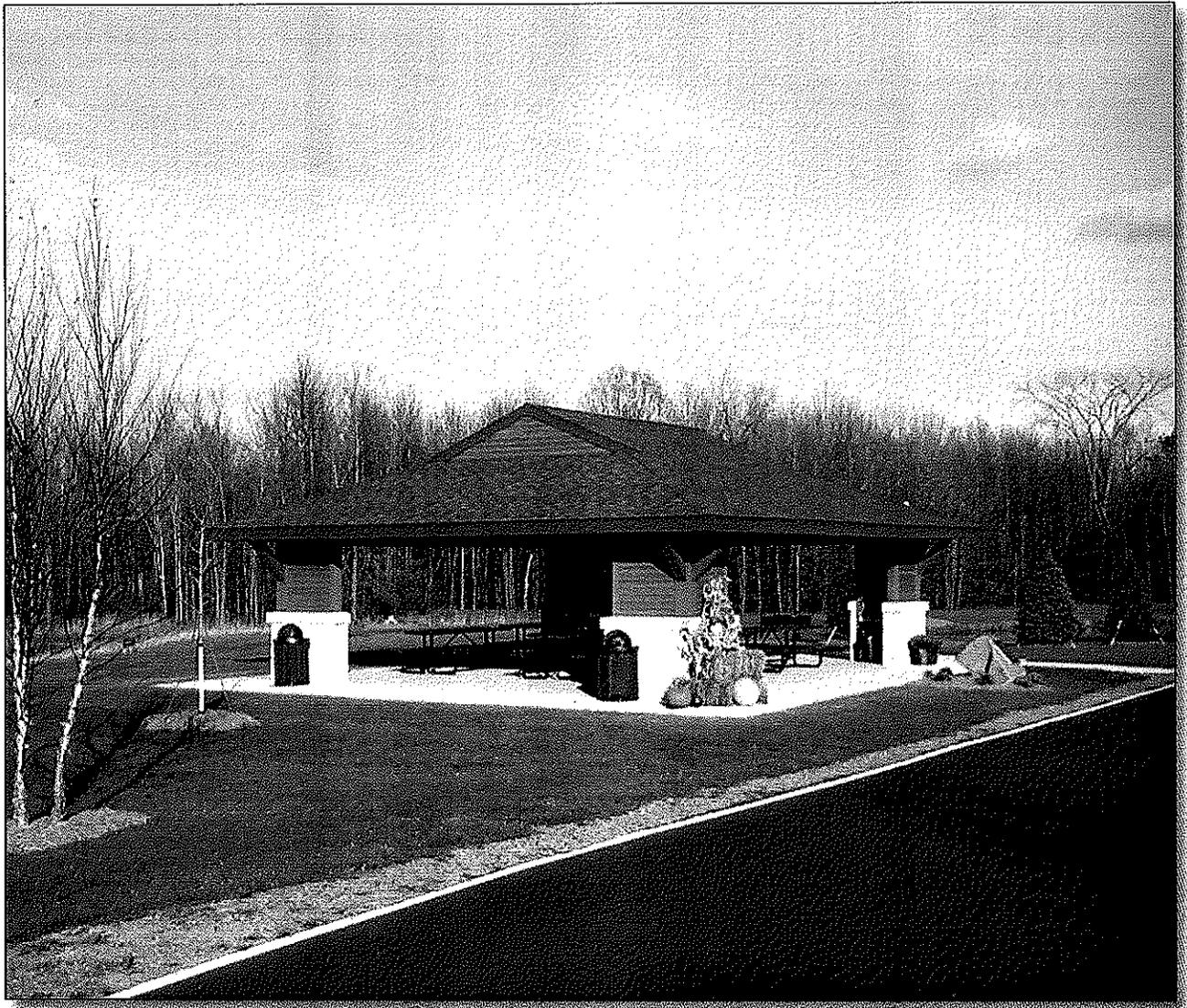


City of Marshfield, Wisconsin

Comprehensive
ANNUAL REPORT
Financial



Including Auditors' Report
for the fiscal year ended
December 31, 2006

**CITY OF MARSHFIELD, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

ON THE COVER: HAMUS NATURE PRESERVE AND RECREATION AREA

Phase I development of this nature and well head protection area located on the City's north side was completed in fall 2006 and is managed by Marshfield Utilities. The 32 acre area was purchased to protect the City's wellhead, but it also offers some passive recreational opportunities. Amenities include approximately 1 mile of asphalt trails, a shelter house, three ponds, restrooms, parking lot and other natural surface trails.

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INTRODUCTORY SECTION

June 15, 2007

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, 2006, 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, 2006 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, 2006, 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 2006 population of 19,420, 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 197 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, 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 6,038.

The Marshfield Clinic, founded in 1916, is Wisconsin's most comprehensive health care system with over 730 physicians and medical specialists, serving patients in Marshfield and more than 40 regional centers throughout central, western, eastern and northern Wisconsin. Marshfield Clinic system employs over 5,600 (exclusive of physicians).

Saint Joseph's Hospital, a 500-plus bed tertiary care teaching institution 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. In 2006, it was awarded the recognition of "children's hospital."

Marshfield Clinic Research Foundation has grown into the largest private medical research institute in the state and among the largest in the nation. Over 500 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 Clinic Laboratories is one of the largest full-service private practice medical laboratories in the nation with approximately 20 million test results reported annually. The laboratory employs over 450 people and has established separate service lines for forensic toxicology, food safety and veterinary medicine. Marshfield Clinic Laboratories 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 overall Marshfield-Wood County area economy experienced improvement over the past twelve months. Total Wood County unemployment rate for 2006 decreased from 2005 at 4.8%. This does not correspond to what is occurring in elsewhere as the region and state are increasing and the nation as a whole is decreasing. The total number of unemployment claims in Wood County increased from 1,290 claims in 2005 to 1,349 claims in 2006, an increase of 4.6%. Total Wood County employment increased in 2006 with an estimated Total Nonfarm increase of 3.7%. Sectors experiencing employment growth were Trade, Transportation & Utilities, Education & Health Services and Government. The sectors experiencing reductions in 2006 were Manufacturing and Trade and Financial Activities.

Marshfield's businesses continued to grow in 2006 with the addition of 10 new commercial and industrial buildings valued at \$3,344,820. Additionally, 116 businesses remodeled and/or expanded existing facilities valued at \$10,490,170. The city experienced a decrease in residential housing starts from 21 in 2005 to 12 in 2006 valued at \$3,672,000.

The city is positioned to experience increased development as improvements were finished to State Highway 13 on the north end of the city in 2005, completion of the new Veteran's Parkway (Marshfield Boulevard) in 2003, completion of infrastructure construction in Mill Creek Business Park in 2003, scheduled development of Yellowstone Industrial Park starting in 2007 and completion of the U.S. Highway 10 expansion to four-lanes from Stevens Point to Marshfield by 2013.

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 10 – Defined Benefit Pension Plans in the Notes to Financial Statements.

Debt Administration: During the year, the city issued \$7,910,000 of general obligation notes and \$3,120,000 of mortgage revenue bonds to fund various public purpose capital projects and refinance existing debt to reduce interest costs. As of December 31, 2006, the city had 23 debt issues outstanding. These issues included \$25,865,227 of general obligation bonds, notes and land contracts and \$25,965,227 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 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, 2006, the city's net general obligation debt of \$25,865,227 was well below the legal limit of \$62,008,575. Net bonded debt per capita equaled \$1,330. The city adheres to an aggressive repayment policy.

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 4.16% to 5.25%. The city and its proprietary funds earned interest revenue of \$1,357,201 on all investments for the year ended December 31, 2006.

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 2006 the city maintained long-term investments of \$3,988,836 long-term government agency securities of varying maturity dates with interest rates between 3.88% and 4.75% 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 for the fiscal year ended December 31, 2005. This was the twelfth consecutive year that the City of Marshfield Finance Department has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the 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 to the Finance department.

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, 2005

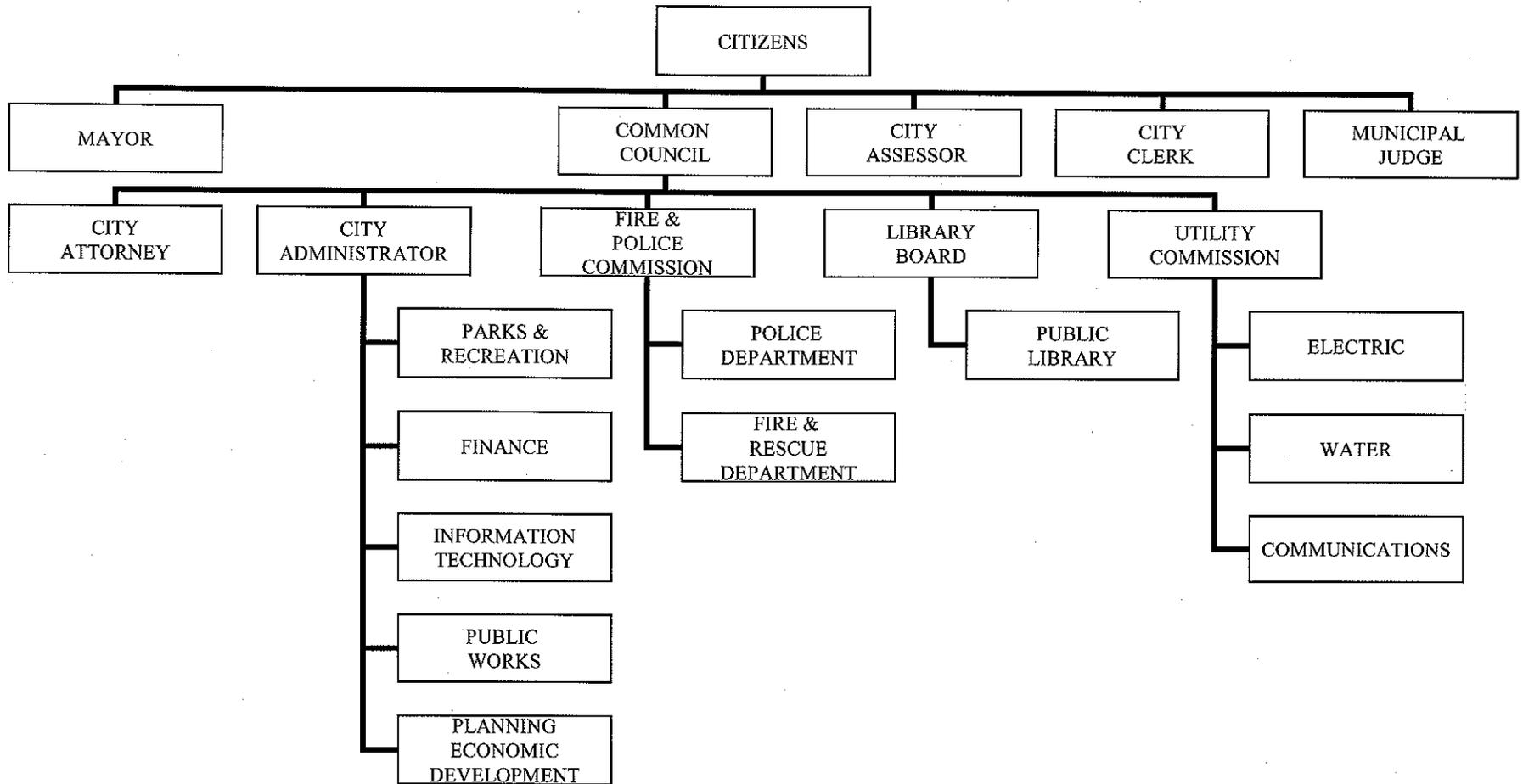
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF MARSHFIELD ORGANIZATION CHART



CITY OF MARSHFIELD, WISCONSIN

List of Principal Officials – 2006

ELECTED

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

District Alderperson:

FirstMichael Feirer
SecondAlanna Feddick
ThirdTrish Seigler
FourthMarty Anderson
FifthEd Wagner
SixthChristopher Meyer
SeventhDonald Krueger
EighthJohn Spiros
NinthTom Buttke
TenthEdward Beaudry, Jr.

APPOINTED

Administrator.....Michael Brehm
City Attorney.....John Hutchinson
Finance Director.....Keith Strey
Assistant Finance Director.....Brenda Hanson
Human Resources Specialist.....Lara Baehr
Information Technology Lead Analyst.....Dan Wolfgram
Police Chief.....Joseph Stroik
Fire Chief.....Vacant
Director of Public Works.....Daniel Knoeck
City Engineer.....Thomas Turchi
Library Director.....Lori Belongia
Parks and Recreation Director.....Edward Englehart
Director of Planning and Economic Development.....Amber Miller

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Common Council
City of Marshfield, Wisconsin

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Marshfield, Wisconsin ("City"), as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshfield, Wisconsin as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2007, 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.

The management's discussion and analysis and budgetary comparison information on pages 13 through 19 and 52 through 53 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marshfield, Wisconsin's basic financial statements. The introductory section, other supplementary information, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hankins, Ash, Baptie & Company, LLP

Marshfield, Wisconsin
June 15, 2007

**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's basic financial statements this narrative overview and analysis of the financial activities of the City of Marshfield for the fiscal year ended December 31, 2006. 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

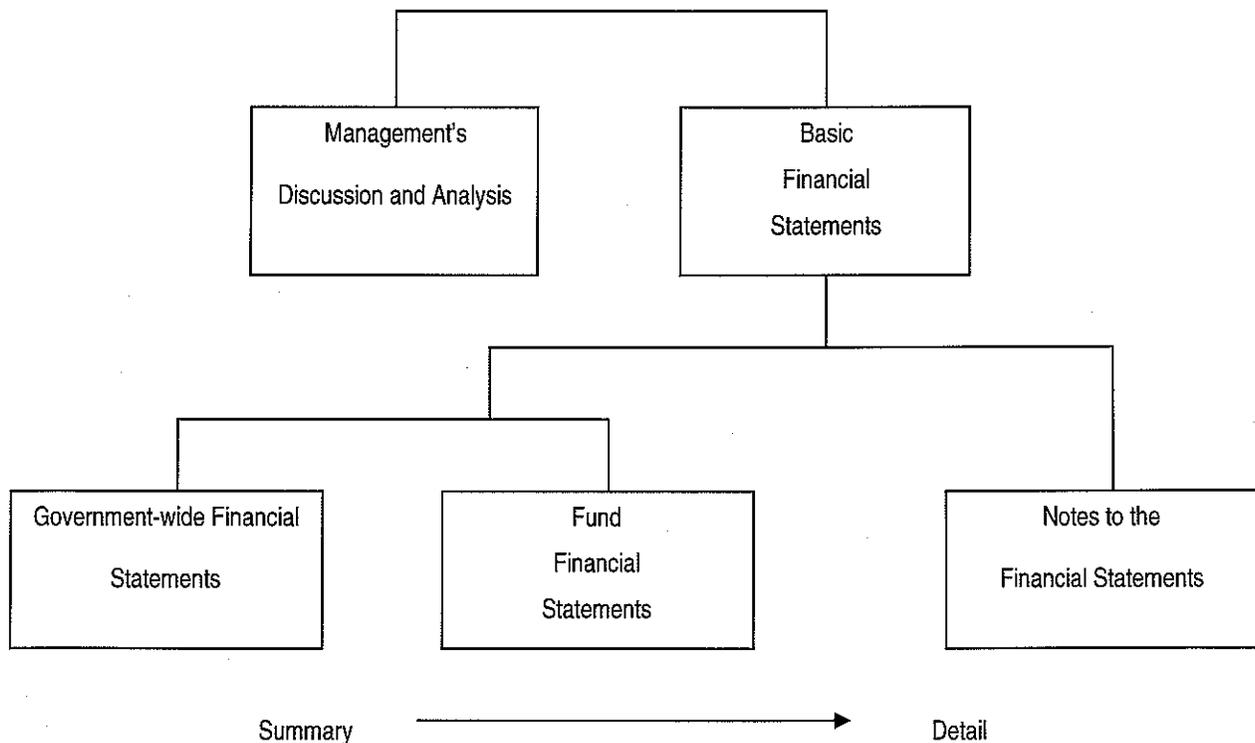
- The assets of the City of Marshfield exceeded its liabilities at the close of the fiscal year by \$120,099,679 (*net assets*).
- The government's total net assets increased by \$8,742,818, with both governmental and business-type activities increasing net assets.
- As of the close of the current fiscal year, the City of Marshfield's governmental funds reported combined ending fund balances of \$9,598,358 an increase of \$2,649,617 in comparison with the prior year. The increase is primarily due to issuance of debt for 2007 capital projects in December 2006 and unexpended funds budgeted for 2006 operations.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,278,496, or 36 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'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, communications, 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 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 Fund 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. The City of Marshfield uses enterprise funds to account for its electric, water and communications 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 Marshfield Utilities 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's own programs. The most significant fiduciary fund maintained by the City of Marshfield 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.

The City of Marshfield, Wisconsin's Net Assets

Figure 1
(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current & other assets	\$ 24,801	\$ 21,533	\$ 21,490	\$ 14,330	\$ 46,291	\$ 35,863
Capital assets	61,647	59,725	87,612	83,118	149,259	142,843
Total assets	86,448	81,258	109,102	97,448	195,550	178,706
Long-term liabilities outstanding	25,360	23,834	27,993	26,832	53,353	50,666
Other liabilities	13,618	13,348	8,479	3,335	22,097	16,683
Total liabilities	38,978	37,182	36,472	30,167	75,450	67,349
Net assets:						
Invested in capital assets, net of related debt	38,518	38,527	56,131	58,352	94,649	96,879
Restricted	5,276	4,775	8,759	3,585	14,035	8,360
Unrestricted	3,676	774	7,740	5,344	11,416	6,118
Total net assets	\$ 47,470	\$ 44,076	\$ 72,630	\$ 67,281	\$ 120,100	\$ 111,357

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 exceeded liabilities by \$120,099,679 as of December 31, 2006. The City's net assets increased by \$8,742,818 for the fiscal year ended December 31, 2006. The largest portion (80%) 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 uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Marshfield'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 \$14,035,308 of the City of Marshfield's net assets (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,416,171 is unrestricted.

City of Marshfield, Wisconsin Changes in Net Assets

Figure 2

(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 1,610	\$ 1,592	\$ 32,770	\$ 32,378	\$ 34,380	\$ 33,970
Grants & contributions	3,416	2,748	2,687	791	6,103	3,539
General revenues:						
Taxes	12,243	11,668	--	--	12,243	11,668
State shared revenue	5,677	5,451	--	--	5,677	5,451
Interest and investment income	564	425	1,007	676	1,571	1,101
Miscellaneous	109	237	--	--	109	237
Total revenues	<u>23,619</u>	<u>\$ 22,121</u>	<u>36,464</u>	<u>33,845</u>	<u>60,083</u>	<u>55,966</u>
Expenses:						
General government	2,838	2,636	--	--	2,838	2,636
Public safety	7,049	7,173	--	--	7,049	7,173
Public works	6,563	6,353	--	--	6,563	6,353
Health and human services	145	142	--	--	145	142
Culture, recreation & education	3,153	3,227	--	--	3,153	3,227
Conservation & development	806	1,074	--	--	806	1,074
Interest on long-term debt	1,057	1,053	--	--	1,057	1,053
Electric	--	--	23,155	23,716	23,155	23,716
Water	--	--	2,244	2,198	2,244	2,198
Wastewater	--	--	3,524	3,406	3,524	3,406
Other business-type activities	--	--	774	789	774	789
Total expenses	<u>21,611</u>	<u>21,658</u>	<u>29,697</u>	<u>30,109</u>	<u>51,308</u>	<u>51,767</u>
Excess (deficiency) before transfers	2,008	463	6,767	3,736	8,775	4,199
Transfers	<u>1,386</u>	<u>1,275</u>	<u>(1,386)</u>	<u>(1,275)</u>	<u>--</u>	<u>--</u>
Change in net assets	3,394	1,738	5,381	2,461	8,775	4,199
Net assets, beginning of year	<u>44,076</u>	<u>42,338</u>	<u>67,280</u>	<u>64,819</u>	<u>111,356</u>	<u>107,157</u>
Net assets, end of year	<u>\$ 47,470</u>	<u>\$ 44,076</u>	<u>\$ 72,661</u>	<u>\$ 67,280</u>	<u>\$ 120,131</u>	<u>\$ 111,356</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 taxes (approximately 50%) and state shared revenue (approximately 25%) to provide basic services. Revenues were generally at similar levels. Public safety (approximately 33%) and public works (approximately 30%) comprise the majority of expenses. Expenses were generally consistent, with decreases in public safety and interest. This decrease is the result of the transfer of Public Fire Protection (Fire Hydrant) to the Water Utility bills (included as governmental expense for 2005).

