

CITY OF MARQUETTE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2019

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CITY COMMISSION
Fred Stonehouse, Mayor

Sarah Reynolds
Dave Campana
Pete Frazier
Jenn Hill
Paul Schloegel
Jenna Smith

CITY MANAGER
Leonard Angeli

PREPARED BY
Financial Services Department

CHIEF FINANCIAL OFFICER
Gary Simpson

CITY OF MARQUETTE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2019

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March 27, 2020

Honorable Mayor, Members of the City Commission,
And the Citizens of Marquette, Michigan

Ladies and Gentlemen:

This Comprehensive Annual Financial Report (CAFR) of the City of Marquette, Michigan is hereby submitted in accordance with State and Federal statutes and Section 7.1 of the City Charter. The statutes and City Charter require that the City of Marquette, Michigan issue an annual report on its financial position and activity and that this report be audited by an independent firm of certified public accountants. This CAFR is published to fulfill that requirement for the fiscal year ended September 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of the internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Anderson, Tackman & Co. CPAs, have issued an unmodified (“clean”) opinion on the City of Marquette’s financial statements for the year ended September 30, 2019. Their independent auditor’s report is located at the front of the financial section of this CAFR.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A and this letter of transmittal should be read in conjunction with each other.

REPORTING ENTITY

The financial reporting entity (the City) includes all the funds of the primary government (i.e., City of Marquette, Michigan as legally defined), as well as all its component units. The criterion used in determining the reporting entity is in accordance with the Governmental Accounting Standards Board (GASB). Component units are legally separate entities for which the primary government is financially accountable. Blended component units (although legally separate entities) are, in substance, part of the primary government’s operations and are included (blended) as part of the primary government. The City of Marquette Building Authority is included as a blended component unit because its sole purpose is to finance and construct the City’s public buildings. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The City of Marquette Board of Light and Power, the City of Marquette Downtown Development Authority, the Marquette Brownfield

Redevelopment Authority, and the Peter White Public Library are reported as discretely presented component units in this CAFR.

CITY PROFILE

The City of Marquette is the county seat of Marquette County and is the largest community in Michigan's Upper Peninsula. The County contains the largest geographic area of all Michigan counties, encompassing 1,878 square miles. The City is located on the south shore of Lake Superior and is one of the oldest communities in Michigan's Upper Peninsula. Founded in 1849 with the discovery of high-grade iron ore, the City has been a major port for shipping for more than 160 years. It was incorporated as a village in 1859 and as a city in 1871 under the provision of Act 279, PS 1909, as amended (Home Rule City Act).

The City provides a full range of municipal functions that promote the comfort, convenience, safety, and happiness of the citizens of the municipality, including the proper care of streets and alleys, parks and other public places; erection and maintenance of public utilities; around the clock public safety and emergency response; general administration of City finances, including tax collection, public finance, billing, and fee management; support for local elections; provision of public recreation and cultural programs; and community and strategic planning.

In addition, the City conducts business-like operations for water and sewer utilities, marina services, stormwater management, and parks services. These services are financed via user-fees and managed through "enterprise funds" with separate accounting and financial reporting mechanisms. City enterprises are expected to operate without substantial General Fund subsidies, and revenues and expenditures are not commingled with the revenues and expenses of all other government activities. Enterprise accounting provides the public with greater insight as to the portions of total costs of a service that is recovered through user charges and, if any, the portion that is subsidized by tax levy or other available funds. At year-end, the performance of a City enterprise is measured in terms of positive and negative funding generated.

The City of Marquette is organized under the Commission-Manager form of government. The Commission consists of seven members, elected at large, who are residents of the City and qualified to vote under the constitution and laws of the State of Michigan. The members of the Commission are elected to serve staggered terms of three years with a maximum of six consecutive years. The Mayor and Mayor Pro-Tem of the City are elected annually by Commission members. The Commission appoints the City Manager and the City Attorney. All other administrative appointments are the responsibility of the City Manager.

The annual budget serves as the foundation for the City's financial planning and control. The budget is organized by individual fund and cognizant department. Transfers of

resources between funds are initiated by the City Manager and require approval by the City Commission.

ECONOMIC CONDITIONS AND OUTLOOK

With a stable population of approximately 21,355 residents as reported by the U.S. Census Bureau in 2010, the City remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report. Marquette enjoys a diverse economic base, and the City's major employers, Northern Michigan University (NMU) and DLP Marquette General Hospital, LLC, continue to help strengthen the area economy. The economic footprint of NMU is manifest in the everyday lives of the City, and contributes approximately \$63M/annum in payroll, and indirect spending with local businesses. DLP Marquette General Hospital, LLC carries an approximate \$325M/annum economic impact and recently completed \$300M+ of new construction to expand facilities necessary for continued growth as a regional medical facility.

The City Charter mandates the City Manager prepare and maintain a Strategic Plan and Economic Development Plan that promotes the standard of living and the economic health of the city. Plans have been developed and implemented and, as a result, the City is better positioned to retain and attract a talented workforce; incubate and accelerate entrepreneurial growth; and to work with partners to address regional issues associated with infrastructure and global market access. The Michigan Strategic Fund Board has approved implementation of the Superior Trade Zone, wherein the City has partnered with 42 other communities in Marquette and Delta Counties to take advantage of expanding trade opportunities through authorities outlined under the Next Michigan Zone Act within the Central Upper Peninsula. Marquette, along with Northern Michigan University (NMU), has also been designated by the Michigan Economic Development Corporation and Michigan Department of Treasury as a Satellite SmartZone of Michigan Technological University (MTU), and the Cities of Houghton and Hancock (MTEC) to create a robust entrepreneurial environment that will enhance business creation, expansion, and growth. Innovation Marquette Enterprise Corporation has been created for this SmartZone endeavor.

The City continues to garner global recognition and continues to benefit economically as a popular tourism and vacation spot. Overall visitor volumes are trending upwards of 10-15% over historical measures and there are plenty of both summer and winter recreational activities. The City is a nationally recognized destination for trails and mountain biking during the non-winter months and for downhill and cross-country snow skiing during the winter months. The City has been recognized as the originating area for the popular new snow-biking sport and continues to sponsor the U.P. 200 Dogsled Race – a qualifier for Alaska's Iditarod; as well as a qualifying Marathon supporting the Boston Marathon. Through its Downtown Development Authority, the City continues to invest in the downtown, and works with merchants to provide diversified opportunities and events that have attracted more visitors to the downtown shopping district, including the

popular Farmers Market. Marquette continues to strongly promote festivals and special events throughout the year which bring in tens of thousands of visitors annually.

The Administration annually develops a budget which provides a comparative understanding of the local budget between fiscal years, the anticipated volatility resulting from Federal and State budget issues; identifies the potential impacts for both anticipated and unanticipated fund balance reserve needs; establishes recommendations for debt management thresholds associated with annual Capital Improvement Program Needs; and explains staff recommendations regarding “zero-based” program review. The recommendations mitigate revenue volatility, to the extent possible, and identify balanced budget requirements for considering potential amendments as financial conditions stabilize or improve.

Federal and State government budgets along with associated local revenue sharing remain highly volatile. Equally, changes incorporated within State Tax Law have resulted in impacts to Personal Property Tax Collections from businesses; Veteran Real Property Tax exemptions; and changes in state equalization protocols which have resulted in a significant increase of new Board of Review and Michigan Tax Tribunal cases with the City’s largest taxpayers. Continued changes to the tax structure at both the Federal and State levels have the potential to negatively impact local revenue, continue to create tremendous uncertainty, and as a result, put greater pressure on the City’s General Fund and associated community institutions.

The Presque Isle Power Plant (PIPP), formerly the City’s largest taxpayer, was closed in May 2019. City officials continue to work with Federal, State, and private organizational officials in order to identify best possible solutions to have the property remediated and placed back on the tax rolls as quickly as possible. It should be noted that the loss of this taxpayer has resulted in an approximate \$1.3M decrease in annual general fund revenue.

The City continues to face significant reductions from non-municipal discretionary revenue sources, new pension and other post-employment benefit reporting requirements, and the need to consider higher property tax rates and fees. The City could face dire circumstances if the most significant risks come to pass, and lead to substantially diminished service provision as well as fewer capital improvements and maintenance. The City Administration will continue to monitor these situations closely and recommend conservative fiscal policies until risks are resolved and stronger positive economic growth and recovery is demonstrated.

FY 2019 INITIATIVES

The major themes which guided projects and initiatives for FY 2019 were:

- Infrastructure Repairs, Replacements and Improvements
- Brownfield Redevelopment
- Local Economic Development

- Debt Maintenance and Reduction
- Intergovernmental cooperation and outreach supporting state, regional, and local development outcomes
- Protection of Municipal Revenue Sources
- Maintaining normal staffing and services despite the loss of the City's Largest Taxpayer
- Aggressive pursuit of non-local revenue sources

The following major capital improvements were accomplished in FY 2019:

- ✓ Stormwater Drainage Improvements - \$779,301
- ✓ Water System Improvements - \$720,405
- ✓ Sewer System Improvements - \$723,102
- ✓ Street/Road Reconstruction & Improvements - \$837,362

RELEVANT FINANCIAL POLICIES

The City adheres to several financial management policies, including a statutory requirement to adopt a balanced budget (I.E., revenues must match expenditures). These policies demonstrate a commitment to maintain adequate reserves for necessary financial stability and long-term fiscal planning.

For example, the City Commission adopted a policy that helps eliminate structural deficits by requiring the amount of new debt may not exceed the amount of debt retired during the previous fiscal year. Under prevailing conditions, this results in a debt limit of no more than \$5.5 million for capital improvement projects. Exceptions are made for Brownfield or other projects which have a separate funding source.

OTHER INFORMATION

Awards – 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 Marquette, Michigan for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This is the 33rd consecutive year that the City has achieved 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 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.

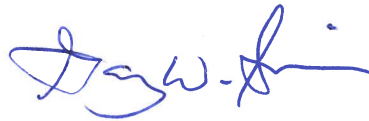
Acknowledgments – Special recognition must be extended to members of the Financial Services Department who assisted in the development of this Comprehensive Annual Financial Report and with the annual independent audit. We wish to express our appreciation to the accounting firm of Anderson, Tackman and Company, PLC, who contributed to this preparation.

We would also like to thank the members of the Marquette City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink that reads "L. M. Angeli".

L. Michael Angeli
City Manager

A handwritten signature in blue ink that reads "Gary W. Simpson".

Gary W. Simpson
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Marquette
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

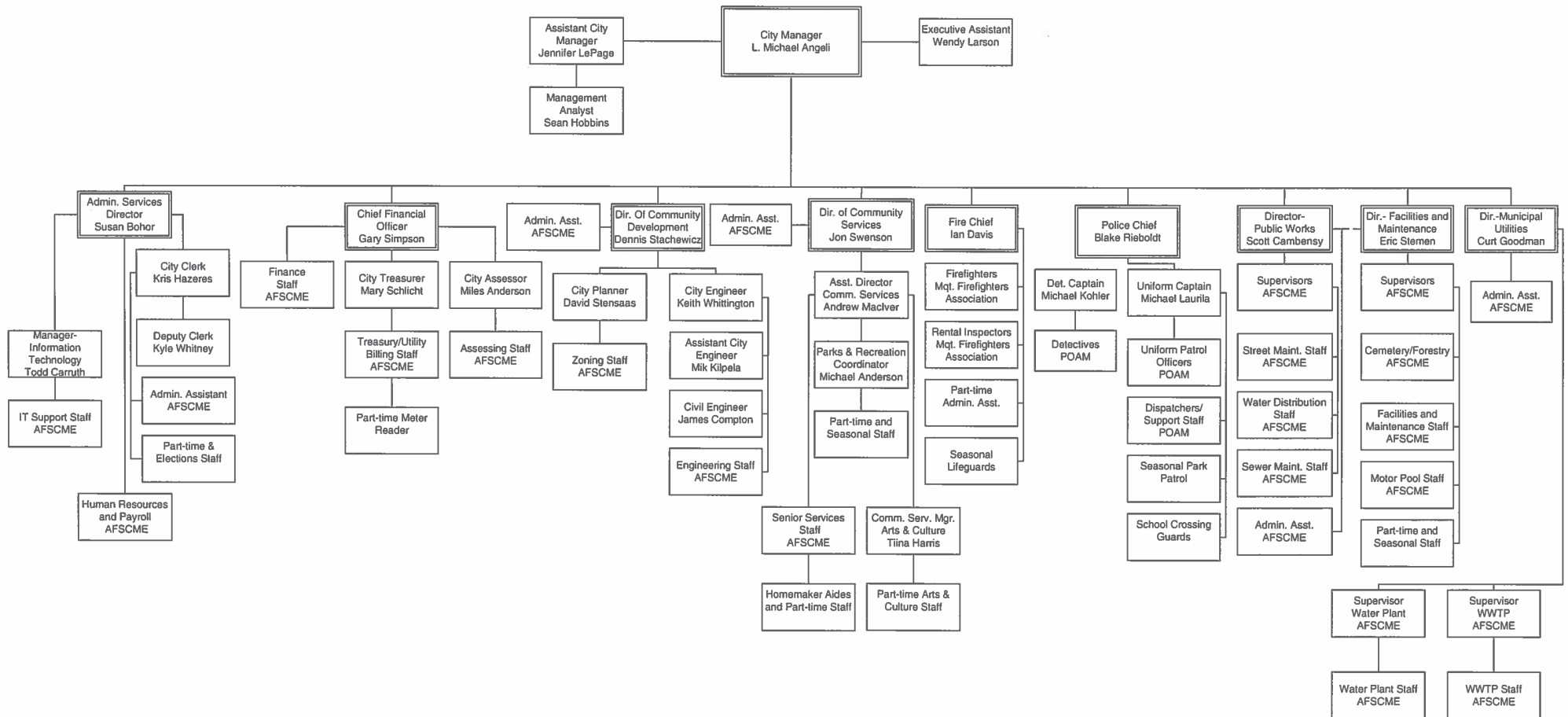
September 30, 2018

Christopher P. Morrell

Executive Director/CEO

City of Marquette

October 1, 2018



CITY OF MARQUETTE, MICHIGAN
ADMINISTRATIVE STAFF

CITY MANAGER

Leonard Angeli

ASSISTANT CITY MANAGER

Jennifer LePage

EXECUTIVE ASSISTANT

Wendy Larson

CITY ATTORNEY

Ronald Keefe

CHIEF FINANCIAL OFFICER

Gary Simpson

DIRECTOR OF ADMINISTRATIVE SERVICES

Susan Bohor

Information Services Division

Todd Carruth

Clerks Office Division

Kris Hazeres

DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

Dennis Stachewicz

Engineering Division

Keith Whittington

Mikael Kilpela

James Compton

Planning & Zoning Division

David Stensaas

DIRECTOR OF COMMUNITY SERVICES

Jon Swenson

Parks & Recreation Division

Andrew MacIver

Michael Anderson

Arts & Culture

Tiina Harris

DIRECTOR OF PUBLIC WORKS

Scott Cambensy

DIRECTOR OF FACILITIES AND MAINTENANCE

Eric Stemen

DIRECTOR OF MUNICIPAL UTILITIES

Curt Goodman

FIRE CHIEF

Ian Davis

POLICE CHIEF

R. Blake Rieboldt



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City
Commission and the City Manager of the
City of Marquette, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of City of Marquette, Michigan (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Board of Light and Power, which is a discretely presented component unit and 88 percent, 84 percent, and 87 percent, respectively of the assets, net position, and revenues of the discretely presented component units.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Light and Power, which represent 88 percent, 84 percent, and 87 percent, respectively, of the assets, net position, and revenues of the component unit activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for component unit activities, is based solely on the report of the other auditors. 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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

Honorable Mayor, Members of the City
Commission and the City Manager of the
City of Marquette, Michigan

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Section 2 – Required Supplementary Information (as listed in the Table of Contents) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, individual major fund financial statements, combining and individual non-major fund financial statements, capital asset schedules, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual major fund financial statements, combining and individual non-major fund financial statements, capital asset schedules, and long-term debt schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other

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Commission and the City Manager of the
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records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the individual major fund financial statements, combining and individual non-major fund financial statements, capital asset schedules, and long-term debt schedules are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended September 30, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. We did not audit the financial statements of the Board of Light and Power, which represent 87 percent, 79 percent, and 73 percent, respectively, of the assets, net position, and revenues of the component unit activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for component unit activities, is based solely on the report of the other auditors. The individual major fund financial statements and individual non-major fund financial statements, for the year ended September 30, 2018, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 individual major fund financial statements and individual non-major fund financial statements, are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or

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on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

March 27, 2019

City of Marquette, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Marquette, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements. Please refer to the table of contents for page numbers of these items.

FINANCIAL HIGHLIGHTS

- Net position for the City as a whole decreased by \$(1,827,425) as a result of this fiscal year's operations. Net position of our business-type activities decreased by \$(676,661) or (2.13)%, and net position of our governmental activities decreased by \$(1,150,764) or (2.97)%.
- During the year, the City had expenses for governmental activities that were \$21,575,141 more than the \$10,325,417 generated in program revenues.
- The City's business-type activities had expenses that were \$896,551 less than the \$15,041,902 generated in program revenues.
- The general fund reported a net change in fund balance of \$(2,754,008). This is \$2,754,008 lower than the forecasted net change of \$-0-.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are also presented (see Table of Contents for page references). For governmental activities, these statements tell how these services were financed in the short term as well as what remains for the future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the City as a Whole

One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's *net position* and changes in them. You can think of the City's net position - the difference between assets plus deferred outflows, and liabilities plus deferred inflows - as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's patron base and the condition of the City's capital assets, to assess the *overall financial health* of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- *Governmental activities* – Most of the City's basic services are reported here, including the police, fire, public works and parks departments, and general administration. Property taxes, charges for services and state sources fund most of these activities.
- *Business-type activities* – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water system, sewer system, stormwater, marinas, lighthouse park, fuel system and recreational park activities are reported here.
- *Component units* – The City includes four separate legal entities in its report – the Board of Light and Power, the Peter White Public Library, the Downtown Development Authority, and the Brownfield Redevelopment Authority. Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds follows. The fund financial statements (see Table of Contents for page references) provide detailed information on the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Commission establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The City's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and Statement of Activities) and governmental *funds* in a reconciliation which follows the fund financial statements.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the Motor Vehicle Equipment Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The City as Trustee

The City is the trustee, or fiduciary, for its Fire-Police Retirement System pension plan. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position (see Table of Contents for page references). We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The City as a Whole

Table 1 provides a summary of the City's net position as of September 30, 2019 and 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 32,368,056	\$ 41,639,457	\$ 10,342,711	\$ 10,185,631	\$ 42,710,767	\$ 51,825,088
Capital assets, net	96,478,373	93,756,449	58,865,673	59,085,465	155,344,046	152,841,914
Total Assets	<u>128,846,429</u>	<u>135,395,906</u>	<u>69,208,384</u>	<u>69,271,096</u>	<u>198,054,813</u>	<u>204,667,002</u>
Deferred outflows of resources	4,902,724	3,355,351	962,384	485,694	5,865,108	3,841,045
Current liabilities	4,332,070	4,560,137	7,939,413	4,806,365	12,271,483	9,366,502
Noncurrent liabilities	81,570,120	83,220,587	30,978,784	32,932,473	112,548,904	116,153,060
Total Liabilities	<u>85,902,190</u>	<u>87,780,724</u>	<u>38,918,197</u>	<u>37,738,838</u>	<u>124,820,387</u>	<u>125,519,562</u>
Deferred inflows of resources	10,278,933	12,251,739	163,770	252,490	10,442,703	12,504,229
Net Position:						
Net investment in capital assets	55,333,265	49,600,732	32,575,063	31,369,945	87,908,328	80,970,677
Restricted	940,606	4,126,444	328,361	1,705,053	1,268,967	5,831,497
Unrestricted	(18,705,841)	(15,008,382)	(1,814,623)	(1,309,536)	(20,520,464)	(16,317,918)
Total Net Position	<u>\$ 37,568,030</u>	<u>\$ 38,718,794</u>	<u>\$ 31,088,801</u>	<u>\$ 31,765,462</u>	<u>\$ 68,656,831</u>	<u>\$ 70,484,256</u>

Net position of the City's governmental activities stood at \$37,568,030. *Unrestricted* net position—the part of net position that could be used to finance day-to-day activities without constraints established by debt covenants, enabling legislation, or other legal requirements stood at \$(18,705,841).

The \$(18,705,841) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unassigned net position from year to year.

The net position of our business-type activities stood at \$31,088,801. The City can generally only use the net position to finance continuing operations of the water and sewer and other enterprise operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The results of this year's operations for the City as a whole are reported in the Statement of Activities (see Table 2), which shows the changes in net position for fiscal years 2019 and 2018.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 5,026,782	\$ 5,042,768	\$ 14,887,411	\$ 12,262,923	\$ 19,914,193	\$ 17,305,691
Operating grants and contributions	4,114,892	4,078,986	-	-	4,114,892	4,078,986
Capital grants and contributions	1,183,743	4,645,306	154,491	795,762	1,338,234	5,441,068
General revenues:						
Property taxes	14,331,042	14,866,497	-	-	14,331,042	14,866,497
Unrestricted State sources	2,561,563	2,221,895	-	-	2,561,563	2,221,895
Investment earnings	409,911	11,095	43,260	19,755	453,171	30,850
Sale of capital assets	1,376,313	-	-	-	1,376,313	-
Miscellaneous	129,076	155,429	-	-	129,076	155,429
Total Revenues	<u>29,133,322</u>	<u>31,021,976</u>	<u>15,085,162</u>	<u>13,078,440</u>	<u>44,218,484</u>	<u>44,100,416</u>
Program Expenses:						
General government	6,104,823	5,524,941	-	-	6,104,823	5,524,941
Public health and safety	8,880,337	7,984,991	-	-	8,880,337	7,984,991
Public works	5,554,637	4,450,990	-	-	5,554,637	4,450,990
Highways and streets	3,946,829	2,919,733	-	-	3,946,829	2,919,733
Social services	727,878	650,445	-	-	727,878	650,445
Sanitation services	1,998,223	1,820,786	-	-	1,998,223	1,820,786
Community services	1,570,778	1,445,068	-	-	1,570,778	1,445,068
Interest on long-term debt	742,496	710,415	-	-	742,496	710,415
Depreciation - unallocated	2,374,557	1,777,715	-	-	2,374,557	1,777,715
Water supply	-	-	5,302,484	4,645,417	5,302,484	4,645,417
Sewage disposal	-	-	6,067,463	5,622,152	6,067,463	5,622,152
Stormwater utility	-	-	1,562,628	1,535,566	1,562,628	1,535,566
Recreation and culture	-	-	1,212,776	1,084,168	1,212,776	1,084,168
Total Expenses	<u>31,900,558</u>	<u>27,285,084</u>	<u>14,145,351</u>	<u>12,887,303</u>	<u>46,045,909</u>	<u>40,172,387</u>
Excess (deficiency) before transfers	(2,767,236)	3,736,892	939,811	191,137	(1,827,425)	3,928,029
Transfers	<u>1,616,472</u>	<u>(18,720)</u>	<u>(1,616,472)</u>	<u>18,720</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(1,150,764)	3,718,172	(676,661)	209,857	(1,827,425)	3,928,029
Net position, beginning	<u>38,718,794</u>	<u>35,000,622</u>	<u>31,765,462</u>	<u>31,555,605</u>	<u>70,484,256</u>	<u>66,556,227</u>
Net Position, Ending	<u>\$ 37,568,030</u>	<u>\$ 38,718,794</u>	<u>\$ 31,088,801</u>	<u>\$ 31,765,462</u>	<u>\$ 68,656,831</u>	<u>\$ 70,484,256</u>

The City's total revenues were \$44,218,484. The total cost of all programs and services was \$46,045,909 leaving a decrease in net position of \$(1,827,425). Our analysis below separately considers the operations of governmental and business-type activities:

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Governmental Activities – Analysis of Individual Funds:

General Fund

The General Fund has several sources of revenue which are discussed below:

Property Taxes:

- Property Taxes are the biggest source of revenue in the General Fund. These taxes are based on taxable values (TV) of property as of December 31 of each year. The tax millage rate as set by the City Commission during the budget process is then applied to TV.
- Property Taxes are impacted by Proposal A, which caps annual taxable value increases to the lesser of inflation or 5%. Values are uncapped when the property is sold. The uncapped value is represented by State Equalized Value (SEV).
- The City Assessor sets TV and SEV as of December 31 of each year. Property owners can appeal these values by utilizing the City's Board of Review and further appeal by utilizing the State Tax Tribunal.
- For fiscal year (fy) 2019, taxable value decreased \$1,787,020 from fiscal year 2018, which was the result of inflationary and uncapped TV being more than offset by Board of Review and State Tax Tribunal settlements.
- The millage rate for fy 2019 was unchanged from the previous fiscal year, at 14.9225 mills.
- For fy 2019, the gap between SEV (uncapped) and TV (Proposal A-capped) is \$135,362,228. By applying the tax millage rate, this represents approximately \$2,000,000 in Property Tax Revenue not realized by the General Fund due to Proposal A.

Payments in Lieu of Taxes (PILT):

- This revenue source is comprised of asset valuations of the City owned utilities of the Marquette Area Wastewater Treatment Facility and the City's Water and Sewer Utilities and applying the approved tax millage rate.
- Also included is 5.5% of the operating revenues of the Marquette Board of Light and Power.
- The City also has PILT arrangements with low income housing units. These units are exempt from property taxes but utilize a formula set by the Federal Government to help pay for City services provided to these units. Use of this formula does not increase rents paid by each property's residents.

State Shared Revenue:

- State Shared Revenues are comprised of Sales & Use Tax, Liquor License fees, and Fire Protection of State Facilities. Each of these components are distributed based upon formulas set by the State and the amount of money appropriated for each purpose by the State.
- Sales & Use Tax is largely dependent upon overall economic conditions in the State; Liquor License fees are based upon the number of licenses issued; and, Fire Protection of State Facilities is based upon the estimated SEV of State facilities located within the City, such as the prison, university, and various other State facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

- There are two components to Sales & Use Tax distributions – Constitutional and Statutory. Constitutional, as the name suggests, is set in the State Constitution and would require a vote by the people of the State in order to change. Statutory, on the other hand, is subject to formula and appropriation by the State legislature.
- Additionally, statutory revenue sharing distributions are subject through participation in the City, Village, and Township Revenue Sharing (CVTRS) program. This program requires the City to publish a Citizen's Guide and Performance Dashboard by December 1 of each year. Currently, by participating in this program and conforming to its guidelines, the City receives approximately \$357,000 to \$384,000 per year. It should be noted that before implementation of CVTRS in 2011, there were no mandates to qualify and the City was receiving approximately \$500,000 per year.

Other Revenue Sources:

- Service/Use/Sales/Rental fees: These revenues are based upon a Fee Schedule adopted by the City Commission each year during the budget process and are dependent upon the amount of services requested and provided.
- Fines and Forfeits: This revenue source is comprised of Civil Infraction fines and parking tickets.
- Sale of Capital Assets: Several City owned properties were sold during the year and proceeds were used to pay down debt.
- Investment Income: This source is dependent upon the amount of investable cash and interest rates. The City must also comply with GASB's mark-to-market accounting rules for investments. On occasion, this requires a write-down to the market value of investments during the fiscal year. This write-down is a "paper" loss only since the City holds investments until maturity. There is no actual loss in these instances.
- Other Revenue: The largest components of this revenue source are KBIC 2% pass-thru grants and reimbursement for providing a School Safety Officer.

General Fund expenditures are grouped by function as discussed below:

- ❖ General Government is comprised mostly of Central Administration and Community Development.
- ❖ Public Health and Safety is comprised of the Police and Fire Departments and Waterfront Safety.
- ❖ Public Works is comprised of Public Works Maintenance, City Hall and Grounds, and Cemetery.
- ❖ Community Services is comprised of Promotional Fund, Parks and Recreation Administration, and Arts and Culture.
- ❖ Net Other Financing Uses include financing activities and transfers between the City's various Funds. The General Fund typically makes transfers to balance other Funds, such as the Street Funds, Lakeview Arena, and payments made by Debt Service Funds.

In all functions, wages and fringe benefits are set by negotiated labor agreements for those staff covered by Labor Unions. For those staff not covered by Labor Unions, wages and fringe benefits are set by the

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

City Commission during the budget process. Required pension plan payments are made in accordance with an annual actuarial study.

Street Funds

The Street Funds are divided between Major and Local and the largest revenue sources are received from the State's Act 51 Gas & Weight Tax and transfers from the City's General Fund.

Gas & Weight Tax is distributed based upon formulas and the amount of money appropriated by the State. In addition, Gas & Weight Tax is dependent upon how much gas is bought at the pump throughout the State.

Another portion of Act 51 is the Winter Maintenance (Snow) allocation made by the State. Again, this source is based upon formula and appropriated amounts by the State each year. This revenue source can vary greatly from year-to-year and is largely dependent upon a rolling average of annual snow fall and the cost to remove the snow for traffic purposes.

Because Act 51 revenues do not fully cover the cost of expenditures in the Major and Local Street Funds, transfers from the General Fund are usually required each year to "balance out" the activities of both Funds.

Expenditures in the Street Funds are classified according to the functions of Routine Maintenance, Winter Maintenance, State Trunkline, Construction, and Administration. Each of these functions can vary from year-to-year and is largely dependent upon the amount of annual snowfall and construction.

Other Governmental Activity Funds

Public Art Fund: Beginning in fy 2018, the General Fund contributes \$30,000 per year which is indexed for inflation each year thereafter. The expenditures are part of the City's public art initiative as set forth according to local ordinance.

Sanitation Fund: Use fees are the biggest revenue source to cover expenditures related to recycling, trash collection services, and landfill usage. Recycling and trash collection services are based upon contracts for these services which are then billed out to residents on a monthly basis as part of their utility bill. Landfill usage is based on the number of permits sold for landfill disposal. The fee collected is then passed on to the County Landfill Authority as the City is only a pass-thru agent in this regard. These revenues, and corresponding expenditures, are variable from year-to-year based on the permitted landfill activity during the year.

Local Development Finance Authority (LDFA): Tax Increment Financing revenue is collected in accordance with LDFA Public 281 of 1986. This revenue is used to finance the City's SmartZone initiative with the intent to create and maintain high-tech type jobs and help provide a basis for local economic development.

Public Education Government (PEG) Fund: As part of the cable tv franchise agreement, revenue is set aside to cover the expenses for the City's cable tv channel which broadcasts certain local public meetings and disseminates information to the public.

Drug Forfeiture Fund: Revenue sources are the result of seizure and forfeitures from drug enforcement action. Expenditures must be used for the enhancement of law enforcement efforts.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Road Maintenance and Safety Funds: An agreement with Eagle Mine provides for annual payments related to maintenance and safety of roads that are utilized by the Mine's trucking operations in the City.

Criminal Justice Training Fund: A grant from the State allows for ongoing training of the City's Police Department personnel.

Senior Services Fund: In order to provide services to its senior citizens, the City has a dedicated tax millage and contracts with the State and County to provide certain services. Amounts will fluctuate based upon the agreed upon services.

Lakeview Arena Fund: Use fees are the primary revenue source for the City's ice arena along with a transfer from the General Fund. Amounts can vary from year-to-year based upon the amount of usage of the facility for ice hockey and skating. The facility is also used during out-of-season time to host special events. Parks and Recreation staff offices are located year around at the arena.

Debt Service Funds: The City issues debt to fund various infrastructure construction and rehabilitation projects. Debt Service Funds are used to account for the cost of debt service for the Governmental Funds portion of such debt. Debt service for Non-Governmental Funds is accounted for in each specific fund.

Net Cost of Governmental Activity Funds

Table 3 presents the cost of each of the six largest programs – General Government, Public Health and Safety, Public Works, Highways and Streets, Sanitation, and Community Services – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that each program placed on the City's operation.

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services
General government	\$ 6,104,823	\$ 4,750,403
Public health and safety	8,880,337	8,560,669
Public works	5,554,637	2,949,411
Highways and streets	3,946,829	512,436
Sanitation	1,998,223	497,784
Community services	1,570,778	956,405

Business-type Activities – Analysis of Individual Funds:

The City owns and operates three utilities: Water Supply, Sewage Disposal, and Stormwater. In addition, this category of Funds consists of Tourist Park, Lighthouse Park, Fuel System, and Marinas.

Water Supply Fund: Water treatment and distribution are the services provided and use fees are charged. Revenues are largely dependent upon billable flows and the amount charged per 1,000 gallons (kgals). A recent study by an outside consulting firm has recommended 12.25% rate increases for a five-year period. This increase was implemented in fy 2019 and will be for fy 2020. The main reason for these increases is due to this utility experiencing a period of declining billable flows resulting from conservation efforts by its customers. This has put pressure on the utility's ability to provide the required services and build up needed reserves.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Sewage Disposal Fund: Use fees are charged for sewage disposal services and sanitary sewer operations. The billable amounts are based upon kgal usage in the Water Supply Fund. This utility is experiencing the same issues as described in the Water Supply Fund and the outside consulting firm has recommended a 25% increase for fy 2019, which was implemented, and 11.50% per year for the four years after. The 11.50% increase will be implemented for fy 2020.

Stormwater Fund: Maintenance and construction are the services provided and use fees are charged for the City's stormwater management program. The outside consulting firm has recommended 15.25% rate increases for a five-year period. These increases were implemented in fy 2019 and will be for fy 2020. Rates are charged based on property size.

Tourist Park Fund: This is a camping and recreational park owned and operated by the City. Use fees are charged and set during the budget process. Weather is the largest factor in fluctuations within this fund.

Lighthouse Park Fund: The City recently completed a property swap with the United States Coast Guard and received a Lighthouse and other facilities as part of the swap. The City is refurbishing the former Coast Guard facilities and plan to generate rental income based on use. The City has also entered into a revenue sharing agreement with the Marquette Maritime Museum who will provide tours of the Lighthouse facility and property. Fluctuations will occur based on actual usage.

Fuel System Fund: The City operates a fuel system depot for its fleet of vehicles and equipment and has agreements in place with other governmental entities so they can purchase fuel for their vehicles and equipment. Fluctuations will occur based on actual usage.

Marinas Fund: The City owns and operates two marinas and use fees are charged. Fees are set during the budget process and subject to confirmation by the State Waterways Commission. Fluctuations will occur based on actual usage.

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet, see table of contents for page reference) reported a *combined* fund balance of \$17,023,661, a decrease of \$(6,164,029) from the beginning of the year. The reasons for this decrease are discussed above.

General Fund Budgetary Highlights

During the year, there was a \$614,871 increase in total expenditure appropriations between the original and final amended budget. Following are the main components of this increase:

\$ 584,871 for capital project carry-over from the previous year.

\$ 30,000 for grant pass-thru's not previously budgeted for.

Actual 2019 Total General Fund revenues were \$459,112 below final budget mostly due to the settlement of tax tribunal cases and delaying the issuance of bonds to fund capital improvement projects. General Fund revenues were \$2,754,008 below expenditures and other financing uses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019 the City had \$155,344,046 invested in a variety of capital assets including land and improvements, buildings and improvements, equipment and infrastructure. (See Table 4 below)

Table 4
Capital Assets at Year-End
(Net of Depreciation)

	2019			Totals 2018
	Governmental Activities	Business-type Activities	Totals	
Land and construction in progress	\$ 42,523,492	\$ 347,518	\$ 42,871,010	\$ 42,317,677
Land improvements	1,629,993	1,543,876	3,173,869	2,230,717
Buildings and improvements	18,069,018	7,342,231	25,411,249	26,870,137
Furniture and equipment	2,538,386	1,479,206	4,017,592	4,037,488
Infrastructure	31,717,484	48,152,842	79,870,326	77,385,895
Totals	<u>\$ 96,478,373</u>	<u>\$ 58,865,673</u>	<u>\$ 155,344,046</u>	<u>\$ 152,841,914</u>

Further details on capital assets can be found in Note I.

Debt

At year-end, the City had \$68,127,630 in bonds, notes and capital lease obligations outstanding as depicted in Table 5 below, which shows total bonded debt as of September 30, 2019.

Table 5
Outstanding Debt at Year-End

	2019			Totals 2018
	Governmental Activities	Business-type Activities	Totals	
General obligation bonds	\$ 15,698,549	\$ 24,460,421	\$ 40,158,970	\$ 48,000,923
Revenue bonds	-	-	-	-
Contracts and notes payable	25,521,336	2,447,324	27,968,660	29,186,367
Totals	<u>\$ 41,219,885</u>	<u>\$ 26,907,745</u>	<u>\$ 68,127,630</u>	<u>\$ 77,187,290</u>

General Obligation Bonds are those bonds that have the City's taxing authority pledged as back-up (usually referred to as "Full (or Limited) Full Faith and Credit").

Revenue Bonds are those bonds that have specific revenue sources pledged for payment (such as Water and/or Sewer Utility Revenues).

Contracts and Notes Payable are those items not generally classified as bonds but are still considered

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

to be debt (such as loans from State programs – Water and Sewer Revolving Loan Fund).

Further details on long-term debt can be found in Note F.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials considered many factors when setting the fiscal year 2020 budget, including the global and national economies. Below are a few of these factors:

State Revenue Sharing remains a budgetary concern although recent trends are starting to show slight increases. Public Act 63 of 2011 introduced the Economic Vitality Incentive Program (EVIP) for eligible local governments to follow in order to receive Statutory Revenue Sharing from the State. Prior to EVIP, the statutory portion was allocated without need to meet criteria for qualification. With EVIP, the City must certify that it is meeting certain criteria in the areas of accountability and transparency, consolidation of services, and employee benefits. The City is currently qualified to receive its full share, approximately \$384,000. Prior to EVIP, the City was receiving \$500,000 of statutory payments. Qualification is an annual process which the City must show compliance with the State-mandated criteria. In fiscal year 2015, the EVIP program was changed to City Village Township Revenue Sharing (CVTRS) and left just the first phase to be complied with in order to receive the "full" allocation of Statutory Revenue Sharing. It is still unclear what additional program modifications or legislative action will bring. As a result, the Administration views statutory revenue sharing as "speculative", and no longer considers this to be a reliable revenue source within the City baseline budget formulation. It should be noted that based upon previous years distributions, it is estimated that the City has "lost" almost \$1 million per year due to cutbacks by the State since fiscal year 2000.

Property Taxes (Real and Personal) are another big factor in the City's General Fund budget. Property Taxes are calculated on taxable value. Taxable value growth is capped, by State constitution, at the lower of the rate of inflation or 5%. In the year when property sells, the taxable value is then allowed to be adjusted to reflect actual increases in taxable value and then the capping process starts all over again.

The City projects nominal future increases in assessed taxable value. There is also a change in the Personal Property Tax structure where businesses with less than \$80,000 cash value (\$40,000 taxable value) in personal property are exempt from having to pay the tax. The State has promised to fully reimburse the loss to municipalities. It is possible that additional changes to the Personal Property Tax structure could be made in future years, but this cannot be quantified at the current time.

Presque Isle Power Plant (WE Energies), the City's largest property taxpayer, closed in April 2019. Discussions continue with WE Energies to remediate and develop the property as quickly as possible to mitigate the loss of jobs and taxable value. The initial loss in Property Taxes is \$1.3 million per year to the City. When the possibility first arose, the City began an effort to increase the fund balance of the General Fund as high as possible to help offset this loss of Property Tax revenue and allow for uninterrupted staffing and service levels.

DLP Marquette General Hospital, LLC has completed construction of a new hospital facility within the City limits on a site that was owned by the City and home to the City's Municipal Service Center (MSC). This project required the City to build a new MSC. Construction of the new MSC has been completed and was funded by a Brownfield Redevelopment Authority Tax Increment Financing district, which captures property taxes from the new hospital to pay for the construction of the new MSC. No plans have been announced as to what will happen with the current hospital campus, but the goal is to keep this property fully taxable.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Certain property owned by the City that is deemed to not be needed for a municipal purpose is in the process of being sold to potential developers. The goal is to increase the City's tax base and to use the sales proceeds to pay down current City debt.

On the national front, at the time of this writing, there is still much discussion regarding the Federal and State Budgets. This is important because the City could be forced to deal with reduced federal and state funding. We are also monitoring the discussions regarding Infrastructure Rehabilitation funding. The City has been addressing its infrastructure needs via the Capital Improvement Plan and has mostly been issuing debt to cover these costs. We would welcome programs that would allow the City to issue less debt and still be able to address its infrastructure rehabilitation needs. Until sources for federal and state funding become certain, we will remain prepared to continue as is for the short-term future.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Financial Services Office at City of Marquette, 300 West Baraga, Marquette, Michigan, 49855. Additional information about the City may also be found on the City's website at www.marquettemi.gov.

CITY OF MARQUETTE, MICHIGAN
BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide an overview of the City's financial position and the result of current year's operations and cash flows.

These Basic Financial Statements indicate the classes and funds displayed in subsequent sections of the report and present comprehensive data for assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, transfers, expenses or expenditures and cash flows of the City funds.

