>\$ 104,208,512</u>
Less accumulated depreciation for:				
Buildings	\$ 4,856,897	\$ 741,563	\$ 75,115	\$ 5,523,345
Infrastructure/systems	13,234,030	1,365,390	414,093	14,185,327
Machinery and equipment	<u>4,626,988</u>	<u>789,977</u>	<u>262,833</u>	<u>5,154,132</u>
Total accumulated depreciation	<u>\$ 22,717,915</u>	<u>\$ 2,896,930</u>	<u>\$ 752,041</u>	<u>\$ 24,862,804</u>
Total capital assets being depreciated, net	<u>\$ 77,550,648</u>	<u>\$ 1,849,380</u>	<u>\$ 54,320</u>	<u>\$ 79,345,708</u>
Business-Type Activity Capital Assets, Net	<u>\$ 80,052,675</u>	<u>\$ 3,012,950</u>	<u>\$ 1,723,075</u>	<u>\$ 81,342,550</u>

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

Electric and Water	\$ 1,882,538
Wastewater	989,459
Emergency Medical Services	<u>24,933</u>
Total	<u>\$ 2,896,930</u>

NOTE 6 -- LEASES

Operating Lease – The Electric and Water Utility has entered into five 25-year noncancellable operating leases with Chicago and Northwestern Transportation Company. These leases contained a one time charge totaling \$16,050. An amount of \$642 is expensed annually to amortize these leases which expire in 2004.

Capital Lease – The City has entered into a 5-year capital lease agreement as lessee for financing the acquisition of a truck for its Wastewater Utility. Future lease payments include interest at 3.99% per annum. This vehicle is included in Capital Assets of the Enterprise Funds as Machinery and Equipment of \$196,112 less Accumulated Depreciation of \$16,343 at December 31, 2003.

Maturities of the capital lease obligation at December 31, 2003 is:

YEARS	ENTERPRISE FUND LEASE	
	PRINCIPAL	INTEREST
2004	\$ 36,214	\$ 6,136
2005	37,660	4,691
2006	39,162	3,188
2007	<u>40,726</u>	<u>1,625</u>
	<u>\$ 153,762</u>	<u>\$ 15,640</u>

CITY OF MARSHFIELD, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2003

NOTE 7 - Long-Term Obligations

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

Summary of Long-Term Obligations

	<u>BALANCES</u> <u>1/1/03</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCES</u> <u>12/31/03</u>	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
GOVERNMENTAL ACTIVITIES					
General obligation debt					
State Trust Fund Loans	\$ 2,244,490	\$ --	\$ 261,601	\$ 1,982,889	\$ 264,179
Bonds payable	5,510,000	5,305,000	3,015,821	7,799,179	299,527
Notes payable	15,449,324	2,385,000	2,266,979	15,567,345	2,210,000
Other long-term obligations					
Prior service pension liability	2,184,703	--	2,184,703	--	--
Vacation pay and comp time	258,775	--	919	257,856	--
Total Governmental Activities	<u>\$ 25,647,292</u>	<u>\$ 7,690,000</u>	<u>\$ 7,730,023</u>	<u>\$ 25,607,269</u>	<u>\$ 2,773,706</u>
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds	\$ --	\$ 810,820	\$ --	\$ 810,820	\$ 11,209
Mortgage Revenue Bonds	26,256,098	1,605,256	1,566,237	26,295,117	1,636,678
Total Business-Type Activities	<u>\$ 26,256,098</u>	<u>\$ 2,416,076</u>	<u>\$ 1,566,237</u>	<u>\$ 27,105,937</u>	<u>\$ 1,647,887</u>

CITY OF MARSHFIELD, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2003

NOTE 7 - Long-Term Obligations - Continued

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, 2003, is comprised of the following issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>DATES OF MATURITY</u>	<u>BALANCE</u> <u>12/31/03</u>
State Trust Fund Loans			
8-93	6.00	3-13	\$ 165,131
10-95	6.25	3-15	580,389
7-97	5.75	3-07	70,400
8-97	6.00	3-07	229,600
2-98	5.75	3-07	92,222
3-99	5.25	3-09	225,657
2-01	5.50	3-10	265,729
2-02	4.75	3-11	353,761
Bonds Payable			
5-93	4.00 - 5.35	4-05	20,000
3-97	5.00 - 5.10	4-16	115,000
7-97	4.875 - 5.30	6-17	1,425,000
12-98	5.15 - 6.50	10-18	1,020,000
5-01	5.50 - 6.65	3-21	725,000
1-03	2.00-4.05	4-16	2,050,000
3-03	5.13-5.70	12-22	3,255,000
Notes Payable			
10-95	7.25 - 7.95	4-05	100,000
4-96	4.45 - 4.55	4-06	405,000
12-96	9.00	1-07	7,345
7-97	4.50 - 4.625	6-07	1,110,000
4-98	3.60 - 4.50	4-08	630,000
4-99	3.90 - 4.00	4-09	1,515,000
12-99	4.40 - 5.10	4-09	865,000
3-00	5.20 - 5.25	3-10	2,415,000
5-01	3.70 - 4.50	3-11	2,385,000
5-02	3.00 - 4.25	3-12	3,750,000
1-03	2.00-3.60	3-12	2,385,000
Total General Obligation Debt			\$ 26,160,234
Less General Obligation Debt to be repaid by Enterprise Funds			(810,821)
TOTAL GOVERNMENTAL FUNDS GENERAL OBLIGATION DEBT			<u>\$ 25,349,413</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 7 - Long-Term Obligations - Continued

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, 2003, is comprised of the following issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>DATES OF MATURITY</u>	<u>BALANCE</u> <u>12/31/03</u>
Mortgage Revenue Bonds			
10-93	4.0 - 5.5	12-13	\$ 4,215,000
3-98	2.761	5-17	2,595,879
9-98	2.761	5-18	17,089,237
6-02	3.0 - 4.35	6-13	940,000
5-03	2.00-3.50	5-13	1,455,000
General Obligation Bonds			
3-03	5.13-5.70	12-22	<u>810,821</u>
TOTAL ENTERPRISE DEBT			<u>\$ 27,105,937</u>

General Obligation Debt Limit Calculation

The 2003 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$949,867,000. The legal debt limit and margin of indebtedness as of December 31, 2003 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5% of \$949,867,000)	\$ 47,493,350
Applicable long-term debt	(26,160,234)
Amount available in debt service fund	<u>1,406,547</u>
Margin Of Indebtedness	<u>\$ 22,739,663</u>

Maturities of Long-Term Obligations

Maturities of the long-term debt to maturity, at December 31, 2003, are:

<u>YEARS</u>	<u>GENERAL OBLIGATION DEBT</u>		<u>ENTERPRISE FUND DEBT</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2004	\$ 2,775,133	\$ 1,093,195	\$ 1,655,654	\$ 858,386
2005	2,860,837	974,091	1,718,225	806,890
2006	2,862,863	854,394	1,770,381	752,356
2007	2,785,002	734,814	1,835,879	694,904
2008	2,452,575	619,575	1,901,012	633,925
2009-2013	7,745,152	1,781,275	10,311,930	2,146,313
2014-2018	2,726,700	692,054	7,594,007	640,757
2019-2023	<u>1,141,152</u>	<u>161,995</u>	<u>318,848</u>	<u>47,575</u>
TOTAL	<u>\$ 25,349,414</u>	<u>\$ 6,911,393</u>	<u>\$ 27,105,936</u>	<u>\$ 6,581,106</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

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, 2003, there were six series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$16,430,000.

NOTE 9 – Prior Year Defeasance of Debt

During 2003, the City issued \$2,050,000 of general obligation refunding bonds to advance refund \$1,955,000 of general obligation corporate purpose bonds, resulting in a reduction of future debt service payments by \$62,000 and an economic gain of \$56,000.

The City placed the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2003, \$1,955,000 of bonds outstanding are considered defeased.

NOTE 10 - 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 (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.4 percent of their salary (2.6 percent for Elected Officials, 4.0 percent for Protective Occupations with Social Security, and 2.4 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.

The payroll for City of Marshfield employees covered by the WRS for the year ended December 31, 2003, was \$11,741,814; the employer's total payroll was \$11,350,487. The total required contribution for the year ended December 31, 2003, was \$1,328,037 which consisted of \$828,229 or 7.71 percent of payroll from the employer and \$499,808 or 4.65 percent of payroll from employees. Total contributions for the years ending December 31, 2002 and 2001, were \$1,383,504 and \$1,363,103 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for Elected Officials and 55 for Protective Occupation employees) 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. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment 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.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 11 - Post-Employment Benefits Other Than Pension Benefits

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. Each non-represented employee currently makes an annual contribution of \$500 on a pre-tax basis to his/her own Post Employment Health Plan. At the employees discretion, employee contributions are invested in various investment instruments offered by the plan administrator. The accumulated balance of an employee's contribution to the plan can be utilized for any future medical expenses and/or medical insurance by the former employee.

The estimated future liability for current employees is undeterminable and is not recognized in the General Long-Term Obligation Account Group. The City currently pays 1.0% of wages on non-represented employees into a liability account to fund the future obligations of the City for this plan. The City was required to pay \$15,168 from the Post Employment Health Plan during the fiscal year ended December 31, 2003. As of December 31, 2003, the city has \$216,194 accumulated for payments that may be required in the future.

NOTE 12 - Interfund Receivables, Payables, and Transfers

Individual fund interfund receivable and payable balances at December 31, 2003, are as follows:

<u>FUND</u>	<u>DUE TO</u>	<u>DUE FROM</u>
General Fund	\$ 4,388,875	\$ 82,573
Other Governmental Funds		
Capital Projects Funds		
Urban Development	--	49,774
Storm Sewer Construction	--	622
Water Main Construction	--	142,525
TID #3	--	24,035
TID #4	--	2,121,856
TID #5	--	1,149,555
TID #7	--	524
Enterprise Funds		
Electric and Water Utility	71,914	1,411,355
Wastewater Utility	607,777	36,334
Storm Water Utility	--	52,068
Internal Service Fund		
Vehicles and Equipment	3,969	1,314
	<u>\$ 5,072,535</u>	<u>\$ 5,072,535</u>

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, 2003

NOTE 12 - Interfund Receivables, Payables, and Transfers - Continued

Individual fund operating transfers during 2003 are as follows:

<u>FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General Fund	\$ 95,494	\$ 121,800
Debt Service Fund		
State Trust Fund Loans	92,642	--
Long-term Notes	787,834	--
Refunding Bonds	3,687	--
Other Governmental Funds		
Special Revenue Funds		
Room Tax	--	181,923
Convention and Visitors Bureau	136,923	--
Community Development Block Grant	--	22,400
Community Rehab Revolving Loans	9,000	--
Revolving Loan	22,400	--
Utility Dividend	--	625,802
Capital Projects Funds		
Street Construction	592,702	--
Storm Sewer Construction	112,800	--
Fire Protection	--	1,246
Sanitary Sewer Construction	--	4,949
Parks and Recreation Capital Projects	45,000	--
Water Main Construction	--	55,000
TID #3	--	22,442
TID #2	--	70,200
TID #4	--	115,477
TID #6	--	63,808
TID #5	--	610,990
Permanent Fund		
Perpetual Fund	--	2,445
	<u>\$ 1,898,482</u>	<u>\$ 1,898,482</u>

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, 2003

NOTE 13 – Fund Equity

Reservations

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 and subsequent budgets).

Deficits

The following individual funds had deficits at December 31, 2003:

Special Revenue Funds	Business Improvement District	\$	1,215
Capital Project Funds	Urban Development Fund		20,587
	Storm Sewer Construction		11,581
	Water Main Construction		142,525
	T.I.D. #3 (Tower Hall)		24,035
	T.I.D. #4 (Downtown Improvements)		2,126,112
	T.I.D. #5 (Mill Creek)		1,146,768
	T.I.D. #7 (Yellowstone Industrial Park)		524
Enterprise Funds	Storm Water Utility		60,264

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 14 - 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 15 - 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 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.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2003

NOTE 15 - Joint Ventures - Continued

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.

NOTE 16 - 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.

NOTE 17 - Subsequent Events

In April 2004, the City issued official statements for two debt issues, with a May sale date. \$3,175,000 of general obligation corporate purpose bonds will be issued for the City's 2004 capital projects, to refund \$1,280,000 of the 1997 general obligation corporate purpose bonds, and to refund \$1,019,522 in outstanding state trust fund loans. \$730,000 of taxable general obligation refunding bonds will be used to refund \$699,187 of state trust bonds.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund

- **Long-Term Notes** – to accumulate monies for payment of all long-term notes and bonds except for those notes to be paid by Proprietary Fund user fees. Property taxes are levied to finance the debt service.
- **State Trust Fund Loan** – to accumulate monies for payment of all state trust fund loans. Property taxes, including those on the Tax Incremental Districts #2 and #3, are levied to finance the debt service.
- **General Obligation Refunding Bonds** – to accumulate monies for payment of the 1993 refunding issue. Property taxes are levied to finance the debt service.