Business-type activities: Wholesale electric power costs are passed along to electric customers as a component of their bill. This recovery resulted in an increase in revenue, and coupled with lower operating expenses, increased the excess of revenue over expenses by approximately \$1 million. Customer contributions increased by almost \$2 million for customer-financed capital additions, and there was no property tax levied for business-type activities for 2006.

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'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'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 \$6,278,496 while total fund balance was \$6,823,987. 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 36 percent of total General Fund expenditures, while total fund balance represents 39 percent of that same amount.

At December 31, 2006, the governmental funds of City of Marshfield reported a combined fund balance of \$9,598,358 an increase of \$2,649,617 from last year. The increase is attributable to issuance of \$2,375,000 in debt in December 2006 for 2007 capital projects and unexpended funds budgeted for 2006 operations.

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. There were no significant budget amendments during the year.

Overall revenues were slightly lower (\$30,000) than budgeted amounts primarily because of Intergovernmental (\$84,000) and fines, forfeits and penalties (\$147,000) not meeting budgeted expectations. Other excess revenues offset were revenue budget shortfalls. Overall expenditures were less than budgeted (\$1,426,000) due to actual and incurred costs being less than estimated for budgeting purposes largely due to mild winter weather that reduced costs in a number of areas including snow and ice removal. The City had anticipated using fund balance (or having a deficit) of about \$517,000 for 2006, but instead had excess revenue of \$800,000.

Proprietary Funds. The City of Marshfield'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:

	Unrestricted Net Assets		Change in Net Assets	
	2006	2005	2006	2005
Marshfield Utilities	\$ 5,099,861	\$ 3,195,299	\$ 4,600,557	\$ 1,902,210
Wastewater	2,375,288	1,892,442	746,881	460,052
EMS	274,325	141,597	126,182	89,531
Storm Water	--	113,730	(113,730)	4,940

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, 2006, totals \$136,537,119 (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):

- Galvin Avenue Reconstruction (4th to Becker).
- Veterans Parkway – STH 13 construction (McMillan to Frey).

City of Marshfield, Wisconsin's Capital Assets

Figure 3

(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land and land improvements	\$ 7,953	\$ 7,948	\$ 1,548	\$ 1,335	\$ 9,501	\$ 9,283
Buildings and improvements	16,854	16,716	27,290	26,966	44,144	43,682
Machinery and equipment	13,716	13,282	8,105	8,061	21,821	21,343
Infrastructure/systems	51,458	48,542	80,092	75,376	131,550	123,918
Improvements other than buildings	2,074	1,956	--	--	2,074	1,956
Construction in progress	359	--	2,862	1,147	3,221	1,147
Less: Accumulated depreciation	(30,767)	(28,719)	(32,246)	(29,767)	(63,013)	(58,486)
TOTAL	\$ 61,647	\$ 59,725	\$ 87,651	\$ 83,118	\$ 149,298	\$ 142,843

Additional information on the City's capital assets can be found in the notes to the Comprehensive Annual Financial Statements, Note 5 - Capital Assets.

Long-term Obligations. As of December 31, 2006 the City of Marshfield, Wisconsin had total long-term obligations outstanding of \$52,096,963. Of this, \$25,865,226 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	
	2006	2005	2006	2005	2006	2005
General obligation bonds/notes	\$ 25,094	\$ 23,567	\$ 771	\$ 786	\$ 25,865	\$ 24,353
Mortgage revenue bonds	--	--	25,966	24,686	25,966	24,686
Other long-term obligations	266	267	41	80	307	347
TOTAL	\$ 25,360	\$ 23,834	\$ 26,778	\$ 25,552	\$ 52,138	\$ 49,386

The City of Marshfield, Wisconsin's total debt increased by \$2,791,000 (5.7%) during the past fiscal year. This was due to the issuance of more than \$11 million in new debt less scheduled principal payments of less than \$9 million 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 total equalized value of taxable property located within that government's boundaries. The legal debt limit for City of Marshfield, Wisconsin is \$62,008,575.

Additional information regarding the City of Marshfield's long-term debt can be found in the notes to the financial statements, Note 7 - Leases and Note 8 - Long-Term Obligations.

Economic Factors And Next Year's Budgets And Rates

During 2004, the city considered formation of a Storm Water Utility for implementation in 2006, but elected not to do so. Effective November 1, 2006, the City of Marshfield was under a storm water discharge permit from the WI Department of Natural Resources that outlines standards the city will be required to meet, with specific deadlines set for 2008 and 2013. Now that this permit has been received, an analysis will be performed and completed in 2007 to determine the amount of infrastructure improvements and other costs necessary to meet these regulatory deadlines. The findings of this analysis have potential to prompt the city to reconsider formation of a Storm Water Utility as a funding source.

For 2007, the city budgeted the issuance of \$2,883,121 in general obligation debt for the city's 2007 capital projects, of which \$2,375,000 was issued in December 2006.

The 2007 adopted General Fund budget is \$19.28 million, an increase of 0.91% over the 2006 revised budget of \$19.11 million. The overall 2007 adopted budget for all funds is \$35.56 million, an increase of 1.65% over the 2006 revised budget for all funds of \$34.98 million. Property taxes levied in 2006 for 2007 city purposes increased by \$107,677. The tax rate for city purposes in 2006 for 2007 remained the same.

During 2006, significant projects including an estimated \$1,600,000 multi-tenant building construction, construction of a \$1,100,000 dental office in the new Prairie Run Subdivision, construction of a new Goodwill Industries facility estimated at \$800,000, a \$514,000 expansion in Mill Creek Industrial Park and a \$326,000 expansion of a fabrication facility were completed. In 2006, construction began on the Melvin Laird Building for Medical Research on the Marshfield Clinic campus at an estimated cost of \$36.6 million that is expected to be completed in spring 2008. Construction began on the city's first gated, adults only community, Veteran Parkway Estates that will feature construction of up to seventeen units housing two condominiums each. Construction of two units was completed at an estimated value of \$451,000.

The city formed Tax Incremental Financing District #8 as part of a Development Agreement for the Shoppes at Woodridge (Northway Mall) with total project improvements projected at \$13.5 million.

In late 2006, the residential portion of first phase of the new mixed-use Prairie Run Subdivision began construction with an estimated value of \$1.18 million, construction of a \$800,000 new mixed use multi-tenant commercial development on the north side of the city and development of a \$650,000 Intergenerational Daycare Facility near Marshfield Senior High School were started.

The City of Marshfield, the City of Wisconsin Rapids and Wood County entered into an agreement in 2006 to consolidate Emergency Communication Dispatch Services into a single Wood County function. The purpose of this consolidation was to eliminate duplication of services, personnel, facilities and equipment for this service to Wood County and City residents. The City of Marshfield and Wisconsin Rapids, as part of this agreement, agreed to equally fund 1/3 each of the initial capital start-up costs capped at \$333,333.33 for each city. Wood County will issue debt to finance the total project and will invoice each city for their share of the principal and interest payments as they become due. Wood County's Joint Dispatch commenced operations the fourth quarter of 2006. The City of Marshfield 2006 adopted budget included funding for dispatch services for the first three quarters of 2006.

In 2005, as part of the State of WI biennial budget process, the State of WI imposed a two-year property tax levy limit on all WI municipalities. This tax levy limit impacts the City of Marshfield 2006 and 2007 budget. Under this limit, the city was eligible to increase its tax levy for 2006 by 2.358% over 2005. The 2006 adopted budget increased the tax levy by 1.595%. For 2007, the city was eligible to increase its tax levy by 2% over 2006. The 2007 adopted budget increased the tax levy by 0.982%.

Finally, the State of WI Governor's proposed biennial budget request includes a two year extension of the current levy limits with some modifications to it. If passed, this extension would impact the City of Marshfield for fiscal years 2008 and 2009.

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, 2006

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and equivalents	\$ 12,149,695	\$ 2,740,424	\$ 14,890,119
Investments	96,492	3,696,933	3,793,425
Receivables			
Taxes	9,163,255	50,066	9,213,321
Accounts	95,247	2,410,237	2,505,484
Special assessments	954,441	2,719	951,722
Loans	1,176,389	--	1,176,389
Other	6,036	--	6,036
Inventories	63,364	984,070	1,047,434
Prepays	37,618	19,949	57,567
Deferred charges	--	1,719,433	1,719,433
Due from other governments	162,229	1,095	163,324
Internal balances	896,049	(896,049)	--
Restricted assets			
Cash and investments	--	10,766,321	10,766,321
Capital assets, net of accumulated depreciation			
Land and construction in progress	8,311,849	4,409,733	12,721,582
Buildings, systems and equipment	53,334,860	83,202,259	136,537,119
TOTAL ASSETS	\$ 86,447,524	\$ 109,101,752	\$ 195,549,276

(Continued on page 21)

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF NET ASSETS - Continued
DECEMBER 31, 2006

	GOVERNMENTAL	BUSINESS	TOTAL
	ACTIVITIES	TYPE ACTIVITIES	
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$ 865,394	\$ 2,089,554	\$ 2,954,948
Bond anticipation notes	--	5,475,000	5,475,000
Accrued interest	262,656	92,876	355,532
Other accrued expenses	22,414	648,051	670,465
Payable from restricted assets			
Current portion of long-term debt	155,374	1,430,881	1,586,255
Other	--	158,628	158,628
Due to other governments	208,839	41	208,880
Unearned revenue	12,258,397	14,150	12,272,547
NONCURRENT LIABILITIES			
Due within one year	3,477,192	535,000	4,012,192
Capital leases payable	--	40,725	40,725
Customer deposits	--	1,215,910	1,215,910
Noncurrent portion of long-term obligations	<u>21,727,718</u>	<u>24,770,797</u>	<u>46,498,515</u>
TOTAL LIABILITIES	<u>38,977,984</u>	<u>36,471,613</u>	<u>75,449,597</u>
NET ASSETS			
Invested in capital assets, net of related debt	38,517,647	56,130,553	94,648,200
Restricted for			
Special revenue funds	2,046,202	--	2,046,202
Capital projects	544,448	--	544,448
Debt service	2,509,504	8,759,289	11,268,793
Perpetual care - nonexpendable	175,865	--	175,865
Unrestricted	<u>3,675,874</u>	<u>7,740,297</u>	<u>11,416,171</u>
TOTAL NET ASSETS	<u>47,469,540</u>	<u>72,630,139</u>	<u>120,099,679</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 86,447,524</u>	 <u>\$ 109,101,752</u>	 <u>\$ 195,549,276</u>

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES				
General government	\$ 2,837,959	\$ 752,306	\$ --	\$ --
Public safety	7,049,167	241,567	153,546	--
Public works	6,562,636	148,087	2,964,344	--
Health and human services	145,191	113,364	--	--
Culture, recreation and education	3,153,481	286,341	298,002	--
Conservation and development	806,118	68,206	--	--
Debt service				
Interest and fiscal charges	1,057,498	--	--	--
TOTAL GOVERNMENTAL ACTIVITIES	<u>21,612,050</u>	<u>1,609,871</u>	<u>3,415,892</u>	<u>--</u>
BUSINESS-TYPE ACTIVITIES				
Electric	23,155,498	24,326,967	1,353,092	--
Water	2,243,908	2,940,572	1,274,425	--
Communications	30,818	56,570	--	--
Wastewater	3,524,068	4,605,808	--	--
EMS	774,251	840,421	59,976	--
Storm Water	--	--	--	--
TOTAL BUSINESS TYPE ACTIVITIES	<u>29,728,543</u>	<u>32,770,338</u>	<u>2,687,493</u>	<u>--</u>
TOTAL	<u>\$ 51,340,593</u>	<u>\$ 34,380,209</u>	<u>\$ 6,103,385</u>	<u>\$ --</u>

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

Net assets - beginning of year

Net assets - end of year

(Continued on page 23)

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2006

<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>		
<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	
<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (2,085,653)		\$ (2,085,653)
(6,654,054)		(6,654,054)
(3,450,205)		(3,450,205)
(31,827)		(31,827)
(2,569,138)		(2,569,138)
(737,912)		(737,912)
<u>(1,057,498)</u>		<u>(1,057,498)</u>
<u>(16,586,287)</u>		<u>(16,586,287)</u>
	\$ 2,524,561	2,524,561
	1,971,089	1,971,089
	25,752	25,752
	1,081,740	1,081,740
	126,146	126,146
	--	--
	<u>5,729,288</u>	<u>5,729,288</u>
<u>(16,586,287)</u>	<u>5,729,288</u>	<u>(10,856,999)</u>
11,853,933	--	11,853,933
268,552	--	268,552
120,326	--	120,326
5,677,253	--	5,677,253
563,694	1,006,583	1,570,277
109,476	--	109,476
<u>1,386,151</u>	<u>(1,386,151)</u>	<u>--</u>
<u>19,979,385</u>	<u>(379,568)</u>	<u>19,599,817</u>
3,393,098	5,349,720	8,742,818
<u>44,186,993</u>	<u>67,280,419</u>	<u>111,467,412</u>
<u>\$ 47,469,540</u>	<u>\$ 72,630,139</u>	<u>\$ 120,099,679</u>

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and equivalents	\$ 4,926,483	\$ 3,165,313	\$ 3,583,241	\$ 11,675,037
Receivables				
Taxes	5,854,888	1,935,963	1,372,404	9,163,255
Accounts	86,070	--	--	86,070
Special assessments	954,441	--	--	954,441
Loans	--	--	1,078,278	1,078,278
Other	--	--	6,036	6,036
Prepays	36,398	--	1,220	37,618
Due from other governments	71,805	--	88,876	160,681
Due from other funds	4,512,186	--	--	4,512,186
	\$ 16,442,271	\$ 5,101,276	\$ 6,130,055	\$ 27,673,602
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 716,401	\$ --	\$ 97,377	\$ 813,778
Due to				
Other funds	16,034	--	3,603,986	3,620,020
Other governments	53,806	--	155,013	208,819
Deferred revenues	8,832,043	2,591,772	2,008,812	13,432,627
TOTAL LIABILITIES	9,618,284	2,591,772	5,865,188	18,075,244
FUND BALANCES				
Reserved for				
Special revenue	--	--	2,046,903	2,046,903
Capital projects	--	--	544,448	544,448
Debt service	--	2,509,504	--	2,509,504
Other activities	--	--	175,865	175,865
Unreserved, designated	545,491	--	--	545,491
Special revenue	--	--	710,040	710,040
Capital projects	--	--	536,598	536,598
Unreserved, undesignated	6,278,496	--	(3,748,987)	2,529,509
TOTAL FUND BALANCES	6,823,987	2,509,504	264,867	9,598,358
	\$ 16,442,271	\$ 5,101,276	\$ 6,130,055	\$ 27,673,602

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, 2006

Fund balances - total governmental funds \$ 9,598,358

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

Net capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 59,361,899

Some revenues are deferred in the funds because they are not available to pay current period's expenditures 1,174,230

Internal service funds are used by management to charge the costs of fleet machinery and equipment to individual funds. The assets, liabilities and net assets of the internal service fund are included with governmental activities on the statement of net assets. 2,256,358

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	\$	(262,656)	
Bonds and notes payable		(24,392,626)	
Compensated absences		(266,023)	(24,921,305)

Total net assets of governmental activities \$ 47,469,540

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, 2006

REVENUE	GENERAL	DEBT SERVICE	OTHER	TOTAL
			GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
Taxes	\$ 7,662,706	\$ 2,675,031	\$ 1,906,647	\$ 12,244,384
Special assessments	451,081	--	--	451,081
Intergovernmental revenues	7,607,955	--	570,790	8,178,745
Licenses and permits	178,799	--	180,665	359,464
Fines, forfeits and penalties	111,511	--	--	111,511
Charges for services	732,305	--	94,938	827,243
Other revenue	813,663	47,173	148,795	1,009,631
TOTAL REVENUES	17,558,020	2,722,204	2,901,835	23,182,059
EXPENDITURES				
Current				
General government	2,527,898	--	128,993	2,656,891
Public safety	6,842,836	--	--	6,842,836
Public works	4,735,351	--	328,341	5,063,692
Health and human services	140,662	--	--	140,662
Culture, recreation and education	2,649,548	--	235,256	2,884,804
Conservation and development	582,494	--	223,624	806,118
Capital outlay	199,830	--	3,949,669	4,149,499
Debt service				
Principal retirement	--	5,955,762	--	5,955,762
Interest and fiscal charges	--	1,015,292	24,026	1,039,318
TOTAL EXPENDITURES	17,678,619	6,971,054	4,889,909	29,539,582
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(120,599)	(4,248,850)	(1,988,074)	(6,357,523)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	--	2,503,000	2,182,000	4,685,000
Issuance of refunding debt	--	2,935,989	--	2,935,989
Transfer from Enterprise Fund	911,151	475,000	--	1,386,151
Transfers in	16,941	838,875	208,097	1,063,913
Transfers out	(6,083)	--	(1,057,830)	(1,063,913)
TOTAL OTHER FINANCING SOURCES (USES)	922,009	6,752,864	1,332,267	9,007,140
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	801,410	2,504,014	(655,807)	2,649,617
FUND BALANCES AT BEGINNING OF YEAR	6,022,577	5,490	920,674	6,948,741
FUND BALANCES AT END OF YEAR	\$ 6,823,987	\$ 2,509,504	\$ 264,867	\$ 9,598,358

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, 2006

Net change in fund balances - total governmental funds \$ 2,649,617

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	\$ 4,149,499	
Less expenditures not capitalized	(177,574)	
Depreciation expense reported in the statement of activities	(1,910,926)	
Book value of fixed assets disposed of during the year	<u>(16,499)</u>	
Amount by which capital outlays are greater than depreciation in the current period.		2,044,500

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 (1,902)

Internal service funds are used by management to charge the costs of fleet machinery and equipment to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities. (100,381)

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: (7,620,989)

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 decreased by: 607

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 455,339

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: 5,955,762

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 998,825
 The amount of interest accrued during the current period (988,280)
 Interest paid is greater (less) than interest accrued by 10,545

Change in net assets - governmental activities \$ 3,393,098

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

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
				ACTIVITIES-	
	MARSHFIELD	OTHER		INTERNAL	
	UTILITIES	WASTEWATER	ENTERPRISE FUNDS	TOTAL	SERVICE FUND
ASSETS					
CURRENT ASSETS					
Cash and equivalents	\$ 462,517	\$ 1,991,583	\$ 286,324	\$ 2,740,424	\$ 571,150
Taxes receivable	--	50,066	--	50,066	--
Accounts receivable	2,249,448	42,365	118,424	2,410,237	--
Special assessments receivable	--	2,719	--	2,719	--
Prepaid expenses	--	19,875	74	19,949	--
Due from other funds	50,550	579,313	--	629,863	5,365
Due from other governments	--	1,095	--	1,095	1,548
Restricted assets, cash and investments	7,793,845	2,972,476	--	10,766,321	--
Inventories	877,329	106,741	--	984,070	63,364
TOTAL CURRENT ASSETS	11,433,689	5,760,795	404,822	17,599,306	641,427
NONCURRENT ASSETS					
Deferred charges	1,719,433	--	--	1,719,433	--
Investments	3,696,933	--	--	3,696,933	--
Other assets	--	--	--	--	--
	5,416,366	--	--	5,416,366	--
Capital assets, at cost					
Land and construction in progress	4,379,772	29,961	--	4,409,733	20,728
Buildings, systems and equipment	67,470,765	47,340,364	637,073	115,448,202	6,507,271
Less accumulated depreciation	(22,015,984)	(9,800,459)	(429,500)	(32,245,943)	(4,243,189)
Net capital assets	49,834,553	37,569,866	207,573	87,611,992	2,284,810
TOTAL NONCURRENT ASSETS	55,250,919	37,569,866	207,573	93,028,358	2,284,810
TOTAL ASSETS	\$ 66,684,608	\$ 43,330,661	\$ 612,395	\$ 110,627,664	\$ 2,926,237