CITY OF MARQUETTE, MICHIGAN

STATEMENT OF NET POSITION

September 30, 2019

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 16,300,447	\$ -	\$ 16,300,447	\$ 37,706,527
Investments	5,915,990	-	5,915,990	17,243,086
Receivables (net)	4,687,171	2,757,235	7,444,406	4,595,589
Inventory	348,951	240,148	589,099	1,165,602
Prepaid expenses and other assets	1,320,777	3,354,230	4,675,007	130,526
TOTAL CURRENT ASSETS	28,573,336	6,351,613	34,924,949	60,841,330
Non-current Assets:				
Restricted assets	793,097	787,720	1,580,817	14,667,644
Investment in UPPPA	-	-	-	4,226,199
Investment in joint venture	3,001,623	3,203,378	6,205,001	-
Capital assets:				
Land and construction in progress	44,811,038	347,518	45,158,556	4,450,133
Other capital assets, net of depreciation	51,667,335	58,518,155	110,185,490	102,738,282
Total Capital Assets	96,478,373	58,865,673	155,344,046	107,188,415
TOTAL NON-CURRENT ASSETS	100,273,093	62,856,771	163,129,864	126,082,258
TOTAL ASSETS	128,846,429	69,208,384	198,054,813	186,923,588
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	123,575	288,774	412,349	-
Deferred amounts related to pension	4,759,300	646,194	5,405,494	2,336,545
Employer contributions subsequent to measurement date	-	-	-	2,422,622
Deferred amounts related to OPEB	19,849	27,416	47,265	351,292
Receivables for developer obligations	-	-	-	66,199,408
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,902,724	962,384	5,865,108	71,309,867
LIABILITIES				
Current Liabilities:				
Cash overdraft	-	1,959,257	1,959,257	-
Accounts payable	1,037,314	2,901,710	3,939,024	3,204,853
Accrued wages payable	372,057	67,790	439,847	-
Accrued liabilities	232,625	348,649	581,274	664,154
Compensated absences	686,750	-	686,750	1,048,598
Customer deposits payable	119,448	14,397	133,845	1,639,923
Due to primary government	-	-	-	6,753
Grants received in advance	-	-	-	117,375
Current portion of bonds payable	1,481,895	2,647,610	4,129,505	540,000
Current portion of contracts and notes payable	401,981	-	401,981	-
Current maturities on revenue bonds	-	-	-	2,663,101
Other current liabilities	-	-	-	3,771,983
TOTAL CURRENT LIABILITIES	4,332,070	7,939,413	12,271,483	13,656,740
Non-current Liabilities:				
Compensated absences	1,203,953	376,092	1,580,045	63,133
Other post-employment benefits (OPEB)	6,487,288	371,628	6,858,916	9,592,949
Net pension liability	34,542,870	5,157,639	39,700,509	14,589,628
Bonds payable	14,216,654	21,812,811	36,029,465	108,115,116
Long-term contracts and notes payable	25,119,355	2,447,324	27,566,679	31,650,578
Other	-	813,290	813,290	2,364,181
TOTAL NON-CURRENT LIABILITIES	81,570,120	30,978,784	112,548,904	166,375,585
TOTAL LIABILITIES	85,902,190	38,918,197	124,820,387	180,032,325
DEFERRED INFLOWS OF RESOURCES				
Taxes levied for a subsequent period	7,955,612	-	7,955,612	4,252,004
Special assessments	-	19,422	19,422	-
Deferred amounts related to OPEB	389,417	48,587	438,004	-
Deferred amounts related to pension	1,933,904	95,761	2,029,665	98,904
TOTAL DEFERRED INFLOWS OF RESOURCES	10,278,933	163,770	10,442,703	4,350,908
NET POSITION				
Net investment in capital assets	55,333,265	32,575,063	87,908,328	29,289,452
Restricted for:				
Debt services	-	-	-	-
Capital outlay	74,777	328,361	403,138	-
Perpetual care	865,829	-	865,829	-
Other activities:				
Board of Light and Power	-	-	-	13,507,739
Brownfield Redevelopment Authority	-	-	-	-
Non-major component units	-	-	-	1,516,014
Unrestricted	(18,705,841)	(1,814,623)	(20,520,464)	29,537,017
TOTAL NET POSITION	\$ 37,568,030	\$ 31,088,801	\$ 68,656,831	\$ 73,850,222

CITY OF MARQUETTE, MICHIGAN

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

Function / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 6,104,823	\$ 1,280,774	\$ 73,646	\$ -	\$ (4,750,403)	\$ -	\$ (4,750,403)	\$ -
Public health and safety	8,880,337	237,949	70,019	11,700	(8,560,669)	-	(8,560,669)	-
Public works	5,554,637	1,433,183	-	1,172,043	(2,949,411)	-	(2,949,411)	-
Highway and streets	3,946,829	-	3,434,393	-	(512,436)	-	(512,436)	-
Social services	727,878	-	496,898	-	(230,980)	-	(230,980)	-
Sanitation services	1,998,223	1,500,439	-	-	(497,784)	-	(497,784)	-
Community services	1,570,778	574,437	39,936	-	(956,405)	-	(956,405)	-
Interest on long-term debt	742,496	-	-	-	(742,496)	-	(742,496)	-
Depreciation - unallocated	2,374,557	-	-	-	(2,374,557)	-	(2,374,557)	-
Total Governmental Activities	31,900,558	5,026,782	4,114,892	1,183,743	(21,575,141)	-	(21,575,141)	-
Business-Type Activities:								
Water supply	5,302,484	5,112,320	-	9,224	-	(180,940)	(180,940)	-
Sewage disposal	6,067,463	7,074,400	-	59,874	-	1,066,811	1,066,811	-
Stormwater utility	1,562,628	1,543,703	-	85,393	-	66,468	66,468	-
Community services	1,212,776	1,156,988	-	-	-	(55,788)	(55,788)	-
Total Business-Type Activities	14,145,351	14,887,411	-	154,491	-	896,551	896,551	-
TOTAL PRIMARY GOVERNMENT	\$ 46,045,909	\$ 19,914,193	\$ 4,114,892	\$ 1,338,234	(21,575,141)	896,551	(20,678,590)	-
Component Units:								
Board of Light and Power	\$ 34,532,736	\$ 48,426,521	\$ -	\$ 457,494	-	-	-	14,351,279
Brownfield Redevelopment Authority	4,281,602	-	-	-	-	-	-	(4,281,602)
Non-Major Component Units	3,662,309	586,521	1,077,022	-	-	-	-	(1,998,766)
TOTAL COMPONENT UNITS	\$ 42,476,647	\$ 49,013,042	\$ 1,077,022	\$ 457,494	-	-	-	8,070,911
General Revenues:								
Taxes:								
Property taxes					10,309,858	-	10,309,858	5,723,795
Payment in lieu of taxes					4,021,184	-	4,021,184	-
Unrestricted State sources					2,561,563	-	2,561,563	-
Interest and investment earnings					409,911	43,260	453,171	1,249,798
Gain on sale of capital assets					1,376,313	-	1,376,313	64,024
Miscellaneous					129,076	-	129,076	175,870
Transfers					1,616,472	(1,616,472)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					20,424,377	(1,573,212)	18,851,165	7,213,487
CHANGE IN NET POSITION					(1,150,764)	(676,661)	(1,827,425)	15,284,398
Net position, beginning of year					38,718,794	31,765,462	70,484,256	58,565,824
NET POSITION, END OF YEAR	\$ 37,568,030	\$ 31,088,801	\$ 68,656,831	\$ 73,850,222				

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2019

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Construction Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 10,101,997	\$ 171,939	\$ 321,842	\$ 620,674	\$ 4,547,844	\$ 15,764,296
Investments	5,380,300	-	-	-	535,690	5,915,990
Taxes receivable, net	543,229	-	-	-	56,941	600,170
Accounts receivable	284,871	-	-	-	301,594	586,465
Due from other authorities	1,417,552	-	-	440,850	-	1,858,402
Due from other funds	1,051,597	-	-	-	-	1,051,597
Due from other governments	572,347	148,957	51,472	-	2,952	775,728
Inventories	320,719	-	-	-	-	320,719
Prepaid expenditures	402,714	524,298	290,721	-	28,232	1,245,965
TOTAL ASSETS	20,075,326	845,194	664,035	1,061,524	5,473,253	28,119,332
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 20,075,326	\$ 845,194	\$ 664,035	\$ 1,061,524	\$ 5,473,253	\$ 28,119,332
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	272,305	240,106	165,569	38,773	219,476	936,229
Accrued wages payable	298,431	7,094	8,259	-	32,251	346,035
Accrued compensated absences	684,690	-	-	-	2,060	686,750
Due to other funds	-	579,303	472,294	-	-	1,051,597
Due to other governments	230	-	-	-	-	230
Due to other authorities	91,618	-	-	-	-	91,618
Customer deposits payable	27,600	-	-	-	-	27,600
TOTAL LIABILITIES	1,374,874	826,503	646,122	38,773	253,787	3,140,059
DEFERRED INFLOWS OR RESOURCES						
Taxes levied for a subsequent period	7,229,459	-	-	-	726,153	7,955,612
Special assessments	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,229,459	-	-	-	726,153	7,955,612
FUND BALANCE						
Non-spendable	723,433	524,298	290,721	-	894,061	2,432,513
Restricted	33,512	(505,607)	(272,808)	-	2,950,798	2,205,895
Assigned	1,012,771	-	-	1,022,751	648,454	2,683,976
Unassigned	9,701,277	-	-	-	-	9,701,277
TOTAL FUND BALANCE	11,470,993	18,691	17,913	1,022,751	4,493,313	17,023,661
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 20,075,326	\$ 845,194	\$ 664,035	\$ 1,061,524	\$ 5,473,253	\$ 28,119,332

CITY OF MARQUETTE, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

September 30, 2019

Total Fund Balances for Governmental Funds **\$ 17,023,661**

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

Capital assets used in governmental activities and investments in joint ventures are not financial resources and therefore are not reported in the funds (includes capital assets of internal service funds).

99,479,996

Internal service funds are used by management to charge the costs of certain activities, such as the purchase and maintenance of equipment and vehicles and the operation of the Municipal Service Center, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of capital assets.

Current assets	\$ 2,005,471	
Restricted assets	793,097	
Current liabilities	<u>(626,977)</u>	
		2,171,591

Net pension liability, and related deferred (outflows)/inflows of resources, is not due and payable in the current period and is not reported in the funds.

Net pension liability - MERS	20,494,664	
Net pension liability - Fire/Police Retirement System	14,048,206	
Deferred (outflows) of resources related to net pension liability	(4,759,300)	
Employer contributions subsequent to measurement date	-	
Deferred inflows of resources related to net pension liability	<u>1,933,904</u>	
		(31,717,474)

Net OPEB liability, and related deferred (outflows)/inflows of resources, is not due and payable in the current period and is not reported in the funds.

Other post-employment benefits	6,487,288	
Deferred (outflows) related to other post-employment benefits	(19,849)	
Deferred inflows related to other post-employment benefits	<u>389,417</u>	
		(6,856,856)

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

Current portion of bonds payable	\$ 1,481,895	
Current portion of notes and contracts payable	401,981	
Accrued interest on bonds	232,625	
Compensated absences	1,203,953	
Bonds payable	14,093,079	
Long-term contracts and notes payable	<u>25,119,355</u>	
		<u>(42,532,888)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 37,568,030**

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2019

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Construction Fund	Other Governmental Funds	Total
REVENUES:						
Taxes and penalties	\$ 9,570,336	\$ -	\$ -	\$ -	\$ 752,144	\$ 10,322,480
State sources	2,639,496	1,872,749	861,644	-	86,221	5,460,110
Federal sources	18,243	-	-	-	-	18,243
Charges for services	2,498,452	-	-	-	1,848,198	4,346,650
Sales	55,248	-	-	-	-	55,248
Use and admission fees	40,633	-	-	-	376,911	417,544
Rentals	75,487	-	-	-	65,372	140,859
Licenses and permits	61,664	-	-	-	-	61,664
Fines and forfeiture	117,468	-	-	-	-	117,468
Sales of assets	895,523	-	-	-	480,790	1,376,313
Reimbursements	81,130	303,953	-	903,851	8,747	1,297,681
Investment income	392,541	1,732	1,152	4,516	53,086	453,027
Payment in lieu of taxes	4,021,184	-	-	-	-	4,021,184
Private contribution	80,545	-	-	-	735,011	815,556
Intergovernmental revenues	12,802	-	-	-	381,230	394,032
Special assessments	-	-	-	-	-	-
Other revenues	93,786	-	-	-	13,851	107,637
TOTAL REVENUES	20,654,538	2,178,434	862,796	908,367	4,801,561	29,405,696
EXPENDITURES:						
Current operations:						
General government	4,738,902	-	-	-	543,106	5,282,008
Public health and safety	8,383,047	-	-	-	6,400	8,389,447
Public works	4,318,499	-	-	1,127,261	-	5,445,760
Highways and streets	-	1,746,658	1,395,812	-	-	3,142,470
Social services	-	-	-	-	679,975	679,975
Sanitation services	-	-	-	-	1,809,277	1,809,277
Community services	634,546	-	-	-	727,420	1,361,966
Capital outlay	-	422,363	414,999	784,766	441,910	2,064,038
Debt Service:						
Professional services	-	-	-	-	3,580	3,580
Principal payments	-	-	-	-	5,287,438	5,287,438
Interest and fiscal changes	-	-	-	-	804,410	804,410
TOTAL EXPENDITURES	18,074,994	2,169,021	1,810,811	1,912,027	10,303,516	34,270,369
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,579,544	9,413	(948,015)	(1,003,660)	(5,501,955)	(4,864,673)
OTHER FINANCING SOURCES (USES):						
Bond issuance	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-
Transfers in	43,116	88,008	1,557,648	-	4,211,667	5,900,439
Transfers (out)	(5,376,668)	(539,389)	(591,720)	-	(692,018)	(7,199,795)
TOTAL OTHER FINANCING SOURCES (USES)	(5,333,552)	(451,381)	965,928	-	3,519,649	(1,299,356)
CHANGES IN FUND BALANCE	(2,754,008)	(441,968)	17,913	(1,003,660)	(1,982,306)	(6,164,029)
Fund balance, beginning of year	14,225,001	460,659	-	2,026,411	6,475,619	23,187,690
FUND BALANCE, END OF YEAR	\$ 11,470,993	\$ 18,691	\$ 17,913	\$ 1,022,751	\$ 4,493,313	\$ 17,023,661

CITY OF MARQUETTE, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds **\$ (6,164,029)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. Includes Internal Service Funds depreciation expense of \$1,311,010.

Capital outlays	\$ 7,385,907	
Contributed capital	-	
Basis of disposed asset	(566,168)	
Depreciation expense	<u>(4,097,811)</u>	2,721,928

Investments in joint ventures is reported on entity wide statements but not in individual governmental funds. Changes in value of investments in joint ventures does not appear in governmental funds. (272,374)

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.

-

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 5,287,438

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt. 140,675

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditures is reported when due. 61,914

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Other post-employment benefits (OPEB)	\$ 206,468	
Pension liability expense	(1,015,697)	
Pension liability expense - Fire/Police Retirement	(220,394)	
Compensated absences	<u>10,961</u>	(1,018,662)

Internal service funds are used by management to charge costs of certain activities, such as the purchase and maintenance of equipment and vehicles and the operation of the Municipal Service Center, to individual funds. The net revenue of the Internal Service Funds is reported with governmental activities net of depreciation expense.

Change in net position	\$ 1,452,637	
Capital outlays	(4,766,816)	
Capital contribution	-	
Basis of disposed asset	-	
Depreciation expense	1,311,010	
Other post-employment benefits (OPEB)	(5,030)	
Pension liability expense	91,848	
Compensated absences	<u>8,697</u>	(1,907,654)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (1,150,764)**

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY COMPARISON STATEMENT

For the Fiscal Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 14,592,850	\$ 14,592,850	\$ 13,591,520	\$ (1,001,330)
Federal grants	18,400	18,400	18,243	(157)
State grants and shared revenue	2,433,000	2,433,000	2,639,496	206,496
Intergovernmental revenues	11,000	11,000	12,802	1,802
Licenses and permits	47,430	47,430	61,664	14,234
Charges for services	2,430,645	2,430,645	2,498,452	67,807
Fines and forfeits	107,600	107,600	117,468	9,868
Interest and rentals	291,600	291,600	468,028	176,428
Other revenues	256,125	1,181,125	1,246,865	65,740
TOTAL REVENUES	20,188,650	21,113,650	20,654,538	(459,112)
EXPENDITURES:				
General government	4,874,490	4,934,905	4,738,902	196,003
Public health and safety	8,381,115	8,429,115	8,383,047	46,068
Public works	4,331,770	4,786,745	4,318,499	468,246
Community services	807,775	859,256	634,546	224,710
TOTAL EXPENDITURES	18,395,150	19,010,021	18,074,994	935,027
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,793,500	2,103,629	2,579,544	475,915
OTHER FINANCING SOURCES (USES):				
Bond issuance	327,335	2,048,491	-	(2,048,491)
Premium on bond issuance	-	-	-	-
Transfers in	290,000	290,000	43,116	(246,884)
Transfers (out)	(2,947,920)	(4,442,120)	(5,376,668)	(934,548)
TOTAL OTHER FINANCING SOURCES (USES)	(2,330,585)	(2,103,629)	(5,333,552)	(3,229,923)
CHANGES IN FUND BALANCE	(537,085)	-	(2,754,008)	(2,754,008)
Fund balance, beginning of year	14,131,787	14,225,001	14,225,001	-
FUND BALANCE, END OF YEAR	\$ 13,594,702	\$ 14,225,001	\$ 11,470,993	\$ (2,754,008)

CITY OF MARQUETTE, MICHIGAN

MAJOR SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY COMPARISON STATEMENT

For the Fiscal Year Ended September 30, 2019

	MAJOR STREET AND TRUNKLINE FUND				LOCAL STREET FUND			
	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES:								
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	1,797,715	1,797,715	1,872,749	75,034	787,000	916,000	861,644	(54,356)
Reimbursements	-	217,000	303,953	86,953	-	-	-	-
Investment income	2,500	2,500	1,732	(768)	1,000	1,000	1,152	152
Other revenues	-	-	-	-	-	-	-	-
TOTAL REVENUES	1,800,215	2,017,215	2,178,434	161,219	788,000	917,000	862,796	(54,204)
EXPENDITURES:								
Highways, Streets and Bridges	1,865,295	2,636,166	2,169,021	467,145	1,709,995	2,457,535	1,810,811	646,724
TOTAL EXPENDITURES	1,865,295	2,636,166	2,169,021	467,145	1,709,995	2,457,535	1,810,811	646,724
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(65,080)	(618,951)	9,413	628,364	(921,995)	(1,540,535)	(948,015)	592,520
OTHER FINANCING SOURCES (USES):								
Bond issuance	327,820	1,232,691	-	(1,232,691)	414,145	624,685	-	(624,685)
Premium on bond issuance	-	-	-	-	-	-	-	-
Transfers in	31,440	31,440	88,008	56,568	1,163,855	1,571,855	1,557,648	(14,207)
Transfers (out)	(645,180)	(645,180)	(539,389)	105,791	(656,005)	(656,005)	(591,720)	64,285
TOTAL OTHER FINANCING SOURCES (USES)	(285,920)	618,951	(451,381)	(1,070,332)	921,995	1,540,535	965,928	(574,607)
CHANGES IN FUND BALANCE	(351,000)	-	(441,968)	(441,968)	-	-	17,913	17,913
Fund balance, beginning of year	460,659	460,659	460,659	-	-	-	-	-
FUND BALANCE, END OF YEAR	\$ 109,659	\$ 460,659	\$ 18,691	\$ (441,968)	\$ -	\$ -	\$ 17,913	\$ 17,913

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

September 30, 2019

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds	
				Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,665,662	\$ 1,665,662
Accounts receivable	1,131,665	1,524,771	61,450	13,181	2,731,067
Special assessments receivable	2,341	8,575	-	-	10,916
Due from other governments	9,224	-	-	426	9,650
Due from local units	-	-	-	5,602	5,602
Due from other authorities	-	-	-	-	853,380
Inventory	-	194,690	-	45,458	240,148
Prepaid expense	755,653	880,098	810,879	907,600	3,354,230
TOTAL CURRENT ASSETS	1,898,883	2,608,134	872,329	2,637,929	8,017,275
Non-current Assets:					
Restricted Assets:					
Replacement and maintenance fund	-	-	-	40,000	40,000
OPEB reserve	217,926	153,702	-	-	371,628
Compensated absences reserve	271,311	75,498	28,340	943	376,092
Total Restricted Assets	489,237	229,200	28,340	40,943	787,720
Investment in joint venture	-	3,203,378	-	-	3,203,378
Land and other non-depreciable assets	17,725	54,360	10,609	264,824	347,518
Other capital assets, net of depreciation	24,720,054	20,077,993	11,200,170	2,519,938	58,518,155
TOTAL NON-CURRENT ASSETS	25,227,016	23,564,931	11,239,119	2,825,705	62,856,771
TOTAL ASSETS	27,125,899	26,173,065	12,111,448	5,463,634	70,874,046
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	147,607	86,025	55,142	-	288,774
Deferred outflows related to pension	457,684	188,510	-	-	646,194
Deferred outflows related to OPEB	16,077	11,339	-	-	27,416
TOTAL DEFERRED OUTFLOWS OF RESOURCES	621,368	285,874	55,142	-	962,384
LIABILITIES					
Current Liabilities:					
Cash overdraft	1,527,391	1,734,618	362,910	-	3,624,919
Accounts payable	125,801	1,348,802	167,309	1,259,798	2,901,710
Accrued wages payable	37,257	10,686	11,531	8,316	67,790
Customer deposits payable	-	-	-	14,397	14,397
Accrued interest payable	119,256	126,572	89,367	13,454	348,649
Current portion of long-term debt	887,867	1,015,641	654,102	90,000	2,647,610
TOTAL CURRENT LIABILITIES	2,697,572	4,236,319	1,285,219	1,385,965	9,605,075
Non-current Liabilities:					
Compensated absences	271,311	75,498	28,340	943	376,092
Other post employment benefits (OPEB)	217,926	153,702	-	-	371,628
Net pension liability	3,246,618	1,911,021	-	-	5,157,639
Long term payable to other authorities	-	813,290	-	-	813,290
Bonds payable	7,689,159	7,755,313	5,523,339	845,000	21,812,811
Loan payable	819,840	1,627,484	-	-	2,447,324
Leases payable	-	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	12,244,854	12,336,308	5,551,679	845,943	30,978,784
TOTAL LIABILITIES	14,942,426	16,572,627	6,836,898	2,231,908	40,583,859
DEFERRED INFLOWS OF RESOURCES					
Special assessment	3,259	16,163	-	-	19,422
Deferred inflows related to pension	66,695	29,066	-	-	95,761
Deferred inflows related to OPEB	28,492	20,095	-	-	48,587
TOTAL DEFERRED INFLOWS OF RESOURCES	98,446	65,324	-	-	163,770
NET POSITION					
Net investment in capital assets	15,488,520	9,819,940	5,088,480	2,178,123	32,575,063
Restricted for:					
Debt service	-	-	-	-	-
Fuel system reserve	-	-	-	-	-
Capital outlay	-	-	-	328,361	328,361
Unrestricted	(2,782,125)	1,048	241,212	725,242	(1,814,623)
TOTAL NET POSITION	\$ 12,706,395	\$ 9,820,988	\$ 5,329,692	\$ 3,231,726	\$ 31,088,801

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2019

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds	Internal Service Funds
				Total	
OPERATING REVENUES:					
Water sales	\$ 5,013,183	\$ -	\$ -	\$ -	\$ -
Sewage disposal	-	7,044,334	-	-	-
Charges for services	29,862	9,462	1,450,823	34,310	4,825
Other operating revenue	69,275	29,846	92,880	1,122,678	4,807,447
TOTAL OPERATING REVENUES	5,112,320	7,083,642	1,543,703	14,896,653	4,812,272
OPERATING EXPENSES:					
Personnel services	1,809,646	667,178	275,639	195,030	1,269,626
Supplies and contractual	1,210,370	3,608,367	274,899	799,598	2,605,238
Capital outlay	-	-	-	978	-
Provision for depreciation	1,394,559	1,002,584	831,006	184,775	1,311,010
Other supplies and charges	635,340	497,580	-	-	-
TOTAL OPERATING EXPENSES	5,049,915	5,775,709	1,381,544	13,887,549	5,185,874
OPERATING INCOME (LOSS)	62,405	1,307,933	162,159	(23,393)	(373,602)
NON-OPERATING REVENUES (EXPENSES):					
Investment income	21,049	4,170	2,718	15,323	4,482
Interest expense	(252,569)	(291,754)	(181,084)	(32,395)	(1,370,716)
Gain (Loss) on sale of capital asset	-	-	-	-	17,162
Contributions from other authorities	-	-	-	-	259,483
Operating (loss) from Marquette Area Wastewater Treatment Facility	-	(9,242)	-	-	-
Bond issuance expense	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(231,520)	(296,826)	(178,366)	(17,072)	(1,089,589)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(169,115)	1,011,107	(16,207)	(40,465)	(1,463,191)
Federal grant - capital grant	4,224	-	-	-	-
State grant - capital grant	5,000	59,874	85,393	-	-
Contributed capital	-	-	-	-	-
Transfers in	-	-	350,000	20,681	3,015,828
Transfers (out)	(1,372,707)	(573,026)	-	(41,420)	(100,000)
CHANGE IN NET POSITION	(1,532,598)	497,955	419,186	(61,204)	1,452,637
Net position, beginning of year	14,238,993	9,323,033	4,910,506	3,292,930	21,027,116
NET POSITION, END OF YEAR	\$ 12,706,395	\$ 9,820,988	\$ 5,329,692	\$ 3,231,726	\$ 22,479,753

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2019

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds	
				Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from fees and charges for services	\$ 4,527,326	\$ 6,343,097	\$ 1,554,999	\$ 34,713	\$ 12,460,135
Other operating revenues	65,599	29,846	92,880	1,118,951	1,307,276
Cash payments to employees for services	(1,548,631)	(603,773)	(266,539)	(195,383)	(2,614,326)
Cash payments to suppliers for goods and services	(2,559,816)	(5,024,115)	(1,113,729)	(472,821)	(9,170,481)
NET CASH PROVIDED BY OPERATING ACTIVITIES	484,478	745,055	267,611	485,460	1,982,604
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	1,527,391	1,734,618	362,910	(27,531)	3,597,388
Transfers in (out)	(1,372,707)	(573,026)	350,000	(20,739)	(1,616,472)
Contributions from other authorities	-	-	-	-	259,483
State and Federal grants	-	-	-	-	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	154,684	1,161,592	712,910	(48,270)	2,987,327
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	(875,656)	(1,006,581)	(642,596)	(100,000)	(2,624,833)
Interest paid on long-term debt	(325,728)	(350,510)	(222,347)	(26,301)	(924,886)
Proceeds from issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-
Cash payments for bond issuance expenses	-	-	-	-	-
Cash payments for capital assets	(720,405)	(723,102)	(779,301)	(970,324)	(3,193,132)
Proceeds from sale of capital assets	-	57,060	-	-	57,060
State and Federal grants	9,224	59,874	85,393	-	154,491
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,912,565)	(1,963,259)	(1,558,851)	(1,096,625)	(6,531,300)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	21,049	4,170	2,718	15,323	43,260
(Increase) decrease in restricted assets:					
Replacement maintenance reserve	-	-	-	-	(2,549)
OPEB reserve	(9,075)	(6,400)	-	-	(15,475)
Compensated absences reserve	(59,430)	(8,570)	(4,095)	(264)	(72,359)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(47,456)	(10,800)	(1,377)	15,059	(44,574)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,320,859)	(67,412)	(579,707)	(644,376)	(2,946,572)
Cash and cash equivalents, beginning of year	1,320,859	67,412	579,707	2,310,038	4,278,016
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ -	\$ -	\$ 1,665,662	\$ 1,665,662
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Loss on investment from Marquette Wastewater Treatment Facility	\$ -	\$ (9,242)	\$ -	\$ -	\$ (9,242)
Capital distribution	-	-	-	-	-
Capital contribution	-	-	-	-	-
TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	\$ -	\$ (9,242)	\$ -	\$ -	\$ (9,242)
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income	\$ 62,405	\$ 1,307,933	\$ 162,159	\$ (23,393)	\$ 1,509,104
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,394,559	1,002,584	831,006	184,775	3,412,924
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(511,651)	(775,976)	(15,121)	(627)	(1,303,375)
(Increase) decrease in special assessments receivable	831	6,614	-	-	7,445
(Increase) decrease in due from other governments	(7,744)	65,277	119,297	(3,066)	173,764
(Increase) decrease in inventory	-	(25,636)	-	3,031	(22,605)
(Increase) decrease in prepaid expenses	(716,430)	(840,485)	(810,745)	(901,903)	(3,269,563)
Increase (decrease) in accounts payable	2,324	(52,047)	(28,085)	1,226,627	1,148,819
Increase (decrease) in accrued wages payable	(643)	(5,832)	5,005	(617)	(2,087)
Increase (decrease) in customer deposits payable	-	-	-	369	369
Increase (decrease) in compensated absences	59,430	8,570	4,095	264	72,359
Increase (decrease) in net pension liability	209,164	65,560	-	-	274,724
Increase (decrease) in other post-employment benefits (OPEB)	(6,936)	(4,893)	-	-	(11,829)
Increase (decrease) in deferred inflows - special assessments	(831)	(6,614)	-	-	(7,445)
NET ADJUSTMENTS	422,073	(562,878)	105,452	508,853	473,500
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 484,478	\$ 745,055	\$ 267,611	\$ 485,460	\$ 1,982,604

CITY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2019

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 820,380	\$ 2,155,406
Investments		
Domestic Corporation Bonds	3,211,142	-
Common, Pooled Fund	30,738,143	-
Taxes receivable	-	1,474,574
Accrued interest receivable	1,714	
TOTAL ASSETS	<u>34,771,379</u>	<u><u>\$ 3,629,980</u></u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	
LIABILITIES		
Accounts payable	350	174,178
Accrued wages payable	-	1,054,088
Due to State	-	347,972
Due to other governments	-	857,733
Due to local units	-	940,954
Other liabilities	-	255,055
TOTAL LIABILITIES	<u>350</u>	<u><u>\$ 3,629,980</u></u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	
NET POSITION		
Net position restricted for pensions	<u>34,771,029</u>	
TOTAL NET POSITION	<u><u>\$ 34,771,029</u></u>	

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

CITY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended September 30, 2019

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 1,626,480
Employee	216,333
Total Contributions	1,842,813
Investment Income:	
Net appreciation (depreciation) in fair value of investments	1,383,226
Interest and dividends	69,358
Net Investment Income	1,452,584
TOTAL ADDITIONS	3,295,397
DEDUCTIONS	
Benefits and annuity withdrawals	2,410,032
Administrative expenses	19,179
Payments in accordance with trust agreements	-
TOTAL DEDUCTIONS	2,429,211
CHANGE IN NET POSITION	866,186
Net position, beginning of year	33,904,843
NET POSITION, END OF YEAR	\$ 34,771,029

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF NET POSITION

September 30, 2019

	Board of Light and Power	Brownfield Redevelopment Authority	Non-Major Component Units	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 28,152,256	\$ 6,165,339	\$ 3,388,932	\$ 37,706,527
Investments	17,243,086	-	-	17,243,086
Receivables (net)	4,366,186	25,072	204,331	4,595,589
Inventory	1,165,602	-	-	1,165,602
Prepaid expenses and other assets	112,977	2,187	15,362	130,526
TOTAL CURRENT ASSETS	51,040,107	6,192,598	3,608,625	60,841,330
Non-current Assets:				
Restricted assets	13,507,739	-	1,159,905	14,667,644
Investment in UPPPA	4,226,199	-	-	4,226,199
Capital assets:				
Land and construction in progress	291,276	-	4,158,857	4,450,133
Other capital assets, net of depreciation	95,237,463	1,060,613	6,440,206	102,738,282
Total Capital Assets	95,528,739	1,060,613	10,599,063	107,188,415
TOTAL NON-CURRENT ASSETS	113,262,677	1,060,613	11,758,968	126,082,258
TOTAL ASSETS	164,302,784	7,253,211	15,367,593	186,923,588
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	-	-	-	-
Deferred outflows related to pension	2,165,023	-	171,522	2,336,545
Deferred outflows related to OPEB	351,292	-	-	351,292
Employer contributions subsequent to measurement date	2,365,722	-	56,900	2,422,622
Receivables for developer obligations	-	66,199,408	-	66,199,408
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	4,882,037	66,199,408	228,422	71,309,867
LIABILITIES				
Current Liabilities:				
Accounts payable	3,087,780	3,132	113,941	3,204,853
Accrued liabilities	556,562	1,501	106,091	664,154
Compensated absences	1,019,058	-	29,540	1,048,598
Customer deposits payable	1,639,923	-	-	1,639,923
Due to primary government	-	-	6,753	6,753
Grants received in advance	-	-	117,375	117,375
Current portion of bonds payable	-	210,000	330,000	540,000
Current maturities on revenue bonds	2,663,101	-	-	2,663,101
Other current liabilities	3,165,892	606,091	-	3,771,983
TOTAL CURRENT LIABILITIES	12,132,316	820,724	703,700	13,656,740
Non-current Liabilities:				
Compensated absences	-	-	63,133	63,133
Net pension liability	13,369,259	-	1,220,369	14,589,628
Net OPEB liability	9,592,949	-	-	9,592,949
Bonds payable	69,876,909	33,732,739	4,505,468	108,115,116
Long-term contract and notes payable	-	31,650,578	-	31,650,578
Other	2,364,181	-	-	2,364,181
TOTAL NON-CURRENT LIABILITIES	95,203,298	65,383,317	5,788,970	166,375,585
TOTAL LIABILITIES	107,335,614	66,204,041	6,492,670	180,032,325
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	67,616	-	31,288	98,904
Taxes levied for subsequent period	-	2,669,795	1,582,209	4,252,004
TOTAL DEFERRED INFLOWS OF RESOURCES	67,616	2,669,795	1,613,497	4,350,908
NET POSITION				
Net investment in capital assets	22,988,729	190,613	6,110,110	29,289,452
Restricted for:				
Debt Services	-	-	-	-
Capital Assets	-	-	-	-
Perpetual Care	-	-	-	-
Other activities	13,507,739	-	1,516,014	15,023,753
Unrestricted	25,285,123	4,388,170	(136,276)	29,537,017
TOTAL NET POSITION	\$ 61,781,591	\$ 4,578,783	\$ 7,489,848	\$ 73,850,222

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Board of Light and Power	Brownfield Redevelopment Authority	Non-Major Component Units	Total
Component Units:								
Board of Light and Power	\$ 34,532,736	\$ 48,426,521	\$ -	\$ 457,494	\$ 14,351,279	\$ -	\$ -	\$ 14,351,279
Brownfield Redevelopment Authority	4,281,602	-	-	-	-	(4,281,602)	-	(4,281,602)
Non-Major Component Units	3,662,309	586,521	1,077,022	-	-	-	(1,998,766)	(1,998,766)
TOTAL COMPONENT UNITS	\$ 42,476,647	\$ 49,013,042	\$ 1,077,022	\$ 457,494	14,351,279	(4,281,602)	(1,998,766)	8,070,911
General Revenues:								
Property taxes					-	3,604,778	2,119,017	5,723,795
Interest and investment earnings					1,194,654	9,621	45,523	1,249,798
Gain on sale of capital assets					63,930	-	94	64,024
Amortization of bond premium					-	-	-	-
Miscellaneous					-	-	175,870	175,870
TOTAL GENERAL REVENUES					1,258,584	3,614,399	2,340,504	7,213,487
CHANGE IN NET POSITION					15,609,863	(667,203)	341,738	15,284,398
Net position, beginning of year					46,171,728	5,245,986	7,148,110	58,565,824
NET POSITION, END OF YEAR					\$ 61,781,591	\$ 4,578,783	\$ 7,489,848	\$ 73,850,222

City of Marquette, Michigan

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Marquette, Michigan was incorporated February 27, 1871, under the provision of Act 279, PS 1909, as amended (Home Rule City Act). The City operates under a Commissioner – Manager form of government and the services provided to the citizens include: legislative, executive, elections, general services, public safety and fire protection, inspection, public works, sanitation, parking systems, social services, parks and recreation, cultural, conservation of natural resources, planning and other functions. In addition, the City operates five enterprise funds and three internal service funds, which provide water services, and sewer services, marina services, park and recreation services, stormwater management, technology services, transportation rental, and building rental.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of these accounting policies established in GAAP and used by the City are described below.

(1) REPORTING ENTITY

The City's financial statements present the City (the primary government) and its component units. In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting units) for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. In accordance with GASB Statement No. 14, the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance, part of the government's operations, therefore data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended and discretely presented component unit has a September 30 year-end.

Fire and Police Retirement System – The City of Marquette is the administrator of a single-employer public employee retirement system established and administered by the City to provide pension benefits for the Fire and Police Department employees. The Fire and Police Retirement System is considered part of the City of Marquette financial reporting entity and is included in the City's financial report as a pension trust fund.

Separately issued financial statements of the Fire and Police Retirement System can be obtained from the City's Finance Department located at 300 West Baraga Avenue, Marquette, Michigan 49855.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

BLENDED COMPONENT UNITS

City of Marquette Building Authority – The Building Authority’s governing body consists of the City Manager, Chief Financial Officer, and City Attorney which are appointed by the governing board of the reporting entity. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City’s public buildings. The reporting entity has guaranteed the debt issues of the Authority.

DISCRETELY PRESENTED COMPONENT UNITS

Proprietary Fund Type

City of Marquette Board of Light and Power – The Board of Light and Power’s operating results are held accountable to the government’s governing body. The rates for user charges and debt issuance authorizations are approved by the government’s governing body. The reporting entity has the responsibility to fund deficits and operating deficiencies. Prior to fiscal year 1993-94, this entity had been blended with and included in the City’s reporting entity as an enterprise fund.

A complete financial statement of the component unit can be obtained directly from the administrative office.

City of Marquette Board of Light and Power
2200 Wright Street
Marquette, MI 49855

Governmental Fund Type

Peter White Public Library – The Peter White Public Library’s governing body is appointed by the City’s Mayor with the confirmation of the Commission. The reporting entity has the responsibility to fund deficits and operating deficiencies.

Separately issued financial statements of the Peter White Public Library component unit can be obtained from the City’s Finance Department located at 300 West Baraga Avenue, Marquette, Michigan 49855.

Peter White Public Library Development Fund

The Peter White Public Library Development Fund (the Development Fund) is a legally separate, tax-exempt component unit of the Peter White Public Library (the Library). The Development Fund acts primarily as a fund-raising organization to supplement the resources that are available to the Library in support of its programs. The six-member board of the Development Fund consists of one (1) member from the Library’s Board of Trustees, one (1) member servicing as Treasurer of the Development Fund, three (3) community members appointed by the Library’s Board of Trustees, and one (1) member from the Friends of the PWPL Board. Although the Library does not control the timing or amount of receipts from the Development Fund, the majority of resources, or income thereon that the Development Fund holds and invests are restricted to the activities of the Library by the donors. Because these restricted resources held by the Development Fund can only be used by, or for the benefit of, the Library, the Development Fund is considered a component unit of the Library and is discretely presented in the Library’s financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

The Development Fund is a private nonprofit organization and as such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The Development Fund has a calendar year end and its most recent financial information is as of December 31, 2018. No modifications have been made to the Development Fund's financial information in the Library's financial reporting entity for these differences. Under GASB 80, the Development Fund is required to be presented as a blended component unit of the Library.

During the year ended September 30, 2019, the Development Fund distributed \$110,611 to the Library for both restricted and unrestricted purposes. Separate financial statements for the Development Fund are not developed; however, information can be obtained from the Peter White Public Library upon request, located at 217 North Front Street, Marquette, Michigan 49855.

City of Marquette Downtown Development Authority – The Downtown Development Authority's governing board is appointed by the City's Mayor with the confirmation of the Commission and includes the City Manager of the reporting entity. The reporting entity has the responsibility to fund deficits and operating deficiencies, as well as a guarantee for any debt the Authority issues.

Separate financial statements for the City of Marquette Downtown Development Authority are not developed; however, information can be obtained from the City's Finance Department upon request, located at 300 West Baraga Avenue, Marquette, Michigan 49855.

Brownfield Redevelopment Authority – The Brownfield Redevelopment Authority's governing board is appointed by the City Commission. They review and approve plans for business development within designated areas of the City where property was once contaminated. Property tax revenues from the "captured" portion of these properties are restricted to pay for site clean-up expenditures and future development depending on the development plan adopted for each project. The City has the ability to significantly influence the operations of the Brownfield Redevelopment Authority and has accountability for fiscal matters.

GASB Statement No. 14 requires reasonable separation between the Primary Government (including its blended component units) and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

JOINT VENTURES

As defined in GASB Statement No. 14, a joint venture is a legal entity or other organization that results from a contractual arrangement (or interlocal agreement) and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The City participates in the following joint ventures:

Marquette Area Wastewater Treatment Facility – The Marquette Area Wastewater Treatment Facility's governing board includes joint representation as appointed by the participating governments' governing bodies. As enumerated in Footnote D, the facility is being accounted for as an equity investment within the reporting entity.

Marquette County Solid Waste Management Authority – The Marquette County Solid Waste Management Authority's governing board includes joint representation as appointed by the participating governments' governing bodies. The reporting entity's representation consists of two of seven members and does not constitute enough representation to exert significant influence over the

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Authority’s operations. The Authority selects the management staff, sets user charges and budgets, and controls all aspects of its operations and developments. The reporting entity provided its proportionate share of the initial funding and has guaranteed its proportional share of the Authority’s outstanding debt.

RELATED ORGANIZATIONS

Marquette Housing Commission – The Marquette Housing Commission was created to provide low-income housing for the City residents. The Marquette Housing Commission’s governing board is appointed by the City Mayor with the confirmation of the Commission; however, the City does not provide any financial assistance to the Housing Commission. Management of the Housing Commission is not designated by the City nor does the City have the ability to significantly influence operations. The City does not subsidize the operations of the Housing Commission and does not guarantee its debt service. The Marquette Housing Commission has not been included as a component unit of the City’s reporting entity because there is no accountability for fiscal matters to the City.

Summary financial information as of and for the fiscal year ended September 30, 2019, the latest available report, is as follows:

Total Assets	\$ 5,678,799
Deferred Outflows of Resources	169,025
Total Liabilities	1,185,833
Deferred Inflows of Resources	231,928
Total Net Position	4,430,063
Total Operating Revenues	1,913,021
Total Operating Expenses	2,431,424
Total Non-Operating Revenues (Expenses)	(38,125)
Capital Grant Contributions	229,786
Net Increase (Decrease) in Net Position	(326,742)

(2) BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The City’s basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City’s major funds). Both the government-wide and fund financial statements categorized primary activities as either governmental or business-type. The City’s public health and safety, public works, highways and streets, sanitation, social services, recreation and culture, and general government services are classified as governmental activities. The City’s water, sewer, stormwater, Tourist Park, and marinas are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City’s net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City’s functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

The City allocates indirect costs through an administrative service fee that is charged by the General Fund to the other operating funds to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology, etc.)

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities. 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 where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer 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.

(3) BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the City:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund – The General Fund is the general operating fund and, accordingly, it is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects Fund – Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds.

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

Component Units – Component Units are used to account for the discretely presented component units which follow governmental fund accounting guidelines.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds – Internal Service Funds are used to finance, administer and account for the financing of equipment and building purchases and maintenance services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost reimbursement basis.

Component Units – Component Units are used to account for the discretely presented component units which follow proprietary fund accounting guidelines.

Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Major Street and Trunkline Fund** accounts for the receipt of allocated state shared gas and weight taxes. The expenditure of these funds is restricted to Federal and State trunklines and certain "mile" roads designated as major under contractual agreement with the State of Michigan.

The **Local Street Fund** accounts for the allocated state shared gas and weight taxes for remaining City roads.

The **Construction Fund** records the activities associated with the street improvements in relation to the new hospital construction. Reimbursement transfers from bonds issued

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

by the Brownfield Redevelopment Authority, a component unit, have been used to finance the current project.

The City reports the following major proprietary funds:

The **Water Supply Fund** accounts for the activities related to water treatment and distribution, and billing for services.

The **Sewage Disposal Fund** accounts for the activities related to sanitary sewer operation and booster stations, and billing for services.

The **Stormwater Utility Fund** accounts for the management of stormwater related activities including billing, maintenance and construction.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public works, etc.)

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements. The Fire-Police Retirement System Fund is used to account for the accumulation of resources to be used for the retirement annuity payments at appropriate amounts and times in the future. The Agency Fund is used to record the collection and payment of property taxes billed and collected by the City on behalf of the County, the School Districts, and the Intermediate School District.

(4) BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting.

Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes and special assessments are being recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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 non-operating revenues and expenses.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recorded when they are both measurable and available. "Available" means collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income, and intergovernmental revenues. Sales taxes collected and held by the State at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

(5) FINANCIAL STATEMENT AMOUNTS

Budgets and Budgetary Accounting – The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On the third Monday in July, the City Manager submits to the City Commission a proposed operating budget for the ensuing fiscal year commencing October 1 in accordance with Section 8.2 of the City Charter. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to its adoption, a public hearing is conducted at City Hall to obtain taxpayer comments.
3. No later than the third Monday in August, the budget is adopted by the City Commission in accordance with the provision of Section 8.6 of the City Charter.
4. The City Commission adopts the budget by functional categories as presented in the basic financial statements. Any transfers of appropriation between functions must be approved by the City Commission. All unexpended appropriations lapse at fiscal year-end.
5. Formal budgetary integration is employed as a management control device for the General Fund, all Special Revenue Funds, Debt Service Funds, and Capital Project Funds. Informational budget summaries only are adopted for the Enterprise and Internal Service Funds. Such funds are not covered under the State of Michigan's Public Act 621 nor the City's General Appropriations Act.
6. The City Commission has the authority to amend the budget when it becomes apparent that deviations in the original budget will occur and the amount of the deviation can be determined. Once originally adopted, the budget was formally amended two times during the fiscal year.
7. The legally adopted budgets for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds and the informational summaries for the Enterprise and Internal Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Cash and Cash Equivalents – For the purposes of balance sheet classification and the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. The fair value measurements of investments is based on the hierarchy established by generally accepted accounting principles, which has three levels based on the valuation inputs used to measure an asset's fair value.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Restricted assets which contain cash equivalents are included in analyzing the effect on cash and cash equivalents in the Statement of Cash Flows.

Investments – Investments are reported at fair value, based on quoted market prices.

Inventory – Inventory is valued at cost using both the first-in, first-out (FIFO) method and the average cost method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of governmental fund type prepaid items are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. The cost of construction in progress includes interest costs incurred during the construction period. The amount of capitalized interest is determined using the weighted average amount of accumulated expenditures multiplied by the interest rate for the obligation incurred specifically to finance the construction of the asset.