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				(UNFAVORABLE)
REVENUE				
Taxes	\$ 7,472,546	\$ 7,472,546	\$ 7,507,186	\$ 34,640
Special assessments	450,000	450,000	415,819	(34,181)
Intergovernmental revenues	7,220,915	7,443,493	7,412,156	(31,337)
Licenses and permits	121,775	121,775	201,029	79,254
Fines, forfeits and penalties	243,000	243,000	144,742	(98,258)
Public charges for services	654,171	654,171	673,142	18,971
Other revenue	<u>914,145</u>	<u>916,620</u>	<u>679,852</u>	<u>(236,768)</u>
TOTAL REVENUES	<u>\$ 17,076,552</u>	<u>\$ 17,301,605</u>	<u>\$ 17,033,926</u>	<u>\$ (267,679)</u>
EXPENDITURES				
Current				
General government	\$ 2,699,651	\$ 2,674,651	\$ 2,348,785	\$ 325,866
Public safety	7,033,088	7,044,088	6,943,438	100,650
Public works	5,025,364	4,912,564	4,443,162	469,402
Health and human services	137,886	137,886	129,354	8,532
Culture, recreation and education	2,712,532	2,712,532	2,468,992	243,540
Conservation and development	471,255	471,255	342,933	128,322
Capital outlay	<u>237,557</u>	<u>247,032</u>	<u>358,370</u>	<u>(111,338)</u>
TOTAL EXPENDITURES	<u>\$ 18,317,333</u>	<u>\$ 18,200,008</u>	<u>\$ 17,035,034</u>	<u>\$ 1,164,974</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,240,781)</u>	<u>\$ (898,403)</u>	<u>\$ (1,108)</u>	<u>\$ 897,295</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 852,254	\$ 854,254	\$ 93,049	\$ (761,205)
Operating transfers out	--	(121,800)	(121,800)	--
Operating transfer-nonexpendable trust	<u>--</u>	<u>--</u>	<u>2,445</u>	<u>(2,445)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 852,254</u>	<u>\$ 732,454</u>	<u>\$ (26,306)</u>	<u>\$ (758,760)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (388,527)</u>	<u>\$ (165,949)</u>	<u>\$ (27,414)</u>	<u>\$ 138,535</u>
FUND BALANCES AT BEGINNING OF YEAR	7,166,045	7,166,045	7,166,045	--
Residual Equity Transfer	<u>--</u>	<u>--</u>	<u>(132,115)</u>	<u>(132,115)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,777,518</u>	<u>\$ 7,000,096</u>	<u>\$ 7,006,516</u>	<u>\$ 6,420</u>

CITY OF MARSHFIELD, WISCONSIN
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes	\$ 2,259,927	\$ 2,259,927	\$ 2,259,927	\$ --
TOTAL REVENUES	<u>\$ 2,259,927</u>	<u>\$ 2,259,927</u>	<u>\$ 2,259,927</u>	<u>\$ --</u>
EXPENDITURES				
Current				
Principal retirement	\$ 2,641,499	\$ 2,641,499	\$ 5,735,630	\$ (3,094,131)
Interest and fiscal charges	<u>1,046,413</u>	<u>1,046,413</u>	<u>1,232,960</u>	<u>(186,547)</u>
TOTAL EXPENDITURES	<u>\$ 3,687,912</u>	<u>\$ 3,687,912</u>	<u>\$ 6,968,590</u>	<u>\$ (3,280,678)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,427,985)</u>	<u>\$ (1,427,985)</u>	<u>\$ (4,708,663)</u>	<u>\$ (3,280,678)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ --	\$ --	\$ 3,252,868	\$ 3,252,868
Proceeds of refunding bonds	--	--	2,050,000	2,050,000
Transfer from Enterprise Fund	475,000	475,000	475,000	--
Operating transfers in	105,612	105,612	884,163	778,551
Payment to refunding bond escrow agent	<u>--</u>	<u>--</u>	<u>(1,955,000)</u>	<u>(1,955,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 580,612</u>	<u>\$ 580,612</u>	<u>\$ 4,707,031</u>	<u>\$ 4,126,419</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (847,373)</u>	<u>\$ (847,373)</u>	<u>\$ (1,632)</u>	<u>\$ 845,741</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,408,179</u>	<u>1,408,179</u>	<u>1,408,179</u>	<u>--</u>
FUND BALANCES AT END OF YEAR	<u>\$ 560,806</u>	<u>\$ 560,806</u>	<u>\$ 1,406,547</u>	<u>\$ 845,741</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
DECEMBER 31, 2003

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. The Common Council properly authorized all supplemental appropriations during the year, totaling \$86,175.

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. The Economic Development Special Revenue Fund, Residential Revolving Loan Special Revenue Fund, Commercial Interest Subsidy Special Revenue Fund, and the East Industrial Park Improvement Special Revenue Fund had no budgeted expenditures since effective control is achieved through alternative procedures. The capital project funds are 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, 2003, expenditures exceeded budgeted amounts for capital outlay in the general fund by \$111,338, and for principal and interest in the debt service fund by \$3,094,131 and \$186,547, respectively. These over expenditures were funded by available fund balance in the general fund and greater than anticipated revenues in the debt service fund.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs

- **Cemetery Perpetual Care Fund** – to account for the accumulation of resources to be used for the perpetual care of the City's cemetery. The principal amount of the monies received are maintained intact and invested. Investment earnings are received in the General Fund and used to offset perpetual care costs.

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2003

	SPECIAL REVENUE	CAPITAL PROJECTS	PERMANENT FUND PERPETUAL CARE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and equivalents	\$ 2,330,502	\$ 2,094,154	\$ 149,343	\$ 4,573,999
Receivables				
Taxes	66,482	701,269	--	767,751
Loans	1,324,773	--	--	1,324,773
Other	2,195	4,434	--	6,629
Prepays	2,247	--	--	2,247
Due from other governments	64,242	69,395	--	133,637
TOTAL ASSETS	\$ 3,790,441	\$ 2,869,252	\$ 149,343	\$ 6,809,036
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 29,483	\$ 89,469	\$ --	\$ 118,952
Due to				
Other funds	--	3,488,891	--	3,488,891
Other governments	--	10,044	--	10,044
Deferred revenues	106,172	1,022,964	--	1,129,136
TOTAL CURRENT LIABILITIES	\$ 135,655	\$ 4,611,368	\$ --	\$ 4,747,023
FUND BALANCES				
Reserved for				
Special revenue funds	\$ 3,654,786	\$ --	\$ --	\$ 3,654,786
Capital projects	--	(1,742,116)	--	(1,742,116)
Other activities	--	--	149,343	149,343
TOTAL FUND BALANCES	\$ 3,654,786	\$ (1,742,116)	\$ 149,343	\$ 2,062,013
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,790,441	\$ 2,869,252	\$ 149,343	\$ 6,809,036

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	ROOM TAX FUND	CONVENTION & VISITORS BUREAU FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	ECONOMIC DEVELOPMENT FUND	COMMUNITY REHAB REVOLVING LOAN
ASSETS					
Cash and equivalents	\$ 151,374	\$ 161,964	\$ --	\$ 692,055	\$ 4,313
Receivables					
Taxes	--	--	--	34,276	--
Loans	--	--	305,245	858,744	--
Other	--	--	--	--	--
Prepays	--	2,247	--	--	--
Due from other governments	--	--	--	--	--
TOTAL ASSETS	<u>\$ 151,374</u>	<u>\$ 164,211</u>	<u>\$ 305,245</u>	<u>\$ 1,585,075</u>	<u>\$ 4,313</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --
Deferred revenues	--	--	--	50,000	--
TOTAL CURRENT LIABILITIES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 50,000</u>	<u>\$ --</u>
FUND BALANCES					
Reserved for					
Special revenue funds	<u>151,374</u>	<u>164,211</u>	<u>305,245</u>	<u>1,535,075</u>	<u>4,313</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 151,374</u>	<u>\$ 164,211</u>	<u>\$ 305,245</u>	<u>\$ 1,585,075</u>	<u>\$ 4,313</u>

(Continued on page 61)

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

<u>RESIDENTIAL REVOLVING LOAN FUND</u>	<u>REVOLVING LOAN FUND</u>	<u>LAW ENFORCEMENT RESTRICTED REVENUE</u>	<u>TAXI SYSTEM FUND</u>	<u>UTILITY DIVIDEND FUND</u>	<u>EAST INDUSTRIAL PARK IMPROVEMENT</u>	<u>CABLE TELEVISION FUND</u>	<u>BUSINESS IMPROVEMENT DISTRICT</u>	<u>TOTAL SPECIAL REVENUE FUNDS</u>
\$ 80,369	\$ 93,856	\$ 12,406	\$ 35,546	\$ 652,729	\$ 239,144	\$ 191,903	\$ 14,843	\$ 2,330,502
--	--	--	--	--	--	--	32,206	66,482
94,924	65,860	--	--	--	--	--	--	1,324,773
--	--	--	--	--	--	--	2,195	2,195
--	--	--	--	--	--	--	--	2,247
--	--	--	64,242	--	--	--	--	64,242
<u>\$ 175,293</u>	<u>\$ 159,716</u>	<u>\$ 12,406</u>	<u>\$ 99,788</u>	<u>\$ 652,729</u>	<u>\$ 239,144</u>	<u>\$ 191,903</u>	<u>\$ 49,244</u>	<u>\$ 3,790,441</u>
\$ --	\$ --	\$ 2,000	\$ 23,249	\$ --	\$ --	\$ 4,234	\$ --	\$ 29,483
--	--	5,713	--	--	--	--	50,459	106,172
\$ --	\$ --	\$ 7,713	\$ 23,249	\$ --	\$ --	\$ 4,234	\$ 50,459	\$ 135,655
<u>175,293</u>	<u>159,716</u>	<u>4,693</u>	<u>76,539</u>	<u>652,729</u>	<u>239,144</u>	<u>187,669</u>	<u>(1,215)</u>	<u>3,654,786</u>
<u>\$ 175,293</u>	<u>\$ 159,716</u>	<u>\$ 12,406</u>	<u>\$ 99,788</u>	<u>\$ 652,729</u>	<u>\$ 239,144</u>	<u>\$ 191,903</u>	<u>\$ 49,244</u>	<u>\$ 3,790,441</u>

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
DETAIL OF NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2003

	STREET CONSTRUCTION FUND	URBAN DEVELOPMENT FUND	STORM SEWER CONSTR	SANITARY SEWER CONSTR OUTLAY	AIRPORT OUTLAY	PARKS & REC CAPITAL PROJECTS FUND	WATER MAIN CONSTR OUTLAY
ASSETS							
Cash and equivalents	\$ 580,866	\$ --	\$ 10,171	\$ 72,859	\$ 20,445	\$ 1,139,373	\$ 8,573
Receivables							
Taxes	356,418	--	22,172	--	--	44,559	18,687
Other	--	--	--	--	--	--	--
Due from other governments	--	69,395	--	--	--	--	--
TOTAL ASSETS	<u>\$ 937,284</u>	<u>\$ 69,395</u>	<u>\$ 32,343</u>	<u>\$ 72,859</u>	<u>\$ 20,445</u>	<u>\$ 1,183,932</u>	<u>\$ 27,260</u>
LIABILITIES AND FUND BALANCES							
CURRENT LIABILITIES							
Accounts payable	\$ 18,996	\$ 40,197	\$ 10,959	\$ --	\$ --	\$ 13,431	\$ --
Due to							
Other funds	--	49,774	622	--	--	--	142,525
Other governments	10,016	11	--	--	--	--	--
Deferred revenues	519,919	--	32,343	--	--	65,000	27,260
TOTAL CURRENT LIABILITIES	<u>\$ 548,931</u>	<u>\$ 89,982</u>	<u>\$ 43,924</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 78,431</u>	<u>\$ 169,785</u>
FUND BALANCES							
Reserved for							
Capital projects	\$ 388,353	\$ (20,587)	\$ (11,581)	\$ 72,859	\$ 20,445	\$ 1,105,501	\$ (142,525)
TOTAL FUND BALANCES	<u>\$ 388,353</u>	<u>\$ (20,587)</u>	<u>\$ (11,581)</u>	<u>\$ 72,859</u>	<u>\$ 20,445</u>	<u>\$ 1,105,501</u>	<u>\$ (142,525)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 937,284</u>	<u>\$ 69,395</u>	<u>\$ 32,343</u>	<u>\$ 72,859</u>	<u>\$ 20,445</u>	<u>\$ 1,183,932</u>	<u>\$ 27,260</u>

(Continued on page 63)

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
DETAIL OF NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2003

T.I.D. # 3 TOWER HALL FUND	T.I.D. # 2 PURDY FUND	T.I.D. # 4 DOWNTOWN PUB IMPROVEMENT	T.I.D. # 6 FIGI PROJECT	T.I.D. # 5 MILL CREEK PARKWAY	T.I.D. # 7 YELLOWSTONE BUSINESS FUND	CITY HALL REMODLING FUND	UW BUILDING/ REMODLING FUND	TOTAL CAPITAL PROJECTS FUNDS
\$ 5,437	\$ 68,806	\$ 45,600	\$ 25,946	\$ 24,604	\$ --	\$ 26,154	\$ 65,320	\$ 2,094,154
11,853	71,393	99,404	2,582	53,635	--	20,566	--	701,269
--	--	--	--	4,434	--	--	--	4,434
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>69,395</u>
<u>\$ 17,290</u>	<u>\$ 140,199</u>	<u>\$ 145,004</u>	<u>\$ 28,528</u>	<u>\$ 82,673</u>	<u>\$ --</u>	<u>\$ 46,720</u>	<u>\$ 65,320</u>	<u>\$ 2,869,252</u>
\$ --	\$ --	\$ 4,256	\$ --	\$ 1,630	\$ --	\$ --	\$ --	\$ 89,469
24,035	--	2,121,856	--	1,149,555	524	--	--	3,488,891
--	--	--	--	17	--	--	--	10,044
<u>17,290</u>	<u>104,143</u>	<u>145,004</u>	<u>3,766</u>	<u>78,239</u>	<u>--</u>	<u>30,000</u>	<u>--</u>	<u>1,022,964</u>
\$ 41,325	\$ 104,143	\$ 2,271,116	\$ 3,766	\$ 1,229,441	\$ 524	\$ 30,000	\$ --	\$ 4,611,368
<u>\$ (24,035)</u>	<u>\$ 36,056</u>	<u>\$ (2,126,112)</u>	<u>\$ 24,762</u>	<u>\$ (1,146,768)</u>	<u>\$ (524)</u>	<u>\$ 16,720</u>	<u>\$ 65,320</u>	<u>\$ (1,742,116)</u>
<u>\$ (24,035)</u>	<u>\$ 36,056</u>	<u>\$ (2,126,112)</u>	<u>\$ 24,762</u>	<u>\$ (1,146,768)</u>	<u>\$ (524)</u>	<u>\$ 16,720</u>	<u>\$ 65,320</u>	<u>\$ (1,742,116)</u>
<u>\$ 17,290</u>	<u>\$ 140,199</u>	<u>\$ 145,004</u>	<u>\$ 28,528</u>	<u>\$ 82,673</u>	<u>\$ --</u>	<u>\$ 46,720</u>	<u>\$ 65,320</u>	<u>\$ 2,869,252</u>