(Continued on page 29)

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF NET ASSETS - Continued
PROPRIETARY FUNDS
DECEMBER 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
				ACTIVITIES-	
	MARSHFIELD	OTHER		INTERNAL	
	UTILITIES	WASTEWATER	ENTERPRISE FUNDS	TOTAL	SERVICE FUND
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 1,953,662	\$ 109,949	\$ 16,766	\$ 2,080,377	\$ 51,616
Bond anticipation notes	5,475,000	--	--	5,475,000	--
Due to other funds	1,489,368	36,544	--	1,525,912	1,482
Due to other governments	--	41	--	41	20
Accrued salaries, wages and compensated absences	611,615	27,896	8,540	648,051	22,414
Accrued interest	--	92,876	--	92,876	--
Current portion of long-term debt	12,945	1,415,693	2,243	1,430,881	155,374
Deferred revenues	--	1,500	12,650	14,150	--
Customer advances	1,215,910	--	--	1,215,910	--
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Accrued interest	158,628	--	--	158,628	--
Current portion mortgage revenue bonds	535,000	--	--	535,000	--
TOTAL CURRENT LIABILITIES	<u>11,452,128</u>	<u>1,684,499</u>	<u>56,965</u>	<u>13,176,826</u>	<u>230,906</u>
NONCURRENT LIABILITIES					
Capital leases payable	--	40,725	--	40,725	--
Long-term obligations	5,386,252	19,294,247	90,298	24,770,797	448,150
TOTAL NONCURRENT LIABILITIES	<u>5,386,252</u>	<u>19,334,972</u>	<u>90,298</u>	<u>24,811,522</u>	<u>448,150</u>
TOTAL LIABILITIES	<u>16,838,380</u>	<u>21,019,471</u>	<u>130,497</u>	<u>37,988,348</u>	<u>679,056</u>
NET ASSETS					
Invested in capital assets, net of related debt	38,959,554	16,963,426	207,573	56,130,553	1,681,285
Restricted for debt services	5,786,813	469,567	--	6,256,380	--
Restricted for other activities	--	2,502,909	--	2,502,909	565,896
Unrestricted	5,099,861	2,375,288	274,325	7,749,474	--
TOTAL NET ASSETS	<u>49,846,228</u>	<u>22,311,190</u>	<u>481,898</u>	<u>72,639,316</u>	<u>2,247,181</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 66,684,608</u>	<u>\$ 43,330,661</u>	<u>\$ 612,395</u>		<u>\$ 2,926,237</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(9,177)	
Net assets of business-type activities on statement of activities.				<u>\$ 72,630,139</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, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL
	MARSHFIELD		OTHER	TOTAL	ACTIVITIES- INTERNAL SERVICE FUND
	UTILITIES	WASTEWATER	ENTERPRISE FUNDS		
OPERATING REVENUES					
Charges for services	\$ 27,324,109	\$ 4,344,933	\$ 886,397	\$ 32,555,439	\$ 1,424,925
OPERATING EXPENSES					
Operations and maintenance	22,324,450	1,436,171	741,394	24,502,015	1,182,701
General	380,161	414,422	--	794,583	--
Depreciation	2,173,467	1,056,460	27,747	3,257,674	359,973
Taxes	178,421	--	--	178,421	--
TOTAL OPERATING EXPENSES	25,056,499	2,907,053	769,141	28,732,693	1,542,674
OPERATING INCOME	2,267,610	1,437,880	117,256	3,822,746	(117,749)
NONOPERATING REVENUE (EXPENSE)					
Interest income	874,553	131,744	36	1,006,333	--
Interest and fiscal charges	(350,953)	(608,868)	(5,110)	(964,931)	(28,725)
Amortization of debt issue costs	(20,749)	--	--	(20,749)	--
Miscellaneous	--	250	--	250	35,923
Other nonoperating expenses	--	--	--	--	--
TOTAL NONOPERATING REVENUE	502,851	(476,874)	(5,074)	20,903	7,198
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	2,770,461	961,006	112,182	3,843,649	(110,551)
Contributions from customers	2,627,517	260,875	14,000	2,902,392	--
Transfers to governmental funds	(797,421)	(475,000)	(113,730)	(1,386,151)	--
CHANGE IN NET ASSETS	4,600,557	746,881	12,452	5,359,890	(110,551)
NET ASSETS - January 1	45,245,671	21,564,309	469,446		2,357,732
NET ASSETS - December 31	\$ 49,846,228	\$ 22,311,190	\$ 481,898		\$ 2,247,181
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(10,170)	
Change in net assets of business-type activities on statement of activities.				\$ 5,349,720	

The accompanying notes are an integral part of these statements.

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2005

	BUSINESS-TYPE ENTERPRISE FUNDS			TOTAL	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	MARSHFIELD UTILITIES	WASTEWATER	OTHER ENTERPRISE FUNDS		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 33,219,237	\$ 164,217	\$ 879,541	\$ 34,262,995	\$ 1,447,885
Payments to wastewater utility (collection of wastewater revenue)	(4,203,082)	4,203,082	-	-	-
Payments to suppliers and vendors	(21,732,519)	(1,036,665)	(137,348)	(22,906,532)	(786,149)
Payments to employees	(2,636,810)	(808,804)	(615,774)	(4,061,388)	(403,614)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,646,826</u>	<u>2,521,830</u>	<u>126,419</u>	<u>7,295,075</u>	<u>258,122</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer to governmental funds	(797,421)	(475,000)	(113,730)	(1,386,151)	-
Capital paid in by municipality	-	-	-	-	-
Public benefits receipts	209,103	-	-	209,103	-
Payments for public benefits	(224,357)	-	-	(224,357)	-
TOTAL CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES	<u>(812,675)</u>	<u>(475,000)</u>	<u>(113,730)</u>	<u>(1,401,405)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of fixed assets	(6,252,253)	(1,137,784)	(21,202)	(7,411,239)	(271,944)
Payments payroll & benefits for employees - capitalized	(481,838)	-	-	(481,838)	-
Payments for improvement of capital assets	(1,782,229)	-	-	(1,782,229)	-
Cost of retiring fixed assets	(169,136)	-	-	(169,136)	-
Interest paid	(237,257)	(608,868)	(5,110)	(851,235)	(28,725)
Proceeds from insurance claims	350,203	-	-	350,203	-
Proceeds from sale of fixed assets	207,855	-	-	207,855	48,395
Proceeds from issuance of revenue bonds	1,586,086	1,530,000	-	3,116,086	-
Proceeds from bond anticipation notes	5,475,000	-	-	5,475,000	-
Principal payments of bonds payable	(470,000)	(1,370,433)	-	(1,840,433)	(145,638)
Principal payments of GO refunding bonds	(10,356)	(2,796)	(1,794)	(14,946)	-
Principal payments of capital leases	-	(39,162)	-	(39,162)	-
Contributed capital	2,628,762	260,875	14,000	2,903,637	-
Contributions refunded	(84,989)	-	-	(84,989)	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>759,848</u>	<u>(1,368,168)</u>	<u>(14,106)</u>	<u>(622,426)</u>	<u>(397,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	737,824	131,744	36	869,604	-
Purchase of investments	(764,818)	-	-	(764,818)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(26,994)</u>	<u>131,744</u>	<u>36</u>	<u>104,786</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,567,005	810,406	(1,381)	5,376,030	(139,790)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,689,357</u>	<u>4,153,653</u>	<u>287,705</u>	<u>8,130,715</u>	<u>710,940</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 8,256,362</u>	<u>\$ 4,964,059</u>	<u>\$ 286,324</u>	<u>\$ 13,506,745</u>	<u>\$ 571,150</u>

(Continued on page 32)

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

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2005

	BUSINESS-TYPE ENTERPRISE FUNDS			TOTAL	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	MARSHFIELD UTILITIES	WASTEWATER	OTHER ENTERPRISE FUNDS		
RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income	\$ 2,267,610	\$ 1,437,880	\$ 117,256	\$ 3,822,746	\$ (117,749)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation charged to depreciation expense	1,864,362	1,056,460	27,747	2,948,569	359,973
Depreciation charged to clearing account	309,105	-	-	309,105	-
Proceeds from miscellaneous sales	-	407	-	407	21,843
Changes in assets and liabilities					
(Increase) decrease in assets					
Accounts receivable	775,686	5,926	(6,856)	774,756	757
Prepaid expenses	-	(19,875)	(7)	(19,882)	-
Due from other funds	11,418	16,033	-	27,451	360
Inventories	(175,108)	(12,782)	-	(187,890)	5,957
Increase (decrease) in current liabilities					
Accounts payable	(418,288)	41,720	(15,010)	(391,578)	(13,684)
Due to other funds	(28,482)	(6,325)	-	(34,807)	(625)
Other accrued expenses	40,523	2,386	3,289	46,198	1,290
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,646,826</u>	<u>2,521,830</u>	<u>126,419</u>	<u>7,295,075</u>	<u>258,122</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR					
Cash	1,629,680	1,991,583	287,705	3,908,968	571,150
Revenue bond special redemption investments	6,427,935	469,567	-	6,897,502	-
Revenue bond depreciation investments	150,000	2,502,909	-	2,652,909	-
Customer deposits	48,747	-	-	48,747	-
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 8,256,362</u>	<u>\$ 4,964,059</u>	<u>\$ 287,705</u>	<u>\$ 13,508,126</u>	<u>\$ 571,150</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Dividends reinvested	\$ 116,789	\$ -	\$ -	\$ 116,789	\$ -
Capital assets contributed by customers	-	69,800	-	69,800	-

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

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2006

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and equivalents	\$ 4,465,815
Investments	13,400
Taxes receivable	12,336,089
Other receivables	<u>4,709</u>
TOTAL ASSETS	<u>\$ 16,820,013</u>
LIABILITIES AND NET ASSETS	
Accounts payable	\$ 20,338
Payroll deductions	295,373
Due to other governments	<u>16,504,302</u>
TOTAL LIABILITIES	<u>16,820,013</u>
NET ASSETS	
Restricted	<u>--</u>
TOTAL NET ASSETS	<u>--</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,820,013</u>

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, 2006

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.

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

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

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

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

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

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

Basis of Presentation

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 1 - Summary of Significant Accounting Policies - Continued

Additionally, the City reports the following fund types:

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

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

Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property tax revenue, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Taxes levied in 2006 that will be collected in 2007 are recorded as receivable and deferred revenue. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Eligibility includes timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

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

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

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 1 - Summary of Significant Accounting Policies - Continued

Basis of Accounting - Continued

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued before November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable are recorded at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material. 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, 2006

NOTE 1 - Summary of Significant Accounting Policies - Continued

Capital Assets

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

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

Capitalization thresholds and the estimated useful lives are as follows:

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

Compensated Absences

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

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

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, 2006

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

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

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

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.

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 2-A - Cash and Investments

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

As of December 31, 2006, the City had the following investments.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Carrying Amount</u>
Federal Home Loan Consolidation Bonds	Various dates from 2009-2013	\$ 3,911,108	\$ 3,988,836
State of Wisconsin Investment Pool	Less than one year	15,900,785	15,900,785
Other	September 1, 2012	<u>19,000</u>	<u>19,000</u>
Total Investments, December 31, 2006		<u>\$ 19,830,893</u>	<u>\$ 19,908,621</u>

Fair (Market) Value of Deposits and Investments - Deposits and investments are reported at fair value. At December 31, 2006, the fair value of the City's deposits and investments approximated original cost, therefore no fair value adjustments were necessary.

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

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

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the City's position in the Pool is the same as the value of the Pool shares. At December 31, 2006, the Pool's fair value was 100 percent of book value.

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

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

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

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 2-A - Cash and Investments - Continued

Custodial Credit Risk - Deposits. Custodial credit is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy addresses collateral levels and types. As of December 31, 2006, \$3,907,144 of the City's bank balance of \$4,184,636, was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank	\$	3,000,000	
Uninsured and uncollateralized		907,144	
		907,144	
	\$	3,907,144	

Other investment – The Marshfield Utilities has invested in American Transmission Company, LLC (ATC). ATC is an electric power group consisting of 28 Wisconsin Electric utilities. The Utility's 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 2006 year-end the Utility received cash distributions totaling \$467,155. The Utility's total earnings for 2006 were \$583,944. Separate financial information for ATC may be obtained by writing to American Transmission Company, P.O.Box 47, Waukesha, WI 53187-0047.

NOTE 3 - Property Taxes

Property taxes attach as an enforceable lien on property in December when the tax roll is certified. Taxes are levied in December and payable in two installments on January 31 and July 31, or payable in full on January 31. Special assessments, charges, and personal property taxes are payable in full on January 31. The City bills and collects its own property taxes and also taxes for the State, County, Technical College, and Public Schools until February 1, at which time all uncollected real estate taxes are turned over to the respective counties for collection. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Tax Agency Fund. City property tax revenue is recognized in the year they are levied for and available for use. The 2006 tax roll (levied for 2007) has been set up as a receivable and offset by the amounts due to other governmental units and deferred income tax revenue for the City's portion. Advance tax collections are offset against the receivable.

NOTE 4 – Rehabilitation Loans

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

	Balance 1/1/06	Additions	Payments & Foreclosures	Balance 12/31/06
Community Development Block				
Grant Program	\$ 109,423	\$ --	\$ --	\$ 109,423
Residential Revolving Loan	175,834	15,618	6,926	184,526
TOTAL	\$ 285,257	\$ 15,618	\$ 6,926	\$ 293,949

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 5 - Capital Assets

Capital asset activity for the year ended December 31, 2006, was as follows:

	<u>BALANCES</u> 1/1/06	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCES</u> 12/31/06
GOVERNMENTAL ACTIVITIES				
<i>Capital assets not being depreciated:</i>				
Land	\$ 7,947,472	\$ 5,542	\$ --	\$ 7,953,014
Construction in progress	--	358,835	--	358,835
Total capital assets not being depreciated	<u>7,947,472</u>	<u>364,377</u>	<u>--</u>	<u>8,311,849</u>
<i>Capital assets being depreciated</i>				
Buildings	16,716,126	137,818	--	16,853,944
Infrastructure	48,542,083	2,915,919	--	51,458,002
Improvements other than buildings	1,955,891	117,844	--	2,073,735
Machinery and equipment	13,281,403	707,911	273,080	13,716,234
Total capital assets being depreciated	<u>80,495,503</u>	<u>3,879,492</u>	<u>273,080</u>	<u>84,101,915</u>
Less accumulated depreciation for:				
Buildings	6,305,260	416,216	--	6,721,476
Infrastructure	11,924,507	1,200,660	--	13,125,167
Improvements other than buildings	442,541	78,325	--	520,866
Machinery and equipment	10,046,113	630,808	277,375	10,399,546
Total accumulated depreciation	<u>28,718,421</u>	<u>2,326,009</u>	<u>277,375</u>	<u>30,767,055</u>
Total capital assets being depreciated, net	<u>51,777,082</u>	<u>1,553,483</u>	<u>(4,295)</u>	<u>53,334,860</u>
Government Activity Capital Assets, Net	<u>\$ 59,724,554</u>	<u>\$ 1,917,860</u>	<u>\$ (4,295)</u>	<u>\$ 61,646,709</u>

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

General government	\$ 175,229
Public safety	207,212
Public works	1,263,891
Culture, recreation, and education	260,065
Conservation and development	4,529
Total	<u>\$ 1,910,926</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 5 - Capital Assets - Continued

	BALANCES 1/1/06	ADDITIONS	RETIREMENTS	BALANCES 12/31/06
BUSINESS-TYPE ACTIVITIES				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,335,013	\$ 212,506	\$ --	\$ 1,547,519
Construction in progress	<u>1,146,764</u>	<u>6,506,229</u>	<u>4,790,778</u>	<u>2,862,215</u>
Total capital assets not being depreciated	<u>2,481,777</u>	<u>6,718,735</u>	<u>4,790,778</u>	<u>4,409,734</u>
<i>Capital assets being depreciated</i>				
Buildings	26,965,557	324,897	--	27,290,454
Infrastructure/systems	75,376,479	5,474,548	758,903	80,092,124
Machinery and equipment	<u>8,060,599</u>	<u>201,867</u>	<u>157,753</u>	<u>8,104,713</u>
Total capital assets being depreciated	<u>110,402,635</u>	<u>6,001,312</u>	<u>916,656</u>	<u>115,487,291</u>
Less accumulated depreciation for:				
Buildings	6,268,953	696,782	39,091	6,926,644
Infrastructure/systems	19,503,657	2,090,343	789,014	20,804,986
Machinery and equipment	<u>3,994,175</u>	<u>701,968</u>	<u>181,830</u>	<u>4,514,313</u>
Total accumulated depreciation	<u>29,766,785</u>	<u>3,489,093</u>	<u>1,009,935</u>	<u>32,245,943</u>
Total capital assets being depreciated, net	<u>80,635,850</u>	<u>2,512,219</u>	<u>(93,279)</u>	<u>83,241,348</u>
Business-Type Activity Capital Assets, Net	<u>\$ 83,117,627</u>	<u>\$ 9,230,954</u>	<u>\$ 4,697,499</u>	<u>\$ 87,651,082</u>

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

Electric and Water	\$ 2,404,886
Wastewater	1,056,460
Emergency Medical Services	<u>27,747</u>
Total	<u>\$ 3,489,093</u>

NOTE 6 - Short-Term Notes Payable

Short-term notes payable at December 31, 2006 are as follows:

	BALANCES 1/1/06	ADDITIONS	PAYMENTS	BALANCES 12/31/06
DESCRIPTION				
Bond Anticipation Note	\$ --	\$ 5,475,000	\$ --	\$ 5,475,000

The note was issued on August 1, 2006 at 5.55% interest, and is due August 1, 2007.

NOTE 7 - LEASES

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 \$216,112 less Accumulated Depreciation of \$147,677 at December 31, 2006.