Depreciation on all exhaustible capital assets is charged as an expense against their operations in government-wide statements and proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Land improvements	20 years
Building, structures and improvements	50 years
Furniture and Equipment	5 – 35 years
Water and Sewage System	25 – 75 years
Electric System – Component Unit	5 – 80 years
Stormwater System	25 years
Infrastructure	20 – 50 years

The cost of normal maintenance and repairs is charged to operations as incurred. Renewals and betterments are capitalized and depreciated over the remaining useful lives of the related properties.

A portion of the depreciation provision for the electric component unit is being charged to the cost of fuel for those vehicles which groom and work the coal pile.

Deferred Outflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The government reports the following in this category:

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

- 1) Deferred amount on refunding reported in the statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- 2) Receivables for developer obligations in the component unit statement of net position. This deferred receivable results from tax collections that will be levied and collected in future periods.
- 3) The government reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension plan.
- 4) The City's Pension Plan has a plan year of January 1 to December 31 while the City has a fiscal year of October 1 to September 30. Under GASB 71, the contributions made to the plan subsequent to the measurement date are reported as deferred outflows of resources.
- 5) The government reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its OPEB plan.

Long-Term Liabilities – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight-line amortization. Bonds payable are reported net of the applicable bond premium or discount.

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 received on debt issuance are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt received, are reported as debt service.

Compensated Absences – The City accrues accumulated unpaid vacation, sick leave and benefit days and associated employee-related costs when earned (or estimated to be earned) by the employee. A liability for these amounts is reported in the governmental funds based on historical estimates of the amount of compensated absences that will use current expendable resources, or if the liability has matured, for example, as a result of employee resignations and retirements. The non-current portion (the amount estimated to be used in subsequent fiscal year) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government reports the following in this category:

- 1) The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.
- 2) The governmental statement of net position and the proprietary statement of net position report for the special assessments that were established for the year that were intended to finance future periods.
- 3) The government reports deferred inflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension plan.
- 4) The government reports deferred inflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its OPEB plan.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reporting of certain assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenditures. Actual results may differ from estimated amounts.

Subsequent Events – Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying independent auditor's report, March 27 2020, which is the date the financial statements were available to be issued.

Property Taxes – Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied no later than the third Monday in May and payable on July 1. Taxes receivable are recorded when levied, as the legal right to receive exists. However, such revenues are not normally received until after the 60 day period following the fiscal year-end. Accordingly, deferred revenue is being recognized for such amounts.

The City bills and collects its own property taxes and also the taxes for the local school district, the Intermediate School District, and the County. Collections of local school taxes, Intermediate School District taxes, and County taxes, and their remittance are accounted for in the Agency Fund.

Worker's Compensation – The City's policy is to pay worker's compensation premiums as incurred. Any additional premiums or refunds resulting from experience adjustments are recorded in the year made or received, respectively.

Comparative Data and Reclassifications – Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

Interfund Activity – Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a result of the reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE B – DEPOSITS AND INVESTMENTS:

Cash Equivalents

The following is a reconciliation of cash and investments for both the unrestricted and restricted assets for the primary government and its component units from the Statement of Net Position:

	Primary Government	Component Units	Fiduciary Funds	Totals
Unrestricted:				
Cash and cash equivalents	\$ 14,341,190	\$ 37,706,527	\$ 2,975,786	\$ 55,023,503
Investments	5,915,990	17,243,086	33,949,285	57,108,361
	<u>20,257,180</u>	<u>54,949,613</u>	<u>36,925,071</u>	<u>112,131,864</u>
Restricted:				
Cash and cash equivalents	559,697	14,667,644	-	15,227,341
Investments	1,021,120	-	-	1,021,120
	<u>1,580,817</u>	<u>14,667,644</u>	<u>-</u>	<u>16,248,461</u>
TOTALS	<u>\$ 21,837,997</u>	<u>\$ 69,617,257</u>	<u>\$ 36,925,071</u>	<u>\$ 128,380,325</u>

NOTE B – DEPOSITS AND INVESTMENTS (Continued):*Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State law does not require, and the City does not have a deposit policy for custodial credit risk. The carrying amounts of the primary government, component unit, and fiduciary funds deposits with financial institutions was \$70,250,844 and the bank balance was \$72,288,108. The bank balance is categorized as follows:

Amount insured by the FDIC or uncollateralized with securities held by the City in its name	\$ 42,025,551
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Amount collateralized with securities held by the pledging financial institutions trust department in the City's name:
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Collateralized and uninsured	30,262,557
	<u>\$ 72,288,108</u>

Investments

As of September 30, 2019, the City had the following investments:

	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
PRIMARY GOVERNMENT:				
Unrestricted Investments:				
Investment type 1*	\$ 3,522,562	\$ 3,522,562	\$ -	\$ -
Investment type 1**	1,480,000	1,480,000	-	-
Fixed income securities***	913,428	913,428	-	-
Restricted Investments:				
Investment type 1*	1,021,120	1,021,120	-	-
TOTAL INVESTMENTS	<u>\$ 6,937,110</u>	<u>\$ 6,937,110</u>	<u>\$ -</u>	<u>\$ -</u>
COMPONENT UNITS:				
Fixed income securities*	\$11,093,894	\$11,093,894	\$ -	\$ -
Fixed income securities**	4,182,575	4,182,575	-	-
Fixed income securities***	1,966,617	1,966,617	-	-
TOTAL INVESTMENTS	<u>\$17,243,086</u>	<u>\$17,243,086</u>	<u>\$ -</u>	<u>\$ -</u>
FIDUCIARY FUNDS:				
Investment type 1*	\$33,949,285	\$33,949,285	\$ -	\$ -
TOTAL INVESTMENTS	<u>\$33,949,285</u>	<u>\$33,949,285</u>	<u>\$ -</u>	<u>\$ -</u>

* Investment matures within one year

** Investment matures in 1-5 years

*** Investment matures in 6-10 years

NOTE B – DEPOSITS AND INVESTMENTS (Continued):

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the City's investments. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Michigan statutes (Act 196, PA 1997) authorize the City to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposits, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC and authorized to operate in this state, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures within 270 days from date of purchase, bankers' acceptances of the United States banks, obligations of the State of Michigan and its political subdivision, external investment pools, and certain mutual funds. Michigan law prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

Michigan statute (Act 314, PA 1965, as amended) authorizes the pension trust to invest in, with certain restrictions, stocks and mutual funds up to 60% of the system's assets; investments in the general or separate account of life insurance companies; fixed income securities; investments in leased property; direct investments in property; investments in real estate loans; investments in small business or venture capital firms in Michigan; surplus funds pooled accounts; and bank or trust company collective investment funds.

The City's investment policy would not further limit its investment choices. The City's investments in Mutual Bond Funds are rated from A1 to AAA by Moody's. Ratings are not required for the City's investment in U.S. Government Agencies or equity-type funds. The City's investments are in accordance with statutory authority.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. There were no investments subject to concentration of credit risk disclosure.

NOTE C – RESTRICTED ASSETS – PROPRIETARY FUNDS AND COMPONENT UNIT:

The enterprise fund has certain cash investment balances classified as restricted assets since their use is limited by applicable bond indentures and ordinances. The major provisions of the ordinances covering the bond indentures of the component unit (Board of Light and Power), the Water Supply, and Sewage Disposal Funds are as follows:

1. **Rates** – The component unit fund only shall charge and collect rates necessary to provide net revenues sufficient to cover annual debt service not less than 1.3 times.
2. **Receiving Fund** – All system revenues will be paid into this fund, including interest income, to the extent interest income is not retained in the construction or bond reserve funds.
3. **Operation and Maintenance Fund** – Transfers must be made from the Receiving Fund, which is used for initial deposit of all receipts, to the Operation and Maintenance Fund (included under current assets) to cover payment of next month's estimated operating expenses.
4. **Bond Reserve Fund** – Transfers must be made to the Bond Reserve Fund in an amount equal to the maximum annual principal and interest on the revenue bonds.
5. **Replacement/Maintenance Fund** – Transfers are to be made, as necessary, up to required levels, to make major repairs and replacements to the systems.

NOTE C – RESTRICTED ASSETS – PROPRIETARY FUNDS AND COMPONENT UNIT (Continued):

6. **Bond and Interest Redemption** – Transfers will be made from the Receiving Fund in amounts sufficient to pay the current bond and interest maturities.
7. **Bond Escrow Fund** – Transfers were made to the Bond Escrow Fund to provide for the normal retirement, including interest, of the capitalized leases, and revenue bond issues. Transfers will be made to the Bond and Interest Redemption Fund as the obligations become due.
8. **OPEB Reserve** – Transfers will be made to the OPEB reserve to provide funding for the net OPEB liability.
9. **Vacation, Sick and Benefit Days Reserve** – Transfers will be made to the vacation and sick leave reserve to provide funding for accrued vacation, sick leave, and benefit day liabilities to be paid to employees upon retirement or termination.
10. **Tax Payment Fund** – Transfers will be made to the Tax Payment Fund in amounts sufficient to make payments in lieu of taxes to the City of Marquette. Transfers into this fund are subordinate to payments of the above listed funds.
11. **Plant Replacement - Risk Retention Fund** – Transfers will be made, as the Board determines necessary to the fund, to finance major system repairs or replacements and provide for potential claims not covered by existing insurance policies. Transfers to this fund are subordinate to transfers to the tax payment fund noted above.
12. **Plant Improvement Fund** – Transfers will be made to the Plant Improvement Fund as the Board deems necessary for improvements, enlargements and extension of the system. Transfers to this fund are subordinate to transfers to the Plant Replacement Fund.
13. Transfers from the Water Supply Fund and Sewage Disposal Fund may be made to the General Fund up to 40% of the surplus remaining at the end of the preceding fiscal year.
14. The balance of revenues remaining after the above requirements are met shall, at the option of the governing agency, be transferred to the Bond Reserve Fund for the purpose of calling bonds.

The City Charter allows the transfer to the General Fund of 50% of the preceding year's net income of public utilities. The amount of net income not transferred to the General Fund must be held in a reserve account for future capital outlay. Expenditures shall be charged to the reserve account.

The composition of restricted asset accounts for the respective primary government enterprise and internal service funds and the respective component units are as follows:

	Water Supply Fund	Sewage Disposal Fund	Stormwater Fund	Non-major Enterprise Funds	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Primary Government Total	Component Unit Total
Cash and cash equivalents	\$ 420,732	\$ 214,230	\$ 24,245	\$ 40,679	\$ 29,390	\$ 9,681	\$ 217,628	\$ 956,585	\$ 17,383,232
Investments	-	-	-	-	-	-	518,571	\$ 518,571	-
TOTALS	\$ 420,732	\$ 214,230	\$ 24,245	\$ 40,679	\$ 29,390	\$ 9,681	\$ 736,199	\$ 1,475,156	\$ 17,383,232

NOTE D – JOINT VENTURE – INVESTMENT IN WASTEWATER PLANT:

The City has entered into a contract with the adjacent townships of Chocolay and Marquette through the County of Marquette to construct and operate a wastewater plant known as the Marquette Area Wastewater Treatment Facility. Under the original agreement, the City owned 79.8% of the facility, the Township of Marquette owned 5.5%, and the Township of Chocolay owned 14.7%. The cost of construction amounted to approximately \$12,000,000 and was financed by Federal and State grants for 80% of the cost and \$2,500,000 general obligation bonds issued by Marquette County. The full faith and credit of the City and the two Townships have been pledged. The total investment in the Facility at September 30, 2019 by the City is \$3,203,378, including local contributions and its proportionate share of the net equity of the facility.

NOTE D – JOINT VENTURE – INVESTMENT IN WASTEWATER PLANT (Continued):

In the spring of 1993, the City of Marquette and Chocolay Township each sold 2.25% of capacity to Marquette Township. The new ownership percentages were the City of Marquette owns 77.55%, Chocolay Township owns 12.45%, and Marquette Township owns 10.00%.

On June 26, 2006, there was an amendment to the Marquette County Wastewater Disposal System contract to change the ownership of the three partners involved. The new ownership percentages for the City of Marquette, the Charter Township of Chocolay, and the Charter Township of Marquette are 85%, 5%, and 10%, respectively.

On September 24, 2018, a resolution was passed that effective October 1, 2018, the Marquette Area Wastewater Treatment Facility's contract was changed in regards to the ownership of the three partners involved. For a one-time payment, Chocolay Township purchased 1% each from the City of Marquette, and from Marquette Township. After the passage of this resolution and receipt of the one-time payment, the ownership allocation for the City of Marquette, Marquette Township, and Chocolay Township are 84%, 11%, and 7%, respectively.

The City utilizes the equity method of accounting for the activity in its investment in the Facility. Under the equity method, the investment is adjusted for any additional capital investments made and its proportionate share of the Facility's results of operations.

As required by Governmental Accounting Standards Board Statement No. 14, the City's equity interest is shown as an asset in the Water Supply and Sewage Disposal Fund. The separately issued audited financial statements can be obtained at the City's Finance Department located at 300 West Baraga Avenue, Marquette, Michigan 49855.

A summary of condensed financial information as of and for the fiscal year ended September 30, 2019, of the Facility, in the aggregate, is as follows:

Assets	\$ 17,164,374
Deferred outflows of resources	170,914
Liabilities	11,135,629
Deferred inflows of resources	84,654
Equity	6,115,005
Operating Revenues	2,511,539
Operating Expenses	3,110,519
Non-operating Revenues	1,267,818
Non-operating Expenses	(417,486)
Increase in net position	251,352
City's share of net loss	211,136

NOTE E – LEASES:

Capital lease

The City has a capital lease for the various energy enhancement projects that have been undertaken by the City. The future minimum lease payments are as follows:

NOTE E – LEASES (Continued):

Year ending September 30,	
2020	\$ 1,126,787
2021	1,173,825
2022	1,298,999
2023	1,197,386
2024	1,564,766
2025 - 2029	8,835,331
2030 - 2034	11,113,964
2035 - 2039	7,939,328
Total minimum lease payment	34,250,386
Less amount representing interest	(8,729,050)
Present value of minimum lease payments	<u>\$ 25,521,336</u>
Asset	
Construction in progress	<u>\$ 27,351,153</u>

The remaining amount of capital lease proceeds have been recorded as restricted for capital outlay and will be included with this footnote as the project progresses in future fiscal years.

NOTE F – LONG-TERM DEBT:

The following is a summary of long-term debt transactions of the primary government and all component units for the year ended September 30, 2019:

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
State Infrastructure Bank Note (MDOT Spring Street)	\$ 82,877	\$ -	\$ (82,877)	\$ -	\$ -
2007 Forestland Bonds	2,640,000	-	(2,640,000)	-	-
2007 High Street Bonds	118,210	-	(11,006)	107,204	11,141
2009 Capital Improvements Bonds					
Street Bonds Portion	251,090	-	(251,090)	-	-
Add: deferred amounts on 2009 bonds	29,969	-	(29,969)	-	-
2011 Capital Improvement Bonds	708,000	-	(68,000)	640,000	70,000
2012 Capital Improvement Bonds	894,105	-	(78,255)	815,850	79,920
Add: deferred amounts on 2012 bonds	43,412	-	(4,341)	39,071	
2013 Capital Improvement Bonds					
Street Bonds Portion	754,850	-	(66,650)	688,200	68,200
Refunding Portion - 2003 Founder's Landing Bonds	1,365,000	-	(1,100,000)	265,000	265,000
2014 Capital Improvement Bonds	1,085,400	-	(75,600)	1,009,800	77,400
Add: deferred amounts on 2014 bonds	72,277	-	(6,024)	66,253	
2015 Capital Improvement Bonds	577,837	-	(68,800)	509,037	68,024
Add: deferred amounts on 2015 bonds	19,739	-	(2,468)	17,271	
2016 Capital Improvement Bonds					
Street Bonds Portion	1,070,700	-	(64,500)	1,006,200	66,650
Add: deferred amount on 2016 bonds	127,736	-	(9,826)	117,910	
Refunding Portion - 2006 & 2008 Street Bonds	2,348,628	-	(323,164)	2,025,464	335,560
Add: deferred amount on 2006 & 2008 refundings	263,159	-	(26,316)	236,843	
2017 Capital Improvement Bonds					
Street Bonds Portion	4,152,500	-	(232,500)	3,920,000	235,000
Add: deferred amount on 2017 bonds	430,102	-	(30,722)	399,380	
Refunding Portion - 2009 Capital Imp. Bonds	1,392,600	-	-	1,392,600	-
Add: deferred amount on 2009 refunding	135,634	-	(22,606)	113,028	
2018 Capital Improvement Bonds	765,000	-	(70,000)	695,000	65,000
Add: deferred amounts on 2018 bonds	55,787	-	(5,579)	50,208	
2018 Michigan Transportation Fund Bonds	1,640,000	-	(155,000)	1,485,000	140,000
Add: deferred amounts on 2018 MTF bonds	110,255	-	(11,025)	99,230	
Capital lease [see footnote "Leases"]	26,326,166	-	(804,830)	25,521,336	401,981
Accrued Compensated Absences	1,912,698	309,016	(331,011)	1,890,703	686,750
TOTAL GOVERNMENTAL ACTIVITIES	\$ 49,373,731	\$ 309,016	\$ (6,572,159)	\$ 43,110,588	\$ 2,570,626

NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019	Due Within One Year
BUSINESS-TYPE ACTIVITIES:					
<u>WATER SUPPLY FUND:</u>					
State Drinking Water Revolving Fund Loan - 2009	\$ 315,058	\$ -	\$ (25,000)	\$ 290,058	\$ 25,000
State Drinking Water Revolving Fund Loan - 2011	393,908	-	(25,000)	368,908	25,000
State Drinking Water Revolving Fund Loan - 2015	245,875	-	(15,000)	230,875	20,000
2007 High Street Bonds	184,702	-	(17,197)	167,505	17,407
2009 Capital Improvements Bonds	212,415	-	(212,415)	-	-
Less: deferred amounts, net	12,843	-	(12,843)	-	-
2011 Capital Improvements Bonds	194,700	-	(18,700)	176,000	19,250
2012 Capital Improvements Bonds	502,095	-	(43,945)	458,150	44,880
Add: deferred amounts	24,377	-	(2,438)	21,939	-
2013 Capital Improvements Bonds	608,750	-	(53,750)	555,000	55,000
2014 Capital Improvements Bonds	512,550	-	(35,700)	476,850	36,550
Add: deferred amounts	32,010	-	(2,667)	29,343	-
2015 Capital Improvements Bonds	889,647	-	(105,350)	784,297	104,645
Add: deferred amounts	27,332	-	(3,422)	23,910	-
2016 Capital Improvement Bonds					
Capital Improvement Portion	423,300	-	(25,500)	397,800	26,350
Add: deferred amounts	50,500	-	(3,885)	46,615	-
Refunding Portion - 2008 Street Bonds	1,147,315	-	(95,095)	1,052,220	98,800
Add: deferred amounts - 2008 Refunding, net	69,347	-	(6,934)	62,413	-
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,661,000	-	(93,000)	1,568,000	94,000
Add: deferred amounts	172,040	-	(12,289)	159,751	-
Refunding Portion - 2009 Capital Imp. Bonds	1,178,100	-	-	1,178,100	215,985
Add: deferred amounts - 2009 Refunding, net	30,548	-	(19,124)	11,424	-
2018 Capital Improvement Bonds	1,220,000	-	(110,000)	1,110,000	105,000
Add: deferred amounts	89,003	-	(8,900)	80,103	-
Accrued Compensated Absences	211,881	109,235	(49,805)	271,311	108,524
TOTAL WATER SUPPLY FUND	10,409,296	109,235	(997,959)	9,520,572	996,391
<u>SEWAGE DISPOSAL FUND:</u>					
State Act 94 Clean Water Assistance Loan	1,200,000	-	(190,000)	1,010,000	195,000
State Revolving Fund Loan -2009	455,699	-	(35,000)	420,699	35,000
State Revolving Fund Loan -2011	496,785	-	(35,000)	461,785	35,000
2009 Capital Improvements Bonds	107,100	-	(107,100)	-	-
Add: deferred amounts	6,478	-	(6,478)	-	-
2011 Capital Improvements Bonds	548,700	-	(52,700)	496,000	54,250
2012 Capital Improvements Bonds	872,625	-	(76,375)	796,250	78,000
Add: deferred amounts	42,368	-	(4,237)	38,131	-
2013 Capital Improvements Bonds	681,800	-	(60,200)	621,600	61,600
2014 Capital Improvements Bonds	1,417,050	-	(98,700)	1,318,350	101,050
Add: deferred amounts	88,500	-	(7,375)	81,125	-
2015 Capital Improvements Bonds	296,307	-	(34,400)	261,907	34,751
Add: deferred amounts	9,069	-	(1,135)	7,934	-
2016 Capital Improvement Bonds					
Capital Improvement Portion	423,300	-	(25,500)	397,800	26,350
Add: deferred amounts	50,500	-	(3,885)	46,615	-
Refunding Portion - 2008 Street Bonds	1,047,912	-	(86,856)	961,056	90,240
Add: deferred amounts - 2008 Refunding, net	79,275	-	(7,927)	71,348	-
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,245,750	-	(69,750)	1,176,000	70,500
Add: deferred amounts	129,031	-	(9,216)	119,815	-
Refunding Portion - 2009 Capital Imp. Bonds	594,000	-	-	594,000	108,900
Add: deferred amounts - 2009 Refunding, net	15,402	-	(9,642)	5,760	-
2018 Capital Improvement Bonds	1,465,000	-	(135,000)	1,330,000	125,000
Add: deferred amounts	106,931	-	(10,693)	96,238	-
Accrued Compensated Absences	66,928	25,520	(16,950)	75,498	30,199
TOTAL SEWAGE DISPOSAL FUND	11,446,510	25,520	(1,084,119)	10,387,911	1,045,840

NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019	Due Within One Year
STORMWATER UTILITY FUND:					
2007 High Street Bonds	\$ 66,493	\$ -	\$ (6,191)	\$ 60,302	\$ 6,267
2009 Capital Improvements Bonds	24,395	-	(24,395)	-	-
Add: deferred amounts	1,475	-	(1,475)	-	-
2011 Capital Improvements Bonds	318,600	-	(30,600)	288,000	31,500
2012 Capital Improvements Bonds	416,175	-	(36,425)	379,750	37,200
Add: deferred amounts	20,206	-	(2,021)	18,185	-
2013 Capital Improvements Bonds	389,600	-	(34,400)	355,200	35,200
2015 Capital Improvements Bonds	66,209	-	(6,450)	59,759	7,580
Add: deferred amounts	1,965	-	(245)	1,720	-
2016 Capital Improvement Bonds					
Capital Improvement Portion	572,700	-	(34,500)	538,200	35,650
Add: deferred amounts	68,323	-	(5,256)	63,067	-
Refunding Portion - 2006 & 2008 Street Bonds	1,766,145	-	(274,885)	1,491,260	285,400
Add: deferred amounts - 2006 & 2008 Refunding, net	141,657	-	(14,166)	127,491	-
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,245,750	-	(69,750)	1,176,000	70,500
Add: deferred amounts	129,031	-	(9,217)	119,814	-
Refunding Portion - 2009 Capital Imp. Bonds	135,300	-	-	135,300	24,805
Add: deferred amounts - 2009 Refunding, net	3,511	-	(2,196)	1,315	-
2018 MTF Bonds	1,350,000	-	(125,000)	1,225,000	120,000
Add: deferred amounts	91,041	-	(9,104)	81,937	-
Accrued Compensated Absences	24,245	10,273	(6,178)	28,340	11,336
TOTAL STORMWATER UTILITY FUND	6,832,821	10,273	(692,454)	6,150,640	665,438
TOURIST PARK FUND:					
Accrued Compensated Absences	679	264	-	943	377
TOTAL TOURIST PARK FUND	679	264	-	943	377
LIGHTHOUSE PARK FUND:					
2018 Building Authority Bonds	1,035,000	-	(100,000)	935,000	90,000
TOTAL LIGHTHOUSE PARK FUND	1,035,000	-	(100,000)	935,000	90,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 29,724,306	\$ 145,292	\$ (2,874,532)	\$ 26,995,066	\$ 2,798,046

NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019	Due Within One Year
COMPONENT UNITS:					
Board of Light & Power:					
2016 Electric Utility Revenue Bonds	\$ 65,580,000	\$ -	\$ (1,210,000)	\$ 64,370,000	\$ 2,505,000
Add: deferred amounts	8,883,952	-	(872,043)	8,011,909	
Capital Lease	206,249	-	(48,148)	158,101	158,101
Compensated Absences	1,008,230	10,828	-	1,019,058	1,019,058
Peter White Public Library:					
2017 Library Improvement Bonds	3,845,000	-	(210,000)	3,635,000	215,000
Add: deferred amounts	359,430	-	(23,962)	335,468	
Compensated Absences	65,555	-	(2,422)	63,133	-
Downtown Development Authority:					
2011 Tax Increment Bonds	980,000	-	(115,000)	865,000	115,000
Compensated Absences	58,917	-	(29,377)	29,540	
Brownfield Redevelopment Authority:					
2010 Capital Improvement Bonds	735,000	-	(40,000)	695,000	45,000
2010 Recovery Zone Facility Bonds	335,000	-	(20,000)	315,000	20,000
2013 Capital Improvement Bonds	205,000	-	(30,000)	175,000	35,000
2016 Tax Increment Bonds	17,195,000	-	-	17,195,000	-
Add: deferred amounts	1,964,140	-	(109,119)	1,855,021	
2017 Capital Improvement Bonds	780,000	-	(45,000)	735,000	45,000
Add: deferred amounts	80,618	-	(5,758)	74,860	
2017 Tax Increment Bonds	12,185,000	-	-	12,185,000	-
2018 Capital Improvement Bonds	730,000	-	(65,000)	665,000	65,000
Add: deferred amounts	53,176	-	(5,318)	47,858	
TOTAL COMPONENT UNITS	\$ 115,250,267	\$ 10,828	\$ (2,831,147)	\$ 112,429,948	\$ 4,222,159

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$113,785 of internal service funds compensated absences is included in the above amounts. In the governmental activities, compensated absences are generally liquidated by the general fund.

The City's component units (Board of Light and Power, Brownfield Redevelopment Authority, Downtown Development Authority and Peter White Public Library), the Marinas, Water Supply, and Sewage Disposal Fund revenue bonds, general obligation bonds, and capital lease obligations outstanding are recorded in the respective Component Unit and Enterprise Funds. The Component Units' debt and the Enterprise Fund debt are expected to be repaid from proprietary revenues.

State Infrastructure Bank Note (MDOT Spring Street) - On July 25, 2003, the City issued \$1,243,100 of State Infrastructure Bank Notes for the purpose of financing transportation improvements through the County Road (CR) 550 Flood Repair and Spring Street Reconstruction project. The notes will be paid off in 15 annual principal installments beginning July 25, 2004 and ending July 2019, plus interest at the rate of zero percent.

2003 Founder's Landing Bonds - On December 23, 2003, the City issued \$3,935,000 in General Obligation Limited Tax Bonds with interest rates ranging from 2.0% to 4.55%. The Bonds were issued pursuant to the resolution duly adopted by the City on November 24, 2003 for the purpose of reimbursing the City for certain costs relating to the acquisition of waterfront property for the City's park system, and paying the costs of designing, engineering, acquiring, preparing, constructing, and equipping various park improvements.

State Act 94 Clean Water Assistance Loan - On March 25, 2004, the City issued \$3,470,000 of State of Michigan Act 94 Clean Water Assistance Loan for the purpose of rehabilitation of the Hawley Street,

NOTE F – LONG-TERM DEBT (Continued):

Pine Street, Lake Street, and Baraga Avenue sewage pump stations. The loan will be paid off in annual principal and interest payments over 20 years with an interest rate of 2.125%.

2006 Street Improvement Bonds- On October 31, 2006, the City issued \$5,475,000 in Limited Tax General Obligation Bonds, Series 2006 at an interest rate of 4.0%. The Bonds were issued for the purpose of paying all or part of the cost of making major and local street improvements throughout the City. The Bonds are issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, and a resolution of the City. The City has pledged its limited tax, full faith and credit as a security for the payment of the principal and interest on the Bonds.

During the fiscal year ending June 30, 2009, the construction of infrastructure assets funded with the Limited Tax General Obligation Bonds, Series 2006, as noted above, was completed. A portion of these constructed assets included stormwater infrastructure and thus these assets were removed from the Governmental Activities infrastructure assets and long term debt balance. A total of \$2,600,000 of these infrastructure assets were transferred to the Stormwater Fund and, correspondingly, the \$2,600,000 of debt relating to those assets was also transferred to the Stormwater Fund.

2007 Forestland Bonds - On March 29, 2007, the City issued \$5,135,000 in General Obligation Unlimited Tax Refunding Bonds, Series 2007 with interest rates varying from 5.25% to 5.5% to advance refund \$5,000,000 of outstanding General Obligation Limited Tax Bonds, Series 2005 maturing in fiscal years 2008 through 2025. The 2007 issue net proceeds of \$4,996,644 (after payment of \$142,148 in underwriting fees, insurance, and other issuance costs plus an additional \$3,792 reoffering premium) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all callable future debt service payments on the 2005 General Obligation Unlimited Refunding Bonds. As a result, the 2005 General Obligation Unlimited Tax Refunding Bonds are considered to be defeased and the liability for those has been removed from the Governmental Activities long-term debt balance. At September 30, 2019, \$2,425,000 of the bonds outstanding are considered to be defeased.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$135,000. This difference has been charged to operations as a component interest expense in the Statement of Activities. The transaction was undertaken to reduce the total debt service payments and accordingly resulted in an economic gain of \$458,550.

2007 High Street Bonds - On March 29, 2007, the Water Supply and Sewage Disposal System Junior Lien Revenue Bonds, Series 2007, are approved for issue in the aggregate principal sum of not to exceed \$1,852,000 for the purpose of paying the costs for the High Street sewer replacement and related street reconstruction. The Series 2007 Bonds shall bear interest at a rate of 1.625%. Principal installments of the Series 2007 Bonds shall be payable on October 1 of the years 2009 to 2028. Interest on the Series 2007 Bonds shall be payable on April 1 and October 1 of each year, commencing on October 1, 2007.

The total liability of \$684,636 is the total of all draw downs received on this project.

During the fiscal year ending June 30, 2010, the construction of infrastructure assets funded with the Water Supply and Sewage Disposal System Junior Lien Revenue Bonds, as noted above, was completed. A portion of these constructed assets included stormwater infrastructure and water distribution system infrastructure and thus these assets were removed from the Governmental Activities infrastructure assets and long term debt balance. A total of \$123,234 of these infrastructure assets were transferred to the Stormwater Fund and, correspondingly, the \$123,234 of debt relating to those assets was also transferred to the Stormwater Fund. A total of \$342,318 of these infrastructure assets

NOTE F – LONG-TERM DEBT (Continued):

were transferred to the Water Fund and, correspondingly, the \$342,318 of debt relating to those assets was also transferred to the Water Fund.

2008 Street Improvements Bonds - On June 26, 2008, the City issued \$8,375,000 in Limited Tax General Obligation Bonds, Series 2008 with interest rates ranging from 3.0% to 5.0% for the purpose of paying the cost of certain capital improvements including major and local street improvements, construction and installation of water treatment and distribution lines, construction and installation of wastewater and storm water collection lines, and acquisition of other City equipment. The bonds are issued pursuant to the provision of Act 34, Public Acts of Michigan, 2001, as amended and a resolution adopted by the City. The City has pledged its limited tax, full faith and credit as a security for the payment of the principal and interest on the Bonds.

2009 Capital Improvements Bonds - On May 5, 2009, the City issued \$10,800,000 in Limited Tax General Obligation and Refunding Bonds, Series 2009 with interest rates ranging from 3.0% to 5.0% for the purpose of paying the cost of capital improvement items in the City including major and local street improvements, reconstruction of water and sewer lines, renovating and equipping Lakeview Arena, construction and installation of wastewater and storm water collection lines, and acquisition of other City equipment, and to refund the City of Marquette Building Authority's 1998 Building Authority Refunding Bonds, dated June 16, 1998, which mature in the years 2010 through 2021. The Bonds were issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, and a bond authorizing resolution adopted by the City Commission on March 30, 2009.

The refunding portion's net proceeds of \$2,468,606 (after payment of \$39,530 in underwriting fees, insurance, and other issuance costs, plus an additional \$83,136 reoffering premium) were used, together with other monies transferred by the City, to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service interest and principal payments on the 1998 issue refunded bonds. As a result, the 1998 issue bonds maturing in fiscal years 2010 through 2021 are considered to be defeased and the liability for those bonds has been removed from the Governmental Activities long-term debt balance.

Also, the irrevocable trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2019, \$735,000 of bonds outstanding are considered defeased.

State Drinking Water Revolving Fund Loan – 2009 - On January 11, 2010, the City entered into an agreement with the State of Michigan to utilize funds from the State Drinking Water Revolving Fund. The agreement set forth that the City is approved to receive \$960,000 in funding from the State Drinking Water Revolving Fund for the purpose of constructing water mains and of purchasing a new sodium hypochlorite generator at the water filtration plant. Upon completion of this project, the agreement further states a loan forgiveness amount not to exceed \$384,000. Funding is received and the liability is established based upon the amount that the City "draws down" on this available funding. During the interim, interest shall accrue on the portion of principal that has been disbursed by the State at the rate of 2.5% per annum, payable October 1, 2010 and semi-annually thereafter. The City has received a total of \$851,764 in draws from the State, and has received \$340,706 in loan forgiveness.

State Revolving Fund Loan – 2009 - On January 11, 2010, the City entered into an agreement with the State of Michigan to utilize funds from the State Revolving Fund to construct and replace sanitary sewer lines. The agreement set forth that the City is approved to receive \$800,000 in funding from the State Revolving Fund for the purpose of constructing sewer infrastructure. Funding is received and the liability is established based upon the amount that the City "draws down" on this available funding. During the interim, interest shall accrue on the portion of principal that has been disbursed by the State at a rate of 2.5% per annum, payable October 1, 2010 and semi-annually thereafter. The City has received a total of \$695,699 in draws from the State.

NOTE F – LONG-TERM DEBT (Continued):

State Drinking Water Revolving Fund Loan – 2011 – On June 24, 2011, the City entered into an agreement with the State of Michigan to utilize funds from the State Drinking Water Revolving Fund. The agreement set forth that the City is approved to receive \$1,600,000 in funding from the State Drinking Water Revolving Fund for the purpose of constructing water mains. Funding is received and the liability is established based upon the amount that the City “draws down” on this available funding. During the interim, interest shall accrue on the portion of principal that has been disbursed by the State at the rate of 2.5% per annum, payable October 1, 2011 and semi-annually thereafter. The City received a total of \$882,511 in draws from the State, and has received \$353,004 in loan forgiveness.

State Revolving Fund Loan – 2011 – On June 24, 2011, the City entered into an agreement with the State of Michigan to utilize funds from the State Revolving Fund to construct and replace sanitary sewer lines. The agreement set forth that the City is approved to receive \$1,020,000 in funding from the State Revolving Fund for the purpose of constructing sewer infrastructure. Funding is received and the liability is established based upon the amount that the City “draws down” on this available funding. During the interim, interest shall accrue on the portion of principal that has been disbursed by the State at a rate of 2.5% per annum, payable October 1, 2011 and semi-annually thereafter. The City received a total of \$706,785 in draws from the State.

2011 Capital Improvements Bonds – On September 22, 2011, the City issued \$2,690,000 in Limited Tax General Obligation Bonds, Series 2011 with interest rates ranging from 2.0% to 4.125% for the purpose of paying the cost of certain capital improvements including major street and/or local street improvements, construction of Lake Street bike path, and the construction and installation of sanitary sewer lateral replacements. The bonds are issued pursuant to the provision of Act 34, Public Acts of Michigan, 2001, as amended, and a resolution adopted by the City. The City has pledged its limited tax, full faith and credit as a security of the payment of the principal and interest on the Bonds.

2012 Capital Improvements Bonds – On August 7, 2012, the City issued \$3,765,000 in Limited Tax General Obligation Bonds, Series 2012 with interest rates ranging from 2.0% to 3.0% for the purpose of paying the cost of certain capital improvements including but not limited to major street and/or local street improvements, construction improvements to the Mattson Park Lift Station, and the construction and installation of sanitary sewer lateral replacements. The bonds are issued pursuant to the provision of Act 34, Public Acts of Michigan, 2001, as amended, and a resolution adopted by the City.

The City has pledged its limited tax, full faith and credit as a security of the payment of the principal and interest on the Bonds.

2013 Capital Improvement Bonds – On September 13, 2013, the City issued \$5,785,000 in General Obligation Limited Tax Bonds, Series 2013 with interest rates of 2.95% for the purpose of paying the cost of certain capital improvements including but not limited to major street and/or local street improvements, and the construction and installation of sanitary sewer lateral replacements, and the 2003 Founders Landing Bonds, dated December 23, 2003. The Bonds were issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, and a bond authorizing resolution adopted by the City.

The refunding portion of the 2003 Founders Landing Bonds net proceeds \$2,245,000 (after payment of \$70,000 in issuance expenses) were paid to the refund bond escrow agent. As a result, the 2003 issue bonds maturing 2015 through 2023 are considered defeased and the liability for those bonds has been removed from the Governmental Activities long-term debt balance.

The irrevocable trust accounts for the assets and the liability for the defeased bonds are not included in the City’s financial statements. On September 30, 2019, \$1,105,000 of the bonds outstanding are considered defeased.

NOTE F – LONG-TERM DEBT (Continued):

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$130,000. This difference has been charged to operations as a component of interest expense in the Statement of Activities. The transaction was undertaken to reduce the total debt service payments and accordingly resulted in an economic gain of \$108,160.

2014 Capital Improvement Bonds – On September 30, 2014, the City issued \$3,620,000 in General Obligation Capital Improvement Bonds, Series 2014 with interest rates ranging from 2.0% to 4.0% for the purpose of paying the cost of certain capital improvements including but not limited to major street and/or local street improvements, the construction and installation of sanitary sewer lateral replacements, the Carp River sanitary sewer crossing, and improvements to marina and park systems.

The bonds are issued pursuant to the provision of Act 34, Public Acts of Michigan, 2001, as amended, and a resolution adopted by the City. The City has pledged its limited tax, full faith and credit as a security of the payment of the principal and interest on the Bonds.

2015 Capital Improvement Bonds – On September 17, 2015, the City issued \$2,250,000 in General Obligation Capital Improvement Bonds, Series 2015 with interest rates ranging from 2.0% to 3.0% for the purpose of paying the cost of certain capital improvements including but not limited to major street and/or local street improvements, acquisition and construction of park, sewer lift station and marina improvements; acquisition and installation of water membranes for the water supply system; water main improvements; and construction and installation of sanitary sewer lateral replacements and sewer pipe.

The bonds are issued pursuant to the provision of Act 34, Public Acts of Michigan, 2001, as amended, and a resolution adopted by the City. The City has pledged its limited tax, full faith and credit as a security of the payment of the principal and interest on the Bonds.

2016 Capital Improvement Bonds – On October 5, 2016, the City issued \$9,505,000, in General Obligation Capital Improvement Bonds, Series 2016 with interest rates ranging from 2.0% to 5.0% for the purpose of paying the costs of certain capital improvements including, but not limited to major street and/or local street improvements, and the construction and installation of sanitary sewer lateral replacements, and to refund the 2006 Street Improvement Bonds and to refund the 2008 Street Improvement Bonds.

The refunding portion of the 2006 Street Improvement Bonds net proceeds of \$2,202,790, were paid to the refund bond escrow agent. As a result, the 2006 issue bonds maturing 2018 through 2022 are considered defeased and the liability for those bonds has been removed from the Governmental Activities and Business-Type Activities long term debt balances.

The irrevocable trust accounts for the assets and liability for the defeased bonds are not included in the City's financial statements. On September 30, 2019, \$1,370,000 of the bonds outstanding are considered defeased.

The refunding portion of the 2008 Street Improvement Bonds net proceeds of \$5,246,413, were paid to the refund bond escrow agent. As a result, the 2008 issue bonds maturing 2019 through 2028 are considered defeased and the liability for those bonds has been removed from the Governmental Activities and Business-Type Activities long term debt balances.

The irrevocable trust accounts for the assets and liability for the defeased bonds are not included in the City's financial statements. On September 30, 2019, \$4,580,000 of the bonds outstanding are considered defeased.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt in the amount of \$495,000. This difference has been deferred and amortized over

NOTE F – LONG-TERM DEBT (Continued):

the shorter of the life of the refunded or refunding debt. This transaction was undertaken to reduce the total debt service payments and accordingly resulted in an economic gain of \$525,642.

2017 Capital Improvement Bonds – On August 23, 2017, the City issued \$12,185,000 in General Obligation Capital Improvement Bonds, Series 2017 with interest rates ranging from 2.0% to 4.0% for the purpose of paying the costs of certain capital improvements including, but not limited to making major and/or local street improvements, including related water, sewer and storm water infrastructure improvements; sidewalk extensions and improvements; reconstruction of a pathway bridge; construction and installation of sanitary sewer lateral replacements and sewer pipe; acquisition and installation of boiler replacements at various City buildings, and to refund the 2009 Capital Improvement Bonds.

The refunding portion of the 2009 Capital Improvement Bonds net proceeds of \$3,655,840, were paid to the refund bond escrow agent. As a result, the 2009 issue bonds maturing 2020 through 2024 are considered defeased and the liability for those bonds has been removed from the Governmental Activities and Business-Type Activities long term debt balances.

The irrevocable trust accounts for the assets and liability for the defeased bonds are not included in the City's financial statements. On September 30, 2019, \$3,420,000 of the bonds outstanding are considered defeased.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt in the amount of \$95,000. This difference has been deferred and amortized over the shorter of the life of the refunded or refunding debt. This transaction was undertaken to reduce the total debt service payments and accordingly resulted in an economic gain of \$231,940.

2018 Capital Improvement Bonds – On July 31, 2018, the City issued \$4,180,000, in General Obligation Capital Improvement Bonds, Series 2018 with interest rates of 4.0% for the purpose of paying the cost of certain capital improvements including but not limited to major street and/or local street improvements, the construction and installation of sanitary sewer lateral replacements, sidewalk extensions/improvements, Picnic Rocks parking lot and Shiras Park repairs, Presque Isle Band Shell gravel road upgrade and Eagle Drive paving.

2018 Michigan Transportation Fund Bonds – On July 31, 2018, the City issued \$2,990,000, in Michigan Transportation Fund Bonds, Series 2018 with interest rates ranging from 3.0% to 4.0% for the purpose of paying the cost of certain capital improvements including but not limited to major street and/or local street improvements and the construction and installation of sanitary sewer lateral replacements.

2018 Building Authority Bonds – On July 31, 2018, the City issued \$1,035,000, in Building Authority Bonds, Series 2018 with interest rates ranging from 2.65% to 3.81% for the purpose of paying the cost of certain capital improvements including Light House Property Improvements.

State Drinking Water Revolving Fund Loan – 2015 – On March 1, 2014, the City entered into an agreement with the State of Michigan to utilize funds from the State Drinking Water Revolving Fund. The agreement set forth that the City is approved to receive \$330,000 in funding from the State Drinking Water Revolving Fund for the purpose of repairs and maintenance to the Mountain Tank. Funding is received and the liability is established based on the amount that the City "draws down" on this available funding. The City has received a total of \$290,875 in draws from the State.

NOTE F – LONG-TERM DEBT (Continued):

2017 Peter White Public Library Bonds – On October 3, 2017, the Peter White Public Library issued \$3,845,000, in General Obligation Unlimited Tax Bonds, Series 2017 with interest rates ranging from 2.0% to 4.0% for the purpose of paying the cost of acquiring, constructing, furnishing and equipping library improvements, including renovations to the existing Peter White Public Library building, and all related site improvements, appurtenances, and attachments. The Bonds sold at a premium of \$359,430.

2010 Capital Improvement Bonds – On December 16, 2010, the City and the Brownfield Redevelopment Authority issued \$995,000 in Limited Tax General Obligation Bonds, Series 2010 with interest rates ranging from 2.5% to 5.0% for the purpose of paying all or part of the cost of acquiring and constructing certain capital improvements in the City, consisting generally of new seawall, public boardwalk, and site improvements. The bonds are issued pursuant to the provision of Act 34, Public Acts of Michigan, 2001, as amended, and a resolution adopted by the City. The City has pledged its limited tax, full faith and credit as a security for the payment of the principal and interest on the Bonds.