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2003

	<u>SPECIAL</u>	<u>CAPITAL</u>	<u>PERMANENT</u>	<u>TOTAL</u>
	<u>REVENUE</u>	<u>PROJECTS</u>	<u>FUND</u>	<u>NONMAJOR</u>
			<u>PERPETUAL</u>	<u>GOVERNMENTAL</u>
			<u>CARE</u>	<u>FUNDS</u>
REVENUE				
Taxes	291,645	682,997	--	974,642
Intergovernmental revenues	381,315	348,434	--	729,749
Licenses and permits	157,362	--	--	157,362
Public charges for services	52,376	68,487	9,888	130,751
Other revenue	113,232	106,813	2,445	222,490
TOTAL REVENUES	\$ 995,930	\$ 1,206,731	\$ 12,333	\$ 2,214,994
EXPENDITURES				
Current				
General government	\$ 73,751	\$ --	\$ --	\$ 73,751
Public works	309,871	--	--	309,871
Culture, recreation and education	200,173	--	--	200,173
Conservation and development	161,047	29,746	--	190,793
Capital outlay	167,637	4,575,964	--	4,743,601
Interest and fiscal charges	--	16,226	--	16,226
TOTAL EXPENDITURES	\$ 912,479	\$ 4,621,936	\$ --	\$ 5,534,415
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 83,451	\$ (3,415,205)	\$ 12,333	\$ (3,319,421)
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ --	\$ 2,387,132	\$ --	\$ 2,387,132
Transfer from Enterprise Fund	528,634	--	--	528,634
Operating transfers in	168,323	750,502	--	918,825
Operating transfers out	(830,125)	(944,112)	(2,445)	(1,776,682)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 133,168	\$ 2,193,522	\$ 2,445	\$ 2,057,909
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (49,717)	\$ (1,221,683)	\$ 9,888	\$ (1,261,512)
FUND BALANCES AT BEGINNING OF YEAR	3,572,388	(520,433)	139,455	3,191,410
Residual Equity Transfer	132,115	--	--	132,115
FUND BALANCES AT END OF YEAR	\$ 3,654,786	\$ (1,742,116)	\$ 149,343	\$ 2,062,013

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2003

	ROOM TAX FUND	CONVENTION & VISITORS BUREAU FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	ECONOMIC DEVELOPMENT FUND	COMMUNITY REHAB REVOLVING LOAN
REVENUE					
Taxes	241,645	--	--	50,000	--
Intergovernmental revenues	--	--	--	--	--
Licenses and permits	--	--	--	--	9,000
Public charges for services	--	--	--	--	--
Other revenue	--	80,632	(21,600)	39,106	22
TOTAL REVENUES	\$ 241,645	\$ 80,632	\$ (21,600)	\$ 89,106	\$ 9,022
EXPENDITURES					
Current					
General government	\$ --	\$ --	\$ --	\$ --	\$ --
Public works	--	--	--	--	--
Culture, recreation and education	3,682	196,491	--	--	--
Conservation and development	--	--	--	104,180	19,700
Capital outlay	43,043	--	--	--	--
TOTAL EXPENDITURES	\$ 46,725	\$ 196,491	\$ --	\$ 104,180	\$ 19,700
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 194,920	\$ (115,859)	\$ (21,600)	\$ (15,074)	\$ (10,678)
OTHER FINANCING SOURCES (USES)					
Transfer from Enterprise Fund	\$ --	\$ --	\$ --	\$ --	\$ --
Operating transfers in	--	136,923	--	--	9,000
Operating transfers out	(181,923)	--	(22,400)	--	--
TOTAL OTHER FINANCING SOURCES (USES)	\$ (181,923)	\$ 136,923	\$ (22,400)	\$ --	\$ 9,000
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 12,997	\$ 21,064	\$ (44,000)	\$ (15,074)	\$ (1,678)
FUND BALANCES AT BEGINNING OF YEAR	138,377	143,147	349,245	1,550,149	5,991
Residual Equity Transfer	--	--	--	--	--
FUND BALANCES AT END OF YEAR	\$ 151,374	\$ 164,211	\$ 305,245	\$ 1,535,075	\$ 4,313

(Continued on page 66)

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2003

RESIDENTIAL REVOLVING LOAN FUND	REVOLVING LOAN FUND	LAW ENFORCEMENT RESTRICTED REVENUE	TAXI SYSTEM FUND	UTILITY DIVIDEND FUND	EAST INDUSTRIAL PARK IMPROVEMENT	CABLE TELEVISION FUND	BUSINESS IMPROVEMENT DISTRICT	TOTAL SPECIAL REVENUE FUNDS
--	--	--	--	--	--	--	--	291,645
--	--	--	381,315	--	--	--	--	381,315
--	--	--	--	--	--	148,362	--	157,362
--	--	17,079	--	--	--	--	35,297	52,376
--	311	--	50	--	14,522	--	189	113,232
<u>\$ --</u>	<u>\$ 311</u>	<u>\$ 17,079</u>	<u>\$ 381,365</u>	<u>\$ --</u>	<u>\$ 14,522</u>	<u>\$ 148,362</u>	<u>\$ 35,486</u>	<u>\$ 995,930</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 73,751	\$ --	\$ 73,751
--	--	--	309,871	--	--	--	--	309,871
--	--	--	--	--	--	--	--	200,173
450	26	--	--	--	--	--	36,691	161,047
--	--	17,079	87,098	--	1,360	19,057	--	167,637
<u>\$ 450</u>	<u>\$ 26</u>	<u>\$ 17,079</u>	<u>\$ 396,969</u>	<u>\$ --</u>	<u>\$ 1,360</u>	<u>\$ 92,808</u>	<u>\$ 36,691</u>	<u>\$ 912,479</u>
\$ (450)	\$ 285	\$ --	\$ (15,604)	\$ --	\$ 13,162	\$ 55,554	\$ (1,205)	\$ 83,451
\$ --	\$ --	\$ --	\$ --	\$ 528,634	\$ --	\$ --	\$ --	\$ 528,634
--	22,400	--	--	--	--	--	--	168,323
--	--	--	--	(625,802)	--	--	--	(830,125)
<u>\$ --</u>	<u>\$ 22,400</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (97,168)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (133,168)</u>
\$ (450)	\$ 22,685	\$ --	\$ (15,604)	\$ (97,168)	\$ 13,162	\$ 55,554	\$ (1,205)	\$ (49,717)
175,743	137,031	4,693	92,143	749,897	225,982	--	(10)	3,572,388
--	--	--	--	--	--	132,115	--	132,115
<u>\$ 175,293</u>	<u>\$ 159,716</u>	<u>\$ 4,693</u>	<u>\$ 76,539</u>	<u>\$ 652,729</u>	<u>\$ 239,144</u>	<u>\$ 187,669</u>	<u>\$ (1,215)</u>	<u>\$ 3,654,786</u>

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DETAIL OF NONMAJOR CAPITAL PROJECT FUNDS2003

	STREET CONSTRUCTION FUND	URBAN DEVELOPMENT FUND	STORM SEWER CONSTR	FIRE PROTECTION FUND	SANITARY SEWER CONSTR OUTLAY	AIRPORT OUTLAY	PARKS & REC CAPITAL PROJECTS FUND
REVENUE							
Taxes	\$ 18,488	\$ --	\$ 35,074	--	\$ --	\$ --	\$ 284,000
Intergovernmental revenues	141,938	69,395	--	--	--	--	103,400
Public charges for services	68,487	--	--	--	--	--	--
Other revenue	5,253	--	--	--	--	--	61,500
TOTAL REVENUES	<u>\$ 234,166</u>	<u>\$ 69,395</u>	<u>\$ 35,074</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 448,900</u>
EXPENDITURES							
Current							
Conservation and development	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Capital outlay	1,717,815	289,982	379,119	--	--	--	442,704
Interest and fiscal charges	14,113	--	--	--	--	--	--
TOTAL EXPENDITURES	<u>\$ 1,731,928</u>	<u>\$ 289,982</u>	<u>\$ 379,119</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 442,704</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,497,762)</u>	<u>\$ (220,587)</u>	<u>\$ (344,045)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,196</u>
OTHER FINANCING SOURCES (USES)							
Proceeds of long-term debt	\$ 1,192,960	\$ 100,000	\$ 250,000	\$ --	\$ --	\$ --	\$ 536,000
Operating transfers in	592,702	--	112,800	--	--	--	45,000
Operating transfers out	--	--	--	(1,246)	(4,949)	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,785,662</u>	<u>\$ 100,000</u>	<u>\$ 362,800</u>	<u>\$ (1,246)</u>	<u>\$ (4,949)</u>	<u>\$ --</u>	<u>\$ 581,000</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 287,900</u>	<u>\$ (120,587)</u>	<u>\$ 18,755</u>	<u>\$ (1,246)</u>	<u>\$ (4,949)</u>	<u>\$ --</u>	<u>\$ 587,196</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>100,453</u>	<u>100,000</u>	<u>(30,336)</u>	<u>1,246</u>	<u>77,808</u>	<u>20,445</u>	<u>518,305</u>
FUND BALANCES AT END OF YEAR	<u>\$ 388,353</u>	<u>\$ (20,587)</u>	<u>\$ (11,581)</u>	<u>\$ --</u>	<u>\$ 72,859</u>	<u>\$ 20,445</u>	<u>\$ 1,105,501</u>

(Continued on page 68)

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DETAIL OF NONMAJOR CAPITAL PROJECT FUNDS 2003

WATER MAIN CONSTR OUTLAY	T.I.D. NO. 3 TOWER HALL FUND	T.I.D. NO. 2 PURDY FUND	T.I.D. NO. 4 DOWNTOWN IMPROVEMENTS	T.I.D. NO. 6 FIGI PROJECT	T.I.D. NO. 5 MILL CREEK PARKWAY	T.I.D. NO. 7 YELLOWSTONE BUSINESS FUND	CITY HALL REMODLING FUND	UW BUILDING/ REMODLING FUND	TOTAL CAPITAL PROJECTS FUNDS
\$ --	\$ 17,082	\$ 108,950	\$ 90,974	\$ 8,140	\$ 70,289	\$ --	\$ 35,000	\$ 15,000	\$ 682,997
--	15	13	24,104	3,841	5,728	--	--	--	348,434
--	--	--	--	--	--	--	--	--	68,487
--	--	--	--	--	40,060	--	--	--	106,813
<u>\$ --</u>	<u>\$ 17,097</u>	<u>\$ 108,963</u>	<u>\$ 115,078</u>	<u>\$ 11,981</u>	<u>\$ 116,077</u>	<u>\$ --</u>	<u>\$ 35,000</u>	<u>\$ 15,000</u>	<u>\$ 1,206,731</u>
\$ --	\$ 125	\$ 125	\$ --	\$ 124	\$ 207	\$ --	\$ --	\$ 29,165	\$ 29,746
205,673	--	--	29,791	--	1,363,241	207	147,432	--	4,575,964
--	--	--	--	--	2,113	--	--	--	16,226
<u>\$ 205,673</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 29,791</u>	<u>\$ 124</u>	<u>\$ 1,365,561</u>	<u>\$ 207</u>	<u>\$ 147,432</u>	<u>\$ 29,165</u>	<u>\$ 4,621,936</u>
\$ (205,673)	\$ 16,972	\$ 108,838	\$ 85,287	\$ 11,857	\$ (1,249,484)	\$ (207)	\$ (112,432)	\$ (14,165)	\$ (3,415,205)
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 308,172	\$ --	\$ --	\$ --	\$ 2,387,132
--	--	--	--	--	--	--	--	--	750,502
<u>(55,000)</u>	<u>(22,442)</u>	<u>(70,200)</u>	<u>(115,477)</u>	<u>(63,808)</u>	<u>(610,990)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(944,112)</u>
<u>\$ (55,000)</u>	<u>\$ (22,442)</u>	<u>\$ (70,200)</u>	<u>\$ (115,477)</u>	<u>\$ (63,808)</u>	<u>\$ (302,818)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,193,522</u>
\$ (260,673)	\$ (5,470)	\$ 38,638	\$ (30,190)	\$ (51,951)	\$ (1,552,302)	\$ (207)	\$ (112,432)	\$ (14,165)	\$ (1,221,683)
118,148	(18,565)	(2,582)	(2,095,922)	76,713	405,534	(317)	129,152	79,485	(520,433)
<u>\$ (142,525)</u>	<u>\$ (24,035)</u>	<u>\$ 36,056</u>	<u>\$ (2,126,112)</u>	<u>\$ 24,762</u>	<u>\$ (1,146,768)</u>	<u>\$ (524)</u>	<u>\$ 16,720</u>	<u>\$ 65,320</u>	<u>\$ (1,742,116)</u>

SPECIAL REVENUE FUNDS

- **Room Tax Fund** – to account for the collection of room taxes remitted to the City by hotel/motel owners and expenditures made for upkeep of City's parks.
- **Convention and Visitors Bureau Fund** – to account for room taxes received by the Bureau and expenditures made for promotion of the City.
- **Community Development Block Grant Program Fund** – to account for financial activity associated with state funding under the block grant program.
- **Economic Development Fund** – to account for funds utilized for economic development and loans and expenditures made to promote economic development.
- **Business Improvement District Fund** – to account for collecting and remitting assessments to the Main Street Program.
- **Residential Revolving Loan Fund** – to account for monies provided by a Community Development Block Grant to finance interest free loans to City residents. The principal must be maintained intact and interest earnings must also be used to finance the loans.
- **Commercial Interest Subsidy Fund** – to account for grants made to local businesses to reduce the rate of interest being charged on their commercial loans. The grants are made on behalf of the business and placed in an escrow account at local financial institutions. Interest earned on these deposits prior to their withdrawal for the monthly interest payment is recorded in this Fund and can be used only for additional commercial interest subsidy grants.
- **Law Enforcement Restricted Revenue Fund** – to account for grants, contributions and donations received from other governments, businesses and individuals to be utilized for specific law enforcement purposes.
- **Taxi System Fund** – to account for grant subsidies received for operation of the local taxi system and expenditures made for the taxi system.
- **Utility Dividend Fund** – to account for dividends received from City utilities and expenditure of those funds.
- **East Industrial Park Improvement Fund** – to account for sale of land in the East Industrial Park. Monies received are used to make improvements to the industrial park.