Maturities of the capital lease obligation at December 31, 2006 is:

	ENTERPRISE FUND LEASE	
YEARS	PRINCIPAL	INTEREST
2007	\$ 40,725	\$ 1,625

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 8 - Long-Term Obligations

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

Summary of Long-Term Obligations

	<u>BALANCES</u> 1/1/06	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCES</u> 12/31/06	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
GOVERNMENTAL ACTIVITIES					
General obligation debt					
Bonds payable	\$ 9,419,090	\$ --	\$ 730,054	\$ 8,689,035	\$ 741,317
Notes payable	14,147,816	7,755,000	5,652,589	16,250,227	2,625,226
State Trust Fund Loan	--	155,000	--	155,000	--
Other long-term obligations					
Vacation pay and comp time	266,630	266,023	266,630	266,023	266,023
Total Governmental Activities	<u>\$ 23,833,536</u>	<u>\$ 8,176,023</u>	<u>\$ 6,649,273</u>	<u>\$ 25,360,285</u>	<u>\$ 3,632,566</u>

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

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds	\$ 785,911	\$ --	\$ 14,946	\$ 770,965	\$ 18,683
Mortgage Revenue Bonds	24,686,147	3,120,000	1,840,434	25,965,713	1,947,198
Total Business-Type Activities	<u>\$ 25,472,058</u>	<u>\$ 3,120,000</u>	<u>\$ 1,855,380</u>	<u>\$ 26,736,678</u>	<u>\$ 1,965,881</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 8 - 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, 2006, is comprised of the following issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>DATES OF MATURITY</u>	<u>BALANCE</u> <u>12/31/06</u>
Bonds Payable			
12-98	5.15 - 6.50	10-18	\$ 880,000
5-01	5.55 - 6.65	3-21	650,000
1-03	2.00 - 4.05	4-16	1,760,000
3-03	5.13 - 5.70	12-22	3,095,000
5-04	1.40 - 4.10	4-17	2,450,000
5-04	3.50 - 5.50	4-15	625,000
Notes Payable			
12-96	9.00	1-07	226
5-01	3.70 - 4.50	3-11	1,585,000
5-02	3.00 - 4.25	3-12	2,490,000
1-03	2.00 - 3.60	3-12	1,590,000
5-05	3.45 - 3.60	5-13	2,830,000
3-06	3.5 - 3.625	3-16	5,285,000
12-06	3.55 - 3.7	3-16	2,470,000
State Trust Fund Loan			
10-06	5	3-11	155,000
Total General Obligation Debt			<u>\$ 25,865,226</u>
Less General Obligation Debt to be repaid by Enterprise Funds			<u>770,965</u>
TOTAL GOVERNMENTAL FUNDS GENERAL OBLIGATION DEBT			<u>\$ 25,094,261</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 8 - 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, 2006, is comprised of the following issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>DATES OF MATURITY</u>	<u>BALANCE</u> <u>12/31/06</u>
Mortgage Revenue Bonds			
10-93	4.0 - 5.5	12-13	\$ 3,185,000
3-98	2.761	5-17	2,119,760
9-98	2.761	5-18	14,205,953
6-02	3.0 - 4.35	6-13	625,000
5-03	2.00 - 3.50	5-13	1,055,000
5-05	4.125 - 4.65	5-20	1,655,000
10-06	3.55 - 4.50	12-26	1,590,000
12-06	3.6 - 4.00	5-21	1,530,000
General Obligation Bonds			
3-03	5.13 - 5.70	12-22	<u>770,965</u>
TOTAL ENTERPRISE DEBT			<u>\$ 26,736,678</u>

General Obligation Debt Limit Calculation

The 2006 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$1,240,171,500. The legal debt limit and margin of indebtedness as of December 31, 2006 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5% of \$1,240,171,500)	\$ 62,008,575
Applicable long-term debt	(25,865,226)
Amount available in debt service fund	<u>39,505</u>
Margin Of Indebtedness	<u>\$ 36,182,854</u>

Maturities of Long-Term Obligations

Maturities of the long-term debt to maturity, at December 31, 2006, 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>
2007	\$ 3,366,544	\$ 907,196	\$ 1,965,880	\$ 894,635
2008	3,297,365	825,295	2,131,012	820,856
2009	3,209,864	703,946	2,202,044	747,782
2010	2,808,054	591,113	2,290,249	671,061
2011	2,492,586	488,088	2,383,159	590,323
2012-2016	7,974,511	1,322,395	10,198,305	1,789,875
2017-2021	1,671,260	332,624	4,925,106	465,839
2022-2026	<u>274,077</u>	<u>15,622</u>	<u>640,923</u>	<u>81,159</u>
TOTAL	<u>\$ 25,094,261</u>	<u>\$ 5,186,279</u>	<u>\$ 26,736,678</u>	<u>\$ 6,061,530</u>

CITY OF MARSHFIELD, WISCONSIN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 9 – 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, 2006, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$6,860,000.

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 5.9 percent of their salary (2.9 percent for Elected Officials, 5.0 percent for Protective Occupations with Social Security, and 3.3 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, 2006, was \$11,289,703, the employer's total payroll was \$12,016,303. The total required contribution for the year ended December 31, 2006, was \$1,558,514 which consisted of \$962,482 or 8.01 percent of payroll from the employer and \$596,032 or 4.96 percent of payroll from employees. Total contributions for the years ending December 31, 2005 and 2004, were \$1,494,553 and \$1,409,186 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, 2006

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 not required to make a payment from the Post Employment Health Plan during the fiscal year ended December 31, 2006. As of December 31, 2006, the City has \$278,618 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, 2006, are as follows:

<u>FUND</u>	<u>DUE TO</u>	<u>DUE FROM</u>
General Fund	\$ 4,512,186	\$ 66,001
Other Governmental Funds		
Capital Projects Funds		
Urban Development	--	27,153
Water Main Construction	--	11,778
TID #4	--	1,903,917
TID #5	--	1,555,176
TID #6	--	31,498
TID #7	--	1,427
TID #8	--	23,070
Enterprise Funds		
Electric and Water Utility	50,550	1,489,368
Wastewater Utility	579,313	36,544
Internal Service Fund		
Vehicles and Equipment	5,365	1,482
	<u>\$ 5,147,414</u>	<u>\$ 5,147,414</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, 2006

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

Individual fund operating transfers during 2006 are as follows:

<u>FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General Fund	\$ 928,092	\$ 6,083
Debt Service Fund		
Long-term Notes	1,313,875	--
Other Governmental Funds		
Special Revenue Funds		
Room Tax	--	155,014
Convention and Visitors Bureau	152,635	--
Capital Projects Funds		
Street Construction	--	47,000
Storm Sewer Construction	47,000	8,500
Parks and Recreation Capital Projects	8,462	--
TID #3	--	21,394
TID #2	--	98,977
TID #4	--	597,663
TID #6	--	2,751
TID #5	--	118,090
Enterprise Funds		
Electric and Water Utility		797,421
Wastewater Utility	--	475,000
Stormwater Utility	-	113,730
Permanent Fund		
Perpetual Fund	--	8,441
	<u>\$ 2,450,064</u>	<u>\$ 2,450,064</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, 2006

NOTE 13 – Fund Equity

Reservations and Designations

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

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

Deficits

The following individual funds had deficits at December 31, 2006:

Special Revenue Funds	Business Improvement District	\$	10
Capital Project Funds	Urban Development		27,153
	Water Main Construction		12,264
	T.I.D. #4 (Downtown Improvements)		2,058,612
	T.I.D. #5 (Mill Creek)		1,594,797
	T.I.D. #6 (Figi)		31,498
	T.I.D. #7 (Yellowstone Industrial Park)		1,427
	T.I.D. #8 (Northway Mall)		23,226

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 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, 2006

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.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUE				
Taxes	\$ 7,639,934	\$ 7,639,934	\$ 7,662,706	\$ 22,772
Special assessments	359,000	359,000	451,081	92,081
Intergovernmental revenues	7,686,247	7,691,769	7,607,955	(83,814)
Licenses and permits	153,350	153,350	178,799	25,449
Fines, forfeits and penalties	257,200	258,700	111,511	(147,189)
Public charges for services	697,703	698,702	732,305	33,603
Other revenue	784,363	786,437	813,663	27,226
TOTAL REVENUES	17,577,797	17,587,892	17,558,020	(29,872)
EXPENDITURES				
Current				
General government	2,811,473	2,764,373	2,527,898	236,475
Public safety	6,781,376	6,805,988	6,842,836	(36,848)
Public works	5,689,789	5,657,539	4,735,351	922,188
Health and human services	152,035	153,635	140,662	12,973
Culture, recreation and education	2,814,242	2,822,458	2,649,548	172,910
Conservation and development	559,709	614,959	582,494	32,465
Capital outlay	283,456	285,640	199,830	85,810
TOTAL EXPENDITURES	19,092,080	19,104,592	17,678,619	1,425,973
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,514,283)	(1,516,700)	(120,599)	1,396,101
OTHER FINANCING SOURCES (USES)				
Transfer from Enterprise Fund	949,607	949,607	911,151	(38,456)
Transfers in	47,611	56,111	16,941	(39,170)
Transfers out	--	(6,083)	(6,083)	--
TOTAL OTHER FINANCING SOURCES (USES)	997,218	999,635	922,009	(77,626)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(517,065)	(517,065)	801,410	1,318,475
FUND BALANCES AT BEGINNING OF YEAR	6,022,577	6,022,577	6,022,577	--
FUND BALANCES AT END OF YEAR	\$ 5,505,512	\$ 5,505,512	\$ 6,823,987	\$ 1,318,475

CITY OF MARSHFIELD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
DECEMBER 31, 2006

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 \$18,695.

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. Several Special Revenue Funds had no budgeted expenditures since effective control is achieved through alternative procedures, and some 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, 2006, expenditures exceeded budgeted amounts for public safety in the general fund by \$36,848. These over expenditures were funded by available fund balance in the general fund.

OTHER 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 certain Tax Incremental Districts, are levied to finance the debt service.
- **General Obligation Refunding Bonds** – to accumulate monies for payment of the refunding issues. Property taxes are levied to finance the debt service.

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL	FINAL	
Taxes			
Property	\$ 7,518,253	\$ 7,518,253	\$ 7,540,807
Sales and use	130	130	119
Payment in lieu of taxes	120,751	120,751	120,207
Interest and penalties on taxes	800	800	1,573
TOTAL	<u>7,639,934</u>	<u>7,639,934</u>	<u>7,662,706</u>
Special Assessments	<u>359,000</u>	<u>359,000</u>	<u>451,081</u>
Intergovernmental revenues			
Federal grants	--	1,223	--
State shared revenues	5,593,220	5,593,220	5,671,901
State grants	1,688,823	1,688,823	1,537,702
State payments	112,000	112,000	98,417
Grants from local governments	292,204	296,503	299,935
TOTAL	<u>7,686,247</u>	<u>7,691,769</u>	<u>7,607,955</u>
Licenses and Permits			
Liquor and malt beverage license	37,800	37,800	46,265
Nonbusiness license	10,450	10,450	10,294
Building permits	100,000	100,000	117,109
Zoning permits and fees	5,100	5,100	5,131
TOTAL	<u>153,350</u>	<u>153,350</u>	<u>178,799</u>
Fines, Forfeits and Penalties			
Law and ordinance violations	<u>257,200</u>	<u>258,700</u>	<u>111,511</u>
Public Charges for Services			
General government	31,800	31,800	53,234
Public safety	19,855	19,855	18,011
Transportation	48,050	48,050	67,268
Sanitation and utilities	1,900	1,900	6,061
Health	101,599	101,599	98,036
Human services	1,111	1,111	1,299
Culture, recreation and education	313,752	313,752	286,341
Conservation and development	500	500	1,000
Other charges for services	1,300	1,300	1,360
TOTAL	<u>519,867</u>	<u>519,867</u>	<u>532,610</u>

(Continued on Page 55)

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, Continued
YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL	FINAL	
Intergovernmental charges for services			
State	\$ 4,795	\$ 4,795	\$ 15,289
Other local governments	112,950	113,949	123,156
Local departments	60,091	60,091	61,250
TOTAL	<u>177,836</u>	<u>178,835</u>	<u>199,695</u>
Other			
Interest	450,000	450,000	473,226
Rent	304,109	304,109	313,768
Donations	9,704	11,778	9,882
Sale of other equipment and property	20,550	20,550	16,681
Other miscellaneous revenues	--	--	106
TOTAL	<u>784,363</u>	<u>786,437</u>	<u>813,663</u>
 TOTAL REVENUES	 <u>\$ 17,577,797</u>	 <u>\$ 17,587,892</u>	 <u>\$ 17,558,020</u>

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL
	ORIGINAL	FINAL	AMOUNTS
General Government			
Legislative	\$ 95,895	\$ 95,895	\$ 75,693
Legal	170,360	171,860	133,464
General administration	1,201,904	1,202,804	1,070,074
Financial administration	850,141	731,685	701,945
General buildings and plant	302,342	297,342	280,583
Other general government	190,831	264,787	266,139
TOTAL	<u>2,811,473</u>	<u>2,764,373</u>	<u>2,527,898</u>
Public Safety			
Law enforcement	3,857,129	3,867,628	3,931,506
Fire protection	2,334,387	2,334,000	2,348,875
Inspection	295,775	317,775	290,755
Emergency communications	280,618	273,118	265,388
Disaster control	13,467	13,467	6,312
TOTAL	<u>6,781,376</u>	<u>6,805,988</u>	<u>6,842,836</u>
Public Works			
Administration for highway and streets	515,683	524,483	500,747
Transportation cost pools	69,593	69,593	(79,782)
Highway and street maintenance	3,360,190	3,310,640	2,623,382
Road related facilities	937,468	937,468	858,331
Other transportation	134,520	143,020	138,939
Sanitation	672,335	672,335	693,734
TOTAL	<u>5,689,789</u>	<u>5,657,539</u>	<u>4,735,351</u>
Health and Human Services			
Cemetary	145,189	146,789	134,401
Aging	6,846	6,846	6,261
TOTAL	<u>152,035</u>	<u>153,635</u>	<u>140,662</u>
Culture, Recreation and Education			
Culture	1,334,244	1,340,128	1,313,125
Parks	610,264	612,759	567,386
Recreation programs and events	436,174	437,994	383,294
Recreation facilities	148,543	145,960	122,766
Zoo	240,189	240,789	218,351
Education	44,828	44,828	44,626
TOTAL	<u>2,814,242</u>	<u>2,822,458</u>	<u>2,649,548</u>

(Continued on Page 57)

CITY OF MARSHFIELD, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES, Continued
YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL
	ORIGINAL	FINAL	AMOUNTS
Conservation and Development			
Resource conservation	\$ 178,787	\$ 233,787	\$ 209,994
Economic development	13,692	13,692	7,520
Other conservation and development	367,230	367,480	364,980
TOTAL	<u>559,709</u>	<u>614,959</u>	<u>582,494</u>
Capital Outlay	<u>283,456</u>	<u>285,640</u>	199,830
TOTAL	<u>283,456</u>	<u>285,640</u>	199,830
TOTAL EXPENDITURES	<u>\$ 19,092,080</u>	<u>\$ 19,104,592</u>	<u>\$ 17,678,619</u>

CITY OF MARSHFIELD, WISCONSIN
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUE				
Taxes	\$ 2,675,031	\$ 2,675,031	\$ 2,675,031	\$ --
Other revenue	47,172	47,172	47,173	1
TOTAL REVENUES	2,722,203	2,722,203	2,722,204	1
EXPENDITURES				
Current				
Principal retirement	3,059,772	3,059,772	5,955,762	(2,895,990)
Interest and fiscal charges	973,332	973,332	1,015,292	(41,960)
TOTAL EXPENDITURES	4,033,104	4,033,104	6,971,054	(2,937,950)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,310,901)	(1,310,901)	(4,248,850)	(2,937,949)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	--	--	5,438,989	5,438,989
Transfer from Enterprise Fund	475,000	475,000	475,000	--
Transfers in	838,875	838,875	838,875	--
TOTAL OTHER FINANCING SOURCES (USES)	1,313,875	1,313,875	6,752,864	5,438,989
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,974	2,974	2,504,014	2,501,040
FUND BALANCES AT BEGINNING OF YEAR	5,490	5,490	5,490	--
FUND BALANCES AT END OF YEAR	\$ 8,464	\$ 8,464	\$ 2,509,504	\$ 2,501,040

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 reported in the General Fund and used to offset perpetual care costs.

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	SPECIAL REVENUE	CAPITAL PROJECTS	PERMANENT FUND PERPETUAL CARE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and equivalents	\$ 1,745,393	\$ 1,661,983	\$ 175,865	\$ 3,583,241
Receivables				
Accounts	102,272	1,270,132	--	1,372,404
Loans	1,078,278	--	--	1,078,278
Other	6,036	--	--	6,036
Prepays	1,220	--	--	1,220
Due from				
Other governments	84,296	4,580	--	88,876
	\$ 3,017,495	\$ 2,936,695	\$ 175,865	\$ 6,130,055
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 64,541	\$ 32,836	\$ --	\$ 97,377
Due to				
Other funds	49,967	3,554,019	--	3,603,986
Other governments	13	155,000	--	155,013
Deferred revenues	146,041	1,862,771	--	2,008,812
	260,562	5,604,626	--	5,865,188
NET ASSETS				
Reserved for				
Special revenue funds	2,046,903	--	--	2,046,903
Capital projects	--	544,448	--	544,448
Other activities - nonexpendable trust	--	--	175,865	175,865
Unreserved				
Designated	710,040	536,598	--	1,246,638
Undesignated	(10)	(3,748,977)	--	(3,748,987)
	2,756,933	(2,667,931)	175,865	264,867
	\$ 3,017,495	\$ 2,936,695	\$ 175,865	\$ 6,130,055

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

	ROOM TAX FUND	CONVENTION & VISITORS BUREAU FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	ECONOMIC DEVELOPMENT FUND	COMMERCIAL REHAB REVOLVING LOAN
ASSETS					
Cash and equivalents	\$ 151,615	\$ 125,129	--	\$ 754,024	\$ 9,000
Receivables					
Taxes	--	--	--	36,842	--
Loans	--	--	109,423	784,329	--
Other	--	444	--	--	--
Prepays	--	1,220	--	--	--
Due from other governments	--	--	--	--	--
TOTAL ASSETS	\$ 151,615	\$ 126,793	\$ 109,423	\$ 1,575,195	\$ 9,000
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ --	\$ 1,974	--	\$ 959	--
Due to other funds	--	--	--	--	--
Due to other governments	--	--	--	--	--
Deferred revenues	--	--	--	49,288	--
TOTAL LIABILITIES	--	1,974	--	50,247	--
FUND BALANCES					
Reserved	--	--	109,423	1,524,948	9,000
Unreserved:					
Designated	151,615	124,819	--	--	--
Undesignated	--	--	--	--	--
TOTAL FUND BALANCES	151,615	124,819	109,423	1,524,948	9,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 151,615	\$ 126,793	\$ 109,423	\$ 1,575,195	\$ 9,000

(Continued on page 61)

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

RESIDENTIAL REVOLVING LOAN FUND	REVOLVING LOAN FUND	LAW ENFORCEMENT RESTRICTED REVENUE	FIRE GRANT FUND	TAXI SYSTEM FUND	UTILITY DIVIDEND FUND	EAST INDUSTRIAL PARK IMPROVEMENT	CABLE TELEVISION FUND	BUSINESS IMPROVEMENT DISTRICT	TOTAL SPECIAL REVENUE FUNDS
\$ 28,599	\$ 155,633	\$ 12,371	--	--	\$ 243,012	\$ 119,845	\$ 129,761	\$ 16,404	\$ 1,745,393
--	--	--	--	16,844	--	--	--	48,586	102,272
83,660	100,866	--	--	--	--	--	--	--	1,078,278
--	--	--	--	--	--	--	3,401	2,191	6,036
--	--	--	--	--	--	--	--	--	1,220
--	--	--	--	84,296	--	--	--	--	84,296
<u>\$ 112,259</u>	<u>\$ 256,499</u>	<u>\$ 12,371</u>	<u>--</u>	<u>\$ 101,140</u>	<u>\$ 243,012</u>	<u>\$ 119,845</u>	<u>\$ 133,162</u>	<u>\$ 67,181</u>	<u>\$ 3,017,495</u>
\$ --	\$ --	\$ --	\$ --	20	\$ --	\$ --	\$ 61,588	\$ --	64,541
--	--	--	--	49,843	--	--	124	--	49,967
--	13	--	--	--	--	--	--	--	13
--	--	7,028	--	22,534	--	--	--	67,191	146,041
--	13	7,028	--	72,397	--	--	61,712	67,191	260,562
112,259	256,486	5,343	--	28,743	--	--	--	--	2,046,202
--	--	--	--	--	243,012	119,845	71,450	--	710,741
--	--	--	--	--	--	--	--	(10)	(10)
<u>112,259</u>	<u>256,486</u>	<u>5,343</u>	<u>--</u>	<u>28,743</u>	<u>243,012</u>	<u>119,845</u>	<u>71,450</u>	<u>(10)</u>	<u>2,756,933</u>
<u>\$ 112,259</u>	<u>\$ 256,499</u>	<u>\$ 12,371</u>	<u>--</u>	<u>\$ 101,140</u>	<u>\$ 243,012</u>	<u>\$ 119,845</u>	<u>\$ 133,162</u>	<u>\$ 67,181</u>	<u>\$ 3,017,495</u>

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
DETAIL OF NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2006