2010 Recovery Zone Facility Bonds – On December 16, 2010, the City and the Brownfield Redevelopment Authority issued \$445,000 in Tax Increment Limited Tax General Obligation Bonds, Series 2010 with interest rates ranging from 4.0% to 5.0% for the purpose of paying all or part of the cost of acquiring, constructing, and installing certain improvements in the Founders Landing site located on the shore of Lake Superior in the City. The bonds are issued pursuant to the provision of Act 381, Public Acts of Michigan, 1996, as amended, and a resolution adopted by the City. The City has made a limited tax pledge as additional security for payment of the principal and interest on the Bonds.

2013 Capital Improvement Bonds – On October 1, 2013, the City and the Brownfield Redevelopment Authority issued \$320,000 in Tax Increment Limited Tax General Obligation Bonds with an interest rate of 2.35% for the purpose of paying all or part of the cost of acquiring and constructing certain capital improvements in the City.

2016 Tax Increment Bonds – On September 21, 2016, the City and the Brownfield Redevelopment Authority issued \$17,195,000 in Tax Increment Limited Tax General Obligation Bonds with an interest rate of 4.00%-5.00% for the purpose of paying the costs of relocating the City's Municipal Service Center in conjunction with a concurrent Brownfield project.

2017 Capital Improvement Bonds - Brownfield – On August 23, 2017, the City and the Brownfield Redevelopment Authority issued \$830,000 in Tax Increment Limited Tax General Obligation Bonds with interest rates ranging from 2.0% to 4.0% for the purpose of extending/improving Baraga Avenue.

2017 Tax Increment Bonds - Brownfield – On October 10, 2017, the City and the Brownfield Redevelopment Authority issued \$12,185,000 in Tax Increment Limited Tax General Obligation Bonds with interest rates ranging from 2.14% to 3.67% for the purpose of paying all or part of the cost of acquiring and constructing street improvements surrounding a Brownfield project.

2018 Capital Improvement Bonds - Brownfield – On July 31, 2018, the City and the Brownfield Redevelopment Authority issued \$730,000 in General Obligation Capital Improvement Bonds with an interest rate of 4.00% for the purpose of paying all or part of the cost of acquiring and constructing street improvements surrounding a Brownfield project.

2011 Tax Increment Bonds - DDA – On September 8, 2011, the Downtown Development Authority issued \$1,500,000 in Tax Increment Bonds with an interest rate of 4.35% for the purpose of restoration of the Bluff Street Parking ramp, installation of parking stations, streetscape improvements and curb improvements.

NOTE F – LONG-TERM DEBT (Continued):

2016 Electric Utility Revenue Bonds – During fiscal year 2016, the Marquette Board of Light and Power issued 2016A Electric Utility System Revenue and Refunding Bonds. The financing provided bond proceeds of \$67,435,000 and an unamortized net premium of \$10,499,829, which totaled \$77,934,829. As part of the 2016A bond issue, the Board advance refunded \$3,890,000 of the 2011A Electric Utility System Revenue Bonds to provide resources to purchase United States government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the 2011A refunded debt. As a result, the 2011A bonds are considered defeased and the related liability has been removed from the statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt in the amount of \$79,907. This was recorded on the statement of financial position and amortized over a period of three years.

Capital Lease BLP – In August 2015, the Marquette Board of Light and Power purchased a Caterpillar 980K Wheeled Loader under a lease purchase agreement through Caterpillar Financial Services. The original purchase price was \$370,000 with a trade-in credit of \$18,000, rental fee credit of \$12,500, and financing fee of \$275, resulting in an original financed amount of \$339,775. This obligation is for 60 monthly payments at an interest rate of 2.49 percent.

Annual maturities on the Governmental Activities debts are as follows:

Year Ending September 30,	2007 High Street Bonds	2011 Capital Improvements Bonds	2012 Capital Improvements Bonds	2013 Capital Improvements Bonds	2013 Founder's Landing Refunding Bonds	2014 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Street Improvements Bonds	2016 Refunding Bonds	2017 Street Improvements Bonds	2017 Refunding Bonds	2018 Capital Improvements Bonds	2018 MTF Bonds
2020	\$ 11,141	\$ 70,000	\$ 79,920	\$ 68,200	\$ 265,000	\$ 77,400	\$ 68,024	\$ 66,650	\$ 335,560	\$ 235,000	\$ 255,310	\$ 65,000	\$ 140,000
2021	11,275	72,000	83,250	69,750	-	79,200	68,848	68,800	345,456	245,000	265,860	70,000	150,000
2022	11,479	74,000	84,915	71,300	-	82,800	70,448	70,950	360,352	255,000	284,850	70,000	155,000
2023	11,681	78,000	88,245	74,400	-	84,600	72,824	75,250	145,248	265,000	286,960	75,000	155,000
2024	11,883	82,000	89,910	75,950	-	86,400	74,424	79,550	155,040	275,000	299,620	75,000	165,000
2025	12,086	84,000	93,240	79,050	-	90,000	76,024	81,700	159,936	287,500	-	80,000	170,000
2026	12,289	88,000	96,570	80,600	-	93,600	78,445	86,000	168,096	300,000	-	85,000	180,000
2027	12,491	92,000	98,235	83,700	-	97,200	-	88,150	172,992	310,000	-	85,000	185,000
2028	12,879	-	101,565	85,250	-	102,600	-	92,450	182,784	322,500	-	90,000	185,000
2029	-	-	-	-	-	106,200	-	94,600	-	335,000	-	-	-
2030	-	-	-	-	-	109,800	-	98,900	-	350,000	-	-	-
2031	-	-	-	-	-	-	-	103,200	-	362,500	-	-	-
2032	-	-	-	-	-	-	-	-	-	377,500	-	-	-
Principal	107,204	640,000	815,850	688,200	265,000	1,009,800	509,037	1,006,200	2,025,464	3,920,000	1,392,600	695,000	1,485,000
Interest	9,855	107,193	114,933	95,291	66,671	225,023	49,976	264,654	318,214	1,105,200	143,650	146,200	301,950
	<u>\$ 117,059</u>	<u>\$ 747,193</u>	<u>\$ 930,783</u>	<u>\$ 783,491</u>	<u>\$ 331,671</u>	<u>\$ 1,234,823</u>	<u>\$ 559,013</u>	<u>\$ 1,270,854</u>	<u>\$ 2,343,678</u>	<u>\$ 5,025,200</u>	<u>\$ 1,536,250</u>	<u>\$ 841,200</u>	<u>\$ 1,786,950</u>

NOTE F – LONG-TERM DEBT (Continued):

Annual maturities on the Business-Type Activities are as follows:

WATER SUPPLY FUND														
Year Ending September 30,	State Drinking Water Revolving Fund Loan	State DWRF 2011 Loan	State DWRF 2015 Loan	2007 High Street Bonds	2011 Capital Improvement Bonds	2012 Capital Improvement Bonds	2013 Capital Improvement Bonds	2014 Capital Improvement Bonds	2015 Capital Improvement Bonds	2016 Capital Improvement Bonds	2016 Refunding 2008 Bonds	2017 Capital Improvement Bonds	2017 Refunding 2009 Bonds	2018 Capital Improvement Bonds
2020	\$ 25,000	\$ 25,000	\$ 20,000	\$ 17,407	\$ 19,250	\$ 44,880	\$ 55,000	\$ 36,550	\$ 104,645	\$ 26,350	\$ 98,800	\$ 94,000	\$ 215,985	\$ 105,000
2021	25,000	25,000	20,000	17,619	19,800	46,750	56,250	37,400	107,095	27,200	102,505	98,000	224,910	110,000
2022	25,000	25,000	25,000	17,935	20,350	47,685	57,500	39,100	109,545	28,050	106,210	102,000	240,975	115,000
2023	25,000	25,000	25,000	18,251	21,450	49,555	60,000	39,950	111,995	29,750	109,915	106,000	242,760	120,000
2024	25,000	30,000	25,000	18,568	22,550	50,490	61,250	40,800	114,445	31,450	117,325	110,000	253,470	120,000
2025	30,000	30,000	25,000	18,885	23,100	52,360	63,750	42,500	116,190	32,300	121,030	115,000	-	125,000
2026	30,000	30,000	25,000	19,201	24,200	54,230	65,000	44,200	120,382	34,000	127,205	120,000	-	130,000
2027	30,000	30,000	25,000	19,518	25,300	55,165	67,500	45,900	-	34,850	130,910	124,000	-	140,000
2028	30,000	30,000	25,000	20,121	-	57,035	68,750	48,450	-	36,550	138,320	129,000	-	145,000
2029	30,000	30,000	15,875	-	-	-	-	50,150	-	37,400	-	134,000	-	-
2030	15,058	30,000	-	-	-	-	-	51,850	-	39,100	-	140,000	-	-
2031	-	30,000	-	-	-	-	-	-	-	40,800	-	145,000	-	-
2032	-	28,908	-	-	-	-	-	-	-	-	-	151,000	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Interest	290,058 49,014	368,908 64,098	230,875 23,562	167,505 15,399	176,000 29,483	458,150 64,543	555,000 76,846	476,850 91,626	784,297 76,528	397,800 112,744	1,052,220 229,884	1,568,000 473,440	1,178,100 145,084	1,110,000 233,400
	\$ 339,072	\$ 433,006	\$ 254,437	\$ 182,904	\$ 205,483	\$ 522,693	\$ 631,846	\$ 568,476	\$ 860,825	\$ 510,544	\$ 1,282,104	\$ 2,041,440	\$ 1,323,184	\$ 1,343,400

SEWAGE DISPOSAL FUND														LIGHTHOUSE PARK FUND
Year Ending September 30,	State Act 94 Clean Water Assistance Loan	2009 State Revolving Loan	2011 State Revolving Loan	2011 Capital Improvements Bonds	2012 Capital Improvements Bonds	2013 Capital Improvements Bonds	2014 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2016 Refunding 2008 Bonds	2017 Capital Improvements Bonds	2017 Refunding 2009 Bonds	2018 Capital Improvements Bonds	2018 Building Authority Bonds
2020	\$ 195,000	\$ 35,000	\$ 35,000	\$ 54,250	\$ 78,000	\$ 61,600	\$ 101,050	\$ 34,751	\$ 26,350	\$ 90,240	\$ 70,500	\$ 108,900	\$ 125,000	\$ 90,000
2021	200,000	35,000	35,000	55,800	81,250	63,000	103,400	35,551	27,200	93,624	73,500	113,400	130,000	95,000
2022	200,000	35,000	35,000	57,350	82,875	64,400	108,100	36,351	28,050	97,008	76,500	121,500	135,000	95,000
2023	205,000	35,000	35,000	60,450	86,125	67,200	110,450	37,151	29,750	100,392	79,500	122,400	140,000	100,000
2024	210,000	40,000	35,000	63,550	87,750	68,600	112,800	38,302	31,450	107,160	82,500	127,800	145,000	105,000
2025	-	40,000	40,000	65,100	91,000	71,400	117,500	39,102	32,300	110,544	86,250	-	155,000	105,000
2026	-	40,000	40,000	68,200	94,250	72,800	122,200	40,699	34,000	116,184	90,000	-	160,000	110,000
2027	-	40,000	40,000	71,300	95,875	75,600	126,900	-	34,850	119,568	93,000	-	165,000	115,000
2028	-	40,000	40,000	-	99,125	77,000	133,950	-	36,550	126,336	96,750	-	175,000	120,000
2029	-	40,000	40,000	-	-	-	138,650	-	37,400	-	100,500	-	-	-
2030	-	40,699	40,000	-	-	-	143,350	-	39,100	-	105,000	-	-	-
2031	-	-	46,785	-	-	-	-	-	40,800	-	108,750	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	113,250	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Interest	1,010,000 77,882	420,699 64,937	461,785 83,872	496,000 83,080	796,250 112,176	621,600 86,073	1,318,350 253,318	261,907 24,988	397,800 112,747	961,056 209,966	1,176,000 355,080	594,000 73,152	1,330,000 280,800	935,000 175,165
	\$ 1,087,882	\$ 485,636	\$ 545,657	\$ 579,080	\$ 908,426	\$ 707,673	\$ 1,571,668	\$ 286,895	\$ 510,547	\$ 1,171,022	\$ 1,531,080	\$ 667,152	\$ 1,610,800	\$ 1,110,165

STORMWATER UTILITY FUND											
Year Ending September 30,	2007 High Street Improvements Bonds	2011 Capital Improvements Bonds	2012 Capital Improvements Bonds	2013 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2016 Refunding 2006 & 2008 Bonds	2017 Capital Improvements Bonds	2017 Refunding 2009 Bonds	2018 MTF Bonds	
2020	\$ 6,267	\$ 31,500	\$ 37,200	\$ 35,200	\$ 7,580	\$ 35,650	\$ 285,400	\$ 70,500	\$ 24,805	\$ 120,000	
2021	6,343	32,400	38,750	36,000	7,730	36,800	293,415	73,500	25,830	120,000	
2022	6,457	33,300	39,525	36,800	7,880	37,950	306,430	76,500	27,675	125,000	
2023	6,571	35,100	41,075	38,400	8,030	40,250	89,445	79,500	27,880	130,000	
2024	6,684	36,900	41,850	39,200	9,310	42,550	95,475	82,500	29,110	135,000	
2025	6,798	37,800	43,400	40,800	9,460	43,700	98,490	86,250	-	140,000	
2026	6,912	39,600	44,950	41,600	9,769	46,000	103,515	90,000	-	145,000	
2027	7,026	41,400	45,725	43,200	-	47,150	106,530	93,000	-	150,000	
2028	7,244	-	47,275	44,000	-	49,450	112,560	96,750	-	160,000	
2029	-	-	-	-	-	50,600	-	100,500	-	-	
2030	-	-	-	-	-	52,900	-	105,000	-	-	
2031	-	-	-	-	-	55,200	-	108,750	-	-	
2032	-	-	-	-	-	-	-	113,250	-	-	
Principal Interest	60,302 5,542	288,000 48,238	379,750 53,496	355,200 49,183	59,759 4,683	538,200 152,536	1,491,260 244,020	1,176,000 355,080	135,300 16,662	1,225,000 249,650	
	\$ 65,844	\$ 336,238	\$ 433,246	\$ 404,383	\$ 64,442	\$ 690,736	\$ 1,735,280	\$ 1,531,080	\$ 151,962	\$ 1,474,650	

NOTE F – LONG-TERM DEBT (Continued):

Annual maturities on Component Unit debt are as follows:

Year Ending September 30,	2016 Electric Utility Revenue Bonds	Electric Utility Capital Lease	2017 Library Improvement Bonds	2011 DDA Tax Increment Bonds	2010 Capital Improvement Bonds	2010 Recovery Zone Facility Bonds	2013 Capital Improvement Bonds	2016 MBRA Tax Increment Bonds	2017 MBRA Capital Improvement Bonds	2017 MBRA Tax Increment Bonds	2018 MBRA Capital Improvement Bonds
2020	\$ 2,505,000	\$ 158,101	\$ 215,000	\$ 115,000	\$ 45,000	\$ 20,000	\$ 35,000	\$ -	\$ 45,000	\$ -	\$ 65,000
2021	2,630,000	-	220,000	125,000	45,000	20,000	35,000	50,000	45,000	625,000	65,000
2022	2,760,000	-	220,000	125,000	50,000	20,000	35,000	90,000	45,000	635,000	70,000
2023	2,895,000	-	230,000	125,000	50,000	25,000	35,000	105,000	50,000	650,000	70,000
2024	3,040,000	-	235,000	125,000	55,000	25,000	35,000	155,000	50,000	670,000	75,000
2025	3,195,000	-	250,000	125,000	55,000	25,000	-	100,000	55,000	685,000	75,000
2026	3,355,000	-	245,000	125,000	60,000	25,000	-	145,000	55,000	705,000	80,000
2027	3,520,000	-	255,000	-	60,000	30,000	-	200,000	60,000	725,000	80,000
2028	3,695,000	-	265,000	-	65,000	30,000	-	230,000	60,000	745,000	85,000
2029	3,880,000	-	275,000	-	65,000	30,000	-	290,000	65,000	770,000	-
2030	4,075,000	-	290,000	-	70,000	30,000	-	360,000	65,000	795,000	-
2031	4,280,000	-	300,000	-	75,000	35,000	-	2,055,000	70,000	825,000	-
2032	4,495,000	-	310,000	-	-	-	-	2,250,000	70,000	850,000	-
2033	4,720,000	-	325,000	-	-	-	-	2,390,000	-	880,000	-
2034	4,955,000	-	-	-	-	-	-	2,615,000	-	825,000	-
2035	5,105,000	-	-	-	-	-	-	2,990,000	-	700,000	-
2036	5,265,000	-	-	-	-	-	-	3,170,000	-	1,100,000	-
2037	-	-	-	-	-	-	-	-	-	-	-
Principal	64,370,000	158,101	3,635,000	865,000	695,000	315,000	175,000	17,195,000	735,000	12,185,000	665,000
Interest	27,898,762	3,007	1,023,150	151,815	220,275	103,225	10,282	9,930,050	222,800	4,128,301	139,000
	<u>\$ 92,268,762</u>	<u>\$ 161,108</u>	<u>\$ 4,658,150</u>	<u>\$ 1,016,815</u>	<u>\$ 915,275</u>	<u>\$ 418,225</u>	<u>\$ 185,282</u>	<u>\$ 27,125,050</u>	<u>\$ 957,800</u>	<u>\$ 16,313,301</u>	<u>\$ 804,000</u>

Annual principal and interest requirements on indebtedness are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,737,205	\$ 548,447	\$ 2,647,610	\$ 890,518	\$ 3,203,101	\$ 4,296,419
2021	1,529,439	487,641	2,730,022	803,320	3,860,000	4,150,986
2022	1,591,094	420,862	2,829,001	710,536	4,050,000	3,985,026
2023	1,412,208	354,868	2,689,295	606,699	4,235,000	3,807,646
2024	1,469,777	295,443	2,793,839	507,966	4,465,000	3,941,708
2025-2029	5,417,732	764,988	9,828,664	1,224,009	24,840,000	14,742,851
2030-2034	1,401,900	76,561	1,784,550	114,929	38,010,000	8,031,107
2035-2039	-	-	-	-	18,330,000	874,924
	<u>\$ 14,559,355</u>	<u>\$ 2,948,810</u>	<u>\$ 25,302,981</u>	<u>\$ 4,857,977</u>	<u>\$ 100,993,101</u>	<u>\$ 43,830,667</u>

NOTE G – LETTERS OF CREDIT:

As of September 30, 2019, the City had the following letter of credit with Range Bank.

Date Issued	Amount	Interest Rate	Expiration
7/1/2003	\$ 500,000	n/a *	7/1/2020
12/14/2011	\$ 157,430	n/a *	12/14/2019

* - Prime rate, as quoted by the Wall Street Journal, at time of loan

There are no outstanding balances on this letter of credit as of September 30, 2019.

NOTE H – INTERFUND TRANSFERS IN AND TRANSFERS OUT:

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires 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.

The interfund transfers for the year are as follows:

Fund	Transfers In	Fund	Transfers Out
PRIMARY GOVERNMENT:			
Major Street	\$ 88,008	General Fund	\$ 5,376,668
Local Street	1,557,648		
Non-major Governmental	2,624,189		
Internal Service Funds	1,086,142		
Non-major Business-Type	20,681		
Subtotal	<u>5,376,668</u>	Subtotal	<u>5,376,668</u>
Non-major Governmental	1,587,477	Major Street	539,389
General Fund	43,116	Local Street	591,720
Sewage Disposal	-	Internal Service Funds	100,000
Internal Service Funds	292,534	Non-major Governmental	692,018
Subtotal	<u>1,923,127</u>	Subtotal	<u>1,923,127</u>
		Water Supply	1,372,707
		Sewage Disposal	573,026
Internal Service Funds	1,637,153	Stormwater	-
Stormwater Utility	350,000	Non-major Business-Type	41,420
Subtotal	<u>1,987,153</u>	Subtotal	<u>1,987,153</u>
TOTAL REPORTING ENTITY	<u>\$9,286,948</u>	TOTAL REPORTING ENTITY	<u>\$ 9,286,948</u>

The City reports interfund balances between many of its funds. All internal balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A summary of the interfund receivables and payables for the year are as follows:

Fund	Interfund Receivable	Fund	Interfund Payable
PRIMARY GOVERNMENT:			
General Fund	\$ 1,051,597	Major Street	\$ 579,303
		Local Street	472,294
Subtotal	<u>1,051,597</u>	Subtotal	<u>1,051,597</u>
TOTAL REPORTING ENTITY	<u>\$ 1,051,597</u>	TOTAL REPORTING ENTITY	<u>\$ 1,051,597</u>

NOTE I – CAPITAL ASSETS:

A summary of changes in governmental activities capital assets including internal service funds capital assets is as follows:

	Balance at September 30, 2018	Additions	Disposals	Balance at September 30, 2019
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	\$ 14,255,933	\$ -	\$ (566,168)	\$ 13,689,765
Construction in progress	25,228,591	4,802,278	(1,197,142)	28,833,727
Total Capital Assets, not being depreciated	39,484,524	4,802,278	(1,763,310)	42,523,492
Capital Assets Being Depreciated				
Land improvements	8,012,996	495,400	-	8,508,396
Buildings	23,576,675	-	-	23,576,675
Building improvements	6,966,817	81,815	-	7,048,632
Furniture and equipment	13,811,643	564,369	(291,837)	14,084,175
Infrastructure	68,200,501	2,639,183	-	70,839,684
Total Capital Assets, being depreciated	120,568,632	3,780,767	(291,837)	124,057,562
Less Accumulated Depreciation:				
Land improvements	(6,706,048)	(172,355)	-	(6,878,403)
Buildings	(5,647,785)	(1,054,002)	-	(6,701,787)
Building improvements	(5,715,511)	(138,991)	-	(5,854,502)
Furniture and equipment	(11,429,674)	(407,952)	291,837	(11,545,789)
Infrastructure	(36,797,689)	(2,324,511)	-	(39,122,200)
Total Accumulated Depreciation	(66,296,707)	(4,097,811)	291,837	(70,102,681)
Governmental Activities Capital Assets, net	\$93,756,449	\$ 4,485,234	\$ (1,763,310)	\$96,478,373

Depreciation expense for the governmental activities was charged to the following functions and activities of the primary government:

Governmental Activity:	
General Government	\$ 11,236
Public Health and Safety	32,074
Public Works	173,293
Social Services	-
Recreation and Culture	195,641
Depreciation - unallocated	2,374,557
Internal Service Funds charged to above activities	1,311,010
Total Depreciation Expense - Governmental Activities	<u>\$ 4,097,811</u>

NOTE I – CAPITAL ASSETS (Continued):

A summary of changes in business-type activities capital assets is as follows:

	Balance at September 30, 2018	Additions	Disposals	Balance at September 30, 2019
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Subject to Depreciation:				
Land	\$ 38,319	\$ -	\$ -	\$ 38,319
Construction in progress	2,794,834	1,014,699	(3,500,334)	309,199
Total Capital Assets, not being depreciated	2,833,153	1,014,699	(3,500,334)	347,518
Capital Assets Subject to Depreciation:				
Land improvements	3,811,961	773,547	-	4,585,508
Building and building improvements	16,136,381	-	-	16,136,381
Furniture and equipment	6,115,373	66,601	-	6,181,974
Infrastructure	76,494,441	4,722,609	-	81,217,050
Total Capital Assets, being depreciated	102,558,156	5,562,757	-	108,120,913
Less Accumulated Depreciation:				
Land improvements	(2,888,192)	(153,440)	-	(3,041,632)
Building and building improvements	(8,446,440)	(347,710)	-	(8,794,150)
Furniture and equipment	(4,453,609)	(249,159)	-	(4,702,768)
Infrastructure	(30,401,593)	(2,662,615)	-	(33,064,208)
Total Accumulated Depreciation	(46,189,834)	(3,412,924)	-	(49,602,758)
Business-Type Activities				
Capital Assets, net	<u>\$ 59,201,475</u>	<u>\$ 3,164,532</u>	<u>\$ (3,500,334)</u>	<u>\$ 58,865,673</u>

Depreciation expense for the business-type activities was charged to the following functions and activities of the primary government:

Business-Type Activities:	
Water Supply	\$ 1,394,559
Sewage Disposal	1,002,584
Stormwater Utility	831,006
Recreation and Culture	184,775
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,412,924</u>

NOTE I – CAPITAL ASSETS (Continued):

A summary of Component Unit's capital assets as of September 30, 2019 is as follows:

	Board of Light and Power	Peter White Public Library	Downtown Development Authority	Brownfield Redevelopment Authority	Total Component Units
COMPONENT UNITS:					
Land	\$ 291,276	\$ 114,704	\$ -	\$ -	\$ 405,980
Construction in progress	1,104,191	4,044,153	-	-	5,148,344
Total Capital Assets, not being depreciated	1,395,467	4,158,857	-	-	5,554,324
Land improvements	-	117,250	5,248,311	1,285,857	6,651,418
Buildings and improvements	15,594,095	8,909,599	-	-	24,503,694
Furniture and equipment	128,187,957	1,013,636	175,975	-	129,377,568
Total Capital Assets, being depreciated	143,782,052	10,040,485	5,424,286	1,285,857	160,532,680
Less Accumulated Depreciation:					
Land improvements	-	(62,669)	(2,220,376)	(225,244)	(2,508,289)
Buildings and improvements	-	(5,587,083)	-	-	(5,587,083)
Furniture and equipment	-	(1,001,484)	(152,953)	-	(1,154,437)
Unallocated	(49,648,780)	-	-	-	(49,648,780)
Total Accumulated Depreciation	(49,648,780)	(6,651,236)	(2,373,329)	(225,244)	(58,898,589)
Component Units Capital Assets, net	\$ 95,528,739	\$ 7,548,106	\$ 3,050,957	\$ 1,060,613	\$ 107,188,415

Depreciation expense for the component units was charged to the following functions:

Component Units:	
Board of Light and Power	\$4,880,937
Peter White Public Library	139,906
Downtown Development Authority	226,541
Brownfield Redevelopment Authority	112,622
Total Depreciation Expense - Component Units	<u>\$5,360,006</u>

NOTE J – DEFERRED INFLOWS OF RESOURCES:

Deferred inflow of resources are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

1. The Governmental Funds has reported deferred inflows of \$7,955,612. This amount relates to the 2019 tax levy.
2. The Business-Type Funds have reported deferred inflows of \$19,422. This amount, represents the portion of special assessment receivables which are not available resources within the next year.

NOTE J – DEFERRED INFLOWS OF RESOURCES (Continued):

- The Component Units have reported deferred inflows of \$4,252,004 which relates to their portion of the 2019 tax levy.

NOTE K – FUND BALANCES – GOVERNMENTAL FUNDS:

As of September 30, 2019, fund balances of the governmental funds are classified as follows:

- Non-spendable** – amounts that cannot be spent either because they are in non-spendable form, or because they are legally or contractually required to be maintained intact.
- Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed** – amounts that can be used only for specific purposes determined by a formal action of the City Commission. The City Commission is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Commission.
- Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted fund balance policy, the Commission or the Finance Director may assign amounts for specific purposes.
- Unassigned** – all other spendable amounts. The General Fund is the only fund that can report a positive unassigned fund balance amount. However, in other governmental funds, other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

As of September 30, 2019, fund balances are composed of the following:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Funds	Total Governmental Funds
Non-spendable:						
Corpus	\$ -	\$ -	\$ -	\$ -	\$ 865,829	\$ 865,829
Loan Receivable	-	-	-	-	-	-
Inventory	320,719	-	-	-	-	320,719
Prepays	402,714	843,251	-	-	-	1,245,965
Total Non-spendable	\$ 723,433	\$ 843,251	\$ -	\$ -	\$ 865,829	\$ 2,432,513
Restricted:						
Major Street	\$ -	\$ (505,607)	\$ -	\$ -	\$ -	\$ (505,607)
Local Street	-	(272,808)	-	-	-	(272,808)
Fire Dept. - Lifesaving Equipment	11,451	-	-	-	-	11,451
Drug Dog	22,061	-	-	-	-	22,061
Local Development Finance Authority Fund	-	156,016	-	-	-	156,016
Public Education Government (PEG) Fund	-	9,831	-	-	-	9,831
Drug Forfeiture Fund	-	15,340	-	-	-	15,340
MSHDA Downtown Rental Fund	-	46,586	-	-	-	46,586
Road Maintenance Fund	-	1,247,932	-	-	-	1,247,932
Road Safety Improvement Fund	-	771,576	-	-	-	771,576
Criminal Justice Training Fund	-	2,502	-	-	-	2,502
Senior Services Fund	-	701,015	-	-	-	701,015
Total Restricted	\$ 33,512	\$ 2,172,383	\$ -	\$ -	\$ -	\$ 2,205,895
Committed:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned:						
Park Improvements	\$ 12,771	\$ -	\$ -	\$ -	\$ -	\$ 12,771
Capital Outlay	1,000,000	-	-	1,022,751	-	2,022,751
Public Art Fund	-	60,636	-	-	-	60,636
Sanitation Fund	-	492,078	-	-	-	492,078
Lakeview Arena Fund	-	95,740	-	-	-	95,740
Total Assigned	\$ 1,012,771	\$ 648,454	\$ -	\$ 1,022,751	\$ -	\$ 2,683,976
Unassigned:	\$ 9,701,277	\$ -	\$ -	\$ -	\$ -	\$ 9,701,277

NOTE K – FUND BALANCES – GOVERNMENTAL FUNDS (Continued):

The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Finance Director.

Under the adopted policy, the City established guidelines for maintaining adequate levels of unrestricted fund balance, the portion that reflects expendable available financial resources, in the General Fund. The policy stipulates that the unrestricted fund balance shall not be less than two months of regular general fund operating expenditures and transfers out (i.e. “60-day Benchmark”), and not more than six months of regular general fund operating expenditures and transfers out (i.e. “180-day Benchmark”). The policy further establishes that the unrestricted fund balance will be spent down in the following order; committed amounts, assigned amounts, and then unassigned amounts.

NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN:

Summary of Significant Accounting Policies Pensions:

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

General Information about the Pension Plan:

Plan Description

The employer’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN (Continued):

Benefits Provided:

2018 Valuation				
Primary Government	<u>01-Public Works - Closed</u>	<u>02-Police Clerical - Closed</u>	<u>10-Union - Closed</u>	<u>11-PW Supervisor - Closed</u>
	Benefit Multiplier	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
	Normal Retirement Age	60	60	60
	Vesting	10 years	10 years	6 years
	Early Retirement (Unreduced)	55/25	50/25	55/25
	Early Retirement (Reduced)	50/25	55/15	50/25
		55/15	55/15	55/15
	Final Average Compensation	3 years	3 years	3 years
	COLA for Future Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)
	Employee Contributions	6%	6%	6%
	DC Plan for New Hires	---	---	---
	Act 88	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)
	<u>15-Senior Mgmt - Closed</u>	<u>16-Middle Mgmt - Closed</u>	<u>91-PW & Union aft 10/1/12 - Open</u>	
	Benefit Multiplier	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.25% Multiplier (80% max)
	Normal Retirement Age	60	60	60
	Vesting	6 years	6 years	10 years
	Early Retirement (Unreduced)	55/25	55/25	55/25
	Early Retirement (Reduced)	50/25	50/25	50/25
		55/15	55/15	55/15
	Final Average Compensation	3 years	3 years	3 years
	COLA for Future Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)
	Employee Contributions	0%	3% under \$4,200; 5% over \$4,200	6%
	DC Plan for New Hires	7/1/1998	7/1/1998	---
	Act 88	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)
Component Unit - Peter White Public Library	<u>7-PW Lbry Snr - Closed</u>	<u>12-P White Lby - Open</u>	<u>70-PW Lbry Adm - Open</u>	
	Benefit Multiplier	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
	Normal Retirement Age	60	60	60
	Vesting	10 years	10 years	10 years
	Early Retirement (Unreduced)	55/25	55/25	55/25
	Early Retirement (Reduced)	50/25	50/25	50/25
		55/15	55/15	55/15
	Final Average Compensation	5 years	5 years	5 years
	COLA for Future Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)
	Employee Contributions	0%	5%	4.70%
	DC Plan for New Hires	6/1/2016	7/1/1998	---
	Act 88	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)

Employees covered by benefit terms:

At the December 31, 2018 valuation date, the following employees were covered by the benefit terms:

	Primary Government	Component Unit PWPL
Inactive employees or beneficiaries currently receiving benefits	115	11
Inactive employees entitled to but not yet receiving benefits	15	1
Active employees	98	14
Total	228	26

NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN (Continued):

Contributions:

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer and employee contribution rates are as follows as of December 31, 2018:

<u>Division</u>	<u>Employer¹</u>	<u>Employee</u>
Primary Government:		
01 - Public Works	\$85,278	6.00%
02 - Police Clerical	\$6,985	6.00%
10 - Union	\$36,295	6.00%
11 - PW Supervisor	\$31,243	6.00%
15 - Senior Mgmt	\$66,305	0.00%
16 - Middle Mgmt	\$15,349	5.00%
91 - PW & Union aft 10/1/12	7.64%	6.00%
Component Unit - Peter White		
Public Library:		
07 - PW Lbry Snr	\$1,172	0.00%
12 - Pwhite Lby	16.88%	5.00%
70 - PW Lbry Admin	23.56%	4.70%

¹ For open division, a percent of pay contribution is shown. For closed division, a monthly dollar contribution is shown.

Net Pension Liability:

The employer's Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation: 2.5% Salary Increases: 3.75% in the long-term. Investment rate of return: 7.75%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study completed in 2015.

**NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT
SYSTEM OF MICHIGAN (Continued):**

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-weighted Rate of Return
Global Equity	55.5%	6.15%	3.42%
Global Fixed Income	18.5%	1.26%	0.23%
Real Assets	13.5%	7.22%	0.97%
Diversifying Strategies	12.5%	5.00%	0.63%
Inflation			2.50%
Administrative Fee			0.25%
	<u>100.0%</u>		<u>8.00%</u>

Discount rate:

The discount rate used to measure the total pension liability is 8.00% for 2018. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT
SYSTEM OF MICHIGAN (Continued):**

Changes in Net Pension Liability:

Calculating the Net Pension Liability - Primary Government			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Changes in Net Pension Liability			
Balances at 12/31/17	\$ 56,769,871	\$ 34,980,164	\$ 21,789,707
Changes for the Year:			
Service costs	825,143	-	825,143
Interest on total pension liability	4,395,359	-	4,395,359
Changes in benefits	-	-	-
Difference between expected and actual experience	(52,849)	-	(52,849)
Changes in assumption	-	-	-
Employer contributions	-	2,453,865	(2,453,865)
Employee contributions	-	277,569	(277,569)
Net investment income	-	(1,360,225)	1,360,225
Benefit payments, including employee refunds	(3,060,342)	(3,060,342)	-
Administrative expense	-	(66,152)	66,152
Other changes	-	-	-
Net Changes	2,107,311	(1,755,285)	3,862,596
Balances as of 12/31/18	\$ 58,877,182	\$ 33,224,879	\$ 25,652,303

NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN (Continued):

Changes in Net Pension Liability (Continued):

Calculating the Net Pension Liability - Component Unit - Peter White Public Library			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Changes in Net Pension Liability			
Balances at 12/31/17	\$ 3,447,604	\$ 2,424,692	\$ 1,022,912
Changes for the Year:			
Service costs	37,610	-	37,610
Interest on total pension liability	200,339	-	200,339
Changes in benefits	-	-	-
Difference between expected and actual experience	(2,409)	-	(2,409)
Changes in assumption	-	-	-
Employer contributions	-	111,800	(111,800)
Employee contributions	-	25,376	(25,376)
Net investment income	-	(94,393)	94,393
Benefit payments, including employee refunds	(191,797)	(191,797)	-
Administrative expense	-	(4,700)	4,700
Other changes	-	-	-
Net Changes	43,743	(153,714)	197,457
Balances as of 12/31/17	<u>\$ 3,491,347</u>	<u>\$ 2,270,978</u>	<u>\$ 1,220,369</u>
Net Pension Liability (NPL):			
MERS - Primary Government	\$ 25,652,303		
Fire-Police - Primary Government	14,048,206	(See Note M)	
NPL reported in statement of net position	<u>\$ 39,700,509</u>		
Net Pension Liability (NPL):			
MERS - Component Unit - PWPL	\$ 1,220,369		
MERS - Component Unit - BLP	13,369,259	(See Note N)	
NPL reported in statement of net position	<u>\$ 14,589,628</u>		

NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN (Continued):

Sensitivity of the Net Pension Liability to changes in the discount rate:

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

	Primary Government		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	7.00%	8.00%	9.00%
Net Pension Liability at 12/31/18	\$ 25,652,303	\$ 25,652,303	\$ 25,652,303
Change in Net Pension liability (NPL)	6,891,999	-	(5,840,997)
Calculated NPL	<u>\$ 32,544,302</u>	<u>\$ 25,652,303</u>	<u>\$ 19,811,306</u>

	Component Unit - Peter White Public Library		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	7.00%	8.00%	9.00%
Net Pension Liability at 12/31/18	\$ 1,220,369	\$ 1,220,369	\$ 1,220,369
Change in Net Pension liability (NPL)	385,820	-	(326,984)
Calculated NPL	<u>\$ 1,606,189</u>	<u>\$ 1,220,369</u>	<u>\$ 893,385</u>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2019, the employer recognized pension expense/(benefit) of \$1,289,955 (\$1,290,421 for the primary government and (\$466) for the component unit – Peter White Public Library). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	MERS - Primary Government		MERS - Component Unit - Peter White Public Library	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ -	\$ (516,161)	\$ -	\$ (31,288)
Differences in assumptions	51,811	(51,811)	171,522	-
(Excess) Deficit Investment Returns	2,604,006	(4,832)	-	-
Subtotal	<u>2,655,817</u>	<u>(572,804)</u>	<u>171,522</u>	<u>(31,288)</u>
Contributions subsequent to the measurement date*	-	-	56,900	-
Total	<u>\$ 2,655,817</u>	<u>\$ (572,804)</u>	<u>\$ 228,422</u>	<u>\$ (31,288)</u>

* - The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2020.

**NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT
SYSTEM OF MICHIGAN (Continued):**

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred (Inflows) and Deferred Outflows of Resources by Year (To Be Recognized in Future Pension Expenses)		
Plan Year Ended December 31,	Primary Government Amount	Component Unit - Peter White Public Library Amount
2019	\$ (697,571)	\$ 47,351
2020	(44,676)	2,064
2021	(512,198)	33,620
2022	(828,568)	57,199
2023	-	-
Thereafter	-	-
Total	<u>\$ (2,083,013)</u>	<u>\$ 140,234</u>

	Primary Government All Pension Plans	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Deferred amounts related to pension:		
Primary government - MERS	\$ 2,655,817	\$ (572,804)
Primary government - Fire-Police (See Note M)	2,749,677	(1,456,861)
Deferred amounts related to pension reported in Statement of Net Position	<u>\$ 5,405,494</u>	<u>\$ (2,029,665)</u>

	Component Units All Pension Plans	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Deferred amounts related to pension:		
Component Unit - Peter White Public Library	\$ 171,522	\$ (31,288)
Component Unit - Board of Light and Power	2,165,023	(67,616)
Deferred amounts related to pension reported in Statement of Net Position	<u>\$ 2,336,545</u>	<u>\$ (98,904)</u>
Contributions subsequent to the measurement date		
Component Unit - Peter White Public Library	\$ 56,900	
Component Unit - Board of Light and Power	2,365,722	
Contributions subsequent to measurement date reported in Statement of Net Position	<u>\$ 2,422,622</u>	

(See Note N)

NOTE L – DEFINED BENEFIT PENSION PLAN – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN (Continued):

Payable to Pension Plan:

At September 30, 2019, the City and component unit – Peter White Public Library reported a payable of \$0 and \$0, respectively, for the outstanding amount of the contributions to the pension plan required for the year ended September 30, 2019.

NOTE M – DEFINED BENEFIT PENSION PLAN – FIRE-POLICE RETIREMENT SYSTEM:

Summary of Significant Accounting Policies

Basis of Accounting – The City of Marquette Fire - Police Retirement System financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

Plan Description

The City of Marquette is the administrator of a single-employer public employee retirement system ("System") established and administered by the City of Marquette to provide pension benefits for Fire Department and Police Department employees. The Fire - Police Retirement System is considered part of the City of Marquette's financial reporting entity and is included in the City's financial report as a pension trust fund. The Fire/Police Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the City Treasurer. The City's payroll for employees covered by the System for the year ended September 30, 2019 was \$3,698,660; the City's total payroll was \$12,054,092.

Management of the System is vested in Police/Fire Pension Board of the City of Marquette, Michigan Fire-Police Retirement System, which consist of five members: two that are elected (one each representing fire and police employees), two that are appointed by the City Commission of the City of Marquette, and one that is the Treasurer of the City of Marquette.

Current membership in the plan comprises the following as of December 31, 2018, the latest actuarial valuation date:

Group	
Retirees and beneficiaries currently receiving benefits	68
Vested terminated members	4
Active employees:	
Fire	26
Police	33
TOTAL	<u>131</u>

The qualifying full-time employees of the Fire Department and Police Department are eligible to participate in the System. Benefits vest after ten years of service. Employees who retire at or after the

NOTE M – DEFINED BENEFIT PENSION PLAN – FIRE-POLICE RETIREMENT SYSTEM (Continued):

age of 50 with 25 or more years of credited service or age 60 with 10 or more years of service, are entitled to annual retirement benefits, payable monthly for life, in an amount equal to a minimum of \$600 a month, or 2.5% (3% for Fire members) of a three-year average final compensation times the first twenty-five years of service plus 1.5% (1% for Fire members) of average final compensation times years of service in excess of twenty-five years. The System also provides death and disability benefits.

Non-duty disability benefits are payable upon the total and permanent disability of a member with 5 or more years of service. Benefits up to age 55 are paid equaling 1.5% of the average final compensation times the years of service. Benefits after the age of 55 are the same as benefits received from service retirement.

Disability benefits from the total or permanent disability of a member in the line of duty are payable, up to the age of 55, (age 50 for Fire members) at 50% of the average final compensation. Benefits after the age of 55 are the same as benefits from service retirement with service credit from date of disability to age 55, except for fire members whose full retirement is the equivalent of 25 years of service that the member would have had if not disabled.

If an active employee dies in the line of duty, the beneficiary will receive the same amount that was paid by worker's compensation.

If an active employee with 20 or more years of service (10 years required for fire members) dies not in the line of duty, the surviving spouse, if any, will receive an amount equal to the accrued straight life pension actuarially reduced in accordance with Option I election.

Contributions

Covered employees are required by statute to contribute 5% of their salary to the System. If an employee leaves covered employment or dies before being eligible for retirement, the total accumulated employee contributions plus related investment earnings may be refunded to the employee or designated beneficiary. Benefit and contribution provisions are established by State statute and City ordinance.

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the year ended September 30, 2019 were determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities were amortized as a level percent of payroll over an open period of 19 years for police and 19 years for fire.

During the year ended September 30, 2019, September 30, 2018, and September 30, 2017, contributions totaling \$1,626,480; \$1,560,811, and \$1,489,696, respectively, were made in accordance with contribution requirements determined by an actuarial valuation of the System.

The required contribution was determined using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.0% per year, compounded annually, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.00% to 3.50% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period.