CITY OF MARSHFIELD, WISCONSIN
ROOM TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
Public accomodation taxes	\$ 250,000	\$ 250,000	\$ 241,645	\$ (8,355)
TOTAL REVENUES	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 241,645</u>	<u>\$ (8,355)</u>
EXPENDITURES				
Current				
Culture, recreation and education				
Parks	\$ --	\$ --	\$ 3,682	\$ (3,682)
Capital outlay				
Parks	<u>50,000</u>	<u>50,000</u>	<u>43,043</u>	<u>6,957</u>
TOTAL EXPENDITURES	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 46,725</u>	<u>\$ 3,275</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 194,920</u>	<u>\$ 5,080</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	\$ (186,666)	\$ (186,666)	\$ (181,923)	\$ 4,743
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (186,666)</u>	<u>\$ (186,666)</u>	<u>\$ (181,923)</u>	<u>\$ 4,743</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 13,334</u>	<u>\$ 13,334</u>	<u>\$ 12,997</u>	<u>\$ 337</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>138,377</u>	<u>138,377</u>	<u>138,377</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 151,711</u></u>	<u><u>\$ 151,711</u></u>	<u><u>\$ 151,374</u></u>	<u><u>\$ 337</u></u>

CITY OF MARSHFIELD, WISCONSIN
CONVENTION AND VISITORS BUREAU SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE (UNFAVORABLE)</u>
REVENUE				
Miscellaneous				
Interest	\$ 45,000	\$ 45,000	\$ 80,632	\$ 35,632
TOTAL REVENUES	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 80,632</u>	<u>\$ 35,632</u>
EXPENDITURES				
Current				
Culture, recreation and education				
Culture	\$ 182,667	\$ 182,667	\$ 196,491	\$ (13,824)
TOTAL EXPENDITURES	<u>\$ 182,667</u>	<u>\$ 182,667</u>	<u>\$ 196,491</u>	<u>\$ (13,824)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (137,667)</u>	<u>\$ (137,667)</u>	<u>\$ (115,859)</u>	<u>\$ (21,808)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 141,666	\$ 141,666	\$ 136,923	\$ (4,743)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 141,666</u>	<u>\$ 141,666</u>	<u>\$ 136,923</u>	<u>\$ (4,743)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 3,999	\$ 3,999	\$ 21,064	\$ (17,065)
FUND BALANCE AT BEGINNING OF YEAR	<u>143,147</u>	<u>143,147</u>	<u>143,147</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 147,146</u>	<u>\$ 147,146</u>	<u>\$ 164,211</u>	<u>\$ (17,065)</u>

CITY OF MARSHFIELD, WISCONSIN
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUE				
Miscellaneous				
Miscellaneous	\$ --	\$ --	\$ (21,600)	\$ (21,600)
TOTAL REVENUES	\$ --	\$ --	\$ (21,600)	\$ (21,600)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ --	\$ --	\$ (21,600)	\$ 21,600
OTHER FINANCING SOURCES (USES)				
Operating transfers out	\$ --	\$ --	\$ (22,400)	\$ (22,400)
TOTAL OTHER FINANCING SOURCES (USES)	\$ --	\$ --	\$ (22,400)	\$ (22,400)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ --	\$ --	\$ (44,000)	\$ 44,000
FUND BALANCE AT BEGINNING OF YEAR	349,245	349,245	349,245	--
FUND BALANCE AT END OF YEAR	349,245	349,245	305,245	44,000

CITY OF MARSHFIELD, WISCONSIN
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Taxes				
General property taxes	\$ 50,000	\$ 50,000	\$ 50,000	\$ --
Miscellaneous				
Interest	<u>46,200</u>	<u>46,200</u>	<u>39,106</u>	<u>(7,094)</u>
TOTAL REVENUES	<u>\$ 96,200</u>	<u>\$ 96,200</u>	<u>\$ 89,106</u>	<u>\$ (7,094)</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	\$ <u>229,870</u>	\$ <u>229,870</u>	\$ <u>104,180</u>	\$ <u>125,690</u>
TOTAL EXPENDITURES	<u>\$ 229,870</u>	<u>\$ 229,870</u>	<u>\$ 104,180</u>	<u>\$ 125,690</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (133,670)</u>	<u>\$ (133,670)</u>	<u>\$ (15,074)</u>	<u>\$ 118,596</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ <u>124,198</u>	\$ <u>124,198</u>	\$ --	\$ (124,198)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 124,198</u>	<u>\$ 124,198</u>	<u>\$ --</u>	<u>\$ (124,198)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (9,472)</u>	<u>\$ (9,472)</u>	<u>\$ (15,074)</u>	<u>\$ (5,602)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>1,550,149</u>	<u>1,550,149</u>	<u>1,550,149</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,540,677</u>	<u>\$ 1,540,677</u>	<u>\$ 1,535,075</u>	<u>\$ (5,602)</u>

CITY OF MARSHFIELD, WISCONSIN
COMMUNITY REHAB REVOLVING LOAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES				
Licenses and permits				
Licenses	\$ --	\$ --	\$ 9,000	\$ 9,000
Miscellaneous				
Interest	<u>50</u>	<u>50</u>	<u>22</u>	<u>(28)</u>
TOTAL REVENUES	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 9,022</u>	<u>\$ 8,972</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	\$ --	\$ 9,000	\$ 19,700	\$ (10,700)
TOTAL EXPENDITURES	<u>\$ --</u>	<u>\$ 9,000</u>	<u>\$ 19,700</u>	<u>\$ (10,700)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 50</u>	<u>\$ (8,950)</u>	<u>\$ (10,678)</u>	<u>\$ (1,728)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ --	\$ 9,000	\$ 9,000	\$ --
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ --</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ --</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ (1,678)</u>	<u>\$ (1,728)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>5,991</u>	<u>5,991</u>	<u>5,991</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 6,041</u>	<u>\$ 6,041</u>	<u>\$ 4,313</u>	<u>\$ (1,728)</u>

CITY OF MARSHFIELD, WISCONSIN
RESIDENTIAL REVOLVING LOAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Miscellaneous				
Interest	\$ --	\$ --	\$ --	\$ --
TOTAL REVENUES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	\$ --	\$ --	\$ 450	\$ (450)
TOTAL EXPENDITURES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 450</u>	<u>\$ (450)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ --	\$ --	\$ (450)	\$ (450)
FUND BALANCE AT BEGINNING OF YEAR	<u>175,743</u>	<u>175,743</u>	<u>175,743</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 175,743</u>	<u>\$ 175,743</u>	<u>\$ 175,293</u>	<u>\$ (450)</u>

CITY OF MARSHFIELD, WISCONSIN
REVOLVING LOAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUES				
Miscellaneous				
Interest	\$ 1,000	\$ 1,000	\$ 311	\$ (689)
TOTAL REVENUES	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 311</u>	<u>\$ (689)</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	\$ 1,300	\$ 1,300	\$ 26	\$ 1,274
TOTAL EXPENDITURES	<u>\$ 1,300</u>	<u>\$ 1,300</u>	<u>\$ 26</u>	<u>\$ 1,274</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (300)</u>	<u>\$ (300)</u>	<u>\$ 285</u>	<u>\$ (585)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ --	\$ --	\$ 22,400	\$ 22,400
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,400</u>	<u>\$ 22,400</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (300)</u>	<u>\$ (300)</u>	<u>\$ 22,685</u>	<u>\$ 22,985</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>137,031</u>	<u>137,031</u>	<u>137,031</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 136,731</u>	<u>\$ 136,731</u>	<u>\$ 159,716</u>	<u>\$ 22,985</u>

CITY OF MARSHFIELD, WISCONSIN
LAW ENFORCEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUES				
Intergovernmental				
Federal shared revenue	5,000	22,533	17,079	(5,454)
TOTAL REVENUES	<u>\$ 5,000</u>	<u>\$ 22,533</u>	<u>\$ 17,079</u>	<u>\$ (5,454)</u>
EXPENDITURES				
Current				
Public safety				
Law enforcement	\$ 5,000	\$ 22,533	\$ 17,079	\$ 5,454
TOTAL EXPENDITURES	<u>\$ 5,000</u>	<u>\$ 22,533</u>	<u>\$ 17,079</u>	<u>\$ 5,454</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>4,693</u>	<u>4,693</u>	<u>4,693</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 4,693</u></u>	<u><u>\$ 4,693</u></u>	<u><u>\$ 4,693</u></u>	<u><u>\$ --</u></u>

CITY OF MARSHFIELD, WISCONSIN
TAXI SYSTEM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUES				
Intergovernmental				
State grants	\$ 290,000	\$ 290,000	\$ 381,315	\$ 91,315
Miscellaneous				
Miscellaneous	--	--	50	50
TOTAL REVENUES	<u>\$ 290,000</u>	<u>\$ 290,000</u>	<u>\$ 381,365</u>	<u>\$ 91,365</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	\$ 290,000	\$ 290,000	\$ 309,871	\$ (19,871)
Capital outlay				
Automotive equipment	--	--	87,098	(87,098)
TOTAL EXPENDITURES	<u>\$ 290,000</u>	<u>\$ 290,000</u>	<u>\$ 396,969</u>	<u>\$ (106,969)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ --	\$ --	\$ (15,604)	\$ (15,604)
FUND BALANCE AT BEGINNING OF YEAR	<u>92,143</u>	<u>92,143</u>	<u>92,143</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 92,143</u></u>	<u><u>\$ 92,143</u></u>	<u><u>\$ 76,539</u></u>	<u><u>\$ (15,604)</u></u>

CITY OF MARSHFIELD, WISCONSIN
UTILITY DIVIDEND SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out) - proprietary funds	\$ 482,946	\$ 482,946	\$ 528,634	\$ (45,688)
Operating transfers out	<u>(750,000)</u>	<u>(750,000)</u>	<u>(625,802)</u>	<u>124,198</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (267,054)</u>	<u>\$ (267,054)</u>	<u>\$ (97,168)</u>	<u>\$ 78,510</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (267,054)</u>	<u>\$ (267,054)</u>	<u>\$ (97,168)</u>	<u>\$ 169,886</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>749,897</u>	<u>749,897</u>	<u>749,897</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 482,843</u>	<u>\$ 482,843</u>	<u>\$ 652,729</u>	<u>\$ 169,886</u>

CITY OF MARSHFIELD, WISCONSIN
EAST INDUSTRIAL PARK SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND C.HANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUES				
MISCELLANEOUS				
Sale of equipment and property	\$ --	\$ --	\$ 14,522	\$ 14,522
TOTAL REVENUES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 14,522</u>	<u>\$ 14,522</u>
EXPENDITURES				
Current				
Capital outlay				
Air industrial park	\$ --	\$ --	\$ 1,360	\$ (1,360)
TOTAL EXPENDITURES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,360</u>	<u>\$ (1,360)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ --	\$ --	\$ 13,162	\$ 13,162
FUND BALANCE AT BEGINNING OF YEAR	<u>225,982</u>	<u>225,982</u>	<u>225,982</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 225,982</u>	<u>\$ 225,982</u>	<u>\$ 239,144</u>	<u>\$ 13,162</u>

CITY OF MARSHFIELD, WISCONSIN
CABLE TELEVISION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Licenses and permits				
Cable franchise fees	\$ 95,000	\$ 95,000	\$ 148,362	\$ 53,362
TOTAL REVENUES	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 148,362</u>	<u>\$ 53,362</u>
EXPENDITURES				
Current				
General government				
Cable television	\$ 80,030	\$ 80,030	\$ 73,751	\$ 6,279
Capital outlay				
Cable television	<u>14,970</u>	<u>14,970</u>	<u>19,057</u>	<u>(4,087)</u>
TOTAL EXPENDITURES	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 92,808</u>	<u>\$ 2,192</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 55,554</u>	<u>\$ 55,554</u>
FUND BALANCE AT BEGINNING OF YEAR	--	--	--	--
Residual equity transfer	\$ --	\$ --	\$ 132,115	\$ 132,115
FUND BALANCE AT END OF YEAR	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 187,669</u>	<u>\$ 187,669</u>

CITY OF MARSHFIELD, WISCONSIN
BUSINESS IMPROVEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUES				
Public charges for services				
Economic development	\$ 37,200	\$ 37,200	\$ 35,297	\$ (1,903)
Miscellaneous				
Interest	<u>100</u>	<u>100</u>	<u>189</u>	<u>89</u>
TOTAL REVENUES	<u>\$ 37,300</u>	<u>\$ 37,300</u>	<u>\$ 35,486</u>	<u>\$ (1,814)</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	<u>\$ 37,325</u>	<u>\$ 37,325</u>	<u>\$ 36,691</u>	<u>\$ 634</u>
TOTAL EXPENDITURES	<u>\$ 37,325</u>	<u>\$ 37,325</u>	<u>\$ 36,691</u>	<u>\$ 634</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (25)	\$ (25)	\$ (1,205)	\$ (1,180)
FUND BALANCE AT BEGINNING OF YEAR	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (35)</u>	<u>\$ (35)</u>	<u>\$ (1,215)</u>	<u>\$ (1,180)</u>

CAPITAL PROJECT FUNDS

- **Street Construction** – to account for the financing and construction of street projects within the City. Financing is provided by general obligation note proceeds, intergovernmental revenues, and property taxes.
- **Urban Development** – to account for the financing and construction of miscellaneous urban development projects within the City. Financing is provided by general obligation note proceeds, intergovernmental revenues, and property taxes.
- **Storm Sewer Construction** – to account for the costs of extending the storm sewer system within the City. Financing is provided by general obligation note proceeds, intergovernmental revenues, and property taxes.
- **Fire Protection Outlay** – to account for the financing and construction of new fire protection equipment.
- **Sanitary Sewer Construction Outlay** – to account for the financing and construction of sanitary sewer projects within the City. Financing is provided by general obligation note proceeds and property taxes.
- **Airport Outlay** – to account for the costs of capital improvements at the airport. Financing is provided by general obligation note proceeds, intergovernmental revenues, and property taxes.
- **Parks & Recreation Capital Project Fund** – to account for funds designated for specific Parks & Recreation projects. Financing is to be provided primarily through room tax proceeds, property taxes, and general obligation note proceeds.
- **Water Main Construction Outlay** – to account for the financing and construction of water main projects within the City. Financing is provided by property taxes and general obligation note proceeds.
- **T.I.D. #3** – to account for the City's share of the costs pertinent to the redevelopment of the "old" City hall building into a commercial and residential housing facility.
- **T.I.D. #2** – to account for the City's share of the cost pertinent to the redevelopment of the Purdy School building into an independent living senior housing facility.
- **T.I.D. #4** – to account for the City's share of costs pertinent to revitalization of the downtown area.
- **T.I.D. #6** – to account for the City's share of infrastructure costs pertinent to the expansion of Figi's, Inc., a local distributor of mail order gifts. Financing is provided by general obligation note proceeds.
- **T.I.D. #5** – to account for the improvements to Mill Creek Business Park. Financing is provided by general obligation note proceeds.
- **Dairy Research/Education Center** – to account for the purchase of land for the site of the Upper Midwest Dairy Research & Education Center. Financing is provided by general obligation note proceeds.
- **T.I.D.#7** – to account for improvements to Yellowstone Business Park.
- **City Hall Plaza Remodeling** – to account for the costs of remodeling the City Hall Plaza. Financing is provided by general obligation note proceeds.
- **UW Building/Remodeling** – to account for the City's share of costs for the remodeling/expansion project at the UW Marshfield/Wood County campus. Financing is provided by general obligation note proceeds.