	STREET CONSTRUCTION FUND	URBAN DEVELOPMENT FUND	STORM SEWER CONSTR	FIRE PROTECTION FUND	AIRPORT OUTLAY	PARKS & REC CAPITAL PROJECTS FUND	WATER MAIN CONSTR OUTLAY
ASSETS							
Cash and equivalents	\$ 542,891	\$ --	\$ 542,752	\$ 203	\$ 173,328	\$ 39,910	\$ --
Receivables							
Taxes	274,998	--	165,932	--	--	78,486	--
Due from							
Other governments	--	--	4,580	--	--	--	--
TOTAL ASSETS	\$ 817,889	\$ --	\$ 713,264	\$ 203	\$ 173,328	\$ 118,396	\$ --
LIABILITIES AND FUND BALANCES							
CURRENT LIABILITIES							
Accounts payable	\$ 10,480	\$ --	\$ 1,953	\$ --	\$ --	\$ 2,730	\$ 486
Due to							
Other funds	--	27,153	--	--	--	--	11,778
Other governments	--	--	--	--	155,000	--	--
Deferred revenues	367,900	--	221,988	--	--	105,000	--
TOTAL CURRENT LIABILITIES	378,380	27,153	223,941	--	155,000	107,730	12,264
FUND BALANCES							
Reserved	439,509	--	--	--	18,328	10,666	--
Unreserved							
Designated	--	--	489,323	203	--	--	--
Undesignated	--	(27,153)	--	--	--	--	(12,264)
TOTAL FUND BALANCES	439,509	(27,153)	489,323	203	18,328	10,666	(12,264)
TOTAL LIABILITIES AND FUND BALANCES	\$ 817,889	\$ --	\$ 713,264	\$ 203	\$ 173,328	\$ 118,396	\$ --

(Continued on page 63)

CITY OF MARSHFIELD, WISCONSIN
COMBINING BALANCE SHEET
DETAIL OF NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2006

T.I.D. # 3	T.I.D. # 4	T.I.D. # 5	T.I.D. # 7	T.I.D. # 8	CITY	UW	TOTAL		
TOWER	DOWNTOWN	MILL	YELLOWSTONE	NORTHWAY	HALL	BUILDING/	CAPITAL		
HALL	PUB	CREEK	BUSINESS	MALL	REMODLING	REMODLING	PROJECTS		
FUND	IMPROVEMENT	PARKWAY	FUND	FUND	FUND	FUND	FUNDS		
\$ 165,573	\$ 100,101	--	--	--	\$ 47,305	\$ 49,920	\$ 1,661,983		
1,678	75,803	457,912	--	117,281	--	67,273	30,769		
--	--	--	--	--	--	--	4,580		
<u>\$ 167,251</u>	<u>\$ 175,904</u>	<u>\$ 457,912</u>	<u>--</u>	<u>\$ 117,281</u>	<u>--</u>	<u>\$ 114,578</u>	<u>\$ 80,689</u>	<u>\$ 2,936,695</u>	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 156	\$ 17,031	\$ --	\$ 32,836	
--	--	1,903,917	31,498	1,555,176	1,427	23,070	--	3,554,019	
--	--	--	--	--	--	--	--	155,000	
165,799	101,411	612,607	--	156,902	--	90,000	41,164	1,862,771	
<u>165,799</u>	<u>101,411</u>	<u>2,516,524</u>	<u>31,498</u>	<u>1,712,078</u>	<u>1,427</u>	<u>23,226</u>	<u>107,031</u>	<u>41,164</u>	<u>5,604,626</u>
1,452	74,493	--	--	--	--	--	--	544,448	
--	--	--	--	--	--	7,547	39,525	536,598	
--	--	(2,058,612)	(31,498)	(1,594,797)	(1,427)	(23,226)	--	(3,748,977)	
<u>1,452</u>	<u>74,493</u>	<u>(2,058,612)</u>	<u>(31,498)</u>	<u>(1,594,797)</u>	<u>(1,427)</u>	<u>(23,226)</u>	<u>7,547</u>	<u>39,525</u>	<u>(2,667,931)</u>
<u>\$ 167,251</u>	<u>\$ 175,904</u>	<u>\$ 457,912</u>	<u>--</u>	<u>\$ 117,281</u>	<u>--</u>	<u>\$ 114,578</u>	<u>\$ 80,689</u>	<u>\$ 2,936,695</u>	

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2006

	SPECIAL REVENUE	CAPITAL PROJECTS	PERMANENT FUND PERPETUAL CARE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE				
Taxes	\$ 315,852	\$ 1,590,795	\$ --	\$ 1,906,647
Intergovernmental revenues	414,211	156,579	--	570,790
Licenses and permits	180,665	--	--	180,665
Public charges for services	78,970	8,000	7,968	94,938
Other revenue	134,381	5,973	8,441	148,795
TOTAL REVENUES	1,124,079	1,761,347	16,409	2,901,835
EXPENDITURES				
Current				
General government	128,993	--	--	128,993
Public works	328,341	--	--	328,341
Culture, recreation and education	235,256	--	--	235,256
Conservation and development	222,204	1,420	--	223,624
Capital outlay	401,573	3,548,096	--	3,949,669
Interest and fiscal charges	--	24,026	--	24,026
TOTAL EXPENDITURES	1,316,367	3,573,542	--	4,889,909
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(192,288)	(1,812,195)	16,409	(1,988,074)
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	--	2,182,000	--	2,182,000
Transfers in	152,635	55,462	--	208,097
Transfers out	(155,014)	(894,375)	(8,441)	(1,057,830)
TOTAL OTHER FINANCING SOURCES (USES)	(2,379)	1,343,087	(8,441)	1,332,267
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(194,667)	(469,108)	7,968	(655,807)
FUND BALANCES AT BEGINNING OF YEAR	2,951,600	(2,198,823)	167,897	920,674
FUND BALANCES AT END OF YEAR	\$ 2,756,933	\$ (2,667,931)	\$ 175,865	\$ 264,867

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

	ROOM TAX FUND	CONVENTION & VISITORS BUREAU FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	ECONOMIC DEVELOPMENT FUND	COMMERCIAL REHAB REVOLVING LOAN
REVENUE					
Taxes	\$ 268,552	\$ --	\$ --	\$ 47,300	\$ --
Intergovernmental revenues	--	--	--	--	--
Licenses and permits	--	--	--	--	9,000
Public charges for services	--	--	--	--	--
Other revenue	--	62,343	--	66,399	--
TOTAL REVENUES	268,552	62,343	--	113,699	9,000
EXPENDITURES					
Current					
General government	--	--	--	--	--
Public safety	--	--	--	--	--
Public works	--	--	--	--	--
Culture, recreation and education	8,077	227,179	--	--	--
Conservation and development	--	--	--	111,395	--
Capital outlay	79,355	--	--	--	--
TOTAL EXPENDITURES	87,432	227,179	--	111,395	--
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	181,120	(164,836)	--	2,304	9,000
OTHER FINANCING SOURCES (USES)					
Transfers in	--	152,635	--	--	--
Transfers out	(155,014)	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(155,014)	152,635	--	--	--
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES					
	26,106	(12,201)	--	2,304	9,000
FUND BALANCES AT BEGINNING OF YEAR	125,509	137,020	109,423	1,522,644	--
FUND BALANCES AT END OF YEAR	\$ 151,615	\$ 124,819	\$ 109,423	\$ 1,524,948	\$ 9,000

(Continued on page 66)

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DETAIL OF NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

RESIDENTIAL REVOLVING LOAN FUND	REVOLVING LOAN FUND	LAW ENFORCEMENT RESTRICTED REVENUE	FIRE GRANT FUND	TAXI SYSTEM FUND	UTILITY DIVIDEND FUND	EAST INDUSTRIAL PARK IMPROVEMENT	CABLE TELEVISION FUND	BUSINESS IMPROVEMENT DISTRICT	TOTAL SPECIAL REVENUE FUNDS
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	315,852
--	--	--	40,344	373,867	--	--	--	--	414,211
--	--	--	--	--	--	--	171,665	--	180,665
--	--	13,124	--	--	--	--	--	65,846	78,970
--	4,216	450	--	101	--	701	--	171	134,381
--	4,216	13,574	40,344	373,968	--	701	171,665	66,017	1,124,079
--	--	--	--	--	--	--	128,993	--	128,993
--	--	--	--	--	--	--	--	--	--
--	--	--	--	328,341	--	--	--	--	328,341
--	--	--	--	--	--	--	--	--	235,256
45,034	147	--	--	--	--	--	--	65,628	222,204
--	--	13,124	39,402	62,618	--	--	207,074	--	401,573
45,034	147	13,124	39,402	390,959	--	--	336,067	65,628	1,316,367
(45,034)	4,069	450	942	(16,991)	--	701	(164,402)	389	(192,288)
--	--	--	--	--	--	--	--	--	152,635
--	--	--	--	--	--	--	--	--	(155,014)
--	--	--	--	--	--	--	--	--	(2,379)
(45,034)	4,069	450	942	(16,991)	--	701	(164,402)	389	(194,667)
157,293	252,417	4,893	(942)	45,734	243,012	119,144	235,852	(399)	2,951,600
\$ 112,259	\$ 256,486	\$ 5,343	\$ --	\$ 28,743	\$ 243,012	\$ 119,845	\$ 71,450	\$ (10)	\$ 2,756,933

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DETAIL OF NONMAJOR CAPITAL PROJECT FUNDS
YEAR ENDED DECEMBER 31, 2006

	STREET CONSTRUCTION FUND	URBAN DEVELOPMENT FUND	STORM SEWER CONSTR	FIRE PROTECTION FUND	AIRPORT OUTLAY	PARKS & REC CAPITAL PROJECTS FUND	WATER MAIN CONSTR OUTLAY
REVENUE							
Taxes	\$ 479,852	\$ --	\$ 240,389	--	\$ --	\$ --	\$ --
Intergovernmental revenues	64,000	--	4,968	--	--	40,000	--
Public charges for services	8,000	--	--	--	--	--	--
Other revenue	--	--	--	--	--	100	--
TOTAL REVENUES	<u>551,852</u>	<u>--</u>	<u>245,357</u>	<u>--</u>	<u>--</u>	<u>40,100</u>	<u>--</u>
EXPENDITURES							
Current							
Conservation and development	--	--	--	--	--	--	--
Capital outlay	2,308,049	13	725,058	--	320,117	97,062	5,138
Interest and fiscal charges	24,026	--	--	--	--	--	--
TOTAL EXPENDITURES	<u>2,332,075</u>	<u>13</u>	<u>725,058</u>	<u>--</u>	<u>320,117</u>	<u>97,062</u>	<u>5,138</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,780,223)</u>	<u>(13)</u>	<u>(479,701)</u>	<u>--</u>	<u>(320,117)</u>	<u>(56,962)</u>	<u>(5,138)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds of long-term debt	1,059,000	--	805,000	--	318,000	--	--
Transfers in	--	--	47,000	--	--	8,462	--
Transfers out	(47,000)	--	(8,500)	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,012,000</u>	<u>--</u>	<u>843,500</u>	<u>--</u>	<u>318,000</u>	<u>8,462</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(768,223)</u>	<u>(13)</u>	<u>363,799</u>	<u>--</u>	<u>(2,117)</u>	<u>(48,500)</u>	<u>(5,138)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,207,732</u>	<u>(27,140)</u>	<u>125,524</u>	<u>203</u>	<u>20,445</u>	<u>59,166</u>	<u>(7,126)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 439,509</u>	<u>\$ (27,153)</u>	<u>\$ 489,323</u>	<u>\$ 203</u>	<u>\$ 18,328</u>	<u>\$ 10,666</u>	<u>\$ (12,264)</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
YEAR ENDED DECEMBER 31, 2006

T.I.D. # 3	T.I.D. # 2	T.I.D. # 4	T.I.D. # 6	T.I.D. # 5	T.I.D. # 7	T.I.D. # 8	CITY	UW	TOTAL
TOWER	PURDY	DOWNTOWN	FIGI	MILL	YELLOWSTONE	NORTHWAY	HALL	BUILDING/	CAPITAL
HALL	PURDY	PUB	FIGI	CREEK	BUSINESS	MALL	REMODLING	REMODLING	PROJECTS
FUND	FUND	IMPROVEMENT	PROJECT	PARKWAY	FUND	FUND	FUND	FUND	FUNDS
\$ 16,521	\$ 98,855	\$ 575,216	\$ --	\$ 109,752	\$ --	\$ --	\$ 45,210	\$ 25,000	\$ 1,590,795
94	64	35,998	4,182	7,273	--	--	--	--	156,579
--	--	--	--	--	--	--	--	--	8,000
5,773	--	--	--	100	--	--	--	--	5,973
<u>22,388</u>	<u>98,919</u>	<u>611,214</u>	<u>4,182</u>	<u>117,125</u>	<u>--</u>	<u>--</u>	<u>45,210</u>	<u>25,000</u>	<u>1,761,347</u>
149	149	--	149	247	--	--	--	726	1,420
--	--	247	--	36,817	440	8,977	32,008	14,170	3,548,096
--	--	--	--	--	--	--	--	--	24,026
<u>149</u>	<u>149</u>	<u>247</u>	<u>149</u>	<u>37,064</u>	<u>440</u>	<u>8,977</u>	<u>32,008</u>	<u>14,896</u>	<u>3,573,542</u>
<u>22,239</u>	<u>98,770</u>	<u>610,967</u>	<u>4,033</u>	<u>80,061</u>	<u>(440)</u>	<u>8,977</u>	<u>13,202</u>	<u>10,104</u>	<u>(1,812,195)</u>
--	--	--	--	--	--	--	--	--	2,182,000
--	--	--	--	--	--	--	--	--	55,462
<u>(21,394)</u>	<u>(98,977)</u>	<u>(597,663)</u>	<u>(2,751)</u>	<u>(118,090)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(894,375)</u>
<u>(21,394)</u>	<u>(98,977)</u>	<u>(597,663)</u>	<u>(2,751)</u>	<u>(118,090)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,343,087</u>
845	(207)	13,304	1,282	(38,029)	(440)	(8,977)	13,202	10,104	(469,108)
607	74,700	(2,071,916)	(32,780)	(1,556,768)	(987)	(14,249)	(5,655)	29,421	(2,198,823)
<u>\$ 1,452</u>	<u>\$ 74,493</u>	<u>\$ (2,058,612)</u>	<u>\$ (31,498)</u>	<u>\$ (1,594,797)</u>	<u>\$ (1,427)</u>	<u>\$ (23,226)</u>	<u>\$ 7,547</u>	<u>\$ 39,525</u>	<u>\$ (2,667,931)</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 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 Rehab Revolving Loan 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.
- **Fire Grant** – to account for grant subsidies received and utilized for capital purchases that do not qualify for recording in Capital Project Funds.
- **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.
- **Cable Television Fund** – to account for Cable Television Franchise Fees received and utilized for operation of local Cable Access Programming.

CITY OF MARSHFIELD, WISCONSIN
ROOM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
Public accomodation taxes	\$ 255,867	\$ 255,867	\$ 268,552	\$ 12,685
TOTAL REVENUES	<u>255,867</u>	<u>255,867</u>	<u>268,552</u>	<u>12,685</u>
EXPENDITURES				
Current				
Culture, recreation and education				
Parks	--	--	8,077	(8,077)
Capital outlay				
Parks	121,502	121,502	79,355	42,147
TOTAL EXPENDITURES	<u>121,502</u>	<u>121,502</u>	<u>87,432</u>	<u>34,070</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>134,365</u>	<u>134,365</u>	<u>181,120</u>	<u>(46,755)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(145,000)	(147,379)	(155,014)	(7,635)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(145,000)</u>	<u>(147,379)</u>	<u>(155,014)</u>	<u>(7,635)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(10,635)</u>	<u>(13,014)</u>	<u>26,106</u>	<u>(39,120)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>125,509</u>	<u>125,509</u>	<u>125,509</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 114,874</u>	<u>\$ 112,495</u>	<u>\$ 151,615</u>	<u>\$ (39,120)</u>

CITY OF MARSHFIELD, WISCONSIN
CONVENTION AND VISITORS BUREAU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUE				
Miscellaneous				
Interest	\$ 76,000	\$ 76,000	\$ 62,343	\$ (13,657)
TOTAL REVENUES	<u>76,000</u>	<u>76,000</u>	<u>62,343</u>	<u>(13,657)</u>
EXPENDITURES				
Current				
Culture, recreation and education				
Culture	216,760	216,760	227,179	(10,419)
TOTAL EXPENDITURES	<u>216,760</u>	<u>216,760</u>	<u>227,179</u>	<u>(10,419)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(140,760)</u>	<u>(140,760)</u>	<u>(164,836)</u>	<u>(24,076)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	145,000	145,000	152,635	7,635
TOTAL OTHER FINANCING SOURCES (USES)	<u>145,000</u>	<u>145,000</u>	<u>152,635</u>	<u>7,635</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,240	4,240	(12,201)	(16,441)
FUND BALANCE AT BEGINNING OF YEAR	<u>137,020</u>	<u>137,020</u>	<u>137,020</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 141,260</u>	<u>\$ 141,260</u>	<u>\$ 124,819</u>	<u>\$ (16,441)</u>

CITY OF MARSHFIELD, WISCONSIN
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Miscellaneous				
Miscellaneous	\$ --	\$ --	\$ --	\$ --
TOTAL REVENUES	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
EXPENDITURES				
Current				
Conservation and development	--	--	--	--
TOTAL EXPENDITURES	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</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>109,423</u>	<u>109,423</u>	<u>109,423</u>	<u> --</u>
FUND BALANCE AT END OF YEAR	<u>\$ 109,423</u>	<u>\$ 109,423</u>	<u>\$ 109,423</u>	<u> --</u>

CITY OF MARSHFIELD, WISCONSIN
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes				
General property taxes	\$ 47,300	\$ 47,300	\$ 47,300	--
Miscellaneous				
Interest	47,890	47,890	66,399	18,509
TOTAL REVENUES	<u>95,190</u>	<u>95,190</u>	<u>113,699</u>	<u>18,509</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	110,541	110,541	111,395	(854)
TOTAL EXPENDITURES	<u>110,541</u>	<u>110,541</u>	<u>111,395</u>	<u>(854)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,351)</u>	<u>(15,351)</u>	<u>2,304</u>	<u>17,655</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(15,351)</u>	<u>(15,351)</u>	<u>2,304</u>	<u>17,655</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>1,522,644</u>	<u>1,522,644</u>	<u>1,522,644</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,507,293</u>	<u>\$ 1,507,293</u>	<u>\$ 1,524,948</u>	<u>\$ 17,655</u>

CITY OF MARSHFIELD, WISCONSIN
COMMERCIAL REHAB REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Licenses and permits	\$ --	\$ --	\$ 9,000	\$ 9,000
TOTAL REVENUES	<u>--</u>	<u>--</u>	<u>9,000</u>	<u>9,000</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	--	--	--	--
TOTAL EXPENDITURES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	9,000	9,000
FUND BALANCE AT BEGINNING OF YEAR	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>

CITY OF MARSHFIELD, WISCONSIN
RESIDENTIAL REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUES				
Miscellaneous				
Interest	\$ --	\$ --	\$ --	\$ --
TOTAL REVENUES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES				
Conservation and development	--	--	45,034	(45,034)
TOTAL EXPENDITURES	<u>--</u>	<u>--</u>	<u>45,034</u>	<u>(45,034)</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>--</u>	 <u>--</u>	 <u>(45,034)</u>	 <u>(45,034)</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>157,293</u>	 <u>157,293</u>	 <u>157,293</u>	 <u>--</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 157,293</u>	 <u>\$ 157,293</u>	 <u>\$ 112,259</u>	 <u>\$ (45,034)</u>

CITY OF MARSHFIELD, WISCONSIN
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Miscellaneous				
Interest	\$ 1,500	\$ 1,500	\$ 4,216	\$ 2,716
TOTAL REVENUES	1,500	1,500	4,216	2,716
EXPENDITURES				
Current				
Conservation and development				
Economic development	325	325	147	178
TOTAL EXPENDITURES	325	325	147	178
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,175	1,175	4,069	2,894
OTHER FINANCING SOURCES (USES)				
Transfers in				
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,175	1,175	4,069	2,894
FUND BALANCE AT BEGINNING OF YEAR	252,417	252,417	252,417	--
FUND BALANCE AT END OF YEAR	\$ 253,592	\$ 253,592	\$ 256,486	\$ 2,894