NOTE M – DEFINED BENEFIT PENSION PLAN – FIRE-POLICE RETIREMENT SYSTEM (Continued):

Concentrations of Investments

Wells Fargo Pooled Funds:

Wells Fargo Core Bond CIT F	\$ 3,217,322
Wells Fargo/Dodge & Cox Intermediate Bond CIT F	\$ 3,225,997
Wells Fargo/Federated Total Return Bond CIT F	\$ 3,222,398
Wells Fargo/Blackrock S&P Midcap Index CIT F	\$ 2,968,725
Wells Fargo/Blackrock S&P 500 Index CIT F	\$ 4,609,431

Mutual Funds - Corporate Bonds:

Metropolitan West Total Return Bond Fund Class I #512	\$ 3,211,142
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Net Pension Liability of the City (Under GASB 67):

The components of the net pension liability of the City at December 31, 2018, the most recent actuarial, is as follows:

	2018
Total pension liability	\$ 48,819,235
Plan fiduciary net position	34,771,029
City's net pension liability	<u>\$ 14,048,206</u>

Plan fiduciary net position as
a percentage of the total pension liability 71.2%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	3.5 percent
Salary increases	3.5 – 7.0 percent, average, including inflation
Investment rate of return	6.75 percent, net of Plan investment expense, including inflation

The following mortality tables were used for the December 31, 2018 valuation. These tables were adjusted backwards to 2006 with the MP-2014 scale. A base year of 2006 with future mortality improvements using scale MP-2017 was used.

- Pre-Retirement: RP-2014 Employee Mortality Tables
- Healthy Post-Retirement: RP-2014 Health Annuitant Mortality Tables
- Disabled Retirement: RP-2014 Disable Mortality Tables

The long-term expected rate of return on the Systems investments is determined using a calculation of a Single Discount Rate. GASB 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the Fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on

NOTE M – DEFINED BENEFIT PENSION PLAN – FIRE-POLICE RETIREMENT SYSTEM (Continued):

pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by Fidelity) as a measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The long-term expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 3.83%; and the resulting Single Discount Rate is 6.75%

Discount Rate. The single discount rate of 6.75% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all

projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability
	(a)	(b)	(a)-(b)
Changes in Net Pension Liability			
Balances at 12/31/17	\$ 46,900,426	\$ 33,904,843	\$ 12,995,583
Changes for the Year:			
Service costs	980,498	-	980,498
Interest on total pension liability	3,117,532	-	3,117,532
Changes in benefits	-	-	-
Difference between expected and actual experience	230,811	-	230,811
Changes in assumption	-	-	-
Employer contributions	-	1,626,480	(1,626,480)
Employee contributions	-	216,333	(216,333)
Net investment income	-	1,452,584	(1,452,584)
Benefit payments, including employee refunds	(2,410,032)	(2,410,032)	-
Administrative expense	-	(19,179)	19,179
Other changes	-	-	-
Net Changes	1,918,809	866,186	1,052,623
Balances as of 12/31/18	\$ 48,819,235	\$ 34,771,029	\$ 14,048,206

NOTE M – DEFINED BENEFIT PENSION PLAN – FIRE-POLICE RETIREMENT SYSTEM (Continued):

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 858,295	\$ (530,269)
Differences in assumptions	1,238,420	(178,832)
(Excess) Deficit Investment Returns	652,962	(747,760)
Subtotal	2,749,677	(1,456,861)
Contributions subsequent to the measurement	-	-
Total	\$ 2,749,677	\$ (1,456,861)

Deferred (Inflows) and Deferred Outflows
of Resources by Year (To Be Recognized
in Future Pension Expenses)

Plan Year Ended December 31,	Amount
2019	\$ 214,784
2020	370,892
2021	461,647
2022	241,877
2023	3,616
Thereafter	-
Total	\$ 1,292,816

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the Net Pension Liability, calculated using the discount rate of 6.75%, as well as what the Net Pension Liability would be using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability at 12/31/18	\$ 14,048,206	\$ 14,048,206	\$ 14,048,206
Change in Net Pension Liability (NPL)	6,518,034	-	(5,382,027)
Calculated NPL	\$ 20,566,240	\$ 14,048,206	\$ 8,666,179

NOTE N – DEFINED BENEFIT PENSION PLAN BOARD OF LIGHT AND POWER – COMPONENT UNIT:

Plan Description

The Board's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Board participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com, or writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

The Board's defined benefit pension plan includes a hybrid division. The hybrid division is effective as of January 1, 2015, covering all bargaining, non-bargaining, and management employees hired on or after January 1, 2015. The hybrid division includes a defined benefit portion as well as a defined contribution portion.

**NOTE N – DEFINED BENEFIT PENSION PLAN BOARD OF LIGHT AND POWER – COMPONENT UNIT
(Continued):**

Benefits Provided

Benefits provided include plans with multipliers ranging from 2.0 percent to 2.5 percent.

Vesting periods for the plan range from eight years to ten years.

Normal retirement age is 60. The plan provides for early retirement benefits for all active employees at age 55 with 25 years of service without reduced benefits, at age 50 with 25 years of service at a reduced benefit, and at age 55 with 15 years of service at a reduced benefit.

Final average compensation is calculated based on five years, with the exception of the defined benefit division that is included within the Board’s hybrid division which is calculated based on three years.

Employees Covered by Benefit Terms

At the December 31, 2018, measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	105
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>36</u>
Total inactive and active plan members	<u>147</u>

Contributions

The Board is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board may establish contribution rates to be paid by its covered employees. Active plan members are required to contribute amounts ranging from 4.7 percent to 4.8 percent of their annual salary to the plan. For the year ended September 30, 2019, contributions made by the Board totaled \$3,154,558.

Net Pension Liability

The Board’s Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:

2.5 percent

Salary increases:

The pay increase assumption used in the actuarial valuation projects annual pay increases of 3.75 percent in the long term.

**NOTE N – DEFINED BENEFIT PENSION PLAN BOARD OF LIGHT AND POWER – COMPONENT UNIT
(Continued):**

Investment rate of return:

7.75 percent, net of investment and administrative expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5 percent long-term wage inflation assumption would be consistent with a price inflation of 3 percent to 4 percent.

Current, active Board bargaining, non-bargaining, and management employees covered by the defined benefit plan hired prior to July 1, 1999, are entitled to an annual cost of living benefit upon retirement.

Mortality rates used were based on RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study in 2009-2013.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global Equity	55.50%	6.15%	3.42%
Global Fixed Income	18.50%	1.26%	0.23%
Real Assets	13.50%	7.22%	0.97%
Diversifying Strategies	12.50%	5.00%	0.63%
Inflation			2.50%
Administrative fee			0.25%
	<u>100.00%</u>		<u>8.00%</u>

Discount Rate

The discount rate used to measure the total pension liability is 8.00 percent for 2018. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE N – DEFINED BENEFIT PENSION PLAN BOARD OF LIGHT AND POWER – COMPONENT UNIT
(Continued):**

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at December 31, 2017	\$41,543,821	\$28,353,008	\$13,190,813
Changes for the Year:			
Service Cost	243,983	-	243,983
Interest on Total Pension Liability	3,202,987	-	3,202,987
Changes in benefits	-	-	-
Difference between expected and actual experience	(27,628)	-	(27,628)
Changes in assumptions	-	-	-
Employer Contributions	-	4,366,887	(4,366,887)
Employee Contributions	-	105,447	(105,447)
Net investment income	-	(1,175,114)	1,175,114
Benefit payments, including employee refunds	(3,256,943)	(3,256,943)	-
Administrative expense	-	(56,324)	56,324
Other changes	-	-	-
Net changes	162,399	(16,047)	178,446
Balances as of December 31, 2018	<u>\$41,706,220</u>	<u>\$28,336,961</u>	<u>\$13,369,259</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the Board, calculated using the discount rate of 8.00 percent, as well as what the Board's Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent) or one percentage point higher (9.00 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability at December 31, 2018	\$ 17,487,735	\$ 13,369,259	\$ 9,840,239

The current discount rate shown for GASB No. 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

**NOTE N – DEFINED BENEFIT PENSION PLAN BOARD OF LIGHT AND POWER – COMPONENT UNIT
(Continued):**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions***

For the year ended September 30, 2019, the Board recognized pension expense of \$1,881,485. The employer reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ -	\$ (67,616)
Differences in assumptions	-	-
Excess/Deficit in investment returns	2,165,023	-
Subtotal	2,165,023	(67,616)
Contributions subsequent to the measurement date*	2,365,722	-
Total	<u>\$ 4,530,745</u>	<u>\$ (67,616)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending 9/30/20.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred (Inflows) and Deferred Outflows of Resources by Year (To Be Recognized in Future Pension Expenses)	
Plan Year Ended December 31,	Amount
2019	\$ 664,301
2020	291,081
2021	444,081
2022	697,944
Thereafter	-
Total	<u>\$ 2,097,407</u>

NOTE O – DEFINED CONTRIBUTION PENSION PLAN:

CITY OF MARQUETTE:

The City of Marquette provides pension benefits to Senior Management Division 15 and Middle Management Division 10 employees through a defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City established the MERS Benefit Program DS in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, as amended by and as authorized by Section 19A of the Municipal Employees' Retirement System of Michigan Plan Document. The ICMA Retirement Corporation is the Plan Administrator and the City has agreed to the commingled investment of assets of the Plan within the ICMA Retirement Trust.

NOTE O – DEFINED CONTRIBUTION PENSION PLAN (Continued):

At September 30, 2019 there were 21 plan members. Plan members are required to contribute 3% of covered earnings and the City is required to contribute 13% or 9% of covered earnings for the Senior Management Division and Middle Management Division, respectively. In accordance with these requirements, the City contributed \$134,038 during the current year and employees contributed \$38,633. The employees under the Plan are immediately vested.

BOARD OF LIGHT AND POWER – COMPONENT UNIT:

The Board adopted a defined contribution pension plan effective August 1, 1998, covering all salaried employees hired on or after July 1, 1998. All union employees hired after July 1, 2006, will be enrolled in the 401(a) Money Purchase Plan (Defined Contribution Plan). The Board is required to contribute 13.0 percent and covered employees are each required to contribute 5.0 percent of annual covered payroll. Employees may voluntarily contribute up to an additional 10.0 percent of their annual salary up to the maximum allowed under the Internal Revenue Code.

The Board adopted a hybrid pension division effective January 1, 2015, covering all bargaining, non-bargaining, and management employees hired on or after January 1, 2015, through May 31, 2018. Management employees hired on or after June 1, 2018, are covered by the defined contribution pension plan described above. The hybrid division includes a defined benefit portion as well as a defined contribution portion. For the defined contribution portion, employees will be enrolled in the 401(a) Money Purchase Plan (Defined Contribution Plan). The Board is required to contribute 5.0 percent and covered employees are each required to contribute 6.0 percent of annual covered payroll. See Note N for details on the defined benefit portion of the hybrid plan.

For the fiscal year ended September 30, 2019, combined contributions by the Board totaled \$437,826 and combined contributions by the employees totaled \$198,370.

PETER WHITE PUBLIC LIBRARY – COMPONENT UNIT:

The Library provides pension plan benefits to 110409 Division through a defined contribution pension plan. In a defined contribution pension plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. The Library established the MERS Benefit Program DS in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, as amended by and authorized by Section 19A of the Municipal Employees' Retirement System of Michigan Plan Document. The ICMA Retirement Corporation is the Plan Administrator and the Library has agreed to the commingled investment of assets of the plan with the ICMA Retirement Trust.

At September 30, 2019, there was 1 plan member. Plan members are required to contribute 3% of covered earnings and the Library is required to contribute 13% of covered earnings. In accordance with these requirements, the Library contributed \$9,844 during the current year and employee contributed \$2,272. The employees under the plan are immediately vested.

NOTE P – DEFERRED COMPENSATION PLAN:

The City, along with its component unit, the Downtown Development Authority, offers its employees deferred compensation plans created in accordance with the Internal Revenue Code, Section 457. The plans are available to all Board of Light and Power employees and to all other City employees and permit them to defer a portion of their current earnings until the employee's termination, retirement, death, or unforeseeable emergency.

Due to changes in the Internal Revenue Code, the Plan's assets are considered to be property of the Plan's participants and are no longer subject to the City's general creditors. Therefore, in accordance

NOTE P – DEFERRED COMPENSATION PLAN (Continued):

with the provisions of GASB Statement No. 32, Plan balances and activities are not reflected in these financial statements.

The Plan's participants have the right to designate how the funds will be invested. Accordingly, the City has no liability for losses under the Plan. The Plan's assets are held in trust for the exclusive benefit of the Plan's participants and their beneficiaries.

The City's plans are administered by the Nationwide Retirement Solutions (formally known as PEBSCO), the International City Manager's Association (ICMA), American Express Financial Advisors, Inc. and the Variable Annuity Life Insurance Company (VALIC). Nationwide and ICMA, as plan administrators, agree to hold harmless and indemnify the City, its appointed and elected officers and participating employees from any loss resulting from Nationwide or ICMA or their respective agent's failure to perform their duties and services pursuant to the ICMA and Nationwide programs.

The Component Unit's (Board of Light and Power's) plans are administered by the ICMA and Nationwide. ICMA and Nationwide, as plan administrators, agree to hold harmless and indemnify the Board, its appointed and elected officers and participating employees from any loss resulting from ICMA or nationwide or their agents' failure to perform their duties and services pursuant to the ICMA and Nationwide programs.

NOTE Q – ACCUMULATED COMPENSATED ABSENCES:

Sick Leave – Employees earn sick leave at the rate of one (1) day per month, not to exceed 12 days per year. Upon retirement or termination, employees in good standing after at least ten (10) years of service shall be paid one-half such sick leave accumulated at that time up to a maximum accrual of 1,800 hours at their current rate of pay. Certain bargaining unit employees who were hired before January 1, 1975, shall be paid one-half of all sick leave hours accumulated at the time of retirement or termination. Management employees whose accrued sick leave balances were greater than 1,800 hours for the pay period of June 9, 1997 through June 22, 1997 have their sick leave balance capped at the higher hours for payout purposes at the time of retirement or termination. Management employees hired after June 30, 1998, have their accrued sick leave balance capped at 1,000 hours for payout purpose at the time of retirement or termination.

Vacation Leave – Employees earn vacation leave at various schedules dependent upon their length of employment. Upon retirement or termination, employees are paid for such vacation accumulated at that time up to a maximum accrual of 400 hours. Certain supervisory employees are paid for such vacation accumulated at that time up to a maximum accrual of 408 hours. Management employees whose accrued vacation balances were greater than 400 hours for the pay period of June 9, 1997 through June 22, 1997 have their vacation balance capped at the higher hours for payout purposes at the time of retirement or termination. Management employees hired after June 30, 1998 have a maximum accrual of 200 vacation hours for payout purposes at the time of retirement or termination. Fire and Police employees are paid for all accrued vacation hours accumulated at the time of retirement or termination up to certain capped levels.

Benefit Day Leave – Effective December 11, 2000, all new hired Department Heads of Middle Managers earn benefit leave dependent upon their length of employment, Current Department Heads and Middle Managers at that time had the option of remaining under the regular Vacation and Sick Leave or electing the Benefit Leave. If the Benefit Leave was elected, their accumulated vacation and sick leave was converted to benefit leave. Vacation leave was converted on a one for one basis while sick leave was converted on a two for one basis. By December 31 of every year, these employees have the option of being paid for accumulated benefit leave not to exceed 5% of their annual base pay, provided they maintain a minimum of 232.5 benefit hours. These employees have their benefit leave capped at 1,100 hours for payout purposes at the time of retirement or termination.

NOTE Q – ACCUMULATED COMPENSATED ABSENCES (Continued):

The liabilities for accumulated, unpaid vacation, sick and benefit leave at September 30, 2019 are as follows:

	Benefit Leave and Vacation	Sick	Total
PRIMARY GOVERNMENT:			
Current portion	\$ 442,362	\$ 244,388	\$ 686,750
Long-term portion	1,213,464	366,581	1,580,045
TOTAL	<u>\$ 1,655,826</u>	<u>\$ 610,969</u>	<u>\$ 2,266,795</u>
COMPONENT UNITS:			
Current portion	\$ 577,551	\$ 471,047	\$ 1,048,598
Long-term portion	63,133	-	63,133
TOTAL	<u>\$ 640,684</u>	<u>\$ 471,047</u>	<u>\$ 1,111,731</u>

NOTE R – JOINT VENTURE – MARQUETTE COUNTY SOLID WASTE MANAGEMENT AUTHORITY:

In June of 1988, the City of Marquette joined with 19 other municipalities to create the Marquette County Solid Waste Management Authority ("Authority"). The Authority was created pursuant to Act 233 of 1955 to plan for, acquire, construct, finance, operate, maintain, repair and dispose of, whether by sale, lease, or otherwise, an Act 641 landfill, including all improvements, appurtenances, easements, accessory facilities and structures, equipment, and other property part of or incidental to the landfill sufficient to satisfy the requirements of, and function as, a solid waste disposal area under Act 641 and to establish and administer procedures providing for the separation, recycling, recovery, conversion of solid waste to energy and for the disposition of such energy output and disposal at the site of Non-toxic Type II and Type III Solid Waste, to fund all of the above activities, and to charge and collect fees in connection with the operation of the landfill and to provide for the reimbursement with receipt of bond proceeds to the City of Marquette and Sands Township of their respective costs and expenses incurred in connection with the establishment and administration of the Solid Waste Authority and the System Facility.

As required by Governmental Accounting Standards Board Statement No. 14, the City's investment in this joint venture is recorded as an asset. The audited financial statements for the Marquette County Solid Waste Management Authority can be obtained at P.O. Box 936, Marquette, Michigan 49855.

The Authority is governed by a Board of Trustees consisting of one (1) member (who shall be the chairperson of the Board of Trustees) designated by the Sands Township Supervisor on behalf of the Sands Township, two (2) members designated by the Marquette City Commission, three (3) members designated by the Marquette County Board of Commissioners, and one (1) resident of the City of Marquette appointed by the other six Authority Board members. All decisions of the Board are made by majority vote, consisting of at least four of its members.

The City's share of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund equity is approximately 30%. The total investment in the Authority at September 30, 2019, by the City is \$3,001,623.

**NOTE R – JOINT VENTURE – MARQUETTE COUNTY SOLID WASTE MANAGEMENT AUTHORITY
(Continued):**

Summary financial information as of and for the fiscal year ended June 30, 2019, the latest available report, is as follows:

Total Assets	\$ 15,369,639
Deferred Outflows of Resources	277,768
Total Liabilities	5,547,147
Deferred Inflows of Resources	94,850
Total Net Position	10,005,410
Total Operating Revenues	3,179,262
Total Operating Expenses	3,623,392
Total Nonoperating Revenues (Expenses)	45,576
Change in Net Position	(398,554)

NOTE S – RISK MANAGEMENT:

The City of Marquette is exposed to various risks of loss related to property, loss, torts, errors and omissions, and employee injuries (workmen's compensation). As of July 1, 1997, the City participates in the Michigan Municipal League Property and Liability Pool for claims relating to other liability and property claims and participates in the Michigan Municipal Workers Compensation Pool for employee injury claims.

The Michigan Municipal League risk pool programs operate as common risk-sharing/management programs for local units of government in Michigan. Member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. The City's maximum deductible for property and liability coverage is \$75,000 per occurrence, subject to \$250,000 aggregate per policy year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City purchases commercial health care insurance from Blue Cross/Blue Shield of Michigan for all employees, including retired employees.

NOTE T – OTHER POST EMPLOYMENT BENEFITS:

Plan Description

Effective October 1, 2017, the City adopted the provision of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The City of Marquette Retiree Medical Plan is a single employer plan established and administered by the City and can be amended at its discretion.

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):

Benefits Provided:

	Valuation Period Ending September 30, 2019					
	Public Works	City Hall	Supervisory	Police	Fire	Department Heads
Eligibility Requirements						
Hired prior to:	Sept. 25, 2012	July 12, 2012	July 12, 2013	Aug. 6, 2013	July 1, 2013	July 28, 2005
Age/Years of Service:	55 / 25	55 / 25	55 / 25	50 / 25	50 / 25	n/a / 15
Summary of Benefits						
Monthly payment toward medical and drug premiums:	\$225 (or actual if cost is less)	\$200 (or actual if cost is less)	\$225 (or actual if cost is less)		\$250 (or actual if cost is less)	
Police:						
Unit 1				\$250 (or actual if cost is less)		
Unit 2				\$310 (or actual if cost is less)		
Department Heads:						
Retired Prior to Jan. 28, 2006						100% mo. Premium
Retired on or after Jan. 28, 2006:						
15 - 19 Years of Service:						65% mo. Premium
20 - 24 Years of Service:						80% mo. Premium
25+ Years of Service:						100% mo. Premium
Spousal Coverage	Same as retiree*	Same as retiree*	Same as retiree*	Same as retiree*	Same as retiree*	
* if married prior to retirement						
Department Heads:						
Retired Prior to Jan. 28, 2006						Same as retiree*
Hired prior to Sep. 3, 2002						Same as retiree*
Hired on or after Sep. 3, 2002						None
Benefit End Date						
Retiree Attains the Age of	65	65	65	65	65	
Department Heads:						
Retired Prior to Jan. 28, 2006						Lifetime
Hired prior to Sep. 3, 2002						Lifetime
Hired on or after Sep. 3, 2002						65
Changes Since Prior Valuation	None	None	None	None	None	None

Summary of Plan Participants:

Membership of the plan consisted the following for the September 30, 2019 valuation:

	Public Works	City Hall	Supervisory	Police	Fire	Department Heads	Middle Management	Total
Retirees	9	2	3	7	3	20	9	53
Active Employees	25	13	7	23	16	4	6	94
Total	34	15	10	30	19	24	15	147

Funding Policy:

- 1.) The City has the authority to establish and amend the obligation of the City and plan members to contribute to the plan.
- 2.) Active plan members are currently not obligated to make contributions to the plan.
- 3.) The City will make contributions to an irrevocable investment fund, as able, using the actuarially calculated contribution as a guide. Benefit payments made directly to retirees or on behalf of retirees from general operating funds will be counted as plan contributions.

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):

Summary of Significant Accounting Policies:

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to PEB, and OPEB expenses, information about the fiduciary net position of the City of Marquette OPEB Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Assumptions and Methods

The City's OPEB liability is measured as of September 30, 2019.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2019. The following actuarial assumptions were used in the measurement:

Annual wage increases:	3.50% (for purposes of allocating liability)
Inflation:	2.50%
Investment rate of return:	7.75%
20-year Aa Municipal bond rate:	3.58%
Mortality	2010 Headcount weighted Public General and Public Safety Employees and Healthy Retirees with MP-2018 mortality improvement scale.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expect returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	55.5%	6.15%
Global fixed income	18.5%	1.25%
Real assets	13.5%	7.22%
Diversifying strategies	12.5%	5.00%

The sum of each target allocation times its long-term expected rate is 7.75%.

Discount Rate:

The discount rate used to measure the total OPEB liability was 4.63%. The projection of cash flows used to determine the discount rate assumed that there will be \$120,000 Employer contributions plus benefit payments made from general operating funds for the next 7 years. Based on those assumptions, the plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan participants until 2031 – the cross-over point. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):

municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. The discount rate used as of September 30, 2018 was 4.62%.

Changes in Net OPEB Liability

Calculating the Net OPEB Liability - Primary Government			
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at September 30, 2018	\$ 6,938,272	\$ 364,983	\$ 6,573,289
Changes during the year:			
Service cost (beginning of year)	62,583	-	62,583
Interest	316,299	-	316,299
Experience (gains)/losses	(276,093)	-	(276,093)
Change in actuarial assumptions	621,649	-	621,649
Contributions to OPEB trust	-	118,098	(118,098)
Contributions/benefit paid from general operating funds	-	309,059	(309,059)
Net investment income	-	12,517	(12,517)
Benefit payments	(309,059)	(309,059)	-
Administrative expenses	-	(862)	862
Other changes	-	-	-
Total changes	415,379	129,753	285,626
Balance at September 30, 2019	\$ 7,353,651	\$ 494,736	\$ 6,858,915

Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the City, calculated using trend and discount rates 1% higher and lower than base assumptions:

	1% Decrease, 3.62%	Current Discount Rate, 4.62%	1% Increase, 5.62%
<u>Discount</u>			
Total OPEB Liability	\$ 8,212,123	\$ 7,353,651	\$ 6,674,582
Plan Fiduciary Net Position	494,736	494,736	494,736
Net OPEB Liability	<u>\$ 7,717,387</u>	<u>\$ 6,858,915</u>	<u>\$ 6,179,846</u>
<u>Trend</u>	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	\$ 6,899,245	\$ 7,353,651	\$ 7,911,100
Plan Fiduciary Net Position	494,736	494,736	494,736
Net OPEB Liability	<u>\$ 6,404,509</u>	<u>\$ 6,858,915</u>	<u>\$ 7,416,364</u>

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):**Actuarially Determined Contribution**

Actuarially Determined Contribution for the Fiscal Year Ending September 30, 2019 are as follows:

Service Cost (End of Year)	\$ 62,583
Unfunded Actuarial Accrued Liability (UAAL)	\$ 6,957,279
Amortization Factor, 30 Years	16.53355
Amortization of UAAL	\$ 397,573
Interest to End of Year	\$ 21,258

Actuarially Determined Contributions (ADC)	\$ 481,414
OPEB Expense – GASB 75	

Below are the components of the Total OPEB Expense under GASB 75 for 2019.

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of September 30, 2019 is \$494,736.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	\$ -	\$ (236,614)
Changes of Assumptions	485,022	(660,132)
Investment Earnings (Gains)/Losses	20,985	-
TOTAL	\$ 506,007	\$ (896,746)

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

Year Ended September 30,	Amount Recognized
2020	\$ (135,564)
2021	(135,564)
2022	(135,564)
2023	15,953
2024	-
Thereafter	-
	\$ (390,739)

NOTE U – OTHER POST-EMPLOYMENT BENEFITS BOARD OF LIGHT AND POWER – COMPONENT UNIT:

The Marquette Board of Light and Power provides post-employment health care benefits to eligible retirees and their dependents. The benefits are provided in accordance with a collective bargaining agreement. Retirees must be eligible to receive immediate benefits from the MERS System to be covered; therefore, deferred vested retirees are ineligible for retiree medical coverage. All employees hired on or after July 1, 1995, will upon retirement, receive full Board-paid health care premiums until they become eligible for reduced Social Security benefits. The Board will continue to pay the premiums at the existing premium rate and the retiree will pay 20 percent of the monthly premium rate during the remainder of their retirement. The annual premium rate will be based on actual premium costs provided by the carrier. Retired employees are required to be covered by existing or future federal or state programs such as Medicare, when eligible.

Effective October 1, 2017, the Board was required to adopt the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Funding Policy

The contribution requirements of plan members and the Board are established in accordance with a collective bargaining agreement. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board. For the years ended September 30, 2019 and 2018, the Board contributed \$1,190,487 and \$1,306,364, respectively, to the plan representing current premiums, and an additional \$2,100,000 and \$3,000,000, respectively, to the RHFV.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (October 1, 2017):

	Active Employees	Retirees & Spouses	Total
Covered participants	67	156	223
Average age	43.2	68.9	61.2
Average services	11.1	N/A	N/A
Percentage male	85.1%	50.0%	60.5%

Net OPEB liability: The total OPEB liability as of October 1, 2018, valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Salary increases:	3.75%
Discount rate:	6.80%
Inflation:	2.50%
Investment rate of return, net of inflation:	4.30%
Municipal bond index:	3.35%
Healthcare cost trend rates:	6.00% - graded down 0.25% each year to ultimate rate of 4.50%

The long-term expected rate of return on OPEB plan investments was determined using a building block model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce a long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage by adding expected inflation.

**NOTE U – OTHER POST-EMPLOYMENT BENEFITS BOARD OF LIGHT AND POWER –
COMPONENT UNIT (Continued):**

The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return	Expected Money Weighted Rate of Return
Global equity	52.00%	6.15%	3.20%
US Fixed Income	8.50%	0.37%	0.03%
Global Fixed Income	27.80%	1.26%	0.35%
Real Assets	6.10%	7.22%	0.44%
Diversifying Strategies	5.60%	5.00%	0.28%
Inflation			2.50%
	<u>100.00%</u>		<u>6.80%</u>

The Board has chosen for the Plan an asset mix intended to meet or exceed a long-term rate of return of 4.30 percent, net of inflation. One hundred percent (100%) of the Plan's investments are invested in the MERS total market portfolio.

Rate of Return: For the year ended September 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 4.30 percent. The money-weighted rate of return expresses investment performance net of investment expense adjusted for the changing amounts actually invested.

Discount rate: The discount rate used to measure the total OPEB liability was 6.80 percent. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarial determined rates for employers. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees; therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE U – OTHER POST-EMPLOYMENT BENEFITS BOARD OF LIGHT AND POWER –
COMPONENT UNIT (Continued):**

Changes in the Net OPEB Liability during the measurement year were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2018	\$ 19,617,995	\$ 7,926,822	\$ 11,691,173
Changes for the year:			
Service cost	224,487	-	224,487
Interest on Total Pension Liability	1,301,180	-	1,301,180
Changes in benefits	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	3,290,487	(3,290,487)
Participant contributions	-	-	-
Projected investment income	-	609,833	(609,833)
Difference between expected and actual earnings	-	(259,051)	259,051
Benefit payments, including employee refunds	(1,190,487)	(1,190,487)	-
Administrative expense	-	(17,378)	17,378
Other changes	-	-	-
Net changes	335,180	2,433,404	(2,098,224)
Balances at September 30, 2019	\$ 19,953,175	\$ 10,360,226	\$ 9,592,949

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

The following presents the Net OPEB Liability of the Board, calculated using the discount rate of 6.80 percent, as well as what the Board's Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (5.80 percent) or one percentage point higher (7.80 percent) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Total OPEB liability	\$ 22,733,034	\$ 19,953,175	\$ 17,653,108
Fiduciary net position	10,360,226	10,360,226	10,360,226
Net OPEB Liability	\$ 12,372,808	\$ 9,592,949	\$ 7,292,882
Plan fiduciary position as a percentage of the total OPEB liability	45.6%	51.9%	58.7%

**NOTE U – OTHER POST-EMPLOYMENT BENEFITS BOARD OF LIGHT AND POWER –
COMPONENT UNIT (Continued):**

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

The following presents the Net OPEB Liability of the Board, calculated using the healthcare cost trend rate of 6.00 percent, as well as what the Board's Net Pension Liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (5.00 percent) or one percentage point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability	\$ 17,575,243	\$ 19,953,175	\$ 22,846,794
Fiduciary net position	10,360,226	10,360,226	10,360,226
Net OPEB Liability	<u>\$ 7,215,017</u>	<u>\$ 9,592,949</u>	<u>\$ 12,486,568</u>
Plan fiduciary position as a percentage of the total OPEB liability	<u>58.9%</u>	<u>51.9%</u>	<u>45.3%</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2019, the Board recognized OPEB expense of \$1,033,039.

The Board reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
Excess/Deficit in investment returns	351,292	-
Total	<u>\$ 351,292</u>	<u>\$ -</u>

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

Year Ending September 30,	Difference in Experience	Difference in Assumptions	Excess/Deficit in Investment Returns
2020	\$ -	\$ -	\$ 99,828
2021	-	-	99,828
2022	-	-	99,828
2023	-	-	51,808
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,292</u>

NOTE V – SINGLE AUDIT:

The City's audited financial statements report a total amount of federal expenditures that is less than the Single Audit threshold of \$750,000. The City, therefore, is not required to have an audit in accordance with the Uniform Guidance for the fiscal year ended September 30, 2019.

NOTE W – LITIGATION AND CONTINGENCIES:

The City and its component units are parties to various legal proceedings, many of which normally occur in governmental operations. Such litigation can include, but is not limited to claims assessed the City for property damage, personal injury, alleged breaches of contracts, condemnation, pollution remediation and other alleged violations of State and Federal laws.

The City's management and Counsel have estimated the outcome of any potential claims against the City not covered by insurance resulting from such litigations would not materially affect the financial statements. The outcome of any of the other claims cannot be either reasonably determined or probable at this time and accordingly no loss has been accrued in the accompanying financial statements.

The City receives financial assistance from the Federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions and federal regulations. Substantially all grants are subject to review and audit by federal agencies. Any such disallowance as a result of these audits could result in a liability of the City.

NOTE X – CONSTRUCTION IN PROGRESS:

The City has active construction projects as of September 30, 2019. The projects include street and infrastructure improvements, the Lighthouse Park Project, and additional energy enhancement projects. At year end, the City's total construction in progress expenditures in the governmental and business-type funds totaled \$29,142,926. A portion of the projects are being financed with the issue of the 2019 General Obligation Capital Improvement Bonds, and through distributions from the Brownfield Redevelopment Authority and their issue of Tax Increment Bonds.

NOTE Y – TAX ABATEMENTS:

For financial reporting purposes, GASB Statement No. 77, *Tax Abatement Disclosures*, defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. The Statement requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and about tax abatement agreements entered into by other governments that reduce the reporting governments tax revenues.

For purposes of disclosure under GASB 77, the City discloses tax abatements that are greater than \$25,000 in aggregate. Information relevant to tax abatements issued by the City for the year ended September 30, 2019, are as follows:

Plant Rehabilitation and Industrial Development Districts Act:

The City entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development District Act, (known as the Industrial Facilities Exemption) PA

NOTE Y – TAX ABATEMENTS (Continued):

198 of 1974, as amended, which provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The IFE is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%. For the fiscal year ended September 30, 2019, the City abated \$520,201 under this program.

Brownfield Redevelopment Financing Act:

The City and its Brownfield Redevelopment Authority, a discretely presented component unit, use Brownfield Tax Increment Financing under PA 381 of 1996 to reimburse taxpayers that undertake eligible activities as defined by the Act. The City adopts Brownfield Plans that detail the eligible activities, estimate taxes to be captured and reimbursed, as well as establish the length of tax capture. Taxpayers are also required to enter into Brownfield Reimbursement Agreements to establish the terms of the reimbursements. As a result of these agreements, the City's tax revenue is reduced. For the fiscal year ended September 30, 2019, the City abated \$633,380 under this program.

NOTE Z – NEW GASB STANDARDS:

Recently Issued and Adopted Accounting Pronouncements

In April 2018, the GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt, and term specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Debt, for purposes of disclosure in the notes to the financial statements, is defined under this Statement as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. This statement is effective for periods beginning after June 15, 2018. The City has debt that meets the criteria for GASB 88; therefore, GASB 88 is applicable to the City.

Other Recently Issued Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, Certain Asset Retirement Obligations. GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Under the Statement recognition occurs when the liability is both incurred and reasonably estimable. It requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. It requires similar disclosures for a government's minority shares of AROs. This statement is effective for periods beginning after June 15, 2018. The City does not have any AROs that meet the criteria for GASB 83; therefore, GASB 83 is not applicable to the City.

NOTE AA – UPCOMING STANDARDS:

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City.

GASB 84: Fiduciary Activities

Effective for fiscal years beginning after December 15, 2018 (City's fiscal year 2020)

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement identifies four types of fiduciary funds that should be reported, as applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB 87: Leases

Effective for fiscal years beginning after December 15, 2019 (City's fiscal year 2021)

This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB 89: Accounting for Interest Cost Incurred Before the End of a Construction Period

Effective for fiscal years beginning after December 15, 2019 (City's fiscal year 2021)

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period.

Such interest cost includes all interest that was previously accounted for in accordance with the requirements of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statement prepared using the economic resources measurement focus.

NOTE AA – UPCOMING STANDARDS (Continued):

GASB 90: Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61

Effective for fiscal years beginning after December 15, 2018 (City's fiscal year 2020)

This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority interest in a legally separate organization results in a government being financially accountable for a legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit.

GASB 91: Conduit Debt Obligations

Effective for fiscal years beginning after December 15, 2020 (City's fiscal year 2022)

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for account and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should

NOTE AA – UPCOMING STANDARDS (Continued):

recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

NOTE AB – SUBSEQUENT EVENTS:

On November 12, 2019, the City issued \$4,565,000 in General Obligation Capital Improvement Bonds, Series 2019 with interest rates of 3.0% – 4.0% for the purpose of paying the cost of certain capital improvements including but not limited to major street and/or local street improvements, the construction and installation of sanitary sewer later replacements, sidewalk extensions/improvements, and marina improvements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Marquette Michigan
Municipal Employees Retirement System of Michigan
Required Supplementary Information

**Schedule of Changes in the Net Pension Liability
and Related Ratios**

(Ultimately ten years will be displayed)

	2019	2018	2017	2016	2015
Change in total pension liability					
Service cost	\$ 825,143	\$ 791,722	\$ 771,441	\$ 738,493	\$ 800,374
Interest	4,395,359	4,333,875	4,130,063	3,841,488	3,719,179
Change in benefit terms	-	9,569	(8,853)	-	-
Differences between expected and actual experience	(52,849)	(1,166,996)	408,568	(229,603)	-
Changes in assumptions	-	-	-	3,096,299	-
Benefit payments, including refunds of member contributions	(3,060,342)	(2,909,065)	(2,653,291)	(2,414,733)	(2,402,573)
Other	-	-	-	(1)	31,851
Net change in total pension liability	2,107,311	1,059,105	2,647,928	5,031,943	2,148,831
Total pension liability, beginning of year	56,769,871	55,710,766	53,062,838	48,030,895	45,882,064
Total pension liability, end of year (a)	58,877,182	56,769,871	55,710,766	53,062,838	48,030,895
Change in plan fiduciary net position					
Contributions – employer	2,453,865	2,455,778	3,272,268	1,796,218	1,685,684
Contributions – member	277,569	259,468	303,659	223,767	242,337
Net investment income	(1,360,225)	4,004,150	3,095,445	(420,230)	1,782,826
Benefit payments, including refunds of member contributions	(3,060,342)	(2,909,065)	(2,653,291)	(2,414,733)	(2,402,573)
Administrative expense	(66,152)	(63,420)	(61,304)	(61,269)	(65,367)
Other	-	(2)	4	(1,244,578)	(2,359)
Net change in plan fiduciary net position	(1,755,285)	3,746,909	3,956,781	(2,120,825)	1,240,548
Plan fiduciary net position, beginning of year	34,980,164	31,233,255	27,276,474	29,397,299	28,156,751
Plan fiduciary net position, end of year (b)	33,224,879	34,980,164	31,233,255	27,276,474	29,397,299
Net pension liability, end of year (a)-(b)	\$ 25,652,303	\$ 21,789,707	\$ 24,477,511	\$ 25,786,364	\$ 18,633,596
 Plan fiduciary net position as a percentage of the total pension liability	 56.43%	 61.62%	 56.06%	 51.40%	 61.20%
 Covered payroll	 \$ 6,229,970	 \$ 6,037,621	 \$ 5,897,647	 \$ 5,732,327	 \$ 5,555,438
 Net pension liability as a percentage of covered payroll	 411.76%	 360.90%	 415.04%	 449.84%	 335.41%

City of Marquette Michigan
Municipal Employees Retirement System of Michigan
Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS
(Ultimately ten years will be displayed)

Fiscal Year/Period Ending	Actuarial Determined Contribution	Contribution in Relation to the Actuarial Determined Contribution	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
9/30/2015	\$ 1,685,684	\$ 1,685,684	\$ -	\$ 4,867,105	34.63%
9/30/2016	\$ 1,796,218	\$ 1,796,218	-	5,379,085	33.39%
9/30/2017	\$ 3,272,268	\$ 3,272,268	-	5,708,464	57.32%
9/30/2018	\$ 2,455,778	\$ 2,455,778	-	6,037,621	40.67%
9/30/2019	\$ 2,593,284	\$ 2,632,620	(39,336)	5,887,794	44.71%

**City of Marquette Michigan
Peter White Public Library
Required Supplementary Information**

**Schedule of Changes in the Net Pension Liability
and Related Ratios**

(Ultimately ten years will be displayed)

	2019	2018	2017	2016	2015
Change in total pension liability					
Service cost	\$ 37,610	\$ 48,532	\$ 47,489	\$ 36,106	\$ 40,728
Interest	200,339	265,662	254,241	187,817	232,437
Change in benefit terms	-	587	(545)	-	-
Differences between expected and actual experience	(2,409)	(71,536)	25,151	(11,226)	-
Changes in assumptions	-	-	-	151,384	-
Benefit payments, including refunds of member contributions	(191,797)	(181,797)	(178,595)	(131,851)	(127,594)
Other	-	-	-	-	(236)
Net change in total pension liability	43,743	61,448	147,741	232,230	145,335
Total pension liability, beginning of year	3,447,604	3,386,156	3,238,415	3,006,185	2,860,850
Total pension liability, end of year (a)	3,491,347	3,447,604	3,386,156	3,238,415	3,006,185
Change in plan fiduciary net position					
Contributions – employer	111,800	105,420	114,790	91,549	86,041
Contributions – member	25,376	27,289	25,132	24,237	23,982
Net investment income	(94,393)	287,973	227,136	(31,166)	134,124
Benefit payments, including refunds of member contributions	(191,797)	(181,797)	(178,595)	(131,851)	(127,594)
Administrative expense	(4,700)	(4,562)	(4,489)	(4,534)	(4,565)
Other	-	-	-	-	(9,984)
Net change in plan fiduciary net position	(153,714)	234,323	183,974	(51,765)	102,004
Plan fiduciary net position, beginning of year	2,424,692	2,190,369	2,006,395	2,058,160	1,956,156
Plan fiduciary net position, end of year (b)	2,270,978	2,424,692	2,190,369	2,006,395	2,058,160
Net pension liability, end of year (a)-(b)	\$ 1,220,369	\$ 1,022,912	\$ 1,195,787	\$ 1,232,020	\$ 948,025
Plan fiduciary net position as a percentage of the total pension liability	65.05%	70.33%	64.69%	61.96%	68.46%
Covered payroll	\$ 256,766	\$ 212,190	\$ 189,316	\$ 264,754	\$ 282,696
Net pension liability as a percentage of covered payroll	475.28%	482.07%	631.64%	465.35%	335.35%

**City of Marquette Michigan
Peter White Public Library
Required Supplementary Information**

SCHEDULE OF CONTRIBUTIONS
(Ultimately ten years will be displayed)

Fiscal Year/Period Ending	Actuarial Determined Contribution	Contribution in Relation to the Actuarial Determined Contribution	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
9/30/2015	\$ 88,838	\$ 88,838	\$ -	\$ 347,771	25.54%
9/30/2016	87,853	87,853	-	355,683	24.70%
9/30/2017	101,040	114,790	(13,750)	365,685	31.39%
9/30/2018	87,630	105,420	(17,790)	345,981	30.47%
9/30/2019	98,424	163,800	(65,376)	562,930	29.10%

**City of Marquette Michigan
Fire/Police Retirement System
Required Supplementary Information**

**Schedule of Changes in the Net Pension Liability
and Related Ratios**
(Ultimately ten years will be displayed)

	2019	2018	2017	2016	2015	2014
Change in total pension liability						
Service cost	\$ 980,498	\$ 922,981	\$ 902,641	\$ 935,088	\$ 1,363,210	\$ 1,205,537
Interest	3,117,532	3,041,225	2,858,357	2,766,379	3,048,549	2,603,975
Change in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	230,811	(849,687)	1,606,199	(53,654)	-	-
Changes in assumptions	-	2,025,918	(426,851)	-	-	-
Benefit payments, including refunds of member contributions	(2,410,032)	(2,449,187)	(2,227,030)	(2,408,213)	(1,828,055)	(2,317,636)
Other	-	-	-	-	-	-
Net change in total pension liability	<u>1,918,809</u>	<u>2,691,250</u>	<u>2,713,316</u>	<u>1,239,600</u>	<u>2,583,704</u>	<u>1,491,876</u>
Total pension liability, beginning of year	<u>46,900,426</u>	<u>44,209,176</u>	<u>41,495,860</u>	<u>40,256,260</u>	<u>37,672,556</u>	<u>36,180,680</u>
Total pension liability, end of year (a)	<u>48,819,235</u>	<u>46,900,426</u>	<u>44,209,176</u>	<u>41,495,860</u>	<u>40,256,260</u>	<u>37,672,556</u>
Change in plan fiduciary net position						
Contributions - employer	1,626,480	1,560,811	1,489,696	1,465,489	1,347,814	1,586,190
Contributions - members	216,333	207,809	197,431	170,668	167,220	212,560
Net investment income	1,452,584	2,301,235	3,448,273	2,630,375	(272,058)	2,549,798
Benefit payments, including refunds of member contributions	(2,410,032)	(2,449,187)	(2,227,030)	(2,408,213)	(1,828,055)	(2,317,636)
Administrative expense	(19,179)	(20,179)	(19,482)	(14,327)	(9,084)	(22,430)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>866,186</u>	<u>1,600,489</u>	<u>2,888,888</u>	<u>1,843,992</u>	<u>(594,163)</u>	<u>2,008,482</u>
Plan fiduciary net position, beginning of year	<u>33,904,843</u>	<u>32,304,354</u>	<u>29,415,466</u>	<u>27,571,474</u>	<u>28,165,637</u>	<u>26,157,155</u>
Plan fiduciary net position, end of year (b)	<u>34,771,029</u>	<u>33,904,843</u>	<u>32,304,354</u>	<u>29,415,466</u>	<u>27,571,474</u>	<u>28,165,637</u>
City's net pension liability, end of year (a)-(b)	<u>\$ 14,048,206</u>	<u>\$ 12,995,583</u>	<u>\$ 11,904,822</u>	<u>\$ 12,080,394</u>	<u>\$ 12,684,786</u>	<u>\$ 9,506,919</u>
Plan fiduciary net position as a percentage of the total pension liability	71.22%	72.29%	73.07%	70.89%	68.49%	74.76%
Covered payroll	\$ 3,698,660	\$ 3,477,254	\$ 3,558,782	\$ 3,233,941	\$ 3,454,423	\$ 4,498,201
City's net pension liability as a percentage of covered payroll	379.82%	373.73%	334.52%	373.55%	367.2%	211.35%