CITY OF MARSHFIELD, WISCONSIN
STREET CONSTRUCTION CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 18,488	\$ 18,488	\$ 18,488	\$ --
Intergovernmental				
State grants	184,184	184,184	141,938	(42,246)
Public charges for services				
Highway maintenance and construction fees	35,000	35,000	68,487	33,487
Miscellaneous				
Interest	--	--	5,253	5,253
TOTAL REVENUES	<u>\$ 237,672</u>	<u>\$ 237,672</u>	<u>\$ 234,166</u>	<u>\$ 3,506</u>
EXPENDITURES				
Capital outlay				
Public works	\$ 1,921,014	\$ 1,921,014	\$ 1,717,815	\$ 203,199
Debt service				
Interest and fiscal charges	24,360	24,360	14,113	10,247
TOTAL EXPENDITURES	<u>\$ 1,945,374</u>	<u>\$ 1,945,374</u>	<u>\$ 1,731,928</u>	<u>\$ 213,446</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,707,702)</u>	<u>\$ (1,707,702)</u>	<u>\$ (1,497,762)</u>	<u>\$ 209,940</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ 1,115,000	\$ 1,115,000	\$ 1,192,960	\$ 77,960
Operating transfers in	592,702	592,702	592,702	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,707,702</u>	<u>\$ 1,707,702</u>	<u>\$ 1,785,662</u>	<u>\$ 77,960</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 287,900</u>	<u>\$ 287,900</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>100,453</u>	<u>100,453</u>	<u>100,453</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 100,453</u>	<u>\$ 100,453</u>	<u>\$ 388,353</u>	<u>\$ 287,900</u>

CITY OF MARSHFIELD, WISCONSIN
URBAN DEVELOPMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUE				
Intergovernmental				
Economic development grants	\$ 677,546	\$ 677,546	\$ 69,395	\$ (608,151)
TOTAL REVENUES	<u>\$ 677,546</u>	<u>\$ 677,546</u>	<u>\$ 69,395</u>	<u>\$ (608,151)</u>
EXPENDITURES				
Capital outlay				
Urban development	\$ 777,546	\$ 777,546	\$ 289,982	\$ 487,564
TOTAL EXPENDITURES	<u>\$ 777,546</u>	<u>\$ 777,546</u>	<u>\$ 289,982</u>	<u>\$ 487,564</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ (220,587)</u>	<u>\$ (120,587)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ 100,000	\$ 100,000	\$ 100,000	\$ --
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ --</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ --	\$ --	\$ (120,587)	\$ (120,587)
FUND BALANCE AT BEGINNING OF YEAR	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (20,587)</u>	<u>\$ (120,587)</u>

CITY OF MARSHFIELD, WISCONSIN
STORM SEWER CONSTRUCTION CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUE				
Taxes				
General property	\$ 35,074	\$ 35,074	\$ 35,074	\$ --
TOTAL REVENUES	<u>\$ 35,074</u>	<u>\$ 35,074</u>	<u>\$ 35,074</u>	<u>\$ --</u>
EXPENDITURES				
Capital outlay				
Public works	\$ 285,074	\$ 397,874	\$ 379,119	\$ 18,755
TOTAL EXPENDITURES	<u>\$ 285,074</u>	<u>\$ 397,874</u>	<u>\$ 379,119</u>	<u>\$ 18,755</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>\$ (250,000)</u>	<u>\$ (362,800)</u>	<u>\$ (344,045)</u>	<u>\$ 18,755</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ 250,000	\$ 250,000	\$ 250,000	\$ --
Operating transfers in	--	112,800	112,800	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 250,000</u>	<u>\$ 362,800</u>	<u>\$ 362,800</u>	<u>\$ --</u>
EXCESS OF REVENUE AND				
OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 18,755</u>	<u>\$ 18,755</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>(30,336)</u>	<u>(30,336)</u>	<u>(30,336)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (30,336)</u>	<u>\$ (30,336)</u>	<u>\$ (11,581)</u>	<u>\$ 18,755</u>

CITY OF MARSHFIELD, WISCONSIN
FIRE PROTECTION CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)				
Fund balance applied	\$ 1,246	\$ 1,246	\$ --	\$ (1,246)
Operating transfers out	<u>(1,246)</u>	<u>(1,246)</u>	<u>(1,246)</u>	<u>--</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (1,246)</u>	<u>\$ (1,246)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ --	\$ --	\$ (1,246)	\$ (1,246)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,246</u>	<u>1,246</u>	<u>1,246</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 1,246</u></u>	<u><u>\$ 1,246</u></u>	<u><u>\$ --</u></u>	<u><u>\$ (1,246)</u></u>

CITY OF MARSHFIELD, WISCONSIN
SANITARY SEWER CONSTRUCTION CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)				
Fund balance applied	\$ 4,949	\$ 4,949	\$ --	\$ (4,949)
Operating transfers out	<u>(4,949)</u>	<u>(4,949)</u>	<u>(4,949)</u>	<u>--</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (4,949)</u>	<u>\$ (4,949)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ --	\$ --	\$ (4,949)	\$ (4,949)
FUND BALANCE AT BEGINNING OF YEAR	<u>77,808</u>	<u>77,808</u>	<u>77,808</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 77,808</u></u>	<u><u>\$ 77,808</u></u>	<u><u>\$ 72,859</u></u>	<u><u>\$ (4,949)</u></u>

CITY OF MARSHFIELD, WISCONSIN
AIRPORT OUTLAY CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
EXPENDITURES				
Capital outlay				
Public works	\$ 10,000	\$ 10,000	\$ --	\$ 10,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ --</u>	<u>\$ 10,000</u>
OTHER FINANCING SOURCES (USES)				
Fund balance applied	\$ 10,000	\$ 10,000	\$ --	\$ (10,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ --</u>	<u>\$ (10,000)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>20,445</u>	<u>20,445</u>	<u>20,445</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 20,445</u>	<u>\$ 20,445</u>	<u>\$ 20,445</u>	<u>\$ --</u>

CITY OF MARSHFIELD, WISCONSIN
PARKS / RECREATION CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 284,000	\$ 284,000	\$ 284,000	\$ --
Intergovernmental				
State grants	80,000	80,000	103,400	23,400
Miscellaneous				
Interest	<u>111,000</u>	<u>111,000</u>	<u>61,500</u>	<u>(49,500)</u>
TOTAL REVENUES	<u>\$ 475,000</u>	<u>\$ 475,000</u>	<u>\$ 448,900</u>	<u>\$ 26,100</u>
EXPENDITURES				
Capital outlay				
Parks outlay	<u>\$ 1,172,400</u>	<u>\$ 1,437,400</u>	<u>\$ 442,704</u>	<u>\$ 994,696</u>
TOTAL EXPENDITURES	<u>\$ 1,172,400</u>	<u>\$ 1,437,400</u>	<u>\$ 442,704</u>	<u>\$ 994,696</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>\$ (697,400)</u>	<u>\$ (962,400)</u>	<u>\$ 6,196</u>	<u>\$ 968,596</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ 536,000	\$ 536,000	\$ 536,000	\$ --
Operating transfers in	<u>--</u>	<u>45,000</u>	<u>45,000</u>	<u>--</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 536,000</u>	<u>\$ 581,000</u>	<u>\$ 581,000</u>	<u>\$ --</u>
EXCESS OF REVENUE AND				
OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	<u>\$ (161,400)</u>	<u>\$ (381,400)</u>	<u>\$ 587,196</u>	<u>\$ 968,596</u>
FUND BALANCE AT BEGINNING OF YEAR				
	<u>518,305</u>	<u>518,305</u>	<u>518,305</u>	<u>--</u>
FUND BALANCE AT END OF YEAR				
	<u>\$ 356,905</u>	<u>\$ 136,905</u>	<u>\$ 1,105,501</u>	<u>\$ 968,596</u>

CITY OF MARSHFIELD, WISCONSIN
WATER MAIN CONSTRUCTION CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
EXPENDITURES				
Current				
Conservation and development				
Urban development	\$ 11,249	\$ 11,249	\$ 205,673	\$ (194,424)
TOTAL EXPENDITURES	<u>\$ 11,249</u>	<u>\$ 11,249</u>	<u>\$ 205,673</u>	<u>\$ (194,424)</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>\$ (11,249)</u>	<u>\$ (11,249)</u>	<u>\$ (205,673)</u>	<u>\$ (194,424)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	\$ 55,000	\$ 55,000	\$ 55,000	\$ --
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>	<u>\$ --</u>
EXCESS OF REVENUE AND				
OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	\$ (66,249)	\$ (66,249)	\$ (260,673)	\$ (194,424)
FUND BALANCE AT BEGINNING OF YEAR	<u>118,148</u>	<u>118,148</u>	<u>118,148</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 51,899</u>	<u>\$ 51,899</u>	<u>\$ (142,525)</u>	<u>\$ (194,424)</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 3 (TOWER HALL) CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE (UNFAVORABLE)</u>
REVENUE				
Taxes				
General property	\$ 16,575	\$ 16,575	\$ 17,082	\$ 507
Intergovernmental				
State shared grants	<u>26</u>	<u>26</u>	<u>15</u>	<u>(11)</u>
TOTAL REVENUES	<u>\$ 16,601</u>	<u>\$ 16,601</u>	<u>\$ 17,097</u>	<u>\$ (496)</u>
EXPENDITURES				
Current				
Conservation and development				
Urban development	\$ 125	\$ 125	\$ 125	\$ --
TOTAL EXPENDITURES	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ --</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 16,476</u>	<u>\$ 16,476</u>	<u>\$ 16,972</u>	<u>\$ (496)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	\$ (16,476)	\$ (16,476)	\$ (22,442)	\$ (5,966)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (16,476)</u>	<u>\$ (16,476)</u>	<u>\$ (22,442)</u>	<u>\$ (5,966)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ --	\$ --	\$ (5,470)	\$ (5,470)
FUND BALANCE AT BEGINNING OF YEAR	<u>(18,565)</u>	<u>(18,565)</u>	<u>(18,565)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ (18,565)</u></u>	<u><u>\$ (18,565)</u></u>	<u><u>\$ (24,035)</u></u>	<u><u>\$ (5,470)</u></u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 2 (PURDY SCHOOL) CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 105,717	\$ 105,717	\$ 108,950	\$ 3,233
Intergovernmental				
Other state shared taxes	<u>20</u>	<u>20</u>	<u>13</u>	<u>(7)</u>
TOTAL REVENUES	<u>\$ 105,737</u>	<u>\$ 105,737</u>	<u>\$ 108,963</u>	<u>\$ 3,226</u>
EXPENDITURES				
Current				
Conservation and development				
Urban development	\$ 125	\$ 125	\$ 125	\$ --
TOTAL EXPENDITURES	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ --</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 105,612</u>	<u>\$ 105,612</u>	<u>\$ 108,838</u>	<u>\$ 3,226</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	\$ (105,612)	\$ (105,612)	\$ (70,200)	\$ 35,412
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (105,612)</u>	<u>\$ (105,612)</u>	<u>\$ (70,200)</u>	<u>\$ 35,412</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ --	\$ --	\$ 38,638	\$ 38,638
FUND BALANCE AT BEGINNING OF YEAR	<u>(2,582)</u>	<u>(2,582)</u>	<u>(2,582)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (2,582)</u>	<u>\$ (2,582)</u>	<u>\$ 36,056</u>	<u>\$ 38,638</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 4 (DOWNTOWN IMPROVEMENTS) CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 88,274	\$ 88,274	\$ 90,974	\$ 2,700
Intergovernmental				
Other state shared taxes	<u>22,864</u>	<u>22,864</u>	<u>24,104</u>	<u>1,240</u>
TOTAL REVENUES	<u>\$ 111,138</u>	<u>\$ 111,138</u>	<u>\$ 115,078</u>	<u>\$ 3,940</u>
EXPENDITURES				
Capital outlay				
Conservation and development	<u>\$ 207</u>	<u>\$ 207</u>	<u>\$ 29,791</u>	<u>\$ (29,584)</u>
TOTAL EXPENDITURES	<u>\$ 207</u>	<u>\$ 207</u>	<u>\$ 29,791</u>	<u>\$ (29,584)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 110,931</u>	<u>\$ 110,931</u>	<u>\$ 85,287</u>	<u>\$ 25,644</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	<u>\$ (110,931)</u>	<u>\$ (110,931)</u>	<u>\$ (115,477)</u>	<u>\$ (4,546)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (110,931)</u>	<u>\$ (110,931)</u>	<u>\$ (115,477)</u>	<u>\$ (4,546)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (30,190)</u>	<u>\$ (30,190)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>(2,095,922)</u>	<u>(2,095,922)</u>	<u>(2,095,922)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (2,095,922)</u>	<u>\$ (2,095,922)</u>	<u>\$ (2,126,112)</u>	<u>\$ (30,190)</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 6 (FIGI'S) CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 7,899	\$ 7,899	\$ 8,140	\$ 241
Intergovernmental				
Other state shared taxes	3,862	3,862	3,841	(21)
TOTAL REVENUES	\$ 11,761	\$ 11,761	\$ 11,981	220
EXPENDITURES				
Current				
Conservation and development				
Urban development	\$ 125	\$ 125	\$ 124	\$ 1
TOTAL EXPENDITURES	\$ 125	\$ 125	\$ 124	1
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ 11,636	\$ 11,636	\$ 11,857	221
OTHER FINANCING SOURCES (USES)				
Operating transfers out	\$ (186,636)	\$ (186,636)	\$ (63,808)	\$ 122,828
TOTAL OTHER FINANCING SOURCES (USES)	\$ (186,636)	\$ (186,636)	\$ (63,808)	\$ 122,828
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	\$ (175,000)	\$ (175,000)	\$ (51,951)	\$ 123,049
FUND BALANCE AT BEGINNING OF YEAR				
	76,713	76,713	76,713	--
FUND BALANCE AT END OF YEAR				
	\$ (98,287)	\$ (98,287)	\$ 24,762	\$ 123,049