CITY OF MARSHFIELD, WISCONSIN
LAW ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGET AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Public charges for services	\$ --	\$ 13,124	\$ 13,124	--
Other revenue				
Interest	--	--	450	450
TOTAL REVENUES	<u>\$ --</u>	<u>\$ 13,124</u>	<u>\$ 13,574</u>	<u>450</u>
EXPENDITURES				
Current				
Public safety				
Law enforcement	--	13,124	13,124	--
TOTAL EXPENDITURES	<u>--</u>	<u>13,124</u>	<u>13,124</u>	<u>--</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	450	450
FUND BALANCE AT BEGINNING OF YEAR	<u>4,893</u>	<u>4,893</u>	<u>4,893</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,893</u>	<u>\$ 4,893</u>	<u>\$ 5,343</u>	<u>450</u>

CITY OF MARSHFIELD, WISCONSIN
FIRE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
REVENUES				
Intergovernmental				
Federal grants	\$ --	\$ --	\$ 40,344	\$ 40,344
TOTAL REVENUES	<u> --</u>	<u> --</u>	<u> 40,344</u>	<u> 40,344</u>
EXPENDITURES				
Capital Outlay				
Public safety				
Fire prevention	--	--	39,402	(39,402)
TOTAL EXPENDITURES	<u> --</u>	<u> --</u>	<u> 39,402</u>	<u> (39,402)</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 --	 --	 942	 942
 FUND BALANCE AT BEGINNING OF YEAR	 <u> (942)</u>	 <u> (942)</u>	 <u> (942)</u>	 <u> --</u>
 FUND BALANCE AT END OF YEAR	 <u> \$ (942)</u>	 <u> \$ (942)</u>	 <u> \$ --</u>	 <u> \$ 942</u>

CITY OF MARSHFIELD, WISCONSIN
TAXI SYSTEM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Intergovernmental				
State grants	\$ 403,732	\$ 403,732	\$ 373,867	\$ (29,865)
Interest	--	--	101	101
TOTAL REVENUES	<u>403,732</u>	<u>403,732</u>	<u>373,968</u>	<u>(29,764)</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	342,307	342,307	328,341	13,966
Capital outlay				
Automotive equipment	75,000	75,000	62,618	12,382
TOTAL EXPENDITURES	<u>417,307</u>	<u>417,307</u>	<u>390,959</u>	<u>26,348</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,575)	(13,575)	(16,991)	(3,416)
FUND BALANCE AT BEGINNING OF YEAR	<u>45,734</u>	<u>45,734</u>	<u>45,734</u>	--
FUND BALANCE AT END OF YEAR	<u>\$ 32,159</u>	<u>\$ 32,159</u>	<u>\$ 28,743</u>	<u>\$ (3,416)</u>

CITY OF MARSHFIELD, WISCONSIN
UTILITY DIVIDEND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ --	\$ --	\$ --	\$ --
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	--	--	--	--
FUND BALANCE AT BEGINNING OF YEAR	243,012	243,012	243,012	--
FUND BALANCE AT END OF YEAR	\$ 243,012	\$ 243,012	\$ 243,012	\$ --

CITY OF MARSHFIELD, WISCONSIN
EAST INDUSTRIAL PARK SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Other revenue				
Sales of equipment	\$ --	\$ --	\$ 701	\$ 701
TOTAL OTHER FINANCING SOURCES (USES)	--	--	701	701
EXPENDITURES				
Current	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--
EXCESS OF REVENUES OVER EXPENDITURES	--	--	701	701
OTHER FINANCING SOURCES (USES)				
Transfers out	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	--	--	701	701
FUND BALANCE AT BEGINNING OF YEAR	119,144	119,144	119,144	--
FUND BALANCE AT END OF YEAR	<u>\$ 119,144</u>	<u>\$ 119,144</u>	<u>\$ 119,845</u>	<u>\$ 701</u>

CITY OF MARSHFIELD, WISCONSIN
CABLE TELEVISION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Licenses and permits				
Cable franchise fees	\$ 171,200	\$ 171,200	\$ 171,665	\$ 465
TOTAL REVENUES	<u>171,200</u>	<u>171,200</u>	<u>171,665</u>	<u>465</u>
EXPENDITURES				
Current				
General government				
Cable television	159,483	150,846	128,993	21,853
Capital outlay				
Cable television	<u>11,517</u>	<u>54,991</u>	<u>207,074</u>	<u>(152,083)</u>
TOTAL EXPENDITURES	<u>171,000</u>	<u>205,837</u>	<u>336,067</u>	<u>(130,230)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	200	(34,637)	(164,402)	(129,765)
FUND BALANCE AT BEGINNING OF YEAR	<u>235,852</u>	<u>235,852</u>	<u>235,852</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 236,052</u>	<u>\$ 201,215</u>	<u>\$ 71,450</u>	<u>\$ (129,765)</u>

CITY OF MARSHFIELD, WISCONSIN
BUSINESS IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Public charges for services				
Economic development	\$ 62,800	\$ 62,800	\$ 65,846	\$ 3,046
Miscellaneous				
Interest	150	150	171	21
TOTAL REVENUES	<u>62,950</u>	<u>62,950</u>	<u>66,017</u>	<u>3,067</u>
EXPENDITURES				
Current				
Conservation and development				
Economic development	62,950	62,950	65,628	(2,678)
TOTAL EXPENDITURES	<u>62,950</u>	<u>62,950</u>	<u>65,628</u>	<u>(2,678)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	389	389
FUND BALANCE AT BEGINNING OF YEAR	<u>(399)</u>	<u>(399)</u>	<u>(399)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (399)</u>	<u>\$ (399)</u>	<u>\$ (10)</u>	<u>\$ 389</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.
- **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.
- **T.I.D.#7** – to account for improvements to Yellowstone Business Park.
- **T.I.D.#8** – to account for the City's share of infrastructure and costs pertinent to redevelopment and revitalization of the Northway Mall and surrounding properties.
- **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
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 479,852	\$ 479,852	\$ 479,852	\$ --
Intergovernmental				
State grants	56,000	56,000	64,000	8,000
Public charges for services				
Highway maintenance and construction fees	10,527	10,527	8,000	(2,527)
TOTAL REVENUES	<u>546,379</u>	<u>546,379</u>	<u>551,852</u>	<u>5,473</u>
EXPENDITURES				
Capital outlay				
Public works	1,578,379	1,595,379	2,308,049	(712,670)
Debt service				
Interest and fiscal charges	27,000	27,000	24,026	2,974
TOTAL EXPENDITURES	<u>1,605,379</u>	<u>1,622,379</u>	<u>2,332,075</u>	<u>(709,696)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,059,000)</u>	<u>(1,076,000)</u>	<u>(1,780,223)</u>	<u>(704,223)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	1,059,000	1,059,000	1,059,000	--
Transfers in	--	--	--	--
Transfers out	--	(47,000)	(47,000)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,059,000</u>	<u>1,012,000</u>	<u>1,012,000</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	--	(64,000)	(768,223)	(704,223)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,207,732</u>	<u>1,207,732</u>	<u>1,207,732</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,207,732</u>	<u>\$ 1,143,732</u>	<u>\$ 439,509</u>	<u>\$ (704,223)</u>

CITY OF MARSHFIELD, WISCONSIN
URBAN DEVELOPMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Intergovernmental				
Economic development grants	\$ --	\$ --	\$ --	\$ --
TOTAL REVENUES	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
EXPENDITURES				
Current				
Conservation and development	--	--	--	--
Capital outlay				
Urban development	--	--	13	(13)
TOTAL EXPENDITURES	<u> --</u>	<u> --</u>	<u> 13</u>	<u> (13)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u> --</u>	<u> --</u>	<u> (13)</u>	<u> (13)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(44,611)	(44,611)	--	44,611
TOTAL OTHER FINANCING SOURCES (USES)	<u>(44,611)</u>	<u>(44,611)</u>	<u> --</u>	<u>44,611</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(44,611)</u>	<u>(44,611)</u>	<u> (13)</u>	<u>44,598</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>(27,140)</u>	<u>(27,140)</u>	<u>(27,140)</u>	<u> --</u>
FUND BALANCE AT END OF YEAR	<u>\$ (71,751)</u>	<u>\$ (71,751)</u>	<u>\$ (27,153)</u>	<u>\$ 44,598</u>

CITY OF MARSHFIELD, WISCONSIN
STORM SEWER CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUE				
Taxes				
General property	\$ 240,389	\$ 240,389	\$ 240,389	\$ --
Intergovernmental revenues				
State grants	23,800	23,800	4,968	(18,832)
TOTAL REVENUES	<u>264,189</u>	<u>264,189</u>	<u>245,357</u>	<u>(18,832)</u>
EXPENDITURES				
Capital outlay				
Public works	1,053,642	1,092,142	725,058	367,084
TOTAL EXPENDITURES	<u>1,053,642</u>	<u>1,092,142</u>	<u>725,058</u>	<u>367,084</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(789,453)</u>	<u>(827,953)</u>	<u>(479,701)</u>	<u>348,252</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	805,000	805,000	805,000	--
Transfers in	--	47,000	47,000	--
Transfers out	--	8,500	8,500	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>805,000</u>	<u>843,500</u>	<u>843,500</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	15,547	15,547	363,799	348,252
FUND BALANCE AT BEGINNING OF YEAR				
	<u>125,524</u>	<u>125,524</u>	<u>125,524</u>	<u>--</u>
FUND BALANCE AT END OF YEAR				
	<u>\$ 141,071</u>	<u>\$ 141,071</u>	<u>\$ 489,323</u>	<u>\$ 348,252</u>

CITY OF MARSHFIELD, WISCONSIN
FIRE PROTECTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
EXPENDITURES				
Capital outlay				
Fire protection	\$ --	\$ --	\$ --	\$ --
TOTAL EXPENDITURES	--	--	--	--
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	--	--
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	--	--	--	--
FUND BALANCE AT BEGINNING OF YEAR	203	203	203	--
FUND BALANCE AT END OF YEAR	\$ 203	\$ 203	\$ 203	--

CITY OF MARSHFIELD, WISCONSIN
AIRPORT OUTLAY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Other revenue	\$ --	\$ --	\$ --	\$ --
TOTAL REVENUES	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
EXPENDITURES				
Capital outlay				
Public works	165,000	320,000	320,117	(117)
TOTAL EXPENDITURES	<u>165,000</u>	<u>320,000</u>	<u>320,117</u>	<u>(117)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(165,000)</u>	<u>(320,000)</u>	<u>(320,117)</u>	<u>(117)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	163,000	318,000	318,000	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>163,000</u>	<u>318,000</u>	<u>318,000</u>	<u> --</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,117)</u>	<u>(117)</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>\$ 18,445</u>	<u>\$ 18,445</u>	<u>\$ 18,328</u>	<u>\$ (117)</u>

CITY OF MARSHFIELD, WISCONSIN
PARKS / RECREATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Intergovernmental				
State grants	\$	--	\$	\$ 40,000
Miscellaneous				
Miscellaneous	25,000	15,000	100	(14,900)
TOTAL REVENUES	<u>25,000</u>	<u>15,000</u>	<u>40,100</u>	<u>25,100</u>
EXPENDITURES				
Capital outlay				
Parks outlay	91,292	102,875	97,062	5,813
TOTAL EXPENDITURES	<u>91,292</u>	<u>102,875</u>	<u>97,062</u>	<u>5,813</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(66,292)</u>	<u>(87,875)</u>	<u>(56,962)</u>	<u>30,913</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	--	8,462	8,462	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>8,462</u>	<u>8,462</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	<u>(66,292)</u>	<u>(79,413)</u>	<u>(48,500)</u>	<u>30,913</u>
FUND BALANCE AT BEGINNING OF YEAR				
	<u>59,166</u>	<u>59,166</u>	<u>59,166</u>	<u>--</u>
FUND BALANCE AT END OF YEAR				
	<u>\$ (7,126)</u>	<u>\$ (20,247)</u>	<u>\$ 10,666</u>	<u>\$ 30,913</u>

CITY OF MARSHFIELD, WISCONSIN
WATER MAIN CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes	\$ --	\$ --	\$ --	\$ --
Other	--	--	--	--
TOTAL REVENUE	--	--	--	--
EXPENDITURES				
Current				
Conservation and development				
Urban development	--	--	5,138	(5,138)
TOTAL EXPENDITURES	--	--	5,138	(5,138)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	(5,138)	(5,138)
OTHER FINANCING SOURCES				
Proceeds of long-term debt	--	--	--	--
TOTAL OTHER FINANCING SOURCES	--	--	--	--
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	(5,138)	(5,138)
FUND BALANCE AT BEGINNING OF YEAR	(7,126)	(7,126)	(7,126)	--
FUND BALANCE AT END OF YEAR	\$ (7,126)	\$ (7,126)	\$ (12,264)	\$ (5,138)

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 3 (TOWER HALL) CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 16,534	\$ 16,534	\$ 16,521	\$ (13)
Intergovernmental				
State shared grants	5	5	94	89
Other revenue	5,004	5,004	5,773	769
TOTAL REVENUES	<u>21,543</u>	<u>21,543</u>	<u>22,388</u>	<u>845</u>
EXPENDITURES				
Current				
Conservation and development				
Urban development	149	149	149	--
TOTAL EXPENDITURES	<u>149</u>	<u>149</u>	<u>149</u>	<u>--</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>21,394</u>	<u>21,394</u>	<u>22,239</u>	<u>845</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(21,394)	(21,394)	(21,394)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(21,394)</u>	<u>(21,394)</u>	<u>(21,394)</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>--</u>	<u>--</u>	<u>845</u>	<u>845</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>607</u>	<u>607</u>	<u>607</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 607</u>	<u>\$ 607</u>	<u>\$ 1,452</u>	<u>\$ 845</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 2 (PURDY SCHOOL) CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 99,121	\$ 99,121	\$ 98,855	\$ (266)
Intergovernmental				
Other state shared taxes	5	5	64	59
TOTAL REVENUES	<u>99,126</u>	<u>99,126</u>	<u>98,919</u>	<u>(207)</u>
EXPENDITURES				
Current				
Conservation and development				
Urban development	149	149	149	--
TOTAL EXPENDITURES	<u>149</u>	<u>149</u>	<u>149</u>	<u>--</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>98,977</u>	<u>98,977</u>	<u>98,770</u>	<u>(207)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(98,977)	(98,977)	(98,977)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(98,977)</u>	<u>(98,977)</u>	<u>(98,977)</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	--	--	(207)	(207)
FUND BALANCE AT BEGINNING OF YEAR	<u>74,700</u>	<u>74,700</u>	<u>74,700</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 74,700</u>	<u>\$ 74,700</u>	<u>\$ 74,493</u>	<u>\$ (207)</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 4 (DOWNTOWN IMPROVEMENTS) CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 576,910	\$ 576,910	\$ 575,216	\$ (1,694)
Intergovernmental				
Other state shared taxes	21,000	21,000	35,998	14,998
TOTAL REVENUES	<u>597,910</u>	<u>597,910</u>	<u>611,214</u>	<u>13,304</u>
EXPENDITURES				
Capital outlay				
Conservation and development	247	247	247	--
TOTAL EXPENDITURES	<u>247</u>	<u>247</u>	<u>247</u>	<u>--</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>597,663</u>	<u>597,663</u>	<u>610,967</u>	<u>13,304</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(597,663)	(597,663)	(597,663)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(597,663)</u>	<u>(597,663)</u>	<u>(597,663)</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>--</u>	<u>--</u>	<u>13,304</u>	<u>13,304</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>(2,071,916)</u>	<u>(2,071,916)</u>	<u>(2,071,916)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (2,071,916)</u>	<u>\$ (2,071,916)</u>	<u>\$ (2,058,612)</u>	<u>\$ 13,304</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 6 (FIGI'S) CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Intergovernmental				
Other state shared taxes	\$ 2,900	\$ 2,900	\$ 4,182	\$ 1,282
TOTAL REVENUES	<u>2,900</u>	<u>2,900</u>	<u>4,182</u>	<u>1,282</u>
EXPENDITURES				
Current				
Conservation and development				
Urban development	149	149	149	--
TOTAL EXPENDITURES	<u>149</u>	<u>149</u>	<u>149</u>	<u>--</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,751</u>	<u>2,751</u>	<u>4,033</u>	<u>1,282</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(2,751)	(2,751)	(2,751)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,751)</u>	<u>(2,751)</u>	<u>(2,751)</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>--</u>	<u>--</u>	<u>1,282</u>	<u>1,282</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>(32,780)</u>	<u>(32,780)</u>	<u>(32,780)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (32,780)</u>	<u>\$ (32,780)</u>	<u>\$ (31,498)</u>	<u>\$ 1,282</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 5 (MILL CREEK BUSINESS PARK) CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 110,037	\$ 110,037	\$ 109,752	\$ (285)
Intergovernmental				
Other state shared revenues	8,300	8,300	7,273	(1,027)
Miscellaneous				
Miscellaneous	100	100	100	--
TOTAL REVENUES	<u>118,437</u>	<u>118,437</u>	<u>117,125</u>	<u>(1,312)</u>
EXPENDITURES				
Current				
Conservation and development				
Urban development	247	247	247	--
Capital outlay				
Public works	--	--	36,817	(36,817)
TOTAL EXPENDITURES	<u>247</u>	<u>247</u>	<u>37,064</u>	<u>(36,817)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>118,190</u>	<u>118,190</u>	<u>80,061</u>	<u>(38,129)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(118,090)	(118,090)	(118,090)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(118,090)</u>	<u>(118,090)</u>	<u>(118,090)</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	100	100	(38,029)	(38,129)
FUND BALANCE AT BEGINNING OF YEAR	<u>(1,556,768)</u>	<u>(1,556,768)</u>	<u>(1,556,768)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (1,556,668)</u>	<u>\$ (1,556,668)</u>	<u>\$ (1,594,797)</u>	<u>\$ (38,129)</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 7 (YELLOWSTONE INDUSTRIAL PARK) CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
EXPENDITURES				
Capital outlay				
Conservation and development	\$ 247	\$ 247	\$ 440	\$ (193)
TOTAL EXPENDITURES	<u>247</u>	<u>247</u>	<u>440</u>	<u>(193)</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	(247)	(247)	(440)	(193)
FUND BALANCE AT BEGINNING OF YEAR	<u>(987)</u>	<u>(987)</u>	<u>(987)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ (1,234)</u>	<u>\$ (1,234)</u>	<u>\$ (1,427)</u>	<u>\$ (193)</u>

CITY OF MARSHFIELD, WISCONSIN
T.I.D. NO. 8 (NORTHWAY MALL) CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		FAVORABLE (UNFAVORABLE)
EXPENDITURES				
Capital outlay				
Conservation and development	\$ --	\$ --	\$ 8,977	\$ (8,977)
TOTAL EXPENDITURES	<u>--</u>	<u>--</u>	<u>8,977</u>	<u>(8,977)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	(8,977)	(8,977)
FUND BALANCE AT BEGINNING OF YEAR	<u>(14,249)</u>	<u>(14,249)</u>	<u>(14,249)</u>	--
FUND BALANCE AT END OF YEAR	<u>\$ (14,249)</u>	<u>\$ (14,249)</u>	<u>\$ (23,226)</u>	<u>\$ (8,977)</u>

CITY OF MARSHFIELD, WISCONSIN
CITY HALL REMODLING CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUE				
Taxes				
General property	\$ 45,210	\$ 45,210	\$ 45,210	\$ --
TOTAL REVENUES	<u>45,210</u>	<u>45,210</u>	<u>45,210</u>	<u>--</u>
EXPENDITURES				
Capital outlay				
General government	32,500	32,500	32,008	492
TOTAL EXPENDITURES	<u>32,500</u>	<u>32,500</u>	<u>32,008</u>	<u>492</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,710</u>	<u>12,710</u>	<u>13,202</u>	<u>492</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	--	--	--	--
Operating transfers out	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	12,710	12,710	13,202	492
FUND BALANCE AT BEGINNING OF YEAR	<u>(5,655)</u>	<u>(5,655)</u>	<u>(5,655)</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,055</u>	<u>\$ 7,055</u>	<u>\$ 7,547</u>	<u>\$ 492</u>