City of Marquette Michigan
Fire/Police Retirement System
Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS

(Ultimately ten years will be displayed)

Fiscal Year/Period Ending	Actuarial Determined Contribution	Contribution in Relation to the Actuarial Determined Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
9/30/2014	\$ 1,586,190	\$ 1,586,190	\$ -	\$ 4,498,201	35.26%
9/30/2015	1,347,814	1,347,814	-	3,454,423	39.02%
9/30/2016	1,423,168	1,465,489	(42,321)	3,233,941	45.32%
9/30/2017	1,489,696	1,489,696	-	3,558,782	41.86%
9/30/2018	1,560,811	1,560,811	-	3,477,254	44.89%
9/30/2019	1,626,480	1,626,480	-	3,698,660	43.97%

**City of Marquette Michigan
Marquette Board of Light and Power
Required Supplementary Information**

**Schedule of Changes in the Net Pension Liability
and Related Ratios**
(Ultimately ten years will be displayed)

	2019	2018	2017	2016	2015
Change in total pension liability					
Service cost	\$ 243,983	\$ 263,927	\$ 263,370	\$ 253,706	\$ 275,493
Interest	3,202,987	3,194,331	3,153,469	3,013,119	2,981,383
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(27,628)	(147,591)	161,831	433,467	-
Changes in assumptions	-	-	-	2,151,921	-
Benefit payments, including refunds of member contributions	(3,256,943)	(3,128,036)	(3,008,305)	(2,914,389)	(2,808,219)
Other	-	-	-	1	1
Net change in total pension liability	162,399	182,631	570,365	2,937,825	448,658
Total pension liability, beginning of year	41,543,821	41,361,190	40,790,825	37,853,000	37,404,342
Total pension liability, end of year	41,706,220	41,543,821	41,361,190	40,790,825	37,853,000
Change in plan fiduciary net position					
Contributions – employer	4,366,887	4,605,575	2,874,280	2,541,239	2,071,376
Contributions – member	105,447	116,706	165,913	132,551	165,536
Net investment income	(1,175,114)	3,218,342	2,413,771	(324,962)	1,316,039
Benefit payments, including refunds of member contributions	(3,256,943)	(3,128,036)	(3,008,305)	(2,914,389)	(2,808,219)
Administrative expense	(56,324)	(50,670)	(47,663)	(47,681)	(48,283)
Other	-	-	-	-	-
Net change in plan fiduciary net position	(16,047)	4,761,917	2,397,996	(613,242)	696,449
Plan fiduciary net position, beginning of year	28,353,008	23,591,091	21,193,095	21,806,337	21,109,888
Plan fiduciary net position, end of year	28,336,961	28,353,008	23,591,091	21,193,095	21,806,337
Net pension liability, end of year	<u>\$ 13,369,259</u>	<u>\$ 13,190,813</u>	<u>\$ 17,770,099</u>	<u>\$ 19,597,730</u>	<u>\$ 16,046,663</u>
Plan fiduciary net position as a percentage of the total pension liability	67.94%	68.25%	57.04%	51.96%	57.61%
Covered payroll	\$ 3,191,125	\$ 3,351,949	\$ 3,140,861	\$ 3,096,739	\$ 2,861,350
Net pension liability as a percentage of covered payroll	418.95%	393.53%	565.77%	632.85%	560.81%

City of Marquette Michigan
Marquette Board of Light and Power
Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS

(Ultimately ten years will be displayed)

Fiscal Year/Period Ending	Actuarial Determined Contribution	Contribution in Relation to the Actuarial Determined Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
9/30/2015	\$ 1,496,376	\$ 2,071,376	\$ (575,000)	\$ 2,861,350	72.39%
9/30/2016	1,791,239	2,541,239	(750,000)	3,096,739	82.06%
9/30/2017	1,764,280	2,874,280	(1,110,000)	3,140,861	91.51%
9/30/2018	1,141,234	4,605,575	(3,464,341)	3,351,949	137.40%
9/30/2019	1,226,628	4,366,887	(3,140,259)	3,191,125	136.84%

City of Marquette, Michigan

SCHEDULE OF INVESTMENT RETURNS
(Ultimately ten years will be displayed)

Annual Money-Weighted Rate of Return, Net of Investment Expense

Fiscal Year Ended	MERS	Board of Light and Power	Police/Fire
9/30/2015	8.25%	8.25%	5.80%
9/30/2016	8.25%	8.25%	3.90%
9/30/2017	8.00%	7.75%	5.70%
9/30/2018	8.00%	7.75%	6.90%
9/30/2019	8.00%	6.80%	4.90%

City of Marquette Michigan
Required Supplementary Information

**Schedule of Changes in the Net OPEB Liability
and Related Ratios**

(Ultimately ten years will be displayed)

	2019	2018
Change in total OPEB liability		
Service cost	\$ 62,583	\$ 102,520
Interest	316,299	266,247
Change in benefit terms	-	-
Differences between expected and actual experience	(276,093)	(34,706)
Changes in assumptions	621,649	(1,080,597)
Benefit payments, including refunds of member contributions	(309,059)	(320,638)
Other	-	-
Net change in total OPEB liability	<u>415,379</u>	<u>(1,067,174)</u>
Total OPEB liability, beginning of year	<u>6,938,272</u>	<u>8,005,446</u>
Total OPEB liability, end of year (a)	<u>7,353,651</u>	<u>6,938,272</u>
Change in plan fiduciary net position		
Contributions to OPEB trust	118,098	363,761
Contributions/benefits paid from general operation fund	309,059	320,638
Net investment income	12,517	1,527
Benefit payments, including refunds of member contributions	(309,059)	(320,638)
Administrative expense	(862)	(305)
Other	-	-
Net change in plan fiduciary net position	<u>129,753</u>	<u>364,983</u>
Plan fiduciary net position, beginning of year	<u>364,983</u>	<u>-</u>
Plan fiduciary net position, end of year (b)	<u>494,736</u>	<u>364,983</u>
Net OPEB liability, end of year (a)-(b)	<u><u>\$ 6,858,915</u></u>	<u><u>\$ 6,573,289</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 6.73%	 5.26%
 Covered payroll	 \$ 5,887,794	 \$ 6,037,621
 Net OPEB liability as a percentage of covered payroll	 116.49%	 108.87%

City of Marquette Michigan
Required Supplementary Information

SCHEDULE OF OPEB CONTRIBUTIONS

(Ultimately ten years will be displayed)

Fiscal Year/Period Ending	Actuarially Determined Contribution [ADC]	Actual Contribution in Relation to the ADC	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
9/30/2018	\$ 320,638	\$ 684,399	\$ (363,761)	\$ 6,037,621	11.34%
9/30/2019	309,059	427,157	(118,098)	5,887,794	7.25%

**City of Marquette Michigan
Marquette Board of Light and Power
Required Supplementary Information**

**Schedule of Changes in the Net OPEB Liability
and Related Ratios**

(Ultimately ten years will be displayed)

	2019	2018
Change in total OPEB liability		
Service cost	\$ 224,487	\$ 216,372
Interest	1,301,180	1,283,786
Change in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Benefit payments, including refunds of member contributions	(1,190,487)	(1,306,364)
Other	-	-
Net change in total OPEB liability	<u>335,180</u>	<u>193,794</u>
Total OPEB liability, beginning of year	<u>19,617,995</u>	<u>19,424,201</u>
Total OPEB liability, end of year (a)	<u>19,953,175</u>	<u>19,617,995</u>
Change in plan fiduciary net position		
Contributions – employer	3,290,487	4,306,364
Contributions – member	609,833	424,970
Net investment income	(259,051)	(240,088)
Benefit payments, including refunds of member contributions	(1,190,487)	(1,306,364)
Administrative expense	(17,378)	(15,234)
Other	-	-
Net change in plan fiduciary net position	<u>2,433,404</u>	<u>3,169,648</u>
Plan fiduciary net position, beginning of year	<u>7,926,822</u>	<u>4,757,174</u>
Plan fiduciary net position, end of year (b)	<u>10,360,226</u>	<u>7,926,822</u>
Net OPEB liability, end of year (a)-(b)	<u><u>\$ 9,592,949</u></u>	<u><u>\$ 11,691,173</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.92%	40.41%
Covered payroll	\$ 5,512,678	\$ 5,313,424
Net OPEB liability as a percentage of covered payroll	174.02%	220.03%

**City of Marquette Michigan
Marquette Board of Light and Power
Required Supplementary Information**

SCHEDULE OF CONTRIBUTIONS

(Ultimately ten years will be displayed)

Fiscal Year/Period Ending	Actuarially Determined Contribution [ADC]	Actual Contribution in Relation to the ADC	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
9/30/2018	\$ 1,280,433	\$ 4,306,364	\$(3,025,931)	\$ 5,313,424	81.05%
9/30/2019	1,328,449	3,290,487	(1,962,038)	5,512,678	59.69%

CITY OF MARQUETTE, MICHIGAN

MAJOR GOVERNMENTAL FUNDS

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

The function of the General Fund is to record all revenues and expenditures of the City which are not accounted for in other funds. The General Fund receives revenue from many sources which are used to finance a wide range of City Activities.

The major activities financed by the General Fund are Fire and Police Protections, Public Works, Community Services, City Administration and most public services.

The modified accrual basis of accounting is used in recording General Fund transactions.

SPECIAL REVENUE FUNDS

The function of the Special Revenue Funds is to record revenue and expenditures for specific functions or activities within restrictions imposed by City Charter, ordinances, resolutions and/or Federal and State statutes.

MAJOR STREET AND TRUNKLINE FUND AND LOCAL STREET FUND

Michigan's Act 51 of 1993, as amended, allocates gasoline and weight taxes to build and maintain road, roadsides and storm sewers and to remove snow from and to control traffic along roads. These tax monies may be transferred between funds only as permitted by law. Other revenues included general taxes transferred from the General Fund. Within the City, Federal and State trunklines and certain "mile" roads are maintained by the City under contractual agreement with the State of Michigan and are subject to reimbursement to the City. The remaining mile roads and certain other roads are designated as MAJOR STREETS, maintained on a priority basis by the City, and the remaining roads are designated as LOCAL STREETS.

CAPITAL PROJECTS FUNDS

The function of Capital Projects Funds is to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds.

The modified accrual basis of accounting is used in recording Capital Projects Fund transactions.

CONSTRUCTION FUND: This fund records the activities associated with the street improvements surrounding the new hospital construction. Reimbursement transfers from the bonds issued through the Brownfield Redevelopment Authority, a component unit, have been used to finance the current project.

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 10,101,997	\$ 15,076,715
Investments	5,380,300	5,114,348
Receivables:		
Taxes:		
Current	525,163	523,406
Delinquent	18,066	4,572
Accounts	284,871	398,415
Special assessment	-	-
Due from other authorities	1,417,552	1,014,775
Due from other funds	1,051,597	-
Due from other governments	572,347	587,911
Inventories	320,719	169,347
Prepaid expenditures	402,714	295,249
TOTAL ASSETS	<u>20,075,326</u>	<u>23,184,738</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 20,075,326</u></u>	<u><u>\$ 23,184,738</u></u>
LIABILITIES		
Accounts payable	\$ 272,305	\$ 257,126
Accrued wages payable	298,431	287,491
Accrued compensated absences	684,690	696,180
Due to other governmental units	230	-
Due to other authorities	91,618	90,767
Customer deposits payable	27,600	29,372
TOTAL LIABILITIES	<u>1,374,874</u>	<u>1,360,936</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	7,229,459	7,598,801
Special assessments	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,229,459</u>	<u>7,598,801</u>
FUND BALANCE		
Non-spendable	723,433	464,596
Restricted	33,512	44,694
Assigned	1,012,771	2,505,814
Unassigned	<u>9,701,277</u>	<u>11,209,897</u>
TOTAL FUND BALANCE	<u>11,470,993</u>	<u>14,225,001</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 20,075,326</u></u>	<u><u>\$ 23,184,738</u></u>

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Property Taxes:				
Real property taxes	\$ 9,196,100	\$ 8,527,568	\$ (668,532)	\$ 8,906,136
Personal property taxes	708,520	708,616	96	709,036
Interest and penalty	25,000	5,613	(19,387)	17,470
Administrative collection fees	323,420	315,916	(7,504)	315,116
Total Property Taxes	10,253,040	9,557,713	(695,327)	9,947,758
Industrial Facilities Tax Act	14,390	12,623	(1,767)	26,689
Payments in Lieu of Taxes:				
MSHDA	-	-	-	21,890
Board of Light and Power	2,822,264	2,568,346	(253,918)	2,822,266
Public Housing Authority	55,000	-	(55,000)	31,531
Sault Tribe Housing Authority	1,500	-	(1,500)	1,267
Marquette Area Wastewater Treatment Facility	313,740	310,044	(3,696)	330,576
Grandview	-	9,874	9,874	166
Water Supply Fund	635,337	635,340	3	638,352
Sewage Disposal Fund	497,579	497,580	1	500,136
Total Payment in Lieu of Taxes	4,325,420	4,021,184	(304,236)	4,346,184
Federal and State Grants:				
UPSET	17,100	18,243	1,143	17,131
OJP - Bullet Proof Vests Program	-	-	-	789
DNR - Snowmobile Grant	2,000	1,942	(58)	2,000
PI Bandshell Benches	-	12,750	12,750	-
MI Strategic Fund - Bach Festival Grant	-	640	640	-
MDEQ - SAW Grant	-	-	-	18,899
NOAA - Land Development Code	-	-	-	16,750
Forest Stewardship Grant	1,300	-	(1,300)	-
State Grant - Rec Authority	112,000	-	(112,000)	-
Council for Arts and Culture - State	51,000	22,500	(28,500)	20,260
Total Federal and State Grants	183,400	56,075	(127,325)	75,829
State-Shared Revenues:				
Fire protection - State facility	175,000	427,297	252,297	169,504
Sales and use tax	2,070,000	2,134,267	64,267	2,052,392
Liquor licenses	23,000	40,100	17,100	28,327
Total State-Shared Revenues	2,268,000	2,601,664	333,664	2,250,223

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Intergovernmental Revenues:				
Tribal Revenue Sharing	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Shared Services	1,000	2,802	1,802	1,008
Total Intergovernmental Revenues	11,000	12,802	1,802	11,008
Licenses and Permits:				
Business licenses and permits	10,600	12,587	1,987	11,880
Non-business licenses and permits	36,830	49,077	12,247	50,592
Total Licenses and Permits	47,430	61,664	14,234	62,472
Charges for Services:				
Fees	337,065	356,839	19,774	351,385
Cemetery foundations and grave openings	47,580	52,900	5,320	51,020
Services to other funds	2,046,000	2,088,713	42,713	1,804,150
Total Charges for Services	2,430,645	2,498,452	67,807	2,206,555
Sales	31,250	55,248	23,998	29,207
Use and Admission Fees:				
Community Center use	24,500	26,282	1,782	22,582
Ballfields	17,585	14,351	(3,234)	14,348
Skiing use/passes	-	-	-	-
Parking fees	-	-	-	-
Art center and theater	-	-	-	-
Total use and Admission Fees	42,085	40,633	(1,452)	36,930
Fines and Forfeits	107,600	117,468	9,868	198,948
Rentals:				
Land and building rental	42,600	31,307	(11,293)	35,347
Parking rentals - lots	8,000	5,352	(2,648)	5,947
Equipment rent	41,000	38,828	(2,172)	30,747
Total Rentals	91,600	75,487	(16,113)	72,041

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Special Assessments:				
Interest	\$ -	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Total Special Assessments	-	-	-	-
Sale of Capital Assets	895,000	895,523	523	-
Contributions from Private Sources	59,900	80,545	20,645	86,898
Investment Income	200,000	392,541	192,541	(6,791)
Reimbursements	69,950	81,130	11,180	92,113
Other revenues	82,940	93,786	10,846	125,616
TOTAL REVENUES	21,113,650	20,654,538	(459,112)	19,561,680
EXPENDITURES:				
GENERAL GOVERNMENT:				
Central Administration:				
Personnel services	2,262,490	2,188,763	73,727	2,113,659
Supplies and contractual	676,065	626,733	49,332	649,846
Other services and charges	80,500	67,453	13,047	73,652
Capital outlay	-	-	-	-
Total Central Administration	3,019,055	2,882,949	136,106	2,837,157
Community Development:				
Personnel services	1,572,690	1,541,986	30,704	1,562,319
Supplies and contractual	259,750	231,094	28,656	281,614
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Total Community Development	1,832,440	1,773,080	59,360	1,843,933
Other General Government:				
Insurance and Bonds:				
Bond issuance costs	-	-	-	11,233
Other services and charges	83,410	82,873	537	81,865
Total Other General Government	83,410	82,873	537	93,098
TOTAL GENERAL GOVERNMENT	4,934,905	4,738,902	196,003	4,774,188

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
PUBLIC HEALTH AND SAFETY:				
Police Department:				
Personnel services	\$ 4,457,600	\$ 4,360,355	\$ 97,245	\$ 4,213,468
Supplies and contractual	585,940	684,272	(98,332)	577,008
Other services and charges	6,400	5,751	649	5,356
Capital outlay	-	-	-	-
Total Police Department	5,049,940	5,050,378	(438)	4,795,832
Fire Department:				
Personnel services	2,761,905	2,801,901	(39,996)	2,663,620
Supplies and contractual	465,115	381,076	84,039	414,422
Other services and charges	15,450	8,440	7,010	14,869
Capital outlay	-	17,328	(17,328)	54,529
Total Fire Department	3,242,470	3,208,745	33,725	3,147,440
Waterfront Safety:				
Personnel services	117,745	93,953	23,792	110,019
Supplies and contractual	18,960	19,589	(629)	15,772
Other services and charges	-	-	-	-
Capital outlay	-	10,382	(10,382)	-
Total Waterfront Safety	136,705	123,924	12,781	125,791
TOTAL PUBLIC HEALTH AND SAFETY	8,429,115	8,383,047	46,068	8,069,063
PUBLIC WORKS:				
Public Works Maintenance:				
Personnel services	2,134,565	2,090,043	44,522	2,261,108
Supplies and contractual	1,420,120	1,245,018	175,102	1,373,202
Other services and charges	-	-	-	-
Capital outlay	628,668	425,215	203,453	546,536
Total Public Works Maintenance	4,183,353	3,760,276	423,077	4,180,846
City Hall and Grounds:				
Personnel services	47,825	34,561	13,264	39,547
Supplies and contractual	245,591	198,464	47,127	212,091
Other services and charges	-	-	-	-
Capital outlay	-	15,226	(15,226)	52,579
Total City Hall and Grounds	293,416	248,251	45,165	304,217
Cemetery:				
Personnel services	140,575	142,101	(1,526)	126,843
Supplies and contractual	99,445	106,227	(6,782)	85,398
Other services and charges	-	-	-	-
Capital outlay	69,956	61,644	8,312	-
Total Cemetery	309,976	309,972	4	212,241
TOTAL PUBLIC WORKS	4,786,745	4,318,499	468,246	4,697,304

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
COMMUNITY SERVICES:				
Promotional Services:				
Personnel services	\$ -	\$ -	\$ -	\$ -
Supplies and contractual	-	-	-	-
Other services and charges	22,000	22,000	-	19,000
Capital outlay	-	-	-	-
Total Promotional Services	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>19,000</u>
Parks and Recreation Administration:				
Personnel services	305,265	283,771	21,494	263,588
Supplies and contractual	100,345	89,444	10,901	67,728
Other services and charges	-	-	-	-
Capital outlay	160,000	8,947	151,053	-
Total Parks and Recreation Administration	<u>565,610</u>	<u>382,162</u>	<u>183,448</u>	<u>331,316</u>
Arts and Cultural:				
Personnel services	146,430	142,733	3,697	130,561
Supplies and contractual	76,496	74,826	1,670	59,072
Other services and charges	12,720	12,825	(105)	15,244
Capital outlay	36,000	-	36,000	-
Total Arts and Cultural	<u>271,646</u>	<u>230,384</u>	<u>41,262</u>	<u>204,877</u>
TOTAL COMMUNITY SERVICES	<u>859,256</u>	<u>634,546</u>	<u>224,710</u>	<u>555,193</u>
TOTAL EXPENDITURES	<u>19,010,021</u>	<u>18,074,994</u>	<u>935,027</u>	<u>18,095,748</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,103,629</u>	<u>2,579,544</u>	<u>475,915</u>	<u>1,465,932</u>

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	\$ 2,048,491	\$ -	\$ (2,048,491)	\$ 1,080,000
Premium on bond issuance	-	-	-	76,991
Transfers in:				
Cemetery Trust Fund	20,000	43,116	23,116	-
Motor Pool Fund	270,000	-	(270,000)	-
Transfers (out):				
Major Street and Trunkline Fund	(31,440)	(88,008)	(56,568)	-
Local Street Fund	(1,571,855)	(1,557,648)	14,207	(688,430)
Public Art Fund	(30,630)	(30,630)	-	(30,000)
Local Development Finance Authority Fund	-	-	-	-
Lighthouse Park Fund	-	(20,681)	(20,681)	(18,720)
Lakeview Arena Fund	(322,845)	(615,379)	(292,534)	(321,602)
Energy Enhancements Fund	(1,086,200)	(1,086,141)	59	-
2007 Street Projects Debt Service Fund	(59,795)	-	59,795	-
2004 Spring Street Debt Service Fund	(82,875)	(82,873)	2	(82,873)
2003 Founders Landing Debt Service Fund	(291,510)	(1,164,211)	(872,701)	(288,881)
Forestland Debt Service Fund	(658,000)	(194,159)	463,841	(663,000)
High Street Debt Service Fund	(405)	(404)	1	(403)
2008 Street Projects Debt Service Fund	(68,220)	-	68,220	(49,148)
2009 Capital Improvements Debt Service Fund	(3,015)	(2,488)	527	(2,504)
2012 Capital Improvements Debt Service Fund	(935)	(936)	(1)	(927)
2014 Capital Improvements Debt Service Fund	(37,965)	(37,962)	3	(37,986)
2016 Capital Improvements Debt Service Fund	(17,500)	(315,692)	(298,192)	(268,773)
2017 Capital Improvements Debt Service Fund	(47,275)	(47,802)	(527)	(47,570)
2018 Capital Improvements Debt Service Fund	(131,655)	(131,654)	1	-
Cemetery Trust Fund	-	-	-	(28,892)
TOTAL OTHER FINANCING SOURCES (USES)	(2,103,629)	(5,333,552)	(3,229,923)	(1,372,718)
CHANGES IN FUND BALANCE	-	(2,754,008)	(2,754,008)	93,214
Fund balance, beginning of year	14,225,001	14,225,001	-	14,131,787
FUND BALANCE, END OF YEAR	\$ 14,225,001	\$ 11,470,993	\$ (2,754,008)	\$ 14,225,001

CITY OF MARQUETTE, MICHIGAN

MAJOR STREET AND TRUNKLINE FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 171,939	\$ 391,684
Accounts receivable	-	-
Due from State	148,957	251,473
Prepaid expenditures	<u>524,298</u>	<u>-</u>
TOTAL ASSETS	<u>845,194</u>	<u>643,157</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 845,194</u></u>	<u><u>\$ 643,157</u></u>
LIABILITIES		
Accounts payable	\$ 240,106	\$ 175,640
Accrued wages payable	7,094	6,858
Due to other funds	<u>579,303</u>	<u>-</u>
TOTAL LIABILITIES	<u>826,503</u>	<u>182,498</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	524,298	-
Restricted	<u>(505,607)</u>	<u>460,659</u>
TOTAL FUND BALANCE	<u>18,691</u>	<u>460,659</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 845,194</u></u>	<u><u>\$ 643,157</u></u>

CITY OF MARQUETTE, MICHIGAN

MAJOR STREET AND TRUNKLINE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 1,797,715	\$ 1,872,749	\$ 75,034	\$ 1,798,564
Charges for services	-	-	-	-
Reimbursements	217,000	303,953	86,953	27,116
Investment income	2,500	1,732	(768)	5,027
Other revenues	-	-	-	-
TOTAL REVENUES	2,017,215	2,178,434	161,219	1,830,707
EXPENDITURES:				
Highways, Streets and Bridges:				
Routine maintenance	657,655	671,216	(13,561)	584,588
Winter maintenance	904,480	896,845	7,635	627,845
State trunkline	55,755	48,601	7,154	33,109
Administration	130,000	129,996	4	129,996
Total Highways, Streets and Bridges	1,747,890	1,746,658	1,232	1,375,538
Capital Outlay:				
Construction	888,276	422,363	465,913	738,575
Total Capital Outlay	888,276	422,363	465,913	738,575
Debt Service:				
Bond issuance costs	-	-	-	8,296
TOTAL EXPENDITURES	2,636,166	2,169,021	467,145	2,122,409
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(618,951)	9,413	628,364	(291,702)
OTHER FINANCING SOURCES (USES):				
Bond issuance	1,232,691	-	(1,232,691)	790,000
Premium on bond issuance	-	-	-	53,024
Transfers in	31,440	88,008	56,568	-
Transfers (out)	(645,180)	(539,389)	105,791	(442,274)
TOTAL OTHER FINANCING SOURCES (USES)	618,951	(451,381)	(1,070,332)	400,750
CHANGES IN FUND BALANCE	-	(441,968)	(441,968)	109,048
Fund balance, beginning of year	460,659	460,659	-	351,611
FUND BALANCE, END OF YEAR	\$ 460,659	\$ 18,691	\$ (441,968)	\$ 460,659

CITY OF MARQUETTE, MICHIGAN

LOCAL STREET FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 321,842	\$ -
Accounts receivable	-	-
Due from State	51,472	216,571
Prepaid expenditures	<u>290,721</u>	<u>-</u>
TOTAL ASSETS	<u>664,035</u>	<u>216,571</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 664,035</u></u>	<u><u>\$ 216,571</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ 136,039
Accounts payable	165,569	71,632
Accrued wages payable	8,259	8,900
Due to other funds	<u>472,294</u>	<u>-</u>
TOTAL LIABILITIES	<u>646,122</u>	<u>216,571</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	290,721	-
Restricted	<u>(272,808)</u>	<u>-</u>
TOTAL FUND BALANCE	<u>17,913</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 664,035</u></u>	<u><u>\$ 216,571</u></u>

CITY OF MARQUETTE, MICHIGAN

LOCAL STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 916,000	\$ 861,644	\$ (54,356)	\$ 1,009,763
Reimbursements	-	-	-	340
Investment income	1,000	1,152	152	2,578
TOTAL REVENUES	917,000	862,796	(54,204)	1,012,681
EXPENDITURES:				
Highways, Streets and Bridges:				
Routine maintenance	587,280	545,587	41,693	570,895
Winter maintenance	829,480	808,225	21,255	673,736
Administration	42,000	42,000	-	42,000
Total Highways, Streets and Bridges	1,458,760	1,395,812	62,948	1,286,631
Capital Outlay:				
Construction	998,775	414,999	583,776	452,647
Total Capital Outlay	998,775	414,999	583,776	452,647
Debt Service:				
Bond issuance costs	-	-	-	5,618
TOTAL EXPENDITURES	2,457,535	1,810,811	646,724	1,744,896
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,540,535)	(948,015)	592,520	(732,215)
OTHER FINANCING SOURCES (USES):				
Bond issuance	624,685	-	(624,685)	535,000
Premium on bond issuance	-	-	-	36,027
Transfers in	1,571,855	1,557,648	(14,207)	688,430
Transfers (out)	(656,005)	(591,720)	64,285	(527,242)
TOTAL OTHER FINANCING SOURCES (USES)	1,540,535	965,928	(574,607)	732,215
CHANGES IN FUND BALANCE	-	17,913	17,913	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ 17,913	\$ 17,913	\$ -

CITY OF MARQUETTE, MICHIGAN

CONSTRUCTION FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 620,674	\$ 1,039,210
Due from other authorities	440,850	1,127,262
Prepaid expenditures	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,061,524</u>	<u>2,166,472</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,061,524</u></u>	<u><u>\$ 2,166,472</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ -
Accounts payable	38,773	139,912
Accrued wages payable	<u>-</u>	<u>149</u>
TOTAL LIABILITIES	<u>38,773</u>	<u>140,061</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	-	-
Assigned	<u>1,022,751</u>	<u>2,026,411</u>
TOTAL FUND BALANCE	<u>1,022,751</u>	<u>2,026,411</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 1,061,524</u></u>	<u><u>\$ 2,166,472</u></u>

CITY OF MARQUETTE, MICHIGAN

CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ 4,516	\$ 4,516	\$ 3,270
Sale of capital assets	-	-	-	-
Reimbursements	793,893	903,851	109,958	4,290,287
Other revenues	-	-	-	-
TOTAL REVENUES	793,893	908,367	114,474	4,293,557
EXPENDITURES:				
Capital Outlay:				
Construction	793,893	784,766	9,127	2,675,496
Public Works:				
Other supplies and charges	-	1,127,261	(1,127,261)	-
Total Capital Outlay	<u>793,893</u>	<u>1,912,027</u>	<u>(1,118,134)</u>	<u>2,675,496</u>
TOTAL EXPENDITURES	793,893	1,912,027	(1,118,134)	2,675,496
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,003,660)	(1,003,660)	1,618,061
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	(1,003,660)	(1,003,660)	1,618,061
Fund balance, beginning of year	2,026,411	2,026,411	-	408,350
FUND BALANCE, END OF YEAR	\$ 2,026,411	\$ 1,022,751	\$ (1,003,660)	\$ 2,026,411

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS

The function of the Special Revenue Funds is to record revenue and expenditures for specific functions or activities within restrictions imposed by City Charter, ordinances, resolutions and/or Federal and State statutes. The modified accrual basis of accounting is used in recording Special Revenue Fund transactions.

PUBLIC ART FUND: The City of Marquette accepts responsibility for developing a public art investment policy to expand the opportunity for its citizens to experience art in public places. The Public Art Fund (PAF) is a dedicated fund to support the inclusion of works of art in public spaces in the City. As a special revenue fund, public art funding is deposited, transferred and used for the acquisition, commissioning, performance, exhibition and cleaning, repair, and restoration of public art.

SANITATION FUND: To account for revenues and expenditures associated with recycling services, waste management services, and landfill usage.

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND: The Local Development Finance Authority is a public authority of the City of Marquette created pursuant to the provisions of the Local Development Financing Act, Public Act 281 of 1986. Act 281 as amended, allows LDFA's to capture tax increments to invest in activities which create and maintain jobs as well as promote growth in the tax base of the City.

PUBLIC EDUCATION GOVERNMENT (PEG) FUND: To account for funds received through cable television franchise agreement that facilitate the broadcasting of government information to the public.

DRUG FORFEITURE FUND: To account for assets seized from activities involved in the violation of controlled substances statutes, Act 135 PA 1985 (MCL 333.7521 through MCL 333.7524a). Authorized expenditures include expenses of seizure, forfeiture and sale of property. The balance remaining must be used to enhance law enforcement efforts.

MSHDA DOWNTOWN RENTAL FUND: To account for the expenditures and revenues associated with the Michigan State Housing Development Authority Downtown Rental grant.

ROAD MAINTENANCE FUND: Eagle Mine is the owner and developer of a metallic mineral mine facility in Michigamme Township, Marquette County, Michigan. Eagle Mine utilizes certain streets in the City for transportation of its ore. Mining, timber and other trucking in the City requires ongoing repairs, safety modifications and capital improvements to City streets along this route. The parties have reached an agreement whereby Eagle Mine will provide \$500,000 to the City of Marquette for the maintenance expenses incurred, or to be incurred, as a result of the maintenance operations described above as a public benefit, and the City shall allow and not impede access to the route by Eagle Mine trucks.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

ROAD SAFETY IMPROVEMENT FUND: Development and maintenance of annual safety plan for the Lundin Trucking Corridor. Coordinate multiple stakeholder interest in planning effort. Ensure planning efforts are implemented along the corridor dependent on funding.

CRIMINAL JUSTICE TRAINING FUND: To account for the funds received from the State of Michigan for the purpose of ongoing training in the police department.

SENIOR SERVICES FUND: A new fund that began July 1, 2009 subsequent to the passing of a millage designation. Activity was previously recorded as "Social Services" in the General fund. To record revenues and expenditures associated with providing social services and homemaker services to senior residents of the community.

LAKEVIEW ARENA FUND: To record revenues and expenditures associated with the operation of the Lakeview Arena facility.

DEBT SERVICE FUNDS

The function of the Debt Service Funds is to account for the accumulation of resources and payment of general obligation principal and interest from the governmental resources. The modified accrual basis of accounting is used in recording Debt Service Fund transactions.

HIGH STREET DEBT SERVICE FUND: This fund was established in 2007 to account for the annual payments on the funds received through the State Revolving Loan Fund.

2008 STREET PROJECTS DEBT SERVICE FUND: This fund was established in 2008 to account for the annual payments on the 2008 Limited Tax General Obligation Street Improvements Bonds. These bonds were originally issued for \$8,375,000 for the purpose of paying all or part of the cost of making major and local street improvements throughout the City.

2004 SPRING STREET DEBT SERVICE FUND: This fund was established in 2004 to account for the annual payments on the State Infrastructure Bank Note. This note was originally issued for \$1,243,100 for the purpose of financing transportation infrastructure improvements through the County Road (CR) 550 Flood Repair and Spring Street Reconstruction project.

2009 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2009 to account for the retirement of the 2009 Limited Tax General Obligation and Refunding Bonds. These bonds, totaling \$10,800,000 were issued for the purpose of paying the costs of capital improvement items in the City including major and local street improvements, renovating and equipping Lakeview Arena, and to refund the 1998 Building Authority Refunding Bonds.

2011 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2011 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2011. These bonds, totaling \$2,690,000 were issued for the purpose of paying the costs of capital improvement items in the City including major and local street improvements, construction of the Lake Street Bike Path and the construction and installation of sanitary sewer lateral replacements.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

2012 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2012 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2012. These bonds, totaling \$3,765,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, construction improvements to the Mattson Park Lift Station, and the construction and installation of sanitary sewer lateral replacements.

2013 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established to account for the retirement of the Limited Tax General Obligation Bonds, Series 2013. These bonds, totaling \$3,470,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, construction and installation of sanitary sewer lateral replacements, and bridge repairs.

2003 FOUNDERS LANDING DEBT SERVICE FUND: This fund was established in 2004 to account for the retirement of the 2003 General Obligation Bonds. These bonds, totaling \$3,935,000 were issued for the purpose of reimbursing the City for certain costs relating to the acquisition of waterfront property for the City's park system, and paying the costs of designing, engineering, acquiring, preparing, constructing, and equipping various park improvements.

2014 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2014 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2014. These bonds, totaling \$3,620,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, the construction and installation of sanitary sewer lateral replacements, the Carp River sanitary sewer crossing, and improvements to the marina and park systems.

2015 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2015 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2015. These bonds, totaling \$2,250,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, acquisition and construction of park, sewer lift station and marina improvements; acquisition and installation of water membranes for the water supply system; water main improvements; and construction and installation of sanitary sewer lateral replacements and sewer pipe.

2016 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2016 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2016. These bonds, totaling \$9,505,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, and the construction and installation of sanitary sewer lateral replacements.

2017 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2017 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2017. These bonds, totaling \$12,185,000 were issued for the purpose of paying the costs of certain capital improvements including major street and local street improvements, including related water, sewer and storm water infrastructure improvements; sidewalk extensions and improvements; reconstruction of a pathway bridge; construction and installation of sanitary sewer lateral replacements and sewer pipe; acquisition and installation of boiler replacements at various City buildings, and to refund the 2009 Capital Improvement Bonds.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

FORESTLAND DEBT SERVICE FUND: This fund was established in 2005 to account for the annual payments on the Forestland property purchase. These bonds were originally issued for \$5,000,000 for the purpose of financing property to be used for a recreation trail network and possible development. In 2007, these bonds were refunded by issuing \$5,135,000 in General Obligation Unlimited Tax Refunding Bonds, thus defeasing the original 2005 issue.

2018 CAPITAL IMPROVEMENTS & MTF DEBT SERVICE FUND: This fund was established in 2018 to account for the retirement of the Capital Project Bonds, Series 2018. These bonds, totaling \$7,170,000 were issued for the purpose of paying the costs of certain capital improvements including major street and local street improvements, including related water, sewer and storm water infrastructure improvements; sidewalk extensions and improvements; Homestead Street upgrade, Fifth Street reconstruction, Picnic Rocks parking lot and Shiras Park repairs, Presque Isle Band Shell gravel road upgrade and Eagle Drive paving.

PERMANENT FUNDS

The function of Permanent Funds is to account for funds where only the interest earnings may be used. The principal cannot be spent. The accrual basis of accounting is used in recording Permanent Fund transactions.

CEMETERY FUND: this fund is used to account for monies received for care of cemetery lots. The principal amount must be maintained intact and invested. Interest earnings are used to offset the City's cost of the cemetery maintenance.