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 5 (MILL CREEK BUSINESS PARK) CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 68,203	\$ 68,203	\$ 70,289	\$ 2,086
Intergovernmental				
Other state shared revenues	9,088	9,088	5,728	(3,360)
Miscellaneous				
Rent	<u>100</u>	<u>100</u>	<u>40,060</u>	<u>39,960</u>
TOTAL REVENUES	<u>\$ 77,391</u>	<u>\$ 77,391</u>	<u>\$ 116,077</u>	<u>\$ 38,686</u>
EXPENDITURES				
Current				
Conservation and development				
Urban development	\$ 207	\$ 207	\$ 207	\$ --
Capital outlay				
Public works	302,547	302,547	1,363,241	(1,060,694)
Debt service				
Interest and fiscal charges	<u>3,000</u>	<u>3,000</u>	<u>2,113</u>	<u>887</u>
TOTAL EXPENDITURES	<u>\$ 305,754</u>	<u>\$ 305,754</u>	<u>\$ 1,365,561</u>	<u>\$ (1,059,807)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (228,363)</u>	<u>\$ (228,363)</u>	<u>\$ (1,249,484)</u>	<u>\$ (1,021,121)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	\$ 300,000	\$ 300,000	\$ 308,172	\$ 8,172
Operating transfers out	<u>(77,084)</u>	<u>(77,084)</u>	<u>(610,990)</u>	<u>(533,906)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 222,916</u>	<u>\$ 222,916</u>	<u>\$ (302,818)</u>	<u>\$ (525,734)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (5,447)	\$ (5,447)	\$ (1,552,302)	\$ (1,546,855)
FUND BALANCE AT BEGINNING OF YEAR	<u>405,534</u>	<u>405,534</u>	<u>405,534</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 400,087</u>	<u>\$ 400,087</u>	<u>\$ (1,146,768)</u>	<u>\$ (1,546,855)</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 7 (YELLOWSTONE DRIVE) CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES				
Capital outlay				
Conservation and development	\$ 207	\$ 207	\$ 207	\$ --
TOTAL EXPENDITURES	<u>\$ 207</u>	<u>\$ 207</u>	<u>\$ 207</u>	<u>\$ --</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (207)	\$ (207)	\$ (207)	\$ --
FUND BALANCE AT BEGINNING OF YEAR	<u>(317)</u>	<u>(317)</u>	<u>(317)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ (524)</u></u>	<u><u>\$ (524)</u></u>	<u><u>\$ (524)</u></u>	<u><u>\$ --</u></u>

CITY OF MARSHFIELD, WISCONSIN
CITY HALL REMODLING CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 35,000	\$ 35,000	\$ 35,000	\$ --
TOTAL REVENUES	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ --</u>
EXPENDITURES				
Capital outlay				
General government	\$ 56,000	\$ 56,000	\$ 147,432	\$ (91,432)
TOTAL EXPENDITURES	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 147,432</u>	<u>\$ (91,432)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (21,000)</u>	<u>\$ (21,000)</u>	<u>\$ (112,432)</u>	<u>\$ (91,432)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>129,152</u>	<u>129,152</u>	<u>129,152</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 108,152</u>	<u>\$ 108,152</u>	<u>\$ 16,720</u>	<u>\$ (91,432)</u>

CITY OF MARSHFIELD, WISCONSIN
UW BUILDING/REMODELING CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE (UNFAVORABLE)</u>
REVENUE				
Taxes				
General property	\$ 15,000	\$ 15,000	\$ 15,000	\$ --
TOTAL REVENUES	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ --</u>
EXPENDITURES				
Current				
Conservation and development				
UW Wood County campus	\$ 25,000	\$ 25,000	\$ 29,165	\$ (4,165)
TOTAL EXPENDITURES	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 29,165</u>	<u>\$ (4,165)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>\$ (14,165)</u>	<u>\$ (4,165)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>79,485</u>	<u>79,485</u>	<u>79,485</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 69,485</u></u>	<u><u>\$ 69,485</u></u>	<u><u>\$ 65,320</u></u>	<u><u>\$ (4,165)</u></u>

NONMAJOR ENTERPRISE FUNDS

- **Emergency Medical Services (Ambulance)** – to account for the provisions of EMS Service to the residents of the City and surrounding contracting communities starting in 2002. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.
- **Storm Water Utility**– to account for the provisions of storm water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET - NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2003

	STORM WATER UTILITY	EMERGENCY MEDICAL SERVICES	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	\$ 209,904	\$ 68,939	\$ 278,843
Taxes receivable	457,574	--	457,574
Accounts receivable	--	103,773	103,773
TOTAL CURRENT ASSETS	\$ 667,478	\$ 172,712	\$ 840,190
Capital assets, at cost	\$ --	\$ 551,207	\$ 551,207
Less accumulated depreciation	--	(413,195)	(413,195)
Net capital assets	\$ --	\$ 138,012	\$ 138,012
TOTAL NONCURRENT ASSETS	\$ --	\$ 138,012	\$ 138,012
TOTAL ASSETS AND OTHER DEBITS	\$ 667,478	\$ 310,724	\$ 978,202
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 8,196	\$ 10,845	\$ 19,041
Due to other funds	52,068	--	52,068
Accrued salaries, wages and compensated absences	--	16,116	16,116
Current portion of long-term debt	--	1,345	1,345
Deferred revenues	667,478	11,254	678,732
TOTAL CURRENT LIABILITIES	\$ 727,742	\$ 39,560	\$ 767,302
NONCURRENT LIABILITIES			
Long-term obligations	\$ --	\$ 95,980	\$ 95,980
TOTAL NONCURRENT LIABILITIES	\$ --	\$ 95,980	\$ 95,980
TOTAL LIABILITIES	\$ 727,742	\$ 135,540	\$ 863,282
FUND BALANCES			
Invested in capital assets, net of related debt	\$ --	\$ 138,012	\$ 138,012
Unrestricted	(60,264)	37,172	(23,092)
TOTAL FUND BALANCES	\$ (60,264)	\$ 175,184	\$ 114,920
TOTAL LIABILITIES AND FUND BALANCES	\$ 667,478	\$ 310,724	\$ 978,202

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2003

	<u>STORM WATER UTILITY</u>	<u>EMERGENCY MEDICAL SERVICES</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services	\$ 35,887	\$ 747,024	\$ 782,911
OPERATING EXPENSES			
Operations	\$ 4,292	\$ 651,127	\$ 655,419
Maintenance	--	--	--
General	88,141	--	88,141
Depreciation	--	24,933	24,933
TOTAL OPERATING EXPENSES	<u>\$ 92,433</u>	<u>\$ 676,060</u>	<u>\$ 768,493</u>
OPERATING INCOME	<u>\$ (56,546)</u>	<u>\$ 70,964</u>	<u>\$ 14,418</u>
NONOPERATING REVENUE (EXPENSE)			
Interest income	\$ --	\$ 20	\$ 20
Interest and fiscal charges	--	(4,773)	4,773
TOTAL NONOPERATING REVENUE	<u>\$ --</u>	<u>\$ (4,753)</u>	<u>\$ (4,753)</u>
CHANGE IN NET ASSETS	<u>\$ (56,546)</u>	<u>\$ 66,211</u>	<u>\$ 9,665</u>
NET ASSETS AT BEGINNING OF YEAR	<u>(3,718)</u>	<u>108,973</u>	<u>105,255</u>
NET ASSETS AT END OF YEAR	<u><u>\$ (60,264)</u></u>	<u><u>\$ 175,184</u></u>	<u><u>\$ 114,920</u></u>

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2003

	<u>STORM WATER</u>	<u>EMERGENCY MEDICAL SERVICES</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 245,791	\$ 750,753	\$ 996,544
Payments to suppliers and vendors	(32,169)	(24,887)	(57,056)
Payments to employees	-	(627,568)	(627,568)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 213,622</u>	<u>\$ 98,298</u>	<u>\$ 311,920</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of fixed assets	\$ -	\$ (41,488)	\$ (41,488)
Interest paid	-	(4,773)	(4,773)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ -</u>	<u>\$ (46,261)</u>	<u>\$ (46,261)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ -	\$ 20	\$ 20
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 213,622	\$ 52,057	\$ 265,679
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>(3,718)</u>	<u>16,882</u>	<u>13,164</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 209,904</u>	<u>\$ 68,939</u>	<u>\$ 278,843</u>
RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY (USED IN) ACTIVITIES			
Operating income (loss)	\$ (56,546)	\$ 70,964	\$ 14,418
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation charged to depreciation expense	-	24,933	24,933
Changes in assets and liabilities			
(Increase) decrease in assets			
Accounts receivable	(457,574)	4,460	(453,114)
Increase (decrease) in liabilities			
Accounts payable	8,196	712	8,908
Due to other funds	52,068	(60)	52,008
Other accrued expenses	667,478	(2,711)	664,767
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 213,622</u>	<u>\$ 98,298</u>	<u>\$ 311,920</u>

(Continued on page 101)

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2003

Reconciliation Of Cash And Cash Equivalents Per Statement Of Cash Flows To The Balance Sheet

	TOURISM		TOTALS
	CURRENT ASSETS	RESTRICTED ASSETS	
Cash and Cash Equivalents	\$ 531,410	\$ --	\$ 531,410

	CEMETERY		TOTALS
	CURRENT ASSETS	RESTRICTED ASSETS	
Cash and Cash Equivalents	\$ 16,591	\$ --	\$ 16,591
Noncash Equivalents	166,922	2,000	168,922
Cash And Investments Per Balance Sheet	\$ 183,513	\$ 2,000	\$ 185,513

	TOTALS		TOTALS
	CURRENT ASSETS	RESTRICTED ASSETS	
Cash and Cash Equivalents	\$ 548,001	\$ --	\$ 548,001
Noncash Equivalents	166,922	2,000	168,922
Cash And Investments Per Balance Sheet	\$ 714,923	\$ 2,000	\$ 716,923

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

During 2003, \$24,188 AND \$8,770, respectively of Tourism and Cemetery fixed assets were retired.

FIDUCIARY FUNDS

Agency Funds

- **Payroll Deductions Fund** – to account for the collection and payment of payroll deductions from and on behalf of city employees.
- **Performance Bonds Fund** – to account for the collection of performance bonds from contractors providing services to the City.
- **Property Tax Fund** – to account for the collection and payment to the State, County, and school districts of property taxes billed and collected by the City on their behalf.
- **Sales Tax Fund** – to account for the collection and payment of sales tax.

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
YEAR ENDED DECEMBER 31, 2003

	AGENCY FUNDS				TOTAL
	PAYROLL DEDUCTIONS	PERFORMANCE BONDS	PROPERTY TAX	SALES TAX	
ASSETS					
Cash and equivalents	\$ 217,311	\$ 2,975	\$ 4,396,855	\$ 656	\$ 4,617,797
Investments	--	113,600	--	--	113,600
Taxes receivable	--	--	9,551,182	--	9,551,182
Other receivables	15,489	--	--	--	15,489
TOTAL ASSETS	<u>\$ 232,800</u>	<u>\$ 116,575</u>	<u>\$ 13,948,037</u>	<u>\$ 656</u>	<u>\$ 14,298,068</u>
LIABILITIES AND NET ASSETS					
Accounts payable	\$ --	\$ 116,575	\$ 15,415	\$ --	\$ 131,990
Other accrued expenses	232,800	--	--	--	232,800
Due to other governments	--	--	13,932,622	656	13,933,278
TOTAL LIABILITIES	<u>\$ 232,800</u>	<u>\$ 116,575</u>	<u>\$ 13,948,037</u>	<u>\$ 656</u>	<u>\$ 14,298,068</u>
NET ASSETS					
Restricted	--	--	--	--	--
TOTAL NET ASSETS	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 232,800</u>	<u>\$ 116,575</u>	<u>\$ 13,948,037</u>	<u>\$ 656</u>	<u>\$ 14,298,068</u>

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2003

	BALANCE 1/1/03	ADDITIONS	DEDUCTIONS	BALANCE 12/31/03
<u>Payroll Deductions</u>				
ASSETS				
Cash	\$ 363,336	\$ 2,345,670	\$ 2,491,695	\$ 217,311
Receivables-Other	14,578	78,912	78,001	15,489
TOTAL ASSETS	\$ 377,914	\$ 2,424,582	\$ 2,569,696	\$ 232,800
LIABILITIES				
Payroll Deductions	\$ 377,914	\$ 2,424,582	\$ 2,569,696	\$ 232,800
<u>Performance Bonds</u>				
ASSETS				
Cash and Investments	\$ 17,075	\$ 100,000	\$ 500	\$ 116,575
LIABILITIES				
Accounts Payable	\$ 17,075	\$ 100,000	\$ 500	\$ 116,575
<u>Property Tax</u>				
ASSETS				
Cash	\$ 6,915,785	\$ 20,696,268	\$ 23,215,198	\$ 4,396,855
Taxes Receivable	16,359,830	16,231,728	23,040,376	9,551,182
TOTAL ASSETS	\$ 23,275,615	\$ 36,927,996	\$ 46,255,574	\$ 13,948,037
LIABILITIES				
Accounts Payable	\$ -	\$ 15,415	\$ -	\$ 15,415
Due to Other Governments	13,794,645	13,932,622	13,794,645	13,932,622
Due to Other Funds	9,480,970	9,745,131	19,226,101	-
TOTAL LIABILITIES	\$ 23,275,615	\$ 23,693,168	\$ 33,020,746	\$ 13,948,037
<u>State of Wisconsin</u>				
ASSETS				
Cash	\$ 591	\$ 10,234	\$ 10,168	\$ 656
LIABILITIES				
Due to Other Governments	\$ 591	\$ 10,234	\$ 10,168	\$ 656
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Investments	\$ 7,296,787	\$ 23,152,172	\$ 25,717,562	\$ 4,731,397
Taxes Receivable	16,359,830	16,231,728	23,040,376	9,551,182
Receivables-Other	14,578	78,912	78,001	15,489
TOTAL ASSETS	\$ 23,671,195	\$ 39,462,812	\$ 48,835,939	\$ 14,298,068
LIABILITIES				
Accounts Payable	\$ 17,075	\$ 115,415	\$ 500	\$ 131,990
Payroll Deductions	377,914	2,424,582	2,569,696	232,800
Due to Other Governments	13,795,236	13,942,856	13,804,813	13,933,278
Due to Other Funds	9,480,970	9,745,131	19,226,101	-
TOTAL LIABILITIES	\$ 23,671,195	\$ 26,227,984	\$ 35,601,110	\$ 14,298,068