CITY OF MARSHFIELD, WISCONSIN
UW BUILDING/REMODELING CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUE				
Taxes				
General property	\$ 25,000	\$ 25,000	\$ 25,000	\$ --
TOTAL REVENUES	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>--</u>
EXPENDITURES				
Current				
Conservation and development				
UW Wood County campus	40,000	40,000	14,896	25,104
TOTAL EXPENDITURES	<u>40,000</u>	<u>40,000</u>	<u>14,896</u>	<u>25,104</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,000)</u>	<u>(15,000)</u>	<u>10,104</u>	<u>25,104</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(15,000)</u>	<u>(15,000)</u>	<u>10,104</u>	<u>25,104</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>29,421</u>	<u>29,421</u>	<u>29,421</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 14,421</u>	<u>\$ 14,421</u>	<u>\$ 39,525</u>	<u>\$ 25,104</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, 2006

	STORM WATER UTILITY	EMERGENCY MEDICAL SERVICES	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	\$ --	\$ 286,324	\$ 286,324
Accounts receivable	--	118,424	118,424
Prepaid expenses	--	74	74
TOTAL CURRENT ASSETS	--	404,822	404,822
NONCURRENT ASSETS			
Capital assets, at cost			
Buildings, systems and equipment	--	637,073	637,073
Less accumulated depreciation	--	(429,500)	(429,500)
Net capital assets	--	207,573	207,573
TOTAL NONCURRENT ASSETS	--	207,573	207,573
TOTAL ASSETS	\$ --	\$ 612,395	\$ 612,395
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ --	\$ 16,766	\$ 16,766
Accrued salaries, wages and compensated absences	--	8,540	8,540
Current portion of long-term debt	--	2,243	2,243
Deferred revenues	--	12,650	12,650
TOTAL CURRENT LIABILITIES	--	40,199	40,199
NONCURRENT LIABILITIES			
Long-term obligations	--	90,298	90,298
TOTAL NONCURRENT LIABILITIES	--	90,298	90,298
TOTAL LIABILITIES	--	130,497	130,497
NET ASSETS			
Invested in capital assets, net of related debt	--	207,573	207,573
Unrestricted	--	274,325	274,325
TOTAL NET ASSETS	--	481,898	481,898
TOTAL LIABILITIES AND NET ASSETS	\$ --	\$ 612,395	\$ 612,395

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006

	STORM WATER UTILITY	EMERGENCY MEDICAL SERVICES	TOTAL
OPERATING REVENUES			
Charges for services	\$ --	\$ 886,397	\$ 886,397
OPERATING EXPENSES			
Operations	--	741,394	741,394
Depreciation	--	27,747	27,747
TOTAL OPERATING EXPENSES	--	769,141	769,141
OPERATING INCOME	--	117,256	117,256
NONOPERATING REVENUE (EXPENSE)			
Interest income	--	36	36
Interest and fiscal charges	--	(5,110)	(5,110)
TOTAL NONOPERATING REVENUE	--	(5,074)	(5,074)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	--	112,182	112,182
Contributions from customers	--	14,000	14,000
Transfers to governmental funds	(113,730)	--	(113,730)
CHANGE IN NET ASSETS	(113,730)	126,182	12,452
NET ASSETS AT BEGINNING OF YEAR	113,730	355,716	469,446
NET ASSETS AT END OF YEAR	\$ --	\$ 481,898	\$ 481,898

CITY OF MARSHFIELD, WISCONSIN
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006

	STORM WATER	EMERGENCY MEDICAL SERVICES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 879,541	\$ 879,541
Payments to suppliers and vendors	-	(137,348)	(137,348)
Payments to employees	-	(615,774)	(615,774)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	-	126,419	126,419
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer to governmental funds	(113,730)	-	(113,730)
TOTAL CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES	(113,730)	-	(113,730)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of fixed assets	-	(21,202)	(21,202)
Interest paid	-	(5,110)	(5,110)
Principal payments of GO refunding bonds	-	(1,794)	(1,794)
Contributed capital	-	14,000	14,000
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	-	(14,106)	(14,106)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	36	36
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	36	36
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(113,730)	112,349	(1,381)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	113,730	173,975	287,705
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ -	\$ 286,324	\$ 286,324
RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY (USED IN) ACTIVITIES			
Operating income (loss)	\$ -	\$ 117,256	\$ 117,256
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation charged to depreciation expense	-	27,747	27,747
Changes in assets and liabilities			
(Increase) decrease in assets			
Accounts receivable	-	(6,856)	(6,856)
Prepaid expenses	-	(7)	(7)
Increase (decrease) in current liabilities			
Accounts payable	-	(15,010)	(15,010)
Other accrued expenses	-	3,289	3,289
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ -	\$ 126,419	\$ 126,419

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

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
DECEMBER 31, 2006

	AGENCY FUNDS				TOTAL
	PAYROLL DEDUCTIONS	PERFORMANCE BONDS	PROPERTY TAX	SALES TAX	
ASSETS					
Cash and equivalents	\$ 290,664	\$ 1,470	\$ 4,172,916	\$ 765	\$ 4,465,815
Investments	--	13,400	--	--	13,400
Taxes receivable	--	--	12,336,089	--	12,336,089
Other receivables	4,709	--	--	--	4,709
TOTAL ASSETS	\$ 295,373	\$ 14,870	\$ 16,509,005	\$ 765	\$ 16,820,013
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	\$ --	\$ 14,870	\$ 5,468	\$ --	\$ 20,338
Other accrued expenses	295,373	--	--	--	295,373
Due to other governments	--	--	16,503,537	765	16,504,302
TOTAL LIABILITIES	295,373	14,870	16,509,005	765	16,820,013
NET ASSETS					
Restricted	--	--	--	--	--
TOTAL NET ASSETS	--	--	--	--	--
TOTAL LIABILITIES AND NET ASSETS	\$ 295,373	\$ 14,870	\$ 16,509,005	\$ 765	\$ 16,820,013

CITY OF MARSHFIELD, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2006

	BALANCE 1/1/06	ADDITIONS	DEDUCTIONS	BALANCE 12/31/06
<u>Payroll Deductions</u>				
ASSETS				
Cash	\$ 280,758	\$ 2,228,888	\$ 2,218,982	\$ 290,664
Receivables-Other	9,585	48,611	53,487	4,709
TOTAL ASSETS	\$ 290,343	\$ 2,277,499	\$ 2,272,470	\$ 295,373
LIABILITIES				
Payroll Deductions	\$ 290,343	\$ 2,202,218	\$ 2,197,188	\$ 295,373
<u>Performance Bonds</u>				
ASSETS				
Cash and Investments	\$ 15,070	\$ -	\$ 200	\$ 14,870
LIABILITIES				
Accounts Payable	\$ 15,070	\$ -	\$ 200	\$ 14,870
<u>Property Tax</u>				
ASSETS				
Cash	\$ 4,451,839	\$ 27,405,680	\$ 27,684,603	\$ 4,172,916
Taxes Receivable	11,205,777	33,377,384	32,247,072	12,336,089
TOTAL ASSETS	\$ 15,657,616	\$ 60,783,064	\$ 59,931,675	\$ 16,509,005
LIABILITIES				
Accounts Payable	\$ 2,457	\$ 9,739	\$ 6,728	\$ 5,468
Due to Other Governments	15,655,159	28,815,062	27,966,684	16,503,537
TOTAL LIABILITIES	\$ 15,657,616	\$ 28,824,801	\$ 27,973,412	\$ 16,509,005
<u>State of Wisconsin</u>				
ASSETS				
Cash	\$ 927	\$ 9,747	\$ 9,909	\$ 766
LIABILITIES				
Due to Other Governments	\$ 927	\$ 9,920	\$ 10,082	\$ 766
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Investments	\$ 4,748,594	\$ 29,644,315	\$ 29,913,694	\$ 4,479,215
Taxes Receivable	11,205,777	33,377,384	32,247,072	12,336,089
Receivables-Other	9,585	48,611	53,487	4,709
TOTAL ASSETS	\$ 15,963,956	\$ 63,070,310	\$ 62,214,253	\$ 16,820,013
LIABILITIES				
Accounts Payable	\$ 17,527	\$ 9,739	\$ 6,928	\$ 20,338
Payroll Deductions	290,343	2,202,218	2,197,188	295,373
Due to Other Governments	15,656,086	28,824,982	27,976,766	16,504,303
TOTAL LIABILITIES	\$ 15,963,956	\$ 31,036,939	\$ 30,180,882	\$ 16,820,013

OTHER REPORTS

**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, 2006, and have issued our report thereon dated June 15, 2007. 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.

Hankins, Ash, Baptie & Company, LLP

Marshfield, Wisconsin
June 15, 2007

STATISTICAL SECTION

This part of the City of Marshfield's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	105-109
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	110-114
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	115-119
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	120-121
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	122-124

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

CITY OF MARSHFIELD, WISCONSIN
NET ASSETS BY COMPONENT
 Last Four Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	30,828,790	35,956,355	38,526,738	38,517,647
Restricted	4,753,191	4,660,825	4,775,179	5,276,019
Unrestricted	5,894,861	1,214,633	774,524	3,675,874
Total governmental activities net assets	<u>\$ 41,476,842</u>	<u>\$ 41,831,813</u>	<u>\$ 44,076,441</u>	<u>\$ 47,469,540</u>
Business-type activities				
Invested in capital assets, net of related debt	54,806,859	58,589,971	58,351,590	56,130,553
Restricted	3,710,295	3,274,438	3,584,769	8,759,289
Unrestricted	2,735,264	2,954,795	5,344,061	7,740,297
Total business-type activities net assets	<u>\$ 61,252,418</u>	<u>\$ 64,819,204</u>	<u>\$ 67,280,420</u>	<u>\$ 72,630,139</u>
Primary government				
Invested in capital assets, net of related debt	\$ 85,635,649	\$ 94,546,326	\$ 96,878,328	\$ 94,648,200
Restricted	8,463,486	7,935,263	8,359,948	14,035,308
Unrestricted	8,630,125	4,169,428	6,118,585	11,416,171
Total primary government net assets	<u>\$ 102,729,260</u>	<u>\$ 106,651,017</u>	<u>\$ 111,356,861</u>	<u>\$ 120,099,679</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF MARSHFIELD, WISCONSIN
CHANGES IN NET ASSETS
 Last Four Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
EXPENSES				
Governmental activities:				
General government	2,640,966	2,595,656	2,636,409	2,837,959
Public safety	7,123,740	7,322,236	7,173,069	7,049,167
Public works	5,896,876	5,947,439	6,352,456	6,562,636
Health and human services	147,601	141,037	142,194	145,191
Conservation and development	1,992,523	760,017	1,073,530	806,118
Culture, recreation, and education	3,374,193	3,036,630	3,226,601	3,153,481
Interest on long-term debt	1,296,748	1,148,804	1,053,371	1,057,498
Total governmental activities expenses	<u>22,472,647</u>	<u>20,951,819</u>	<u>21,657,630</u>	<u>21,612,050</u>
Business-type activities:				
Electric	17,255,263	18,547,915	23,715,632	23,155,498
Water	2,266,670	2,087,770	2,198,361	2,243,908
Wastewater	3,169,566	3,199,915	3,405,692	3,524,068
EMS	680,833	717,343	763,000	774,251
Storm Water	92,433	560,026	4,888	-
Communications	-	-	21,241	30,818
Total business-type activities expenses	<u>23,464,765</u>	<u>25,112,969</u>	<u>30,108,814</u>	<u>29,728,543</u>
Total primary government expenses	<u>45,937,412</u>	<u>46,064,788</u>	<u>51,766,444</u>	<u>51,340,593</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	686,549	695,416	695,106	752,306
Public safety	280,599	211,929	231,776	241,567
Public works	199,818	172,209	208,158	148,087
Health and human services	103,013	110,797	133,911	113,364
Conservation and development	38,743	49,355	50,985	68,206
Culture, recreation and education	247,905	255,956	272,042	286,341
Operating grants and contributions	2,964,693	3,080,642	2,747,816	3,415,892
Total governmental activities program revenues	<u>4,521,320</u>	<u>4,576,304</u>	<u>4,339,794</u>	<u>5,025,763</u>
Business-type activities:				
Charges for services:				
Electric	18,071,987	19,708,028	24,339,873	24,326,967
Water	2,874,818	2,866,482	2,911,403	2,940,572
Wastewater	4,064,932	4,389,102	4,262,748	4,605,808
EMS	741,667	738,995	812,343	840,421
Storm Water	-	824	-	-
Communications	-	-	52,053	56,570
Operating grants and contributions	596,884	1,212,103	790,859	2,687,493
Total business-type activities program revenues	<u>26,350,288</u>	<u>28,915,534</u>	<u>33,169,279</u>	<u>35,457,831</u>
Total primary government program revenues	<u>\$ 30,871,608</u>	<u>\$ 33,491,838</u>	<u>\$ 37,509,073</u>	<u>\$ 40,483,594</u>

	Fiscal Year			
	2003	2004	2005	2006
NET (EXPENSE)/REVENUE				
Governmental activities	\$ (17,951,327)	\$ (16,375,515)	\$ (17,317,836)	\$ (16,586,287)
Business-type activities:	2,885,523	3,802,565	3,060,465	5,729,288
Total primary government net expense	\$ (15,065,804)	\$ (12,572,950)	\$ (14,257,371)	\$ (10,856,999)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes				
Property taxes	\$ 9,232,674	\$ 8,830,158	\$ 11,281,224	\$ 11,853,933
Public accomodation taxes	-	239,137	266,823	268,552
Other taxes	1,507,516	530,723	120,524	120,326
State shared revenues	5,645,489	5,253,370	5,451,033	5,677,253
Interest and investment income	452,431	383,312	424,609	563,694
Miscellaneous	141,198	205,033	237,137	109,476
Transfers	1,003,634	1,288,753	1,274,792	1,386,151
Total governmental activities	17,982,942	16,730,486	19,056,142	19,979,385
Business-type activities:				
Investment earnings	390,072	467,150	675,541	1,006,583
Property Taxes	-	667,478	-	-
Gain on sale of capital assets	-	15,998	-	-
Transfers	(1,003,634)	(1,288,753)	(1,274,792)	(1,386,151)
Total business-type activities	(613,562)	(138,127)	(599,251)	(379,568)
Total primary government	\$ 17,369,380	\$ 16,592,359	\$ 18,456,891	\$ 19,599,817
CHANGE IN NET ASSETS				
Governmental activities	\$ 31,615	\$ 354,971	\$ 1,738,306	\$ 3,393,098
Business-type activities	2,271,961	3,664,438	2,461,214	5,349,720
Total primary government	\$ 2,303,576	\$ 4,019,409	\$ 4,199,520	\$ 8,742,818

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

CITY OF MARSHFIELD, WISCONSIN
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Unreserved, designated	\$ 40,335	\$ 208,961	\$ 4,407	\$ 90,597	\$ 14,152	\$ 62,047	\$ 743,835	\$ 611,885	\$ 534,326	\$ 545,491
Unreserved, undesignated	6,149,170	6,280,420	6,521,015	6,725,669	6,775,134	7,103,998	6,262,681	5,894,481	5,488,251	6,278,496
Total general fund	<u>\$ 6,189,505</u>	<u>\$ 6,489,381</u>	<u>\$ 6,525,422</u>	<u>\$ 6,816,266</u>	<u>\$ 6,789,286</u>	<u>\$ 7,166,045</u>	<u>\$ 7,006,516</u>	<u>\$ 6,506,366</u>	<u>\$ 6,022,577</u>	<u>\$ 6,823,987</u>
All Other Governmental Funds										
Reserved	\$ 316,534	\$ 914,861	\$ 1,032,660	\$ 1,238,886	\$ 1,449,406	\$ 2,745,609	\$ 5,303,977	\$ 3,470,220	\$ 3,628,440	\$ 5,276,720
Unreserved, designated, reported in:										
Special revenue	337,134	282,540	1,464,131	1,930,752	2,237,568	2,234,959	1,395,127	1,253,986	860,535	710,040
Capital projects funds	3,774,699	(196,776)	856,357	(123,826)	786,889	(520,433)	82,040	138,469	155,148	536,598
Unreserved, undesignated	-	(121,425)	(149,395)	-	-	-	(3,312,584)	(3,851,838)	(3,717,961)	(3,748,987)
Total all other governmental funds	<u>\$ 4,428,367</u>	<u>\$ 879,200</u>	<u>\$ 3,203,753</u>	<u>\$ 3,045,812</u>	<u>\$ 4,473,863</u>	<u>\$ 4,460,135</u>	<u>\$ 3,468,560</u>	<u>\$ 1,010,837</u>	<u>\$ 926,162</u>	<u>\$ 2,774,371</u>

CITY OF MARSHFIELD, WISCONSIN
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUES										
Taxes	\$ 7,952,712	\$ 8,333,514	\$ 9,069,137	\$ 9,425,134	\$ 10,243,472	\$ 10,403,778	\$ 10,741,755	\$ 9,600,828	\$ 11,669,225	\$ 12,244,384
Intergovernmental	6,708,321	6,901,616	8,199,297	8,588,342	7,874,637	7,647,193	8,141,905	8,007,428	7,829,179	8,178,745
Licenses and permits	122,230	138,660	213,877	202,666	236,640	310,263	358,391	349,784	361,741	359,464
Fines and forfeitures	176,183	172,568	153,243	161,443	145,582	146,385	144,742	115,939	115,089	111,511
Charges for services	882,109	944,714	1,613,821	1,122,502	1,193,945	482,938	803,893	767,002	841,483	827,243
Intergovernmental charges for services	285,552	279,625	320,208	509,444	313,384	148,892	-	-	-	-
Special assessments	267,531	489,763	312,445	706,767	642,856	897,754	415,819	430,340	183,661	451,081
Other revenues	1,110,482	1,470,553	1,628,523	1,283,501	1,102,686	1,099,489	902,342	861,698	1,271,942	1,009,631
Total revenues	17,505,120	18,731,013	21,510,551	21,999,799	21,753,202	21,136,692	21,508,847	20,133,019	22,272,320	23,182,059
EXPENDITURES										
General government	1,807,074	1,898,479	2,031,998	2,180,011	2,187,983	2,222,403	2,422,536	2,433,613	2,698,149	2,656,891
Public safety	5,676,130	5,802,898	6,290,099	6,471,443	7,071,984	6,622,689	6,943,438	7,143,411	7,224,417	6,842,836
Health and human services	111,909	116,975	105,276	114,313	122,510	123,881	129,354	132,291	136,268	140,662
Conservation and development	208,570	230,987	287,667	492,403	427,283	934,550	533,726	581,582	986,771	806,118
Other public works	3,988,779	4,095,912	4,274,182	4,648,745	4,554,929	4,236,289	4,753,033	4,897,077	5,275,205	5,063,692
Culture and recreation	2,115,724	2,388,173	2,244,801	2,356,817	2,512,465	2,546,139	2,669,165	2,742,275	2,934,345	2,884,804
Capital outlay	6,291,095	7,164,626	6,000,533	6,936,785	4,486,704	6,262,207	5,101,971	3,571,624	4,079,773	4,149,499
Debt service										
Interest	494,998	817,114	734,732	856,154	982,748	1,024,139	1,249,186	1,140,562	993,236	1,039,318
Principal	1,097,527	1,627,424	1,274,700	1,532,591	2,084,571	2,104,869	5,735,630	4,311,821	2,824,211	5,955,762
Total expenditures	21,791,806	24,142,588	23,243,988	25,589,262	24,431,177	26,077,166	29,538,039	26,954,256	27,152,375	29,539,582
Excess of revenues over (under) expenditures	(4,286,686)	(5,411,575)	(1,733,437)	(3,589,463)	(2,677,975)	(4,940,474)	(8,029,192)	(6,821,237)	(4,880,055)	(6,357,523)