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2019

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
ASSETS				
Cash and cash equivalents	\$ 4,217,705	\$ -	\$ 330,139	\$ 4,547,844
Investments	-	-	535,690	535,690
Taxes receivable	56,941	-	-	56,941
Accounts receivable	301,594	-	-	301,594
Due from other authorities	-	-	-	-
Due from other funds	-	-	-	-
Due from State	2,952	-	-	2,952
Prepaid expenditures	28,232	-	-	28,232
TOTAL ASSETS	4,607,424	-	865,829	5,473,253
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,607,424	\$ -	\$ 865,829	\$ 5,473,253
LIABILITIES				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	219,476	-	-	219,476
Accrued wages payable	32,251	-	-	32,251
Accrued compensated absences	2,060	-	-	2,060
TOTAL LIABILITIES	253,787	-	-	253,787
DEFERRED INFLOWS OR RESOURCES	726,153	-	-	726,153
FUND BALANCE				
Non-spendable	28,232	-	865,829	894,061
Restricted	2,950,798	-	-	2,950,798
Assigned	648,454	-	-	648,454
TOTAL FUND BALANCE	3,627,484	-	865,829	4,493,313
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 4,607,424	\$ -	\$ 865,829	\$ 5,473,253

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2019

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
REVENUES:				
Taxes and penalties	\$ 752,144	\$ -	\$ -	\$ 752,144
State sources	86,221	-	-	86,221
Charge for services	1,803,497	-	44,701	1,848,198
Use and admission fees	376,911	-	-	376,911
Rentals	65,372	-	-	65,372
Licenses and permits	-	-	-	-
Fines and forfeiture	-	-	-	-
Sales of assets	-	480,790	-	480,790
Reimbursements	8,747	-	-	8,747
Investment income	9,970	-	43,116	53,086
Payment in lieu of taxes	-	-	-	-
Private contribution	735,011	-	-	735,011
Intergovernmental revenues	381,230	-	-	381,230
Special assessments	-	-	-	-
Other revenues	13,851	-	-	13,851
TOTAL REVENUES	4,232,954	480,790	87,817	4,801,561
EXPENDITURES:				
Current operations:				
General government	543,106	-	-	543,106
Public health and safety	6,400	-	-	6,400
Public works	-	-	-	-
Social services	679,975	-	-	679,975
Sanitation services	1,809,277	-	-	1,809,277
Community services	727,420	-	-	727,420
Capital outlay	441,910	-	-	441,910
Debt service:				
Professional services	-	3,580	-	3,580
Principal payments	-	5,287,438	-	5,287,438
Interest and fiscal charges	-	804,410	-	804,410
TOTAL EXPENDITURES	4,208,088	6,095,428	-	10,303,516
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,866	(5,614,638)	87,817	(5,501,955)
OTHER FINANCING SOURCES (USES):				
Transfers in	746,009	3,465,658	-	4,211,667
Transfers (out)	(648,902)	-	(43,116)	(692,018)
TOTAL OTHER FINANCING SOURCES (USES)	97,107	3,465,658	(43,116)	3,519,649
CHANGES IN FUND BALANCE	121,973	(2,148,980)	44,701	(1,982,306)
Fund balance, beginning of year	3,505,511	2,148,980	821,128	6,475,619
FUND BALANCE, END OF YEAR	\$ 3,627,484	\$ -	\$ 865,829	\$ 4,493,313

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 2019

	Public Art Fund	Sanitation Fund	Local Development Finance Authority Fund	Public Education Government (PEG) Fund	Drug Forfeiture Fund	MSHDA Downtown Rental Fund	Road Maintenance Fund	Road Safety Improvement Fund	Criminal Justice Training Fund	Senior Services Fund	Lakeview Arena Fund	Total
ASSETS												
Cash and cash equivalents	\$ 60,636	\$ 449,702	\$ 572,651	\$ 37,797	\$ 15,340	\$ 46,586	\$ 1,247,932	\$ 771,576	\$ 150	\$ 879,789	\$ 135,546	\$ 4,217,705
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	45,745	-	-	-	-	-	-	11,196	-	56,941
Accounts receivable	-	193,627	95,370	5,543	-	-	-	-	-	-	7,054	301,594
Due from other authorities	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from State	-	-	-	-	-	-	-	-	2,952	-	-	2,952
Prepaid expenditures	-	-	-	230	-	-	-	-	-	8,529	19,473	28,232
TOTAL ASSETS	60,636	643,329	713,766	43,570	15,340	46,586	1,247,932	771,576	3,102	899,514	162,073	4,607,424
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 60,636	\$ 643,329	\$ 713,766	\$ 43,570	\$ 15,340	\$ 46,586	\$ 1,247,932	\$ 771,576	\$ 3,102	\$ 899,514	\$ 162,073	\$ 4,607,424
LIABILITIES												
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	146,761	-	33,509	-	-	-	-	600	5,827	32,779	219,476
Accrued wages payable	-	4,490	-	-	-	-	-	-	-	15,740	12,021	32,251
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	2,060	2,060
TOTAL LIABILITIES	-	151,251	-	33,509	-	-	-	-	600	21,567	46,860	253,787
DEFERRED INFLOWS OR RESOURCES												
Taxes levied for a subsequent period	-	-	557,750	-	-	-	-	-	-	168,403	-	726,153
FUND BALANCE												
Non-spendable	-	-	-	230	-	-	-	-	-	8,529	19,473	28,232
Restricted	-	-	156,016	9,831	15,340	46,586	1,247,932	771,576	2,502	701,015	-	2,950,798
Assigned	60,636	492,078	-	-	-	-	-	-	-	-	95,740	648,454
TOTAL FUND BALANCE	60,636	492,078	156,016	10,061	15,340	46,586	1,247,932	771,576	2,502	709,544	115,213	3,627,484
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 60,636	\$ 643,329	\$ 713,766	\$ 43,570	\$ 15,340	\$ 46,586	\$ 1,247,932	\$ 771,576	\$ 3,102	\$ 899,514	\$ 162,073	\$ 4,607,424

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2019

	Public Art Fund	Sanitation Fund	Local Development Finance Authority Fund	Public Education Government (PEG) Fund	Drug Forfeiture Fund	MSHDA Downtown Rental Fund	Road Maintenance Fund	Road Safety Improvement Fund	Criminal Justice Training Fund	Senior Services Fund	Lakeview Arena Fund	Total
REVENUES:												
Taxes and penalties	\$ -	\$ -	\$ 532,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,477	\$ -	\$ 752,144
State sources	-	-	-	-	-	-	-	-	5,564	80,657	-	86,221
Charge for services	-	1,772,813	-	22,670	-	-	-	-	-	-	8,014	1,803,497
Use and admission fees	-	-	-	-	-	-	-	-	-	-	376,911	376,911
Rentals	-	-	-	-	-	-	-	-	-	-	65,372	65,372
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-	-	-	-	-
Sales of assets	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	8,747	8,747
Investment income	98	859	223	-	31	86	4,713	1,817	2	1,576	565	9,970
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-
Private contribution	-	-	-	-	-	-	500,000	200,000	-	35,011	-	735,011
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	381,230	-	381,230
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	8,188	4,676	-	-	-	-	-	-	737	250	13,851
TOTAL REVENUES	98	1,781,860	537,566	22,670	31	86	504,713	201,817	5,566	718,688	459,859	4,232,954
EXPENDITURES:												
Current operations:												
General government	-	-	530,545	12,561	-	-	-	-	-	-	-	543,106
Public health and safety	-	-	-	-	-	-	-	-	6,400	-	-	6,400
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-	679,975	-	679,975
Sanitation services	-	1,809,277	-	-	-	-	-	-	-	-	-	1,809,277
Community services	92	-	-	-	-	-	-	-	-	-	727,328	727,420
Capital outlay	-	-	-	100,535	-	-	278,235	49,130	-	-	14,010	441,910
Debt service:												
Professional services	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	92	1,809,277	530,545	113,096	-	-	278,235	49,130	6,400	679,975	741,338	4,208,088
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6	(27,417)	7,021	(90,426)	31	86	226,478	152,687	(834)	38,713	(281,479)	24,866
OTHER FINANCING SOURCES (USES):												
Transfers in	30,630	-	-	100,000	-	-	-	-	-	-	615,379	746,009
Transfers (out)	-	-	-	-	-	-	(212,733)	(23,637)	-	-	(412,532)	(648,902)
TOTAL OTHER FINANCING SOURCES (USES)	30,630	-	-	100,000	-	-	(212,733)	(23,637)	-	-	202,847	97,107
CHANGES IN FUND BALANCE	30,636	(27,417)	7,021	9,574	31	86	13,745	129,050	(834)	38,713	(78,632)	121,973
Fund balance, beginning of year	30,000	519,495	148,995	487	15,309	46,500	1,234,187	642,526	3,336	670,831	193,845	3,505,511
FUND BALANCE, END OF YEAR	\$ 60,636	\$ 492,078	\$ 156,016	\$ 10,061	\$ 15,340	\$ 46,586	\$ 1,247,932	\$ 771,576	\$ 2,502	\$ 709,544	\$ 115,213	\$ 3,627,484

CITY OF MARQUETTE, MICHIGAN

PUBLIC ART FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 60,636	\$ 30,000
Accounts receivable	-	-
Due from other funds	-	-
	<hr/>	<hr/>
TOTAL ASSETS	60,636	30,000
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 60,636</u>	<u>\$ 30,000</u>
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued wages payable	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	-	-
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
FUND BALANCE		
Assigned	60,636	30,000
	<hr/>	<hr/>
TOTAL FUND BALANCE	60,636	30,000
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 60,636</u>	<u>\$ 30,000</u>
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CITY OF MARQUETTE, MICHIGAN

PUBLIC ART FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment income	-	98	98	-
Other revenues	-	-	-	-
TOTAL REVENUES	-	98	98	-
EXPENDITURES:				
Community Services:				
Personnel services	-	-	-	-
Supplies and contractual	1,630	92	1,538	-
Total Community Services	1,630	92	1,538	-
Capital outlay	29,000	-	29,000	-
TOTAL EXPENDITURES	30,630	92	30,538	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,630)	6	30,636	-
OTHER FINANCING SOURCES (USES):				
Transfers in	30,630	30,630	-	30,000
TOTAL OTHER FINANCING SOURCES (USES)	30,630	30,630	-	30,000
CHANGES IN FUND BALANCE	-	30,636	30,636	30,000
Fund balance, beginning of year	30,000	30,000	-	-
FUND BALANCE, END OF YEAR	\$ 30,000	\$ 60,636	\$ 30,636	\$ 30,000

CITY OF MARQUETTE, MICHIGAN

SANITATION FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 449,702	\$ 450,683
Accounts receivable	193,627	169,652
Due from other funds	-	6,300
TOTAL ASSETS	643,329	626,635
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 643,329	\$ 626,635
LIABILITIES		
Accounts payable	\$ 146,761	\$ 102,903
Accrued wages payable	4,490	4,237
TOTAL LIABILITIES	151,251	107,140
DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCE		
Assigned	492,078	519,495
TOTAL FUND BALANCE	492,078	519,495
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 643,329	\$ 626,635

CITY OF MARQUETTE, MICHIGAN

SANITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ 6,300
Charges for services	1,803,620	1,772,813	(30,807)	1,714,840
Investment income	800	859	59	211
Other revenues	5,500	8,188	2,688	11,234
TOTAL REVENUES	1,809,920	1,781,860	(28,060)	1,732,585
EXPENDITURES:				
Sanitation Services:				
Personnel services	168,445	193,708	(25,263)	188,558
Supplies and contractual	1,641,475	1,615,569	25,906	1,565,012
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	1,809,920	1,809,277	643	1,753,570
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(27,417)	(27,417)	(20,985)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	(27,417)	(27,417)	(20,985)
Fund balance, beginning of year	519,495	519,495	-	540,480
FUND BALANCE, END OF YEAR	\$ 519,495	\$ 492,078	\$ (27,417)	\$ 519,495

CITY OF MARQUETTE, MICHIGAN

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 572,651	\$ 350,289
Taxes receivable	45,745	44,177
Accounts receivable	95,370	130,694
	<hr/>	<hr/>
TOTAL ASSETS	713,766	525,160
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 713,766</u>	<u>\$ 525,160</u>
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued wages payable	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	-	-
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	557,750	376,165
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	557,750	376,165
	<hr/>	<hr/>
FUND BALANCE		
Restricted	156,016	148,995
	<hr/>	<hr/>
TOTAL FUND BALANCE	156,016	148,995
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 713,766</u>	<u>\$ 525,160</u>

CITY OF MARQUETTE, MICHIGAN

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Taxes and penalties	\$ 531,000	\$ 532,667	\$ 1,667	\$ 345,147
Investment income	-	223	223	-
Other revenues	-	4,676	4,676	-
TOTAL REVENUES	531,000	537,566	6,566	345,147
EXPENDITURES:				
General Government:				
Supplies and contractual	531,000	530,545	455	326,402
TOTAL EXPENDITURES	531,000	530,545	455	326,402
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	7,021	7,021	18,745
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	7,021	7,021	18,745
Fund balance, beginning of year	148,995	148,995	-	130,250
FUND BALANCE, END OF YEAR	\$ 148,995	\$ 156,016	\$ 7,021	\$ 148,995

CITY OF MARQUETTE, MICHIGAN

PUBLIC EDUCATION GOVERNMENT (PEG) FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 37,797	\$ -
Accounts receivable	5,543	5,741
Prepaid expenditures	<u>230</u>	<u>230</u>
TOTAL ASSETS	<u>43,570</u>	<u>5,971</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 43,570</u></u>	<u><u>\$ 5,971</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ 5,484
Accounts payable	<u>33,509</u>	<u>-</u>
TOTAL LIABILITIES	<u>33,509</u>	<u>5,484</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	230	230
Restricted	<u>9,831</u>	<u>257</u>
TOTAL FUND BALANCE	<u>10,061</u>	<u>487</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 43,570</u></u>	<u><u>\$ 5,971</u></u>

CITY OF MARQUETTE, MICHIGAN

PUBLIC EDUCATION GOVERNMENT (PEG) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Charges for services	\$ 23,555	\$ 22,670	\$ (885)	\$ 24,769
Investment income	-	-	-	3
Other revenues	-	-	-	-
TOTAL REVENUES	23,555	22,670	(885)	24,772
EXPENDITURES:				
General Government:				
Supplies and contractual	23,555	12,561	10,994	41,907
Other supplies and charges	-	-	-	-
Total Sanitation Services	23,555	12,561	10,994	41,907
Capital outlay	100,000	100,535	(535)	-
TOTAL EXPENDITURES	123,555	113,096	10,459	41,907
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	(90,426)	9,574	(17,135)
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	-	-
CHANGES IN FUND BALANCE	-	9,574	9,574	(17,135)
Fund balance, beginning of year	487	487	-	17,622
FUND BALANCE, END OF YEAR	\$ 487	\$ 10,061	\$ 9,574	\$ 487

CITY OF MARQUETTE, MICHIGAN

DRUG FORFEITURE FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 15,340	\$ 15,409
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>15,340</u>	<u>15,409</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 15,340</u></u>	<u><u>\$ 15,409</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ -
Accounts payable	<u>-</u>	<u>100</u>
TOTAL LIABILITIES	<u>-</u>	<u>100</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	<u>15,340</u>	<u>15,309</u>
TOTAL FUND BALANCE	<u>15,340</u>	<u>15,309</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 15,340</u></u>	<u><u>\$ 15,409</u></u>

CITY OF MARQUETTE, MICHIGAN

DRUG FORFEITURE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Fines and forfeiture	\$ 15,400	\$ -	\$ (15,400)	\$ 1,108
Investment income	5	31	26	7
Other revenues	-	-	-	-
TOTAL REVENUES	15,405	31	(15,374)	1,115
EXPENDITURES:				
Public Health and Safety:				
Supplies and contractual	15,405	-	15,405	363
Other supplies and charges	-	-	-	-
Total Public Health and Safety	15,405	-	15,405	363
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	15,405	-	15,405	363
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	31	31	752
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	31	31	752
Fund balance, beginning of year	15,309	15,309	-	14,557
FUND BALANCE, END OF YEAR	\$ 15,309	\$ 15,340	\$ 31	\$ 15,309

CITY OF MARQUETTE, MICHIGAN

MSHDA DOWNTOWN RENTAL FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 46,586	\$ 46,500
Accounts receivable	-	-
Due from State	-	-
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>46,586</u>	<u>46,500</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 46,586</u>	<u>\$ 46,500</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	<u>46,586</u>	<u>46,500</u>
TOTAL FUND BALANCE	<u>46,586</u>	<u>46,500</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 46,586</u>	<u>\$ 46,500</u>

CITY OF MARQUETTE, MICHIGAN

MSHDA DOWNTOWN RENTAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ 86	\$ 86	\$ 22
TOTAL REVENUES	-	86	86	22
EXPENDITURES:				
Community Development:				
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	86	86	22
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	86	86	22
Fund balance, beginning of year	46,500	46,500	-	46,478
FUND BALANCE, END OF YEAR	<u>\$ 46,500</u>	<u>\$ 46,586</u>	<u>\$ 86</u>	<u>\$ 46,500</u>

CITY OF MARQUETTE, MICHIGAN

ROAD MAINTENANCE FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,247,932	\$ 1,257,369
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,247,932</u>	<u>1,257,369</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,247,932</u>	<u>\$ 1,257,369</u>
LIABILITIES		
Accounts payable	\$ -	\$ 23,182
TOTAL LIABILITIES	<u>-</u>	<u>23,182</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	<u>1,247,932</u>	<u>1,234,187</u>
TOTAL FUND BALANCE	<u>1,247,932</u>	<u>1,234,187</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,247,932</u>	<u>\$ 1,257,369</u>

CITY OF MARQUETTE, MICHIGAN

ROAD MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ 2,000	\$ 4,713	\$ 2,713	\$ 2,819
Private contribution	500,000	500,000	-	500,000
Other revenues	-	-	-	-
TOTAL REVENUES	502,000	504,713	2,713	502,819
EXPENDITURES:				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	289,265	-	289,265	-
Total Public Works	289,265	-	289,265	-
Capital outlay	-	278,235	(278,235)	1,075,745
TOTAL EXPENDITURES	289,265	278,235	11,030	1,075,745
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	212,735	226,478	13,743	(572,926)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(212,735)	(212,733)	2	(211,974)
TOTAL OTHER FINANCING SOURCES (USES)	(212,735)	(212,733)	2	(211,974)
CHANGES IN FUND BALANCE	-	13,745	13,745	(784,900)
Fund balance, beginning of year	1,234,187	1,234,187	-	2,019,087
FUND BALANCE, END OF YEAR	\$ 1,234,187	\$ 1,247,932	\$ 13,745	\$ 1,234,187

CITY OF MARQUETTE, MICHIGAN

ROAD SAFETY IMPROVEMENT FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 771,576	\$ 642,526
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>771,576</u>	<u>642,526</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 771,576</u></u>	<u><u>\$ 642,526</u></u>
LIABILITIES		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	<u>771,576</u>	<u>642,526</u>
TOTAL FUND BALANCE	<u>771,576</u>	<u>642,526</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 771,576</u></u>	<u><u>\$ 642,526</u></u>

CITY OF MARQUETTE, MICHIGAN

ROAD SAFETY IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ 300	\$ 1,817	\$ 1,517	\$ 313
Private contribution	200,000	200,000	-	200,000
Other revenues	-	-	-	-
TOTAL REVENUES	200,300	201,817	1,517	200,313
EXPENDITURES:				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	176,660	-	176,660	-
Total Public Works	176,660	-	176,660	-
Capital outlay	-	49,130	(49,130)	120,078
TOTAL EXPENDITURES	176,660	49,130	127,530	120,078
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,640	152,687	129,047	80,235
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(23,640)	(23,637)	3	(23,553)
TOTAL OTHER FINANCING SOURCES (USES)	(23,640)	(23,637)	3	(23,553)
CHANGES IN FUND BALANCE	-	129,050	129,050	56,682
Fund balance, beginning of year	642,526	642,526	-	585,844
FUND BALANCE, END OF YEAR	\$ 642,526	\$ 771,576	\$ 129,050	\$ 642,526

CITY OF MARQUETTE, MICHIGAN

CRIMINAL JUSTICE TRAINING FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 150	\$ 362
Due from State	<u>2,952</u>	<u>2,974</u>
TOTAL ASSETS	<u>3,102</u>	<u>3,336</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 3,102</u></u>	<u><u>\$ 3,336</u></u>
LIABILITIES		
Accounts payable	<u>\$ 600</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>600</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	<u>2,502</u>	<u>3,336</u>
TOTAL FUND BALANCE	<u>2,502</u>	<u>3,336</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 3,102</u></u>	<u><u>\$ 3,336</u></u>

CITY OF MARQUETTE, MICHIGAN

CRIMINAL JUSTICE TRAINING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 6,400	\$ 5,564	\$ (836)	\$ 8,800
Investment income	-	2	2	1
Other revenues	-	-	-	-
TOTAL REVENUES	6,400	5,566	(834)	8,801
EXPENDITURES:				
Public Health and Safety:				
Supplies and contractual	6,400	6,400	-	6,400
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	6,400	6,400	-	6,400
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(834)	(834)	2,401
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	(834)	(834)	2,401
Fund balance, beginning of year	3,336	3,336	-	935
FUND BALANCE, END OF YEAR	\$ 3,336	\$ 2,502	\$ (834)	\$ 3,336

CITY OF MARQUETTE, MICHIGAN

SENIOR SERVICES FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 879,789	\$ 847,458
Taxes receivable	11,196	10,631
Accounts receivable	-	10
Prepaid expenditures	<u>8,529</u>	<u>6,714</u>
TOTAL ASSETS	<u>899,514</u>	<u>864,813</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 899,514</u></u>	<u><u>\$ 864,813</u></u>
LIABILITIES		
Accounts payable	\$ 5,827	\$ 3,902
Accrued wages payable	<u>15,740</u>	<u>14,477</u>
TOTAL LIABILITIES	<u>21,567</u>	<u>18,379</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	<u>168,403</u>	<u>175,603</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>168,403</u>	<u>175,603</u>
FUND BALANCE		
Non-spendable	8,529	6,714
Restricted	<u>701,015</u>	<u>664,117</u>
TOTAL FUND BALANCE	<u>709,544</u>	<u>670,831</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 899,514</u></u>	<u><u>\$ 864,813</u></u>

CITY OF MARQUETTE, MICHIGAN

SENIOR SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Property Taxes:				
Real property tax	\$ 219,720	\$ 204,430	\$ (15,290)	\$ 211,571
Personal property tax	14,960	14,667	(293)	14,868
Interest and penalty on taxes	400	84	(316)	344
Administrative collection fees	-	-	-	-
Total Property Taxes	<u>235,080</u>	<u>219,181</u>	<u>(15,899)</u>	<u>226,783</u>
Industrial Facilities Tax	<u>340</u>	<u>296</u>	<u>(44)</u>	<u>625</u>
State sources	46,685	80,657	33,972	46,835
Investment income	275	1,576	1,301	330
Private contribution	26,000	35,011	9,011	33,096
Intergovernmental revenues	377,920	381,230	3,310	373,421
Other revenues	96,090	737	(95,353)	523
TOTAL REVENUES	<u>782,390</u>	<u>718,688</u>	<u>(63,702)</u>	<u>681,613</u>
EXPENDITURES:				
Social Services:				
State Home Care Service:				
Personnel services	75,765	95,757	(19,992)	85,365
Supplies and contractual	9,600	9,589	11	9,108
Other supplies and charges	-	-	-	-
Total State Home Care Service	<u>85,365</u>	<u>105,346</u>	<u>(19,981)</u>	<u>94,473</u>
MCCOA - Allocation to Senior Services:				
Personnel services	583,425	480,522	102,903	449,385
Supplies and contractual	94,100	78,689	15,411	69,754
Other supplies and charges	19,500	15,418	4,082	17,564
Total MCCOA - allocation to Senior Services	<u>697,025</u>	<u>574,629</u>	<u>122,396</u>	<u>536,703</u>
TOTAL EXPENDITURES	<u>782,390</u>	<u>679,975</u>	<u>102,415</u>	<u>631,176</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>38,713</u>	<u>38,713</u>	<u>50,437</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>38,713</u>	<u>38,713</u>	<u>50,437</u>
Fund balance, beginning of year	<u>670,831</u>	<u>670,831</u>	<u>-</u>	<u>620,394</u>
FUND BALANCE, END OF YEAR	<u>\$ 670,831</u>	<u>\$ 709,544</u>	<u>\$ 38,713</u>	<u>\$ 670,831</u>

CITY OF MARQUETTE, MICHIGAN

LAKEVIEW ARENA FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 135,546	\$ 193,603
Accounts receivable	7,054	62,833
Prepaid expenditures	<u>19,473</u>	<u>18,080</u>
TOTAL ASSETS	<u>162,073</u>	<u>274,516</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 162,073</u></u>	<u><u>\$ 274,516</u></u>
LIABILITIES		
Accounts payable	\$ 32,779	\$ 67,854
Accrued wages payable	12,021	11,213
Accrued compensated absences	<u>2,060</u>	<u>1,604</u>
TOTAL LIABILITIES	<u>46,860</u>	<u>80,671</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	19,473	18,080
Assigned	<u>95,740</u>	<u>175,765</u>
TOTAL FUND BALANCE	<u>115,213</u>	<u>193,845</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 162,073</u></u>	<u><u>\$ 274,516</u></u>

CITY OF MARQUETTE, MICHIGAN

LAKEVIEW ARENA FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ -
Charges for services	3,900	8,014	4,114	10,207
Use and admission fees:				
Ice arena use	410,000	342,500	(67,500)	394,208
Arena events	26,000	34,411	8,411	26,350
Total use and admission fees	436,000	376,911	(59,089)	420,558
Rentals	70,000	65,372	(4,628)	75,368
Sale of assets	-	-	-	-
Reimbursements	14,310	8,747	(5,563)	8,287
Investment income	1,970	565	(1,405)	3,305
Other revenues	31,675	250	(31,425)	1,553
TOTAL REVENUES	557,855	459,859	(97,996)	519,278
EXPENDITURES:				
Community Services:				
Personnel services	229,150	197,965	31,185	170,902
Supplies and contractual	507,875	529,363	(21,488)	523,930
Other supplies and charges	-	-	-	-
Total Community Services	737,025	727,328	9,697	694,832
Capital outlay	23,675	14,010	9,665	27,795
TOTAL EXPENDITURES	760,700	741,338	19,362	722,627
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(202,845)	(281,479)	(78,634)	(203,349)
OTHER FINANCING SOURCES (USES):				
Transfers in	615,380	615,379	(1)	321,602
Transfers (out)	(412,535)	(412,532)	3	(118,253)
TOTAL OTHER FINANCING SOURCES (USES)	202,845	202,847	2	203,349
CHANGES IN FUND BALANCE	-	(78,632)	(78,632)	-
Fund balance, beginning of year	193,845	193,845	-	193,845
FUND BALANCE, END OF YEAR	\$ 193,845	\$ 115,213	\$ (78,632)	\$ 193,845

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

September 30, 2019

	High Street Fund	2008 Street Projects Fund	2004 Spring Street Fund	2009 Capital Improve- ments Fund	2011 Capital Improve- ments Fund	2012 Capital Improve- ments Fund	2013 Capital Improve- ments Fund	2003 Founders Landing Fund	2014 Capital Improve- ments Fund	2015 Capital Improve- ments Fund	2016 Capital Improve- ments Fund	2017 Capital Improve- ments Fund	Forestland Fund	2018 Capital Improve- ments Fund	Total
ASSETS															
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES															
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE															
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2019

	High Street Fund	2008 Street Projects Fund	2004 Spring Street Fund	2009 Capital Improvements Fund	2011 Capital Improvements Fund	2012 Capital Improvements Fund	2013 Capital Improvements Fund	2003 Founders Landing Fund	2014 Capital Improvements Fund	2015 Capital Improvements Fund	2016 Capital Improvements Fund	2017 Capital Improvements Fund	Forestland Fund	2018 Capital Improvements Fund	Total
REVENUES:															
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	480,790	-	480,790
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	480,790	-	480,790
EXPENDITURES:															
Debt Service:															
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	3,580	-	3,580
Principal payments	11,006	-	82,873	251,090	68,000	78,255	66,650	1,100,000	75,600	68,800	387,664	232,500	2,640,000	225,000	5,287,438
Interest and fiscal changes	1,919	-	-	11,300	25,315	25,649	21,285	64,210	38,286	13,344	137,698	217,154	180,349	67,901	804,410
TOTAL EXPENDITURES	12,925	-	82,873	262,390	93,315	103,904	87,935	1,164,210	113,886	82,144	525,362	449,654	2,823,929	292,901	6,095,428
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,925)	-	(82,873)	(262,390)	(93,315)	(103,904)	(87,935)	(1,164,210)	(113,886)	(82,144)	(525,362)	(449,654)	(2,343,139)	(292,901)	(5,614,638)
OTHER FINANCING SOURCES (USES):															
Transfers in	12,925	-	82,873	262,390	93,315	103,904	87,935	1,164,210	113,886	82,144	525,362	449,654	194,159	292,901	3,465,658
TOTAL OTHER FINANCING SOURCES (USES)	12,925	-	82,873	262,390	93,315	103,904	87,935	1,164,210	113,886	82,144	525,362	449,654	194,159	292,901	3,465,658
CHANGES IN FUND BALANCE	-	-	-	-	-	-	-	-	-	-	-	-	(2,148,980)	-	(2,148,980)
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	2,148,980	-	2,148,980
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

HIGH STREET - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	10,915	11,006	(91)	10,803
Interest and fiscal charges	2,010	1,919	91	2,095
TOTAL EXPENDITURES	12,925	12,925	-	12,898
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,925)	(12,925)	-	(12,898)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	405	404	(1)	403
Local Street Fund	12,520	12,521	1	12,495
TOTAL OTHER FINANCING SOURCES (USES)	12,925	12,925	-	12,898
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2008 STREET PROJECTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	-	-	-	128,934
Interest and fiscal charges	-	-	-	6,440
TOTAL EXPENDITURES	-	-	-	135,374
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(135,374)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	-	-	-	49,148
Major Street and Trunkline Fund	-	-	-	41,931
Local Street Fund	-	-	-	44,295
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	135,374
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2004 SPRING STREET - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	82,875	82,873	2	82,873
TOTAL EXPENDITURES	82,875	82,873	2	82,873
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,875)	(82,873)	(2)	(82,873)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	82,875	82,873	(2)	82,873
TOTAL OTHER FINANCING SOURCES (USES)	82,875	82,873	(2)	82,873
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2009 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	251,090	251,090	-	242,650
Interest and fiscal charges	67,005	11,300	55,705	21,612
TOTAL EXPENDITURES	318,095	262,390	55,705	264,262
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(318,095)	(262,390)	(55,705)	(264,262)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	3,015	2,488	(527)	2,504
Major Street and Trunkline Fund	137,190	113,164	(24,026)	113,970
Local Street Fund	61,055	50,363	(10,692)	50,723
Lakeview Arena Fund	116,835	96,375	(20,460)	97,065
TOTAL OTHER FINANCING SOURCES (USES)	318,095	262,390	(55,705)	264,262
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

2011 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Debt Service:				
Principal payments	68,000	68,000	-	66,000
Interest and fiscal charges	25,315	25,315	-	27,325
TOTAL EXPENDITURES	<u>93,315</u>	<u>93,315</u>	<u>-</u>	<u>93,325</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(93,315)</u>	<u>(93,315)</u>	<u>-</u>	<u>(93,325)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	34,995	34,993	(2)	34,997
Local Street Fund	58,320	58,322	2	58,328
TOTAL OTHER FINANCING SOURCES (USES)	<u>93,315</u>	<u>93,315</u>	<u>-</u>	<u>93,325</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2012 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	78,255	78,255	-	74,925
Interest and fiscal charges	25,650	25,649	1	27,947
TOTAL EXPENDITURES	103,905	103,904	1	102,872
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(103,905)	(103,904)	(1)	(102,872)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	935	936	1	927
Major Street and Trunkline Fund	37,130	37,131	1	36,762
Local Street Fund	65,840	65,837	(3)	65,183
TOTAL OTHER FINANCING SOURCES (USES)	103,905	103,904	(1)	102,872
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

2013 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Debt Service:				
Principal payments	66,650	66,650	-	63,550
Interest and fiscal charges	21,285	21,285	-	23,205
TOTAL EXPENDITURES	<u>87,935</u>	<u>87,935</u>	<u>-</u>	<u>86,755</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(87,935)</u>	<u>(87,935)</u>	<u>-</u>	<u>(86,755)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	53,895	53,896	1	53,172
Local Street Fund	34,040	34,039	(1)	33,583
TOTAL OTHER FINANCING SOURCES (USES)	<u>87,935</u>	<u>87,935</u>	<u>-</u>	<u>86,755</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2003 FOUNDERS LANDING - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Debt Service:				
Principal payments	1,100,000	1,100,000	-	245,000
Interest and fiscal charges	64,220	64,210	10	43,881
TOTAL EXPENDITURES	<u>1,164,220</u>	<u>1,164,210</u>	<u>10</u>	<u>288,881</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,164,220)</u>	<u>(1,164,210)</u>	<u>(10)</u>	<u>(288,881)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	1,164,220	1,164,210	(10)	288,881
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,164,220</u>	<u>1,164,210</u>	<u>(10)</u>	<u>288,881</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2014 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	75,600	75,600	-	73,800
Interest and fiscal charges	38,295	38,286	9	40,158
TOTAL EXPENDITURES	113,895	113,886	9	113,958
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(113,895)	(113,886)	(9)	(113,958)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	37,965	37,962	(3)	37,986
Major Street and Trunkline Fund	25,310	25,308	(2)	25,324
Local Street Fund	47,455	47,453	(2)	47,483
Lakeview Arena Fund	3,165	3,163	(2)	3,165
TOTAL OTHER FINANCING SOURCES (USES)	113,895	113,886	(9)	113,958
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

2015 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	68,800	68,800	-	67,200
Interest and fiscal charges	13,345	13,344	1	14,704
TOTAL EXPENDITURES	82,145	82,144	1	81,904
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,145)	(82,144)	(1)	(81,904)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	20,535	20,536	1	20,476
Local Street Fund	61,610	61,608	(2)	61,428
TOTAL OTHER FINANCING SOURCES (USES)	82,145	82,144	(1)	81,904
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

2016 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Debt Service:				
Principal payments	387,665	387,664	1	254,850
Interest and fiscal charges	137,700	137,698	2	142,795
TOTAL EXPENDITURES	<u>525,365</u>	<u>525,362</u>	<u>3</u>	<u>397,645</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(525,365)</u>	<u>(525,362)</u>	<u>(3)</u>	<u>(397,645)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	315,695	315,692	(3)	268,773
Major Street and Trunkline Fund	70,700	70,701	1	31,672
Local Street Fund	138,970	138,969	(1)	97,200
TOTAL OTHER FINANCING SOURCES (USES)	<u>525,365</u>	<u>525,362</u>	<u>(3)</u>	<u>397,645</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2017 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	232,500	232,500	-	288,050
Interest and fiscal charges	217,155	217,154	1	153,564
TOTAL EXPENDITURES	449,655	449,654	1	441,614
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(449,655)	(449,654)	(1)	(441,614)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	47,805	47,802	(3)	47,570
Major Street and Trunkline Fund	87,055	87,056	1	83,970
Local Street Fund	57,965	57,966	1	56,524
Road Maintenance Fund	233,195	212,733	(20,462)	211,974
Road Safety Fund	23,635	23,637	2	23,553
Lakeview Arena Fund	-	20,460	20,460	18,023
TOTAL OTHER FINANCING SOURCES (USES)	449,655	449,654	(1)	441,614
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

FORESTLAND - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Sale of capital assets	2,173,790	480,790	(1,693,000)	-
Other	-	-	-	-
TOTAL REVENUES	2,173,790	480,790	(1,693,000)	-
EXPENDITURES:				
Debt Service:				
Professional services	11,530	3,580	7,950	320
Principal payments	2,640,000	2,640,000	-	300,000
Interest and fiscal charges	180,260	180,349	(89)	152,948
TOTAL EXPENDITURES	2,831,790	2,823,929	7,861	453,268
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(658,000)	(2,343,139)	(1,700,861)	(453,268)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	658,000	194,159	(463,841)	663,000
TOTAL OTHER FINANCING SOURCES (USES)	658,000	194,159	(463,841)	663,000
CHANGES IN FUND BALANCE	-	(2,148,980)	(2,148,980)	209,732
Fund balance, beginning of year	2,148,980	2,148,980	-	1,939,248
FUND BALANCE, END OF YEAR	\$ 2,148,980	\$ -	\$ (2,148,980)	\$ 2,148,980

CITY OF MARQUETTE, MICHIGAN

2018 CAPITAL IMPROVEMENTS & MTF - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal payments	225,000	225,000	-	-
Interest and fiscal charges	67,905	67,901	4	-
TOTAL EXPENDITURES	292,905	292,901	4	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(292,905)	(292,901)	(4)	-
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	131,655	131,654	(1)	-
Major Street and Trunkline Fund	96,605	96,605	-	-
Local Street Fund	64,645	64,642	(3)	-
TOTAL OTHER FINANCING SOURCES (USES)	292,905	292,901	(4)	-
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

CEMETERY FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 330,139	\$ 327,801
Investments	535,690	493,327
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 865,829</u></u>	<u><u>\$ 821,128</u></u>
 FUND BALANCE		
Non-spendable	<u><u>\$ 865,829</u></u>	<u><u>\$ 821,128</u></u>

CITY OF MARQUETTE, MICHIGAN

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019	2018
REVENUES:		
Charges for services	\$ 44,701	\$ 22,387
Investment income	43,116	(28,892)
TOTAL REVENUES	87,817	(6,505)
OTHER FINANCING SOURCES (USES):		
Transfers in	-	28,892
Transfers (out)	(43,116)	-
TOTAL OTHER FINANCING SOURCES (USES)	(43,116)	28,892
CHANGES IN FUND BALANCE	44,701	22,387
Fund balance, beginning of year	821,128	798,741
FUND BALANCE, END OF YEAR	\$ 865,829	\$ 821,128

CITY OF MARQUETTE, MICHIGAN
ENTERPRISE FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

The function of the Enterprise Funds is to record the financing, acquisition, operation and maintenance of City activities that are predominantly self-supporting from user charges.

The accrual basis of accounting is used in recording Enterprise Fund transactions.

The Major Enterprise Funds of the City are the Water Supply Fund, the Sewage Disposal Fund, and the Stormwater Utility Fund. The Non-major Enterprise Funds of the City are the Tourist Park Fund, Lighthouse Park Fund, Fuel System Fund, and the Marina Funds.

WATER SUPPLY FUND: To account for water treatment and distribution activities.

SEWAGE DISPOSAL FUND: To account for sewage disposal and sanitary sewer operations.

STORMWATER UTILITY FUND: To account for the management of stormwater related activities including billing, maintenance, and construction.

TOURIST PARK FUND: To account for the activity at the City operated camping and recreational park.

LIGHTHOUSE PARK FUND: To account for the revenue generated through rental of the Captain's House, Barracks and revenue sharing with the Marquette Maritime Museum tours of the Lighthouse.

FUEL SYSTEM FUND: To account for the operation, maintenance and repair of the City fuel depot.

MARINA FUNDS: To account for activity at the City operated marinas.

CITY OF MARQUETTE, MICHIGAN

WATER SUPPLY FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 1,320,859
Accounts receivable	1,131,665	620,014
Special assessments receivable	2,341	3,172
Due from other governments	9,224	1,480
Inventory	-	-
Prepaid expense	755,653	39,223
TOTAL CURRENT ASSETS	1,898,883	1,984,748
Non-current Assets		
Restricted Assets:		
OPEB Reserve	217,926	208,851
Compensated absences reserve	271,311	211,881
Total Restricted Assets	489,237	420,732
Land and other non-depreciable assets	17,725	17,725
Construction in progress	-	644,334
Other capital assets, net of depreciation	24,720,054	24,749,874
TOTAL NON-CURRENT ASSETS	25,227,016	25,832,665
TOTAL ASSETS	27,125,899	27,817,413
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	147,607	154,653
Deferred outflows related to pension	457,684	115,538
Deferred outflows related to OPEB	16,077	116
TOTAL DEFERRED OUTFLOWS OF RESOURCES	621,368	270,307
LIABILITIES		
Current Liabilities:		
Cash overdraft	1,527,391	-
Accounts payable	125,801	123,477
Accrued wages payable	37,257	37,900
Customer deposits payable	-	-
Accrued interest payable	119,256	119,915
Current portion of long-term debt	887,867	879,947
TOTAL CURRENT LIABILITIES	2,697,572	1,161,239
Non-current Liabilities:		
Compensated absences	271,311	211,881
Other post-employment benefits (OPEB)	217,926	208,851
Net pension liability	3,246,618	2,620,531
Bonds payable	7,106,054	7,924,628
Loan payable	819,840	884,840
Unamortized bond premium	583,105	662,653
TOTAL NON-CURRENT LIABILITIES	12,244,854	12,513,384
TOTAL LIABILITIES	14,942,426	13,674,623
DEFERRED INFLOWS OF RESOURCES		
Special assessments	3,259	4,090
Deferred inflows related to pension	66,695	141,472
Deferred inflows related to OPEB	28,492	28,542
TOTAL DEFERRED INFLOWS OF RESOURCES	98,446	174,104
NET POSITION		
Net investment in capital assets	15,488,520	15,634,842
Restricted for:		
Capital outlay	-	420,324
Unrestricted	(2,782,125)	(1,816,173)
TOTAL NET POSITION	\$ 12,706,395	\$ 14,238,993

CITY OF MARQUETTE, MICHIGAN

WATER SUPPLY FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 3,790,000	\$ 3,493,161	\$ (296,839)	\$ 2,961,446
Public authorities	90,000	91,431	1,431	98,264
Non-tax customers	1,123,000	1,273,742	150,742	1,170,486
City departments	40,000	154,849	114,849	55,784
Charges for services	30,000	29,862	(138)	27,863
Rentals	-	-	-	-
Reimbursements	-	3,676	3,676	2,843
Other revenues	58,830	65,599	6,769	80,425
TOTAL OPERATING REVENUES	5,131,830	5,112,320	(19,510)	4,397,111
OPERATING EXPENSES:				
Personnel services	1,560,140	1,809,646	(249,506)	1,439,939
Supplies and contractual	1,323,335	1,210,370	112,965	1,054,428
Capital outlay	-	-	-	-
Provision for depreciation	1,300,000	1,394,559	(94,559)	1,298,281
Other supplies and charges	635,340	635,340	-	602,028
TOTAL OPERATING EXPENSES	4,818,815	5,049,915	(231,100)	4,394,676
OPERATING INCOME (LOSS)	313,015	62,405	(250,610)	2,435
NON-OPERATING REVENUES (EXPENSES):				
Investment income	5,045	21,049	16,004	9,390
Interest expense	(323,060)	(252,569)	70,491	(238,103)
Bond issuance expense	-	-	-	(12,638)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(318,015)	(231,520)	86,495	(241,351)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(5,000)	(169,115)	(164,115)	(238,916)
Federal grant - capital grant	-	4,224	4,224	6,480
State grant - capital grant	5,000	5,000	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(1,372,707)	(1,372,707)	-
CHANGE IN NET POSITION	-	(1,532,598)	(1,532,598)	(232,436)
Net position, beginning of year, as restated	14,238,993	14,238,993	-	14,471,429
NET POSITION, END OF YEAR	\$ 14,238,993	\$ 12,706,395	\$ (1,532,598)	\$ 14,238,993

CITY OF MARQUETTE, MICHIGAN

SEWAGE DISPOSAL FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 67,412
Accounts receivable	1,524,771	748,795
Special assessments receivable	8,575	15,189
Due from State	-	65,277
Inventory	194,690	169,054
Prepaid expense	880,098	39,613
TOTAL CURRENT ASSETS	2,608,134	1,105,340
Non-current Assets		
Restricted Assets:		
OPEB Reserve	153,702	147,302
Compensated absences reserve	75,498	66,928
Total Restricted Assets	<u>229,200</u>	<u>214,230</u>
Investment in Wastewater Facility	3,203,378	3,297,981
Land and other non-depreciable assets	20,594	20,594
Construction in progress	33,766	1,034,058
Other capital assets, net of depreciation	<u>20,077,993</u>	<u>19,357,183</u>
TOTAL NON-CURRENT ASSETS	23,564,931	23,924,046
TOTAL ASSETS	26,173,065	25,029,386
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	86,025	90,867
Deferred outflows related to pension	188,510	68,367
Deferred outflows related to OPEB	<u>11,339</u>	<u>81</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	285,874	159,315
LIABILITIES		
Current Liabilities:		
Cash overdraft	1,734,618	-
Accounts payable	1,348,802	1,400,849
Accrued wages payable	10,686	16,518
Customer deposits payable	-	-
Current portion of long-term debt	1,015,641	1,006,932
Accrued interest payable	<u>126,572</u>	<u>124,740</u>
TOTAL CURRENT LIABILITIES	4,236,319	2,549,039
Non-current Liabilities:		
Compensated absences	75,498	66,928
Other post-employment benefits (OPEB)	153,702	147,302
Net pension liability	1,911,021	1,714,783
Long term payable to other authorities	813,290	841,591
Bonds payable	7,202,322	7,952,612
Loan payable	1,627,484	1,892,484
Unamortized bond premium	<u>552,991</u>	<u>618,421</u>
TOTAL NON-CURRENT LIABILITIES	12,336,308	13,234,121
TOTAL LIABILITIES	16,572,627	15,783,160
DEFERRED INFLOWS OF RESOURCES		
Special assessments	16,163	22,777
Deferred inflows related to pension	29,066	39,601
Deferred inflows related to OPEB	<u>20,095</u>	<u>20,130</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	65,324	82,508
NET POSITION		
Net investment in capital assets	9,819,940	9,177,310
Restricted for:		
Capital outlay	-	145,057
Unrestricted	<u>1,048</u>	<u>666</u>
TOTAL NET POSITION	\$ 9,820,988	\$ 9,323,033

CITY OF MARQUETTE, MICHIGAN

SEWAGE DISPOSAL FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 4,658,000	\$ 5,099,495	\$ 441,495	\$ 3,894,527
Public authorities	120,000	122,749	2,749	131,153
Non-tax customers	1,481,200	1,700,081	218,881	1,420,859
City departments	35,500	122,009	86,509	47,505
Charges for services	4,000	9,462	5,462	9,263
Rentals	1,000	1,000	-	1,000
Reimbursements	-	3,788	3,788	3,981
Other revenues	12,610	25,058	12,448	13,825
TOTAL OPERATING REVENUES	6,312,310	7,083,642	771,332	5,522,113
OPERATING EXPENSES:				
Personnel services	685,120	667,178	17,942	625,209
Supplies and contractual	3,679,965	3,608,367	71,598	3,290,200
Capital outlay	-	-	-	-
Provision for depreciation	1,100,000	1,002,584	97,416	914,025
Other supplies and charges	497,580	497,580	-	500,136
TOTAL OPERATING EXPENSES	5,962,665	5,775,709	186,956	5,329,570
OPERATING INCOME (LOSS)	349,645	1,307,933	958,288	192,543
NON-OPERATING REVENUES (EXPENSES):				
Investment income	3,645	4,170	525	7,415
Interest expense	(353,290)	(291,754)	61,536	(277,406)
Operating (loss) from Marquette Area	-	-	-	-
Wastewater Treatment Facility	-	(9,242)	(9,242)	(100,824)
Bond issuance expense	-	-	-	(15,176)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(349,645)	(296,826)	52,819	(385,991)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	-	1,011,107	1,011,107	(193,448)
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	59,874	59,874	142,424
Transfers in	-	-	-	369,448
Transfers (out)	-	(573,026)	(573,026)	-
CHANGE IN NET POSITION	-	497,955	497,955	318,424
Net position, beginning of year, as restated	9,323,033	9,323,033	-	9,004,609
NET POSITION, END OF YEAR	\$ 9,323,033	\$ 9,820,988	\$ 497,955	\$ 9,323,033

CITY OF MARQUETTE, MICHIGAN

STORMWATER UTILITY FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 579,707
Accounts receivable	61,450	46,329
Due from other governments	-	119,297
Inventory	-	-
Prepaid expense	810,879	134
TOTAL CURRENT ASSETS	872,329	745,467
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	28,340	24,245
Total Restricted Assets	28,340	24,245
Construction in progress	10,609	1,048,395
Other capital assets, net of depreciation	11,200,170	10,214,089
TOTAL NON-CURRENT ASSETS	11,239,119	11,286,729
TOTAL ASSETS	12,111,448	12,032,196
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	55,142	60,194
TOTAL DEFERRED OUTFLOWS OF RESOURCES	55,142	60,194
LIABILITIES		
Current Liabilities:		
Cash overdraft	362,910	-
Accounts payable	167,309	195,394
Accrued wages payable	11,531	6,526
Accrued interest payable	89,367	86,949
Current portion of long-term debt	654,102	643,726
TOTAL CURRENT LIABILITIES	1,285,219	932,595
Non-current Liabilities:		
Compensated absences	28,340	24,245
Bonds payable	5,054,668	5,707,641
Unamortized bond premium	468,671	517,403
TOTAL NON-CURRENT LIABILITIES	5,551,679	6,249,289
TOTAL LIABILITIES	6,836,898	7,181,884
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net investment in capital assets	5,088,480	4,559,719
Restricted for:		
Capital outlay	-	105,811
Unrestricted	241,212	244,976
TOTAL NET POSITION	\$ 5,329,692	\$ 4,910,506