**MISCELLANEOUS
FINANCIAL
DATA**

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2003

	BUDGET AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL	FINAL	
Taxes			
Property	\$ 6,245,710	\$ 6,245,710	\$ 6,239,750
Sales and use	120	120	134
Payment in lieu of taxes	1,226,116	1,226,116	1,265,737
Interest and penalties on taxes	600	600	1,565
TOTAL	\$ 7,472,546	\$ 7,472,546	\$ 7,507,186
Special Assessments	\$ 450,000	\$ 450,000	\$ 415,819
Intergovernmental revenues			
State grants			
State shared revenues	\$ 5,662,560	\$ 5,662,560	\$ 5,645,391
State grants	1,399,430	1,399,430	1,408,146
State payments	106,805	106,805	106,869
Grants from local governments	52,120	274,698	251,750
TOTAL	\$ 7,220,915	\$ 7,443,493	\$ 7,412,156
Licenses and Permits			
Liquor and malt beverage license	\$ 30,150	\$ 30,150	\$ 37,400
Nonbusiness license	8,625	8,625	10,956
Building permits	80,000	80,000	146,571
Zoning permits and fees	3,000	3,000	6,102
TOTAL	\$ 121,775	\$ 121,775	\$ 201,029
Fines, Forfeits and Penalties			
Law and ordinance violations	\$ 243,000	\$ 243,000	\$ 144,742
Public Charges for Services			
General government	\$ 23,800	\$ 23,800	\$ 28,649
Public safety	17,450	17,450	18,365
Transportation	39,700	39,700	60,562
Sanitation and utilities	1,200	1,200	3,561
Health	95,333	95,333	98,364
Human services	460	460	1,088
Culture, recreation and education	284,965	284,965	247,905
Conservation and development	250	250	2,064
Other charges for services	2,300	2,300	1,382
TOTAL	\$ 465,458	\$ 465,458	\$ 461,940

(Continued on Page 105)

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, Continued
YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>
Intergovernmental charges for services			
State	\$ 11,600	\$ 11,600	\$ 9,986
Other local governments	98,100	98,100	122,999
Local departments	<u>79,013</u>	<u>79,013</u>	<u>78,217</u>
TOTAL	<u>\$ 188,713</u>	<u>\$ 188,713</u>	<u>\$ 211,202</u>
Other			
Interest	\$ 600,000	\$ 600,000	\$ 391,866
Rent	259,407	259,407	261,490
Donations	3,238	5,713	5,733
Sale of other equipment and property	21,500	21,500	20,289
Other miscellaneous revenues	<u>30,000</u>	<u>30,000</u>	<u>474</u>
TOTAL	<u>\$ 914,145</u>	<u>\$ 916,620</u>	<u>\$ 679,852</u>
 TOTAL REVENUES	 <u><u>\$ 17,076,552</u></u>	 <u><u>\$ 17,301,605</u></u>	 <u><u>\$ 17,033,926</u></u>

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2003

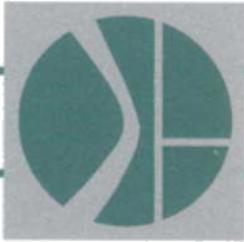
	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>
General Government			
Legislative	\$ 73,653	\$ 73,653	\$ 77,065
Legal	199,794	199,794	152,673
General administration	999,278	1,049,978	1,013,549
Financial administration	974,124	883,424	711,403
General buildings and plant	283,118	298,118	267,536
Other general government	169,684	169,684	126,559
TOTAL	\$ 2,699,651	\$ 2,674,651	\$ 2,348,785
Public Safety			
Law enforcement	\$ 3,514,342	\$ 3,528,342	\$ 3,498,651
Fire protection	2,759,731	2,770,731	2,738,978
Inspection	282,136	282,136	268,997
Emergency communications	462,379	448,379	429,512
Disaster control	14,500	14,500	7,300
TOTAL	\$ 7,033,088	\$ 7,044,088	\$ 6,943,438
Public Works			
Administration for highway and streets	\$ 538,519	\$ 538,519	\$ 510,143
Transportation cost pools	66,468	66,468	32,491
Highway and street maintenance	3,006,891	2,894,091	2,550,141
Road related facilities	700,637	700,637	632,082
Other transportation	127,140	127,140	129,628
Sanitation	585,709	585,709	588,677
TOTAL	\$ 5,025,364	\$ 4,912,564	\$ 4,443,162
Health and Human Services			
Cemetary	\$ 134,470	\$ 134,470	\$ 127,294
Aging	3,416	3,416	2,060
TOTAL	\$ 137,886	\$ 137,886	\$ 129,354
Culture, Recreation and Education			
Culture	\$ 1,243,176	\$ 1,243,176	\$ 1,186,298
Parks	636,568	636,568	573,887
Recreation programs and events	452,895	452,895	359,172
Recreation facilities	155,719	155,719	128,299
Zoo	193,929	193,929	189,975
Education	30,245	30,245	31,361
TOTAL	\$ 2,712,532	\$ 2,712,532	\$ 2,468,992

(Continued on Page 107)

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES, Continued
YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>
Conservation and Development			
Resource conservation	\$ 172,163	\$ 172,163	\$ 145,599
Economic development	13,025	13,025	10,468
Other conservation and development	<u>286,067</u>	<u>286,067</u>	<u>186,866</u>
TOTAL	<u>\$ 471,255</u>	<u>\$ 471,255</u>	<u>\$ 342,933</u>
Capital Outlay	<u>\$ 237,557</u>	<u>\$ 247,032</u>	<u>\$ 358,370</u>
TOTAL	<u>\$ 237,557</u>	<u>\$ 247,032</u>	<u>\$ 358,370</u>
 TOTAL EXPENDITURES	 <u><u>\$ 18,438,146</u></u>	 <u><u>\$ 18,311,346</u></u>	 <u><u>\$ 17,035,034</u></u>

**OTHER
REPORTS**



Hawkins, Ash, Baptie & Company, LLP

Certified Public Accountants ♦ *Management Consultants*

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

To the Common Council
City of Marshfield, Wisconsin

We have audited the financial statements of the City of Marshfield, Wisconsin ("City"), as of and for the year ended December 31, 2003, and have issued our report thereon dated May 11, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Hawkins, Ash, Baptie & Company, LLP

Marshfield, Wisconsin
May 11, 2004

**STATISTICAL
SECTION**

TABLE 1
CITY OF MARSHFIELD, WISCONSIN
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Public Works	Health & Human Services	Recreation and Education	Conservation and Development	Capital Outlay (2)	Debt Service	Total
1994	\$ 1,498,084	\$ 5,172,546	\$ 3,991,151	\$ 70,062	\$ 2,007,993	\$ 284,600	\$ 1,404,639	\$ 1,334,128	\$15,763,203
1995	1,644,535	5,296,822	3,550,584	93,127	2,018,291	245,413	668,023	1,258,620	14,775,415
1996	1,743,454	5,358,383	3,985,343	105,700	2,002,382	226,427	480,606	1,314,834	15,217,129
1997	1,807,074	5,676,130	3,988,779	111,909	2,115,724	208,121	781,366	1,465,679	16,154,782
1998	1,898,479	5,802,898	4,095,912	116,975	2,388,173	230,787	864,743	2,439,749	17,837,716
1999	2,031,998	6,290,099	4,274,182	105,276	2,244,801	235,095	635,875	1,972,589	17,789,915
2000	2,180,011	6,471,443	4,648,745	114,313	2,356,817	368,861	541,635	2,353,393	19,035,218
2001	2,173,182	7,071,984	4,554,930	122,510	2,512,465	401,862	281,023	3,037,438	20,155,394
2002	2,222,403	6,622,689	4,236,289	123,881	2,546,139	456,041	399,222	3,103,299	19,709,963
2003	2,422,536	6,943,438	4,753,033	129,354	2,669,165	533,726	526,007	3,787,917	21,765,176

(1) Includes general, special revenue and debt service funds.

(2) Does not include outlay expenditures in capital projects funds

TABLE 2
 CITY OF MARSHFIELD, WISCONSIN
 GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
 LAST TEN FISCAL YEARS

Fiscal Year	General Property Tax	Mobile Home Tax	Public Accommodation Taxes	Payments In Lieu of Taxes	Other Taxes	Total
1994	\$4,607,718	\$ 75,236	\$ 129,410	\$ 1,125,290	\$ 910	\$ 5,938,564
1995	5,129,908	77,343	132,089	1,134,230	1,744	6,475,314
1996	4,965,980	73,645	133,404	1,175,303	613	6,348,945
1997	5,807,507	75,171	136,667	1,164,886	460	7,184,691
1998	6,539,657	70,051	137,160	1,185,584	650	7,933,102
1999	6,613,434	65,197	149,530	1,197,891	815	8,026,867
2000	6,739,495	73,591	221,395	1,213,127	636	8,248,244
2001	7,151,857	74,425	250,406	1,232,230	1,137	8,710,055
2002	7,845,214	74,715	245,942	1,229,245	927	9,396,043
2003	8,483,706	65,976	241,645	1,265,738	1,700	10,058,764

(1) Includes general, special revenue and debt service funds.

TABLE 3
CITY OF MARSHFIELD, WISCONSIN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1994	\$ 6,345,633	\$ 6,318,177	99.6%	\$ 45,477	\$ 6,363,654	100.3%	\$ 8,014	0.13%
1995	6,474,104	6,425,891	99.3%	46,176	6,472,067	100.0%	10,051	0.16%
1996	6,571,977	6,544,296	99.6%	23,413	6,567,709	99.9%	14,319	0.22%
1997	6,940,143	6,904,273	99.5%	36,052	6,940,325	100.0%	14,137	0.20%
1998	7,654,578	7,640,490	99.8%	15,434	7,655,924	100.0%	12,791	0.17%
1999	7,922,079	7,879,061	99.5%	44,813	7,923,874	100.0%	10,996	0.14%
2000	8,684,452	8,658,138	99.7%	31,416	8,689,554	100.1%	5,894	0.07%
2001	8,875,473	8,835,859	99.6%	34,266	8,870,125	99.9%	11,242	0.13%
2002	9,166,634	9,108,186	99.4%	33,476	9,141,662	99.7%	36,214	0.40%
2003	9,432,927	9,379,880	99.4%	64,321	9,444,200	100.1%	24,941	0.26%

TABLE 4
CITY OF MARSHFIELD, WISCONSIN
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value (2)	Estimated Actual Value (2)	Assessed Value (2)	Estimated Actual Value (2)	Assessed Value (1)	Estimated Actual Value	
1994	\$ 468,652,900	\$ 520,286,500	\$ 31,273,700	\$ 34,747,800	\$ 499,926,600	\$ 555,034,300	90.07%
1995	479,629,600	562,393,100	31,702,800	37,321,700	511,332,400	599,714,800	85.26%
1996	485,686,900	598,162,400	33,737,920	42,042,900	519,424,820	640,205,300	81.13%
1997	492,755,495	626,795,800	35,761,360	44,996,900	528,516,855	671,792,700	78.67%
1998	665,061,600	652,041,800	42,105,404	42,325,800	707,167,004	694,367,600	101.84%
1999	680,863,600	675,432,900	33,125,430	33,054,700	713,989,030	708,487,600	100.78%
2000	719,497,700	734,556,100	40,087,320	40,926,309	759,585,020	775,482,409	97.95%
2001	739,356,700	797,383,200	45,873,120	50,690,500	785,229,820	848,073,700	92.59%
2002	758,776,700	850,169,900	48,477,470	53,944,600	807,254,170	904,114,500	89.29%
2003	943,220,200	898,203,100	53,460,110	51,663,900	996,680,310	949,867,000	104.93%

(1) City-wide reappraisal completed in 1998 and 2003

(2) From City Assessor's Office

TABLE 5
CITY OF MARSHFIELD, WISCONSIN
PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Amounts shown as per \$1,000 of Equalized Valuation)

Collection Year	City	County	School	Marathon County Tax Rates		Gross Tax Rate	State Tax Credits	Net Tax Rate
				Midstate Tech	State			
1995	11.76600	5.49077	16.03044	1.68575	0.19997	35.17293	(1.67824)	33.49469
1996	11.01692	5.60763	14.66279	1.65390	0.19999	33.14123	(1.49510)	31.64613
1997	10.60943	5.58390	9.59832	1.64755	0.20000	27.63920	(2.07681)	25.56239
1998	10.58430	5.59931	9.10278	1.65354	0.20000	27.13993	(1.88036)	25.25957
1999	11.35878	5.61534	9.04436	1.63173	0.20002	27.85023	(1.68004)	26.17019
2000	11.12515	5.64473	8.44034	1.59907	0.19999	27.00928	(1.33941)	25.66987
2001	12.09521	5.66040	7.99096	1.62784	0.19999	27.57440	(0.90902)	26.66538
2002	9.82017	5.56655	7.87716	1.64891	0.20000	25.11279	(0.63638)	24.47641
2003	11.04577	5.58086	7.91727	1.63920	0.20001	26.38311	(0.89521)	25.48790
2004	9.82528	5.41169	8.18492	1.63204	0.20000	25.25393	(0.93306)	24.32087

Tax Levies

Collection Year	City	County	School	Midstate Tech	State	Credits	Total Net Levies
1995	195,871	91,406	266,862	28,063	3,329	(27,938)	557,593
1996	205,697	104,700	273,769	30,880	3,734	(27,915)	590,865
1997	212,507	111,845	192,254	33,000	4,006	(41,599)	512,014
1998	225,879	119,495	194,262	35,288	4,268	(40,129)	539,064
1999	256,513	126,810	204,247	36,849	4,517	(37,940)	590,996
2000	292,163	148,239	221,656	41,994	5,252	(35,175)	674,129
2001	475,112	222,346	313,893	63,943	7,856	(35,707)	1,047,443
2002	631,105	357,741	506,235	105,969	12,853	(40,898)	1,573,005
2003	683,543	345,359	489,943	101,438	12,377	(55,398)	1,577,262
2004	701,874	386,587	584,694	116,586	14,287	(66,654)	1,737,374

Note: The City does not have tax increment districts located in Marathon County.