CITY OF MARSHFIELD, WISCONSIN
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
OTHER FINANCING SOURCES (USES)										
Long-term debt issued	\$ 7,485,000	\$ 2,079,908	\$ 3,712,811	\$ 3,206,725	\$ 3,684,678	\$ 4,294,055	\$ 5,640,000	\$ 2,574,610	\$ 3,036,799	\$ 4,685,000
Refunding bonds issued	-	-	-	-	-	-	2,050,000	1,320,000	-	2,935,989
Payment to refunding bond escrow agent	-	-	-	-	-	-	(1,955,000)	(1,320,000)	-	-
Sales of general fixed assets	705	-	-	-	-	-	-	-	-	-
Transfers in	316,898	1,177,974	241,398	743,025	1,137,043	2,000,109	1,896,037	1,588,433	1,142,862	1,063,913
Transfers in (out) - proprietary fund	439,537	-	(10,500)	507,644	388,731	1,006,143	1,003,634	1,288,753	1,274,792	1,386,151
Transfers in-nonexpendable trust fund	6,654	32,881	6,557	7,997	5,637	3,306	2,445	2,910	-	-
Transfers out	(316,898)	(1,169,798)	(241,398)	(743,025)	(1,137,043)	(2,000,109)	(1,898,482)	(1,591,343)	(1,142,862)	(1,063,913)
Total other financing sources (uses)	<u>7,931,896</u>	<u>2,120,965</u>	<u>3,708,868</u>	<u>3,722,366</u>	<u>4,079,046</u>	<u>5,303,504</u>	<u>6,738,634</u>	<u>3,863,363</u>	<u>4,311,591</u>	<u>9,007,140</u>
Net change in fund balances	<u>\$ 3,645,210</u>	<u>\$(3,290,610)</u>	<u>\$ 1,975,431</u>	<u>\$ 132,903</u>	<u>\$ 1,401,071</u>	<u>\$ 363,030</u>	<u>\$(1,290,558)</u>	<u>\$(2,957,874)</u>	<u>\$ (568,464)</u>	<u>\$ 2,649,617</u>
Debt service as a percentage of noncapital expenditures	10.3%	14.4%	11.7%	12.8%	15.4%	15.8%	28.6%	23.3%	16.5%	27.6%

CITY OF MARSHFIELD, WISCONSIN
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Manufacturing Property	Agriculture / Forest / Swamp Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1997	\$ 322,814,500	\$ 143,383,595	\$ 25,987,000	\$ 570,400	\$ 35,761,360	\$ 528,516,855	\$ 13.00	\$ 671,792,700	78.673%
1998	443,511,400	185,495,800	34,692,300	853,900	42,012,770	706,566,170	10.72	694,367,600	101.757%
1999	462,445,500	182,035,100	35,315,700	1,067,300	33,125,430	713,989,030	10.98	708,487,600	100.777%
2000	471,016,400	209,470,300	38,089,100	921,900	40,087,320	759,585,020	11.29	775,348,700	97.967%
2001	480,887,400	220,589,900	37,036,900	842,500	45,873,120	785,229,820	11.15	848,073,700	92.590%
2002	489,852,300	229,220,200	38,895,500	808,700	48,477,470	807,254,170	11.13	904,114,500	89.287%
2003	612,233,000	280,551,000	48,784,000	1,631,700	53,460,110	996,659,810	9.25	949,867,000	104.926%
2004	628,093,200	378,241,400	46,835,100	1,671,700	72,037,230	1,126,878,630	9.73	1,133,407,900	99.424%
2005	638,215,400	389,356,100	47,212,200	1,572,800	64,347,180	1,140,703,680	9.91	1,179,819,200	96.685%
2006	656,364,000	388,587,000	43,050,900	1,581,700	64,059,890	1,153,643,490	9.91	1,240,171,500	93.023%

Source: City of Marshfield Assessor's Office and Finance Department.

Notes: Taxable property within the City is reassessed once every four years on average. The City is required under section 70.05(5)(d) Wis. stats. to maintain assessed values within 10% of equalized (full) value. Estimated actual taxable (full) value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

CITY OF MARSHFIELD, WISCONSIN
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Tax Rate	Overlapping Rates								
		Wood County	Marshfield School District - Wood	Mid-State Technical College - Wood	State of Wisconsin - Wood	Marathon County	Marshfield School District - Marathon	Mid-State Technical College - Marathon	State of Wisconsin - Marathon	
1997	\$ 13.00	\$ 7.23	\$ 11.58	\$ 2.10	\$ 0.25	\$ 6.88	\$ 11.18	\$ 2.03	\$ 0.25	
1998	10.72	5.57	8.89	1.60	0.20	5.30	8.53	1.54	0.19	
1999	10.98	5.65	8.38	1.59	0.20	5.57	8.33	1.58	0.20	
2000	11.29	5.82	8.20	1.67	0.21	5.28	7.46	1.52	0.19	
2001	11.15	6.13	8.47	1.77	0.22	6.32	8.95	1.87	0.23	
2002	11.13	6.45	8.94	1.85	0.23	5.62	7.98	1.65	0.20	
2003	9.25	4.61	7.81	1.56	0.19	5.10	7.71	1.54	0.19	
2004	9.73	4.85	7.20	1.59	0.20	5.41	7.29	1.61	0.20	
2005	9.91	5.12	7.21	1.60	0.19	5.39	7.16	1.59	0.19	
2006	9.91	5.18	7.78	1.62	0.19	5.25	7.54	1.57	0.18	

Source: City of Marshfield Assessor's Office and Finance Department.

Notes: Overlapping rates presented are those applied to taxable property within the City of Marshfield based on the County the property is located in.
 The majority of the City is located in Wood County.

CITY OF MARSHFIELD, WISCONSIN
PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Nine Years Ago

		2006			1997		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>	<u>Type of Business</u>						
Marshfield Clinic	Healthcare	\$ 95,047,890	1	8.24%			
Wal-Mart Development	Retail Sales Development	20,946,790	2	1.82%			
Badger Housing	Apartment Complexes	13,824,530	3	1.20%	\$ 6,468,670	3	1.22%
Ken Staab Partnerships	Residential / Commercial Construction	12,052,490	4	1.04%			
Menards Development	Home Improvement Retail	11,953,850	5	1.04%			
V & H Ford Development	Auto / Heavy Truck Sales & Service	11,106,880	6	0.96%			
Festival Foods Development	Food Sales / Office Products	11,006,180	7	0.95%	3,828,830	7	0.72%
Wick Building Systems	Modular Homes / Building Materials	9,521,000	8	0.83%	4,824,000	5	0.91%
Marshfield Door Systems	Wood Doors / Molded Products Manufacturer	9,283,400	9	0.80%	13,989,300	1	2.65%
Northway Mall Development	Shopping Mall	8,264,670	10	0.72%	9,752,320	2	1.85%
FIGIS	Mail Order Gift Distributor				5,548,250	4	1.05%
Marshfield Health Resources	Nursing Home				4,812,125	6	0.91%
Karau's	Grocery Stores				3,650,140	8	0.69%
Dayton Hudson	Department Store				3,473,660	9	0.66%
Roehl Trucking	Trucking				3,472,740	10	0.66%
Total		\$ 203,007,680		17.60%	\$ 59,820,035		11.32%

Source: City of Marshfield Assessor's Office and Finance Department

CITY OF MARSHFIELD, WISCONSIN
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 6,940,143	\$ 6,904,273	99.5%	\$ 36,052	\$ 6,940,325	100.0%
1998	7,654,578	7,640,490	99.8%	15,434	7,655,924	100.0%
1999	7,922,079	7,879,061	99.5%	44,813	7,923,874	100.0%
2000	8,684,452	8,658,138	99.7%	31,416	8,689,554	100.1%
2001	8,875,473	8,835,859	99.6%	34,266	8,870,125	99.9%
2002	9,166,634	9,108,186	99.4%	33,476	9,141,662	99.7%
2003	9,432,927	9,379,880	99.4%	64,321	9,444,201	100.1%
2004	11,201,144	11,143,098	99.5%	52,966	11,196,064	100.0%
2005	11,766,379	11,746,602	99.8%	38,783	11,785,385	100.2%
2006	11,946,878	11,926,714	99.8%	19,369	11,946,083	100.0%

Source: City of Marshfield Finance Department.

CITY OF MARSHFIELD, WISCONSIN
RATIOS OF NET OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
			General Obligation Bonds	Less Debt Service Fund	Net General Obligation Debt	Mortgage Revenue Bonds	Capital Leases			
1997	19,991	\$ 1,730,132	\$ 13,637,490	\$ 107,793	\$ 13,529,697	\$ 11,040,000	\$ -	\$ 24,569,697	1.42%	\$ 1,229
1998	19,984	1,829,708	14,531,301	(104,363)	14,635,664	13,951,098	-	28,586,762	1.56%	1,430
1999	19,969	1,953,285	17,200,528	(111,564)	17,312,092	22,910,394	-	40,222,486	2.06%	2,014
2000	19,900	1,994,589	19,061,950	207,949	18,854,001	27,706,498	-	46,560,499	2.33%	2,340
2001	18,887	2,087,594	20,847,476	42,338	20,805,138	26,288,824	-	47,093,962	2.26%	2,493
2002	18,908	2,129,890	23,203,814	1,408,179	21,795,635	26,256,098	-	48,051,733	2.26%	2,541
2003	18,861	2,221,528	26,160,234	1,406,548	24,753,686	26,295,117	169,402	51,218,205	2.31%	2,716
2004	19,012	2,324,893	24,280,183	3,411	24,276,772	24,650,673	127,051	49,054,496	2.11%	2,580
2005	19,258	2,402,993	24,352,815	5,490	24,347,325	24,686,147	84,700	49,118,172	2.04%	2,551
2006	19,420	2,480,487	25,865,226	39,505	25,825,721	25,965,713	42,350	51,833,784	2.09%	2,669

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources: Personal Income information from Department of Commerce Bureau of Economic Analysis for Marshfield-WI Rapids, WI Micropolitan SA, web-site address:

<http://www.bea.gov/regional/reis/drill.cfm>

These ratios are calculated using personal income and population for the prior calendar year.

CITY OF MARSHFIELD, WISCONSIN
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
			General Obligation Bonds	Less Debt Service Fund	Net General Bonded Debt		
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
2004	19,012	1,126,878,630	24,280,183	3,411	24,276,772	2.15%	1,277
2005	19,258	1,140,703,680	24,352,815	5,490	24,347,325	2.13%	1,264
2006	19,420	1,153,643,490	25,865,226	39,505	25,825,721	2.24%	1,330

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MARSHFIELD, WISCONSIN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 December 31, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Wood County	\$ 7,292,162	25.80%	\$ 1,881,378
Marathon County	4,640,866	1.35%	62,652
School District of Marshfield	24,138,316	67.40%	16,269,225
Mid-State Technical College	19,160,000	10.60%	2,030,960
Subtotal, overlapping debt			20,244,215
City direct debt			24,347,325
Total direct and overlapping debt			<u>\$ 44,591,540</u>

**CITY OF MARSHFIELD, WISCONSIN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Equalized value	\$ 1,240,171,500
Debt limit (5% of equalized value)	62,008,575
Debt applicable to limitation:	
General obligation debt	25,865,226
Less: Amount set aside for repayment of general obligation debt	<u>(39,505)</u>
Total net debt applicable to limit	<u>25,825,721</u>
 Legal debt margin	 <u>\$ 36,182,854</u>

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 33,589,635	\$ 34,718,380	\$ 35,424,380	\$ 38,767,435	\$ 39,190,375	\$ 45,205,725	\$ 47,493,350	\$ 56,670,395	\$ 58,990,960	\$ 62,008,575
Total net debt margin	<u>13,529,697</u>	<u>14,635,666</u>	<u>17,312,092</u>	<u>18,854,001</u>	<u>20,636,957</u>	<u>21,795,635</u>	<u>24,753,686</u>	<u>24,276,772</u>	<u>24,347,325</u>	<u>25,825,721</u>
Legal debt margin	<u>\$ 20,059,938</u>	<u>\$ 20,082,714</u>	<u>\$ 18,112,288</u>	<u>\$ 19,913,434</u>	<u>\$ 18,553,418</u>	<u>\$ 23,410,090</u>	<u>\$ 22,739,664</u>	<u>\$ 32,393,623</u>	<u>\$ 34,643,635</u>	<u>\$ 36,182,854</u>
Total net debt applicable to the limit as a percentage of debt limit	40.28%	42.16%	48.87%	48.63%	52.66%	48.21%	52.12%	42.84%	41.27%	41.65%

Note: By State Statute, the City's outstanding general obligation debt should not exceed 5% of total equalized property value (established by the Wisconsin Department of Revenue)

CITY OF MARSHFIELD, WISCONSIN
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Utility Revenue Bonds						Coverage
	Utility Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
1997	\$ 17,557,528	\$ 13,631,420	\$ 3,926,108	\$ 2,560,000	\$ 798,226	1.17	
1998	19,737,560	14,530,518	5,207,042	3,770,000	627,051	1.18	
1999	20,189,216	15,323,918	4,865,298	1,053,556	464,759	3.20	
2000	22,106,025	16,681,698	5,424,327	575,530	645,327	4.44	
2001	23,562,489	17,098,854	6,463,635	1,221,805	904,176	3.04	
2002	23,535,764	16,901,842	6,633,922	1,442,490	841,355	2.90	
2003	25,401,785	18,879,185	6,522,600	1,467,434	845,664	2.82	
2004	27,179,689	20,081,297	7,098,392	1,644,445	814,549	2.89	
2005	32,171,818	25,441,179	6,730,639	1,704,524	798,304	2.69	
2006	32,675,589	24,819,872	7,855,717	1,840,434	783,260	2.99	

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

CITY OF MARSHFIELD, WISCONSIN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1997	19,942	\$ 1,730,132	\$ 22,883	4,282	3.8%
1998	19,984	1,829,708	24,252	4,253	3.8%
1999	19,969	1,953,285	25,833	4,142	3.1%
2000	19,900	1,994,589	26,401	4,084	3.3%
2001	18,887	2,087,594	27,621	4,110	3.6%
2002	18,908	2,129,890	28,210	4,038	4.3%
2003	18,861	2,221,528	29,483	4,060	5.3%
2004	19,012	2,324,893	30,908	3,955	5.0%
2005	19,258	2,402,993	31,961	4,086	5.0%
2006	19,420	2,480,487	33,051	4,061	4.8%

Sources: Personal Income & Per Capita Personal Income from Department of Commerce Bureau of Economic Analysis for Marshfield - WI Rapids, WI Micropolitan SA, web-site address: <http://www.bea.gov/regional/reis/drill.cfm>.

CITY OF MARSHFIELD, WISCONSIN
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

	2006			1997		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Employer						
Marshfield Clinic	3,609	1	23.13%	2,575	1	22.31%
Saint Joseph's Hospital	2,175	2	13.94%	1,904	2	16.50%
Roehl Transport, Inc.	2,066	3	13.24%	1,284	3	11.12%
Wick Building Systems	700	4	4.49%	705	5	6.11%
Marshfield Door Systems	657	5	4.21%	744	4	6.45%
Total	9,207		59.01%	7,212		62.48%

Source: Marshfield Area Chamber of Commerce and Industry

CITY OF MARSHFIELD, WISCONSIN
FULL TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM
 Last Ten Fiscal Years

Function / Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Mayor	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Administrator	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Assessor	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance / Treasurer	7.80	7.80	7.80	7.80	7.60	6.60	6.60	6.30	5.30	5.30
Information Systems	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Public Safety										
Police	52.00	52.00	52.00	52.00	53.00	53.00	53.00	53.00	53.00	53.00
Fire and Rescue	34.00	34.00	34.00	34.00	34.00	28.00	27.30	27.30	27.30	27.30
Emergency Medical Services	0.00	0.00	0.00	0.00	0.00	7.00	7.70	7.70	7.70	7.70
Building Services and Inspection	7.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00	6.00	6.00
Public Works										
Public Works Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineering	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Street Services	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	34.00	34.00
Wastewater Utility	12.50	12.50	12.50	12.50	10.50	10.50	10.50	10.50	10.50	10.50
Health and Human Services										
Cemetery	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Culture, Recreation and Education										
Library	16.49	16.49	16.49	16.49	19.00	20.33	19.30	19.23	19.48	19.48
Parks and Recreation	11.00	11.00	11.00	11.00	11.00	11.00	12.00	11.00	11.00	11.00
Conservation and Development										
Planning and Economic Development	0.00	0.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00
Total	197.99	198.74	199.74	199.74	203.05	204.38	204.35	202.98	201.23	201.23

Source: City Administrator's Office.

CITY OF MARSHFIELD, WISCONSIN
OPERATING INDICATORS BY FUNCTION / PROGRAM
 Last Ten Fiscal Years

<u>Function / Program</u>	<u>Fiscal Year</u>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
Building Services and Inspection										
Permits issued	1,116	1,051	1,098	1,039	1,138	1,284	1,259	1,193	1,077	1,119
Finance										
Pet licences issued	1,668	1,638	1,718	1,611	1,769	1,607	1,758	1,769	1,744	1,598
W-2 employees	590	554	544	565	546	544	541	554	537	483
Public Safety										
Police										
Number of Arrests / Citations / Warnings	2,835	3,614	3,610	3,746	3,546	3,548	9,394	8,195	7,619	8,749
Fire and Rescue										
Number of call responses	458	409	606	629	336	311	289	212	254	199
Number of inspections conducted	2,072	2,067	2,005	2,139	2,106	2,156	2,183	2,186	2,331	2,355
Emergency Medical Services										
Number of trips	1,832	1,890	1,842	1,997	1,951	2,071	2,003	2,045	2,202	2,282
Public Works										
Wastewater Utility										
Service Connections	6,630	7,313	7,313	7,400	7,400	7,631	7,631	7,631	7,781	8,015
Daily Average Treatment in Gallons	3,610,000	3,290,000	3,290,000	2,600,000	2,600,000	3,600,000	3,300,000	3,300,000	2,700,000	2,570,000
Water Utility										
Service Connections	6,977	7,184	7,184	7,184	7,392	7,429	7,433	7,433	7,599	7,662
Daily Average Consumption in Gallons	2,232,000	2,232,000	2,232,000	2,232,000	1,937,315	1,918,443	1,918,443	1,865,923	1,904,019	1,867,000

CITY OF MARSHFIELD, WISCONSIN
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
 Last Ten Fiscal Years

Function / Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Safety										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of enforcement units	12	15	15	15	16	16	16	16	16	16
Fire and Rescue										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Emergency Medical Services										
Number of Ambulances	4	4	4	4	4	4	4	4	4	4
Public Works										
Street Services										
Miles of Streets	119	120	120	120	133	133	135	135	138	138
Number of Street Lights	1,245	1,294	1,294	1,294	1,266	1,282	1,340	1,408	1,874	1,985
Miles of Storms Sewers	58	58	58	60	60	65	69	69	74	75
Wastewater Utility										
Miles of Sanitary Sewer	125	125	125	130	130	130	130	130	133	133
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	11,000,000	11,000,000	11,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Water Utility										
Miles of Water Mains	125	129	129	129	133	133	133	133	136	141
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of fire hydrants	670	723	723	723	797	806	823	842	844	892
Maximum daily capacity of plant in gallons	3,148,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
Culture, Recreation and Education										
Parks and Recreation										
Community Centers	1	1	1	1	1	1	1	1	2	2
Parks	17	18	18	18	18	18	19	19	17	18
Park acreage	323	323	323	323	323	350	380	380	256	288
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis/raquetball courts										
outdoor lighted	10	10	10	10	18	18	18	18	18	18
indoor tennis	1	1	1	1	1	1	1	1	1	1
racquetball	1	1	1	1	1	1	1	1	1	1
Zoos	1	1	1	1	1	1	1	1	1	1