TABLE 5
 CITY OF MARSHFIELD, WISCONSIN
 PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Amounts shown as per \$1,000 of Equalized Valuation)

Collection Year	City	County	School	Wood County Tax Rates			Gross Tax Rate	State Tax Credits	Net Tax Rate
				Midstate Tech	State				
1995	11.40199	6.43454	17.81507	1.87340	0.22226	37.74727	(1.70861)	36.03866	
1996	10.76043	6.78732	17.21043	1.94126	0.23475	36.93419	(1.58177)	35.35242	
1997	10.23941	5.79386	9.61349	1.65015	0.20032	27.49723	(2.15830)	25.33893	
1998	10.22753	5.71715	9.16227	1.66434	0.20131	26.97260	(1.95454)	25.01806	
1999	10.91573	5.74080	9.16919	1.65427	0.20138	27.68137	(1.75101)	25.93036	
2000	11.07017	5.77876	8.56571	1.62283	0.20148	27.23895	(1.57031)	25.66864	
2001	11.06124	5.73101	8.06875	1.64369	0.20195	26.70664	(1.39269)	25.31395	
2002	10.32711	5.75281	7.95517	1.66523	0.20198	25.90230	(1.25188)	24.65042	
2003	9.94133	5.78926	8.02938	1.66241	0.20283	25.62521	(1.13044)	24.49477	
2004	9.71027	4.90772	8.32049	1.65908	0.20331	24.80087	(1.09006)	23.71081	

Collection Year	City	TID (3)	County	Tax Levies				Credits	Total Net Levies
				School	Midstate Tech	State			
1995	6,124,305	25,457	3,113,013	8,618,878	906,347	107,677	(918,646)	17,977,031	
1996	6,237,306	31,101	3,354,478	8,505,857	959,422	116,209	(917,579)	18,286,794	
1997	6,332,798	26,672	3,581,879	5,943,247	1,020,155	124,035	(1,336,414)	15,692,372	
1998	6,601,704	112,560	3,670,596	5,882,472	1,068,562	130,090	(1,263,079)	16,202,905	
1999	7,272,831	125,234	3,804,082	6,075,870	1,096,183	134,357	(1,168,251)	17,340,306	
2000	7,495,321	134,595	3,884,720	5,758,222	1,090,931	136,445	(1,063,419)	17,436,815	
2001	8,022,712	186,628	4,137,471	5,825,186	1,186,654	147,214	(1,015,228)	18,490,637	
2002	8,047,674	196,694	4,421,098	6,113,638	1,279,749	156,762	(971,609)	19,244,006	
2003	8,187,656	295,435	4,740,695	6,575,076	1,361,311	168,446	(938,801)	20,389,818	
2004	8,382,611	348,442	4,171,754	7,072,748	1,410,280	175,686	(941,946)	20,619,576	

(3) Tax Increment District (TID) #1 closed out in 1993, other TIDS created in 1993 and later years

TABLE 6
CITY OF MARSHFIELD, WISCONSIN
PRINCIPAL TAXPAYERS
DECEMBER 31, 2003

Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation
Wal-Mart Development	Retail Sales Development	\$ 22,812,590	2.29%
Marshfield DoorSystems	Wood Doors	13,982,900	1.40%
Badger Housing	Apartment Complexes	13,364,040	1.34%
V & H Ford	Auto / Heavy Truck Sales & Service	11,912,670	1.20%
Menards Development	Home Improvement Retail	11,497,460	1.15%
Marshfield Clinic	Healthcare	11,193,770	1.12%
Wick Building Systems	Modular Homes, Building Materials	11,115,500	1.12%
Green Roof Building	Residential / Commercial Construction	10,707,420	1.07%
Rainbow Development	Food Sales, Office Products	8,111,610	0.81%
Northway Mall Development	Shopping Mall	7,961,250	0.80%
TOTALS		<u>\$ 122,659,210</u>	<u>12.31%</u>

TABLE 7
 CITY OF MARSHFIELD, WISCONSIN
 SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
 LAST TEN FISCAL YEARS

Fiscal Year	Current Year Billings (1)	Current Assessments Due (2)	Current Year Collections		Percent of Assessments Collected	Total Outstanding Assessments (1)
			Receipts	Prior Year Tax Roll Collections		
1994	\$ 134,263	\$ 218,539	\$ 101,351	\$ 206,614	89.32%	\$ 886,675
1995	315,009	206,614	193,137	176,336	80.69%	802,972
1996	30,784	176,336	67,120	156,595	75.79%	623,396
1997	279,831	140,636	110,937	156,594	88.80%	663,719
1998	1,244,992	178,166	344,310	145,453	103.43%	1,398,415
1999	41,795	214,467	148,574	163,871	91.98%	1,223,683
2000	525,927	186,559	505,011	201,756	94.07%	950,694
2001	800,160	229,677	356,868	172,269	92.34%	1,189,167
2002	415,878	291,736	448,444	346,600	150.91%	888,299
2003	385,241	266,340	313,222	139,742	47.90%	849,985

(1) Includes paving, street openings, sanitary sewers, water mains, storm sewers and sidewalks

(2) Assessments placed on prior year tax roll due in current year

TABLE 8
 CITY OF MARSHFIELD, WISCONSIN
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2003

Total equalized value		<u>\$ 949,867,000</u>
Legal debt margin:		
Debt limitation-5 percent of total equalized value		47,493,350
Debt applicable to limitation:		
State trust fund loans	1,982,889	
Bonds	5,325,000	
General obligation notes	<u>18,852,345</u>	
Total debt applicable to limitation at December 31, 2003	26,160,234	
Less amount available in debt service funds	<u>(1,406,548)</u>	<u>(24,753,686)</u>
Legal debt margin		<u>\$ 22,739,664</u>

TABLE 9
 CITY OF MARSHFIELD, WISCONSIN
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT
 TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Assessed Value (2),(5)	Gross Bonded Debt	Less Debt Service Fund (3)	Debt Payable from Enterprise Revenues (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1994	19,793	\$ 499,926,600	\$ 6,793,191	\$ 15,448	\$ 178,273	\$6,599,470	1.32%	333
1995	19,889	511,332,400	6,865,902	55,889	-	6,810,013	1.33%	342
1996	19,942	519,424,820	7,233,074	130,234	-	7,102,840	1.37%	356
1997	19,991	528,516,855	13,637,490	107,793	-	13,529,697	2.56%	677
1998	19,984	707,167,004	14,531,301	(104,363)	-	14,635,664	2.07%	732
1999	19,969	713,989,030	17,200,528	(111,564)	-	17,312,092	2.42%	867
2000	19,900	759,585,020	19,061,950	207,949	-	18,854,001	2.48%	947
2001	18,887	785,229,820	20,847,476	42,338	-	20,805,138	2.65%	1,102
2002	18,908	807,254,170	23,203,814	1,408,179	-	21,795,635	2.70%	1,153
2003	18,861	996,680,310	26,160,234	1,406,548	-	24,753,686	2.48%	1,312

(1) From Table 13 of Statistical Section

(2) From Table 4 of Statistical Section

(3) Amount available (deficit) for repayment of general obligation debt

(4) This represents general obligation notes that were repaid from the Wastewater Utility revenues

(5) City-wide reevaluation completed in 1998 and 2003

TABLE 10
 CITY OF MARSHFIELD, WISCONSIN
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL OBLIGATION DEBT (1)
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

Fiscal Year	Principal(4)	Interest and Fiscal Charges(4)	Total Debt Service(2)	Total General Governmental Expenditures(3)(4)	Ratio of Debt Service to General Governmental Expenditures
1994	\$ 970,748	\$ 363,380	\$ 1,334,128	\$ 15,763,203	8.5%
1995	949,015	309,605	1,258,620	14,775,415	8.5%
1996	967,828	347,006	1,314,834	15,217,129	8.6%
1997	1,097,527	368,152	1,465,679	16,154,782	9.1%
1998	1,628,689	813,797	2,442,486	17,837,716	13.7%
1999	1,311,867	725,366	2,037,233	17,789,915	11.5%
2000	1,588,577	820,802	2,409,379	19,035,217	12.7%
2001	2,084,571	952,865	3,037,437	20,155,394	15.1%
2002	2,104,869	998,430	3,103,299	19,786,226	15.7%
2003	2,641,499	1,146,417	3,787,917	21,737,586	17.4%

(1) General obligation debt reported in the enterprise funds have been excluded.

(2) Excludes bond issuance and other costs.

(3) Includes general, special revenue and debt service funds

(4) 2003 Principal and Interest / Fiscal Charges exclude expenditures related to WI Retirement System Outstanding Pension Liability refinancing

TABLE 11
 CITY OF MARSHFIELD, WISCONSIN
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
 DECEMBER 31, 2003

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of Marshfield	\$ 24,753,686	100.00%	\$ 24,753,686
Overlapping:			
Wood County	7,935,000	24.02%	1,905,987
Marathon County	4,975,000	1.00%	49,750
School District of Marshfield	1,265,000	67.02%	847,803
Mid-State Technical College District #14	13,965,000	10.32%	1,441,188
Total Overlapping Debt	<u>28,140,000</u>		<u>4,244,728</u>
 Total Direct and Overlapping Debt	 <u>\$ 52,893,686</u>		 <u>\$ 28,998,414</u>

TABLE 12
CITY OF MARSHFIELD, WISCONSIN
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$16,706,503	\$13,088,098	\$3,618,405	\$510,000	\$889,381	\$1,399,381	2.59
1995	17,110,378	13,047,307	4,063,071	515,000	861,484	1,376,484	2.95
1996	16,816,918	12,846,172	3,970,746	550,000	833,331	1,383,331	2.87
1997	17,557,528	13,631,420	3,926,108	2,560,000	798,226	3,358,226	1.17
1998	19,737,560	14,530,518	5,207,042	3,770,000	627,051	4,397,051	1.18
1999	20,189,216	15,323,918	4,865,298	1,053,556	464,759	1,518,315	3.20
2000	22,106,025	16,681,698	5,424,327	575,530	645,327	1,220,857	4.44
2001	23,562,489	17,098,854	6,463,635	1,221,805	904,176	2,125,981	3.04
2002	23,535,764	16,901,842	6,633,922	1,442,490	841,355	2,283,845	2.90
2003	25,401,785	18,879,185	6,522,600	1,467,434	845,664	2,313,098	2.82

NOTE: Prior to 1998, there was no debt service requirements for the wastewater utility. As such, gross revenues and expenses for years prior to 1998, do not include the wastewater utility.

Emergency Medical Services Enterprise fund added in 2002 not included in totals as it has no debt service requirements.

Storm Water Utility Enterprise fund added in 2003 not included in totals as it has no debt service requirements.

(1) Total revenues (including interest) per financial statements

(2) Total operating expenses exclusive of depreciation per financial statements

TABLE 13
CITY OF MARSHFIELD, WISCONSIN
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	(2) School Enrollment	(3) Unemployment Rate
1993	19,700	4,234	5.0%
1994	19,793	4,256	5.2%
1995	19,889	4,343	3.1%
1996	19,942	4,264	2.1%
1997	19,991	4,282	3.8%
1998	19,984	4,253	3.8%
1999	19,969	4,142	3.1%
2000	19,900	4,084	3.3%
2001	18,887	4,110	3.6%
2002	18,908	4,038	4.3%
2003	18,861	4,060	6.1%

Education Level (Persons 25 years and over) (4)	Number	Percent
Less than 9th grade	938	7.33%
9th to 12th grade, no diploma	1,267	9.90%
High school graduate (includes equivalency)	4,430	34.60%
Some college, no degree	2,346	18.33%
Associate degree	1,122	8.76%
Bachelor's degree	1,680	13.12%
Graduate or professional degree	1,019	7.96%
	12,802	100.00%

Per Capita Income - 2000 (4) \$21,965

Median Age - 2000 (4) 38.7

Data Sources

(1) WI Dept. of Administration Population & Housing Estimates - www.doa.state.wi.us

(2) Marshfield School District - Public Schools only (as of 1/1 of subsequent year)

(3) WI Dept. of Workforce Development - www.doa.state.wi.us/dwd

(4) 2000 Census - www.doa.state.wi.us/dhir/wisconsin/1605549675.pdf

TABLE 14
CITY OF MARSHFIELD, WISCONSIN
PROPERTY VALUES AND CONSTRUCTION
LAST TEN FISCAL YEARS

Fiscal Year	Property Value (1)			Commercial/Industrial Construction (2)		Residential Construction(2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
1994	\$154,583,600	\$335,499,000	\$490,082,600	4	\$2,060,703	42	\$4,089,097
1995	160,885,600	367,830,500	528,716,100	10	2,374,690	43	4,492,392
1996	168,961,600	396,014,000	564,975,600	6	3,860,550	25	3,101,466
1997	163,811,800	429,458,800	593,270,600	8	2,195,000	25	3,768,640
1998	181,757,100	435,816,600	617,573,700	12	6,302,500	36	4,951,000
1999	172,216,800	452,482,900	624,699,700	16	13,592,449	53	5,732,491
2000	209,470,300	471,016,400	680,486,700	18	6,195,588	57	8,901,300
2001	229,112,800	527,452,300	756,565,100	20	13,793,362	50	8,027,700
2002	246,866,900	558,927,300	805,794,200	22	32,160,664	63	9,284,600
2003	273,747,400	576,537,300	850,284,700	21	12,401,287	64	13,715,023

(1) Equalized values from Annual report from City Assessor

(2) Source: City Building Services Department

TABLE 15
CITY OF MARSHFIELD, WISCONSIN
MISCELLANEOUS STATISTICS
DECEMBER 31, 2003

Date of Incorporation		1883
Form of Government		Mayor/Council
Number of employees (including part-time)		541
Area in square miles		13.4
Name of Government facilities and services:		
Miles of streets		135
Number of street lights		1,340
Culture and Recreation:		
Community centers (Senior Center)		1
Parks		19
Park acreage		380
Swimming pools		1
Tennis/raquetball courts		
outdoor-lighted		18
indoor tennis		1
racquetball		1
Fire Protection:		
Number of stations		1
Number of fire personnel and officers		34 (6 Officers)
Number of city calls answered		289
Number of inspections conducted		2,183
Police Protection:		
Number of stations		1
Number of police personnel and officers		54 (38 officers)
Number of enforcement units		16
Number of Arrests / Citations / Warnings		9,394
Sewerage System:		
Miles of sanitary sewers		129.9
Miles of storm sewers		68.6
Number of treatment plants		1
Number of service connections		7,631
Daily average treatment in gallons		3,300,000
Maximum daily capacity of treatment plant in gallons		28,000,000
Water System:		
Miles of water mains		133.4
Number of service connections		7,433
Number of fire hydrants		823
Daily average consumption in gallons		1,918,443
Maximum daily capacity of plant in gallons		4,800,000
Facilities and services not included in the reporting entity:		
Education:		
	Public	Private
Number of elementary schools	7	7
Number of secondary schools	1	3
Number of technical colleges	1	
Number of universities (limited 4 year)	1	
Hospitals:		
Number of hospitals		1
Number of patient beds		524