CITY OF MARQUETTE, MICHIGAN

STORMWATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 715,000	\$ 793,455	\$ 78,455	\$ 684,811
Public authorities	42,000	47,216	5,216	41,890
Non-tax customers	201,000	229,533	28,533	198,582
City departments	360,000	380,619	20,619	379,162
Reimbursements	-	90,700	90,700	-
Other revenues	1,700	2,180	480	3,213
TOTAL OPERATING REVENUES	1,319,700	1,543,703	224,003	1,307,658
OPERATING EXPENSES:				
Routine Maintenance and Administration:				
Personnel services	265,870	275,639	(9,769)	241,814
Supplies and contractual	360,433	274,899	85,534	364,636
Capital outlay	-	-	-	-
Provision for depreciation	556,997	831,006	(274,009)	753,192
Other supplies and charges	-	-	-	-
TOTAL OPERATING EXPENSES	1,183,300	1,381,544	(198,244)	1,359,642
OPERATING INCOME (LOSS)	136,400	162,159	25,759	(51,984)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	1,000	2,718	1,718	3,262
Interest expense	(222,400)	(181,084)	41,316	(161,747)
Bond issuance expense	-	-	-	(14,177)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(221,400)	(178,366)	43,034	(172,662)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(85,000)	(16,207)	68,793	(224,646)
Federal grant - capital grant	-	-	-	-
State grant - capital grant	85,000	85,393	393	275,919
Transfers in	-	350,000	350,000	-
Transfers (out)	-	-	-	(369,448)
CHANGE IN NET POSITION	-	419,186	419,186	(318,175)
Net position, beginning of year, as restated	4,910,506	4,910,506	-	5,228,681
NET POSITION, END OF YEAR	\$ 4,910,506	\$ 5,329,692	\$ 419,186	\$ 4,910,506

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2019

	Tourist Park Fund	Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 933,089	\$ 323,182	\$ 9,861	\$ 399,530	\$ 1,665,662
Due from State	-	-	-	426	426
Accounts receivable	-	2,000	10,571	610	13,181
Due from local units	-	-	5,602	-	5,602
Inventory	-	-	33,302	12,156	45,458
Prepaid expense	758	-	-	906,842	907,600
TOTAL CURRENT ASSETS	933,847	325,182	59,336	1,319,564	2,637,929
Non-current Assets:					
Restricted Assets:					
Replacement Maintenance Fund	-	-	-	40,000	40,000
Compensated absences reserve	943	-	-	-	943
Total Restricted Assets	943	-	-	40,000	40,943
Other capital assets, net of depreciation	-	706,639	262,382	1,550,917	2,519,938
Construction in progress	-	-	-	264,824	264,824
TOTAL NON-CURRENT ASSETS	943	706,639	262,382	1,855,741	2,825,705
TOTAL ASSETS	934,790	1,031,821	321,718	3,175,305	5,463,634
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	-	-	-	-
Accounts payable	49,067	77,116	18,453	1,115,162	1,259,798
Accrued wages payable	5,220	143	-	2,953	8,316
Customer deposits payable	-	-	-	14,397	14,397
Accrued interest payable	-	13,454	-	-	13,454
Current portion of long-term debt	-	90,000	-	-	90,000
TOTAL CURRENT LIABILITIES	54,287	180,713	18,453	1,132,512	1,385,965
Non-current Liabilities:					
Compensated absences	943	-	-	-	943
Bonds payable	-	845,000	-	-	845,000
TOTAL NON-CURRENT LIABILITIES	943	845,000	-	-	845,943
TOTAL LIABILITIES	55,230	1,025,713	18,453	1,132,512	2,231,908
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	100,000	262,382	1,815,741	2,178,123
Restricted for:					
Capital outlay	-	328,361	-	-	328,361
Unrestricted	879,560	(422,253)	40,883	227,052	725,242
TOTAL NET POSITION	\$ 879,560	\$ 6,108	\$ 303,265	\$ 2,042,793	\$ 3,231,726

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2019

	Tourist Park Fund	Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 19,180	\$ 10,967	\$ -	\$ 4,163	\$ 34,310
Sales	27,828	-	365,083	91,570	484,481
Use and admission fees	333,492	-	-	47,491	380,983
Rentals	-	-	-	217,685	217,685
Fines and forfeiture	-	-	-	920	920
Reimbursements	534	-	-	557	1,091
Other revenues	-	-	35,390	2,128	37,518
TOTAL OPERATING REVENUES	381,034	10,967	400,473	364,514	1,156,988
OPERATING EXPENSES:					
Community Services:					
Personnel services	107,486	821	325	86,398	195,030
Supplies and contractual	199,984	807	379,449	219,358	799,598
Capital outlay	978	-	-	-	978
Provision for depreciation	-	-	15,435	169,340	184,775
Other supplies and charges	-	-	-	-	-
TOTAL OPERATING EXPENSES	308,448	1,628	395,209	475,096	1,180,381
OPERATING INCOME (LOSS)	72,586	9,339	5,264	(110,582)	(23,393)
NON-OPERATING REVENUES (EXPENSES):					
Investment income	1,886	2,375	68	10,994	15,323
Interest expense	-	(32,395)	-	-	(32,395)
Bond issuance expense	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,886	(30,020)	68	10,994	(17,072)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	74,472	(20,681)	5,332	(99,588)	(40,465)
State grant - capital grant	-	-	-	-	-
Contributed capital	-	-	-	-	-
Transfers in	-	20,681	-	-	20,681
Transfers (out)	(16,327)	-	-	(25,093)	(41,420)
CHANGE IN NET POSITION	58,145	-	5,332	(124,681)	(61,204)
Net position, beginning of year	821,415	6,108	297,933	2,167,474	3,292,930
NET POSITION, END OF YEAR	\$ 879,560	\$ 6,108	\$ 303,265	\$ 2,042,793	\$ 3,231,726

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2019

	Tourist Park Fund	Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from fees and charges for services	\$ 19,250	\$ 10,455	\$ -	\$ 5,008	\$ 34,713
Other operating revenues	361,854	-	397,172	359,925	1,118,951
Cash payments to employees for services	(107,037)	(678)	(325)	(87,343)	(195,383)
Cash payments to suppliers for goods and services	(178,767)	76,309	(359,523)	(10,840)	(472,821)
NET CASH PROVIDED BY OPERATING ACTIVITIES	95,300	86,086	37,324	266,750	485,460
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	-	-	(27,531)	-	(27,531)
Transfers in (out)	(16,327)	20,681	-	(25,093)	(20,739)
State and Federal grants	-	-	-	-	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(16,327)	20,681	(27,531)	(25,093)	(48,270)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on bonds	-	(100,000)	-	-	(100,000)
Interest paid on bonds	-	(26,301)	-	-	(26,301)
Proceeds from issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Cash payments for bond issuance expenses	-	-	-	-	-
Cash payments for capital assets	-	(705,500)	-	(264,824)	(970,324)
State and Federal grants	-	-	-	-	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(831,801)	-	(264,824)	(1,096,625)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	1,886	2,375	68	10,994	15,323
(Increase) decrease in restricted assets:					
Replacement maintenance reserve	-	-	-	-	-
Compensated absences reserve	(264)	-	-	-	(264)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,622	2,375	68	10,994	15,059
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	80,595	(722,659)	9,861	(12,173)	(644,376)
Cash and cash equivalents, beginning of year	852,494	1,045,841	-	411,703	2,310,038
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 933,089	\$ 323,182	\$ 9,861	\$ 399,530	\$ 1,665,662
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Capital distribution	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contribution	-	-	-	-	-
TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	\$ -	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income	\$ 72,586	\$ 9,339	\$ 5,264	\$ (110,582)	\$ (23,393)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	-	-	15,435	169,340	184,775
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	(426)	(426)
(Increase) decrease in accounts receivable	70	(512)	(661)	476	(627)
(Increase) decrease in due from local units	-	-	(2,640)	-	(2,640)
(Increase) decrease in inventory	-	-	1,704	1,327	3,031
(Increase) decrease in prepaid expenses	(29)	-	-	(901,874)	(901,903)
Increase (decrease) in accounts payable	22,224	77,116	18,222	1,109,065	1,226,627
Increase (decrease) in accrued wages payable	185	143	-	(945)	(617)
Increase (decrease) in customer deposits payable	-	-	-	369	369
Increase (decrease) in compensated absences	264	-	-	-	264
NET ADJUSTMENTS	22,714	76,747	32,060	377,332	508,853
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 95,300	\$ 86,086	\$ 37,324	\$ 266,750	\$ 485,460

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - TOURIST PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 933,089	\$ 852,494
Accounts receivable	-	70
Due from local units	-	-
Inventory	-	-
Prepaid expense	<u>758</u>	<u>729</u>
TOTAL CURRENT ASSETS	<u>933,847</u>	<u>853,293</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	<u>943</u>	<u>679</u>
Total Restricted Assets	<u>943</u>	<u>679</u>
Other capital assets, net of depreciation	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>943</u>	<u>679</u>
TOTAL ASSETS	<u>934,790</u>	<u>853,972</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	49,067	26,843
Accrued wages payable	<u>5,220</u>	<u>5,035</u>
TOTAL CURRENT LIABILITIES	<u>54,287</u>	<u>31,878</u>
Non-current Liabilities:		
Compensated absences	<u>943</u>	<u>679</u>
TOTAL NON-CURRENT LIABILITIES	<u>943</u>	<u>679</u>
TOTAL LIABILITIES	<u>55,230</u>	<u>32,557</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	-	-
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>879,560</u>	<u>821,415</u>
TOTAL NET POSITION	<u><u>\$ 879,560</u></u>	<u><u>\$ 821,415</u></u>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - TOURIST PARK FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 22,500	\$ 19,180	\$ (3,320)	\$ 18,117
Sales	25,000	27,828	2,828	22,957
Use and admission fees	303,642	333,492	29,850	334,115
Reimbursements	2,410	534	(1,876)	810
Other revenues	-	-	-	70
TOTAL OPERATING REVENUES	353,552	381,034	27,482	376,069
OPERATING EXPENSES:				
Community Services:				
Personnel services	104,440	107,486	(3,046)	84,337
Supplies and contractual	231,825	199,984	31,841	154,761
Other supplies and charges	-	-	-	-
Capital outlay	902	978	(76)	1,961
Provision for depreciation	-	-	-	-
TOTAL OPERATING EXPENSES	337,167	308,448	28,719	241,059
OPERATING INCOME (LOSS)	16,385	72,586	56,201	135,010
NON-OPERATING REVENUES (EXPENSES):				
Investment income	250	1,886	1,636	366
TOTAL NON-OPERATING REVENUES (EXPENSES)	250	1,886	1,636	366
INCOME (LOSS) BEFORE TRANSFERS	16,635	74,472	57,837	135,376
Transfers in (out)	(16,635)	(16,327)	308	-
CHANGE IN NET POSITION	-	58,145	58,145	135,376
Net position, beginning of year	821,415	821,415	-	686,039
NET POSITION, END OF YEAR	\$ 821,415	\$ 879,560	\$ 58,145	\$ 821,415

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - LIGHTHOUSE PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 323,182	\$ 1,045,841
Accounts receivable	2,000	1,488
Due from local units	-	-
Inventory	-	-
Prepaid expense	-	-
	<u>325,182</u>	<u>1,047,329</u>
TOTAL CURRENT ASSETS	<u>325,182</u>	<u>1,047,329</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	-	-
Total Restricted Assets	-	-
Other capital assets, net of depreciation	706,639	-
Construction in progress	-	1,139
	<u>706,639</u>	<u>1,139</u>
TOTAL NON-CURRENT ASSETS	<u>706,639</u>	<u>1,139</u>
TOTAL ASSETS	<u>1,031,821</u>	<u>1,048,468</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	77,116	-
Accrued wages payable	143	-
Current portion of long-term debt	90,000	100,000
Accrued interest payable	13,454	7,360
	<u>180,713</u>	<u>107,360</u>
TOTAL CURRENT LIABILITIES	<u>180,713</u>	<u>107,360</u>
Non-current Liabilities:		
Bonds payable	845,000	935,000
	<u>845,000</u>	<u>935,000</u>
TOTAL NON-CURRENT LIABILITIES	<u>845,000</u>	<u>935,000</u>
TOTAL LIABILITIES	<u>1,025,713</u>	<u>1,042,360</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	100,000	-
Restricted for:		
Capital outlay	328,361	1,033,861
Unrestricted	(422,253)	(1,027,753)
	<u>(422,253)</u>	<u>(1,027,753)</u>
TOTAL NET POSITION	<u>\$ 6,108</u>	<u>\$ 6,108</u>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - LIGHTHOUSE PARK FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 23,000	\$ 10,967	\$ (12,033)	\$ 8,616
TOTAL OPERATING REVENUES	23,000	10,967	(12,033)	8,616
OPERATING EXPENSES:				
Community Services:				
Personnel services	-	821	(821)	1,333
Supplies and contractual	23,000	807	22,193	1,610
Capital outlay	-	-	-	-
Provision for depreciation	-	-	-	-
TOTAL OPERATING EXPENSES	23,000	1,628	21,372	2,943
OPERATING INCOME (LOSS)	-	9,339	9,339	5,673
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	2,375	2,375	435
Interest expense	(26,305)	(32,395)	(6,090)	(7,360)
Bond issuance expense	-	-	-	(11,360)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(26,305)	(30,020)	(3,715)	(18,285)
INCOME (LOSS) BEFORE TRANSFERS	(26,305)	(20,681)	5,624	(12,612)
Transfers in	26,305	20,681	(5,624)	18,720
CHANGE IN NET POSITION	-	-	-	6,108
Net position, beginning of year	6,108	6,108	-	-
NET POSITION, END OF YEAR	\$ 6,108	\$ 6,108	\$ -	\$ 6,108

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - FUEL SYSTEM FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,861	\$ -
Accounts receivable	10,571	9,910
Due from local units	5,602	2,962
Inventory	33,302	35,006
Prepaid expense	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>59,336</u>	<u>47,878</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	<u>-</u>	<u>-</u>
Total Restricted Assets	<u>-</u>	<u>-</u>
Other capital assets, net of depreciation	<u>262,382</u>	<u>277,817</u>
TOTAL NON-CURRENT ASSETS	<u>262,382</u>	<u>277,817</u>
TOTAL ASSETS	<u>321,718</u>	<u>325,695</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	27,531
Accounts payable	18,453	231
Accrued wages payable	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>18,453</u>	<u>27,762</u>
Non-current Liabilities:		
Compensated absences	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>18,453</u>	<u>27,762</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	262,382	277,817
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>40,883</u>	<u>20,116</u>
TOTAL NET POSITION	<u>\$ 303,265</u>	<u>\$ 297,933</u>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - FUEL SYSTEM FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	615,000	365,083	(249,917)	314,955
Use and admission fees	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	43,935	35,390	(8,545)	29,411
TOTAL OPERATING REVENUES	658,935	400,473	(258,462)	344,366
OPERATING EXPENSES:				
Public Works:				
Personnel services	1,405	325	1,080	465
Supplies and contractual	644,280	379,449	264,831	323,785
Other supplies and charges	-	-	-	-
Capital outlay	-	-	-	-
Provision for depreciation	13,500	15,435	(1,935)	15,434
TOTAL OPERATING EXPENSES	659,185	395,209	263,976	339,684
OPERATING INCOME (LOSS)	(250)	5,264	5,514	4,682
NON-OPERATING REVENUES (EXPENSES):				
Contributed capital	-	-	-	293,251
Investment income	250	68	(182)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	250	68	(182)	293,251
CHANGE IN NET POSITION	-	5,332	5,332	297,933
Net position, beginning of year	297,933	297,933	-	-
NET POSITION, END OF YEAR	\$ 297,933	\$ 303,265	\$ 5,332	\$ 297,933

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - MARINAS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 399,530	\$ 411,703
Due from State	426	-
Accounts receivable	610	1,086
Inventory	12,156	13,483
Prepaid expense	906,842	4,968
TOTAL CURRENT ASSETS	<u>1,319,564</u>	<u>431,240</u>
Non-current Assets		
Restricted Assets:		
Bond Reserve Fund	-	-
Bond and Interest Redemption Fund	-	-
Replacement Maintenance Fund	40,000	40,000
Total Restricted Assets	<u>40,000</u>	<u>40,000</u>
Other capital assets, net of depreciation	1,550,917	1,653,349
Construction in progress	264,824	66,908
TOTAL NON-CURRENT ASSETS	<u>1,855,741</u>	<u>1,760,257</u>
TOTAL ASSETS	<u>3,175,305</u>	<u>2,191,497</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,115,162	6,097
Accrued wages payable	2,953	3,898
Customer deposits payable	14,397	14,028
Current portion of long-term debt	-	-
Accrued interest payable	-	-
TOTAL CURRENT LIABILITIES	<u>1,132,512</u>	<u>24,023</u>
Non-current Liabilities:		
Bonds payable	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,132,512</u>	<u>24,023</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,815,741	1,720,257
Restricted for:		
Capital outlay	-	-
Unrestricted	227,052	447,217
TOTAL NET POSITION	<u>\$ 2,042,793</u>	<u>\$ 2,167,474</u>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - MARINAS FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 3,620	\$ 4,163	\$ 543	\$ 5,792
Sales	118,000	91,570	(26,430)	114,078
Use and admission fees	37,300	47,491	10,191	38,496
Rentals	257,365	217,685	(39,680)	243,861
Fines and forfeiture	1,000	920	(80)	2,355
Reimbursements	-	557	557	599
Other revenues	182,250	2,128	(180,122)	2,633
TOTAL OPERATING REVENUES	599,535	364,514	(235,021)	407,814
OPERATING EXPENSES:				
Community Services:				
Personnel services	109,985	86,398	23,587	86,842
Supplies and contractual	310,630	219,358	91,272	226,478
Capital outlay	-	-	-	-
Provision for depreciation	177,000	169,340	7,660	168,442
Other supplies and charges	-	-	-	-
TOTAL OPERATING EXPENSES	597,615	475,096	122,519	481,762
OPERATING INCOME (LOSS)	1,920	(110,582)	(112,502)	(73,948)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	11,000	10,994	(6)	(1,113)
Investment expense	-	-	-	-
(Loss) on transfer of capital asset	-	-	-	(171,199)
Gain on transfer of capital-related debt	-	-	-	171,199
Bond issuance expense	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	11,000	10,994	(6)	(1,113)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	12,920	(99,588)	(112,508)	(75,061)
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	77,688
Transfers in	-	-	-	-
Transfers (out)	(12,920)	(25,093)	(12,173)	-
CHANGE IN NET POSITION	-	(124,681)	(124,681)	2,627
Net position, beginning of year	2,167,474	2,167,474	-	2,164,847
NET POSITION, END OF YEAR	\$ 2,167,474	\$ 2,042,793	\$ (124,681)	\$ 2,167,474

CITY OF MARQUETTE, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

The function of the Internal Service Funds is to account for funds that are used to finance, administer and account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost reimbursement basis.

TECHNOLOGY SERVICES FUND: To operate as a self-supporting fund, and will be responsible for evaluation, coordination, implementation, and support of technology services utilized in various departments of the City.

MUNICIPAL SERVICE CENTER FUND: To accumulate the expenses and revenues associated with the operation of the Municipal Service Center. Building space is rented to various funds based on a square foot occupancy rate.

MOTOR VEHICLE EQUIPMENT FUND: To operate as a self-supporting fund, and will be responsible for the maintenance and purchasing of vehicles and equipment utilized in various departments of the City.

ENERGY ENHANCEMENTS FUND: To accumulate the activity associated with the City's Energy Enhancement project. In FY'18, the City initiated an approximately \$28 million project that encompasses all City operations. The goal is that all costs will be recovered via savings in energy and other costs over the next 20 years.

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

September 30, 2019

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 627,224	\$ -	\$ 266,460	\$ 142,337	\$ 1,036,021
Due from State	-	-	-	-	-
Accounts receivable	4,258	4,399	4,369	-	13,026
Due from local units	-	-	-	-	-
Due from other authorities	-	853,380	-	-	853,380
Inventory	-	-	-	-	-
Prepaid expense	18,020	15,790	69,234	-	103,044
TOTAL CURRENT ASSETS	649,502	873,569	340,063	142,337	2,005,471
Non-current Assets:					
Restricted Assets:					
Equipment reserve	-	-	521,280	-	521,280
OPEB reserve	20,205	10,102	127,725	-	158,032
Compensated absences reserve	11,595	-	102,190	-	113,785
Total Restricted Assets	31,800	10,102	751,195	-	793,097
Land and other non-depreciable assets	-	2,519,888	-	27,351,153	29,871,041
Other capital assets, net of depreciation	-	15,830,055	2,287,548	-	18,117,603
TOTAL NON-CURRENT ASSETS	31,800	18,360,045	3,038,743	27,351,153	48,781,741
TOTAL ASSETS	681,302	19,233,614	3,378,806	27,493,490	50,787,212
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	36,068	897	184,994	-	221,959
Deferred outflows related to OPEB	1,491	745	9,423	-	11,659
TOTAL DEFERRED OUTFLOWS OF RESOURCES	37,559	1,642	194,417	-	233,618
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	499,870	-	-	499,870
Accounts payable	11,066	31,367	58,652	-	101,085
Accrued wages payable	6,826	1,753	17,443	-	26,022
Current portion of long-term debt	-	-	-	401,981	401,981
Accrued interest payable	-	-	-	-	-
TOTAL CURRENT LIABILITIES	17,892	532,990	76,095	401,981	1,028,958
Non-current Liabilities:					
Compensated absences	11,595	-	102,190	-	113,785
Other post employment benefits (OPEB)	20,205	10,102	127,725	-	158,032
Net pension liability	338,326	125,557	1,584,819	-	2,048,702
Lease payable	-	-	-	25,119,355	25,119,355
TOTAL NON-CURRENT LIABILITIES	370,126	135,659	1,814,734	25,119,355	27,439,874
TOTAL LIABILITIES	388,018	668,649	1,890,829	25,521,336	28,468,832
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	7,760	9,898	33,925	-	51,583
Deferred inflows related to OPEB	2,642	1,320	16,700	-	20,662
TOTAL DEFERRED INFLOWS OF RESOURCES	10,402	11,218	50,625	-	72,245
NET POSITION					
Net investment in capital assets	-	18,349,943	2,287,548	1,904,594	22,542,085
Restricted for:					
Capital outlay	-	-	-	74,777	74,777
Unrestricted	320,441	205,446	(655,779)	(7,217)	(137,109)
TOTAL NET POSITION	\$ 320,441	\$ 18,555,389	\$ 1,631,769	\$ 1,972,154	\$ 22,479,753

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2019

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 4,825	\$ -	\$ -	\$ -	\$ 4,825
Sales	-	-	-	-	-
Rentals	878,616	622,992	3,189,091	-	4,690,699
Reimbursements	1,033	5,677	36,158	67,517	110,385
Other revenues	887	-	5,476	-	6,363
TOTAL OPERATING REVENUES	885,361	628,669	3,230,725	67,517	4,812,272
OPERATING EXPENSES:					
Administrative and General:					
Personnel services	251,726	61,277	956,623	-	1,269,626
Supplies and contractual	490,560	389,222	1,725,456	-	2,605,238
Provision for depreciation	-	931,180	379,830	-	1,311,010
Other supplies and charges	-	-	-	-	-
Total Administrative and General	742,286	1,381,679	3,061,909	-	5,185,874
Capital outlay	-	-	-	-	-
TOTAL OPERATING EXPENSES	742,286	1,381,679	3,061,909	-	5,185,874
OPERATING INCOME (LOSS)	143,075	(753,010)	168,816	67,517	(373,602)
NON-OPERATING REVENUES (EXPENSES):					
Investment income	1,506	15	2,919	42	4,482
Interest expense	-	-	-	(1,370,716)	(1,370,716)
Gain (Loss) on sale of capital asset	-	-	17,162	-	17,162
Contributions from other authorities	-	-	-	259,483	259,483
Bond issuance expense	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,506	15	20,081	(1,111,191)	(1,089,589)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	144,581	(752,995)	188,897	(1,043,674)	(1,463,191)
Transfers in	-	-	-	3,015,828	3,015,828
Transfers (out)	(100,000)	-	-	-	(100,000)
CHANGE IN NET POSITION	44,581	(752,995)	188,897	1,972,154	1,452,637
Net position, beginning of year	275,860	19,308,384	1,442,872	-	21,027,116
NET POSITION, END OF YEAR	\$ 320,441	\$ 18,555,389	\$ 1,631,769	\$ 1,972,154	\$ 22,479,753

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2019

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from fees and charges for services	\$ 3,130	\$ -	\$ -	\$ -	\$ 3,130
Other operating revenues	880,536	625,181	3,235,275	67,517	4,808,509
Cash payments to employees for services	(246,158)	(53,814)	(874,242)	-	(1,174,214)
Cash payments to suppliers for goods and services	(499,817)	(382,977)	(1,749,985)	-	(2,632,779)
NET CASH PROVIDED BY OPERATING ACTIVITIES	137,691	188,390	611,048	67,517	1,004,646
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	-	(187,984)	-	-	(187,984)
Transfers in (out)	(100,000)	-	-	3,015,828	2,915,828
Contributions from other authorities	-	-	-	259,483	259,483
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(100,000)	(187,984)	-	3,275,311	2,987,327
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	-	-	-	(804,830)	(804,830)
Interest paid on long-term debt	-	-	-	(1,370,716)	(1,370,716)
Proceeds from issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Cash payments for bond issuance expenses	-	-	-	-	-
Cash payments for capital assets	-	-	(436,513)	(4,330,303)	(4,766,816)
Proceeds from sale of capital assets	-	-	17,162	-	17,162
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(419,351)	(6,505,849)	(6,925,200)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	1,506	15	2,919	42	4,482
(Increase) decrease in restricted assets:					
Equipment reserve	-	-	(2,549)	-	(2,549)
OPEB reserve	(841)	(421)	(5,319)	-	(6,581)
Compensated absences reserve	(1,569)	-	(7,128)	-	(8,697)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(904)	(406)	(12,077)	42	(13,345)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,787	-	179,620	(3,162,979)	(2,946,572)
Cash and cash equivalents, beginning of year	590,437	-	86,840	3,305,316	3,982,593
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 627,224	\$ -	\$ 266,460	\$ 142,337	\$ 1,036,021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income	\$ 143,075	\$ (753,010)	\$ 168,816	\$ 67,517	\$ (373,602)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	-	931,180	379,830	-	1,311,010
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	-	-
(Increase) decrease in accounts receivable	(1,695)	(4,178)	2,264	-	(3,609)
(Increase) decrease in due from local units	-	690	2,286	-	2,976
(Increase) decrease in inventory	-	-	-	-	-
(Increase) decrease in prepaid expenses	(4,166)	2,164	(1,967)	-	(3,969)
Increase (decrease) in accounts payable	(5,091)	4,081	(22,562)	-	(23,572)
Increase (decrease) in accrued wages payable	247	1,540	(1,890)	-	(103)
Increase (decrease) in customer deposits payable	-	-	-	-	-
Increase (decrease) in compensated absences	1,569	-	7,128	-	8,697
Increase (decrease) in net pension liability	4,395	6,245	81,208	-	91,848
Increase (decrease) in other post-employment benefits (OPEB)	(643)	(322)	(4,065)	-	(5,030)
NET ADJUSTMENTS	(5,384)	941,400	442,232	-	1,378,248
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 137,691	\$ 188,390	\$ 611,048	\$ 67,517	\$ 1,004,646

CITY OF MARQUETTE, MICHIGAN
TECHNOLOGY SERVICES FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 627,224	\$ 590,437
Accounts receivable	4,258	2,563
Due from local units	-	-
Inventory	-	-
Prepaid expense	18,020	13,854
	<u>649,502</u>	<u>606,854</u>
TOTAL CURRENT ASSETS	<u>649,502</u>	<u>606,854</u>
Non-current Assets		
Restricted Assets:		
OPEB reserve	20,205	19,364
Compensated absences reserve	11,595	10,026
Total Restricted Assets	<u>31,800</u>	<u>29,390</u>
Other capital assets, net of depreciation	-	-
	<u>31,800</u>	<u>29,390</u>
TOTAL NON-CURRENT ASSETS	<u>31,800</u>	<u>29,390</u>
TOTAL ASSETS	<u>681,302</u>	<u>636,244</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	36,068	28,014
Deferred outflows related to OPEB	<u>1,491</u>	<u>11</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>37,559</u>	<u>28,025</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	11,066	16,157
Accrued wages payable	<u>6,826</u>	<u>6,579</u>
TOTAL CURRENT LIABILITIES	<u>17,892</u>	<u>22,736</u>
Non-current Liabilities:		
Compensated absences	11,595	10,026
Other post employment benefits (OPEB)	20,205	19,364
Net pension liability	<u>338,326</u>	<u>325,171</u>
TOTAL NON-CURRENT LIABILITIES	<u>370,126</u>	<u>354,561</u>
TOTAL LIABILITIES	<u>388,018</u>	<u>377,297</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	7,760	8,466
Deferred inflows related to OPEB	<u>2,642</u>	<u>2,646</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,402</u>	<u>11,112</u>
NET POSITION		
Net investment in capital assets	-	-
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>320,441</u>	<u>275,860</u>
TOTAL NET POSITION	<u>\$ 320,441</u>	<u>\$ 275,860</u>

CITY OF MARQUETTE, MICHIGAN

TECHNOLOGY SERVICES FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 5,405	\$ 4,825	\$ (580)	\$ 5,905
Rentals	879,570	878,616	(954)	860,075
Reimbursements	1,020	1,033	13	1,011
Other revenues	-	887	887	29
TOTAL OPERATING REVENUES	885,995	885,361	(634)	867,020
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	265,345	251,726	13,619	278,655
Supplies and contractual	590,870	490,560	100,310	455,212
Other supplies and charges	-	-	-	-
Provision for depreciation	-	-	-	-
Total Administrative and General	856,215	742,286	113,929	733,867
Capital outlay	10,000	-	10,000	-
TOTAL OPERATING EXPENSES	866,215	742,286	123,929	733,867
OPERATING INCOME (LOSS)	19,780	143,075	123,295	133,153
NON-OPERATING REVENUES (EXPENSES):				
Investment income	220	1,506	1,286	260
TOTAL NON-OPERATING REVENUES (EXPENSES)	220	1,506	1,286	260
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	20,000	144,581	124,581	133,413
Transfers (out)	(20,000)	(100,000)	(80,000)	-
CHANGE IN NET POSITION	-	44,581	44,581	133,413
Net position, beginning of year, as restated	275,860	275,860	-	142,447
NET POSITION, END OF YEAR	\$ 275,860	\$ 320,441	\$ 44,581	\$ 275,860

CITY OF MARQUETTE, MICHIGAN
MUNICIPAL SERVICE CENTER FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable	4,399	221
Due from other authorities	853,380	854,070
Inventory	-	-
Prepaid expense	15,790	17,954
TOTAL CURRENT ASSETS	873,569	872,245
Non-current Assets		
Restricted Assets:		
OPEB reserve	10,102	9,681
Compensated absences reserve	-	-
Total Restricted Assets	10,102	9,681
Land and other non-depreciable assets	2,519,888	2,519,888
Other capital assets, net of depreciation	15,830,055	16,761,235
TOTAL NON-CURRENT ASSETS	18,360,045	19,290,804
TOTAL ASSETS	19,233,614	20,163,049
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	897	-
Deferred outflows related to OPEB	745	5
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,642	5
LIABILITIES		
Current Liabilities:		
Cash overdraft	499,870	687,854
Accounts payable	31,367	27,286
Accrued wages payable	1,753	213
TOTAL CURRENT LIABILITIES	532,990	715,353
Non-current Liabilities:		
Compensated absences	-	-
Other post employment benefits (OPEB)	10,102	9,681
Net pension liability	125,557	106,863
TOTAL NON-CURRENT LIABILITIES	135,659	116,544
TOTAL LIABILITIES	668,649	831,897
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	9,898	21,450
Deferred inflows related to OPEB	1,320	1,323
TOTAL DEFERRED INFLOWS OF RESOURCES	11,218	22,773
NET POSITION		
Net investment in capital assets	18,349,943	19,281,123
Restricted for:		
Capital outlay	-	-
Unrestricted	205,446	27,261
TOTAL NET POSITION	\$ 18,555,389	\$ 19,308,384

CITY OF MARQUETTE, MICHIGAN

MUNICIPAL SERVICE CENTER FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Rentals	605,595	622,992	17,397	699,120
Reimbursements	950,000	5,677	(944,323)	240,148
Other revenues	-	-	-	221
TOTAL OPERATING REVENUES	1,555,595	628,669	(926,926)	939,489
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	54,510	61,277	(6,767)	96,937
Supplies and contractual	551,085	389,222	161,863	459,166
Provision for depreciation	950,000	931,180	18,820	931,180
Total Administrative and General	<u>1,555,595</u>	<u>1,381,679</u>	<u>173,916</u>	<u>1,487,283</u>
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	1,555,595	1,381,679	173,916	1,487,283
OPERATING INCOME (LOSS)	-	(753,010)	(753,010)	(547,794)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	15	15	3
Interest expense	-	-	-	-
Gain (loss) on sale of capital asset	-	-	-	(292,741)
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	15	15	(292,738)
INCOME (LOSS) BEFORE TRANSFERS	-	(752,995)	(752,995)	(840,532)
Transfers In	-	-	-	-
CHANGE IN NET POSITION	-	(752,995)	(752,995)	(840,532)
Net position, beginning of year, as restated	<u>19,308,384</u>	<u>19,308,384</u>	<u>-</u>	<u>20,148,916</u>
NET POSITION, END OF YEAR	\$ 19,308,384	\$ 18,555,389	\$ (752,995)	\$ 19,308,384

CITY OF MARQUETTE, MICHIGAN
MOTOR VEHICLE EQUIPMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 266,460	\$ 86,840
Accounts receivable	4,369	6,633
Due from local units	-	2,286
Inventory	-	-
Prepaid expense	69,234	67,267
TOTAL CURRENT ASSETS	340,063	163,026
Non-current Assets		
Restricted Assets:		
Equipment reserve	521,280	518,731
OPEB reserve	127,725	122,406
Compensated absences reserve	102,190	95,062
Total Restricted Assets	751,195	736,199
Other capital assets, net of depreciation	2,287,548	2,230,865
TOTAL NON-CURRENT ASSETS	3,038,743	2,967,064
TOTAL ASSETS	3,378,806	3,130,090
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	184,994	58,551
Deferred outflows related to OPEB	9,423	68
TOTAL DEFERRED OUTFLOWS OF RESOURCES	194,417	58,619
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	58,652	81,214
Accrued wages payable	17,443	19,333
TOTAL CURRENT LIABILITIES	76,095	100,547
Non-current Liabilities:		
Compensated absences	102,190	95,062
Other post employment benefits (OPEB)	127,725	122,406
Net pension liability	1,584,819	1,341,737
TOTAL NON-CURRENT LIABILITIES	1,814,734	1,559,205
TOTAL LIABILITIES	1,890,829	1,659,752
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	33,925	69,356
Deferred inflows related to OPEB	16,700	16,729
TOTAL DEFERRED INFLOWS OF RESOURCES	50,625	86,085
NET POSITION		
Net investment in capital assets	2,287,548	2,230,865
Restricted for:		
Capital outlay	-	-
Unrestricted	(655,779)	(787,993)
TOTAL NET POSITION	\$ 1,631,769	\$ 1,442,872

CITY OF MARQUETTE, MICHIGAN

MOTOR VEHICLE EQUIPMENT FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Rentals	3,085,500	3,189,091	103,591	3,014,752
Reimbursements	5,000	36,158	31,158	61,451
Other revenues	281,845	5,476	(276,369)	6,457
TOTAL OPERATING REVENUES	3,372,345	3,230,725	(141,620)	3,082,660
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	860,425	956,623	(96,198)	912,708
Supplies and contractual	1,943,920	1,725,456	218,464	1,615,269
Other supplies and charges	-	-	-	-
Provision for depreciation	575,000	379,830	195,170	309,462
Total Administrative and General	3,379,345	3,061,909	317,436	2,837,439
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	3,379,345	3,061,909	317,436	2,837,439
OPERATING INCOME (LOSS)	(7,000)	168,816	175,816	245,221
NON-OPERATING REVENUES (EXPENSES):				
Contributed capital	-	-	-	-
Investment income	2,000	2,919	919	2,632
Gain (loss) on sale of capital asset	5,000	17,162	12,162	23,109
TOTAL NON-OPERATING REVENUES (EXPENSES)	7,000	20,081	13,081	25,741
CHANGE IN NET POSITION	-	188,897	188,897	270,962
Net position, beginning of year, as restated	1,442,872	1,442,872	-	1,171,910
NET POSITION, END OF YEAR	\$ 1,442,872	\$ 1,631,769	\$ 188,897	\$ 1,442,872

CITY OF MARQUETTE, MICHIGAN

ENERGY ENHANCEMENTS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 142,337	\$ 3,305,316
Due from State	-	-
Accounts receivable	-	-
Inventory	-	-
Prepaid expense	-	-
TOTAL CURRENT ASSETS	<u>142,337</u>	<u>3,305,316</u>
Non-current Assets		
Restricted Assets:		
Bond Reserve Fund	-	-
Bond and Interest Redemption Fund	-	-
Replacement Maintenance Fund	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>
Other capital assets, net of depreciation	-	-
Construction in progress	<u>27,351,153</u>	<u>23,020,850</u>
TOTAL NON-CURRENT ASSETS	<u>27,351,153</u>	<u>23,020,850</u>
TOTAL ASSETS	<u>27,493,490</u>	<u>26,326,166</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	-	-
Accrued wages payable	-	-
Customer deposits payable	-	-
Current portion of long-term debt	401,981	804,830
Accrued interest payable	-	-
TOTAL CURRENT LIABILITIES	<u>401,981</u>	<u>804,830</u>
Non-current Liabilities:		
Lease payable	<u>25,119,355</u>	<u>25,521,336</u>
TOTAL NON-CURRENT LIABILITIES	<u>25,119,355</u>	<u>25,521,336</u>
TOTAL LIABILITIES	<u>25,521,336</u>	<u>26,326,166</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,904,594	-
Restricted for:		
Capital outlay	74,777	3,305,316
Unrestricted	<u>(7,217)</u>	<u>(3,305,316)</u>
TOTAL NET POSITION	<u>\$ 1,972,154</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

ENERGY ENHANCEMENT FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2018

	2019			2018
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Use and admission fees	-	-	-	-
Rentals	-	-	-	-
Fines and forfeiture	-	-	-	-
Reimbursements	-	67,517	67,517	-
Other revenues	-	-	-	-
TOTAL OPERATING REVENUES	-	67,517	67,517	-
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	-	-	-	-
Supplies and contractual	-	-	-	-
Provision for depreciation	-	-	-	-
Other supplies and charges	-	-	-	-
Total Administrative and General	-	-	-	-
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	-	-	-	-
OPERATING INCOME (LOSS)	-	67,517	67,517	-
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	42	42	-
Interest expense	(2,176,000)	(1,370,716)	805,284	-
Contributions from other authorities	-	259,483	259,483	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,176,000)	(1,111,191)	1,064,809	-
INCOME (LOSS) BEFORE TRANSFERS	(2,176,000)	(1,043,674)	1,132,326	-
Transfers in	2,176,000	3,015,828	839,828	-
CHANGE IN NET POSITION	-	1,972,154	1,972,154	-
Net position, beginning of year	-	-	-	-
NET POSITION, END OF YEAR	\$ -	\$ 1,972,154	\$ 1,972,154	\$ -

CITY OF MARQUETTE, MICHIGAN
FIDUCIARY FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

The function of Fiduciary Funds is to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. These included (a) private-purpose trust funds, (b) pension trust funds, and (c) agency funds.

PENSION TRUST FUND: The Fire-Police Retirement System Fund is used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees at fixed rates and by the City at amounts determined by an annual actuarial valuation.

AGENCY FUND: This fund is used to record the collection and payment of property taxes billed and collected by the City on behalf of the County, the School Districts, and the Intermediate School District. It is also used as a payroll clearing account type, which receives reimbursing payments from other funds.

CITY OF MARQUETTE, MICHIGAN

FIRE-POLICE RETIREMENT SYSTEM PENSION TRUST FUND

COMPARATIVE STATEMENT OF PLAN NET POSITION

September 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 820,380	\$ 862,945
Investments		
Domestic Corporation Bonds	3,211,142	3,088,796
Common, Pooled Fund	30,738,143	29,962,118
Accounts receivable	-	-
Accrued interest receivable	1,714	1,358
TOTAL ASSETS	34,771,379	33,915,217
DEFERRED OUTFLOWS OF RESOURCES	-	-
LIABILITIES		
Accounts payable	350	10,374
TOTAL LIABILITIES	350	10,374
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net position restricted for pensions	34,771,029	33,904,843
TOTAL NET POSITION	\$ 34,771,029	\$ 33,904,843

CITY OF MARQUETTE, MICHIGAN

AGENCY FUND

COMPARATIVE BALANCE SHEET

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 2,155,406	\$ 1,771,263
Accounts receivable	-	-
Taxes receivable - current	1,432,486	1,429,929
Taxes receivable - delinquent personal	<u>42,088</u>	<u>18,388</u>
TOTAL ASSETS	<u><u>\$ 3,629,980</u></u>	<u><u>\$ 3,219,580</u></u>
LIABILITIES		
Accounts payable	174,178	166,967
Accrued wages payable	1,054,088	1,140,579
Due to State	347,972	253,998
Due to other governments	857,733	758,603
Due to local units	940,954	649,881
Other liabilities	<u>255,055</u>	<u>249,552</u>
TOTAL LIABILITIES	<u><u>\$ 3,629,980</u></u>	<u><u>\$ 3,219,580</u></u>

CITY OF MARQUETTE, MICHIGAN

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2019 and 2018

	Balance at September 30, 2018	Additions	Deductions	Balance at September 30, 2019
ASSETS				
Cash and cash equivalents	\$ 1,771,263	\$ 44,119,559	\$ 43,735,416	\$ 2,155,406
Accounts receivable	-			-
Taxes receivable - current	1,429,929	33,710,672	33,708,115	1,432,486
Taxes receivable - delinquent personal	18,388	35,723	12,023	42,088
TOTAL ASSETS	\$ 3,219,580	\$ 77,865,954	\$ 77,455,554	\$ 3,629,980
LIABILITIES				
Accounts payable	\$ 166,967	\$ 18,410,322	\$ 18,403,111	\$ 174,178
Accrued wages payable	1,140,579	9,899,759	9,986,250	1,054,088
Due to State	253,998	4,230,052	4,136,078	347,972
Due to other governments	758,603	17,474,057	17,374,927	857,733
Due to local units	649,881	12,866,538	12,575,465	940,954
Other liabilities	249,552	81,875	76,372	255,055
TOTAL LIABILITIES	\$ 3,219,580	\$ 62,962,603	\$ 62,552,203	\$ 3,629,980

CITY OF MARQUETTE, MICHIGAN
CAPITAL ASSET SCHEDULES

CITY OF MARQUETTE, MICHIGAN

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY SOURCE**

September 30, 2019

	Land and Improvements	Buildings and Improvements	Furniture and Equipment	Other	Totals
Governmental Capital Assets:					
Land	\$ 13,202,353	\$ -	\$ -	\$ -	\$ 13,202,353
Land improvements	8,501,080	-	-	-	8,501,080
Buildings	-	5,828,333	-	-	5,828,333
Building improvements	-	7,059,403	-	-	7,059,403
Furniture and equipment	-	-	1,774,356	-	1,774,356
Infrastructure	-	-	-	68,963,731	68,963,731
Construction in progress	-	-	-	1,345,791	1,345,791
TOTAL	\$ 21,703,433	\$ 12,887,736	\$ 1,774,356	\$ 70,309,522	\$ 106,675,047
Investments in Governmental Capital Assets From:					
General fund	\$ 14,236,975	\$ 5,374,715	\$ 1,079,709	\$ 32,137,269	\$ 52,828,668
Federal grants	1,901,291	3,489,840	150,579	547,762	6,089,472
State grants	705,189	676,179	161,232	-	1,542,600
Private gifts	1,274,181	558,029	117,381	-	1,949,591
Authorities, Boards and Commissions	54,000	811,172	-	-	865,172
Other funds	3,531,797	1,977,801	265,455	37,624,491	43,399,544
TOTAL	\$ 21,703,433	\$ 12,887,736	\$ 1,774,356	\$ 70,309,522	\$ 106,675,047

CITY OF MARQUETTE, MICHIGAN

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY**

For the Fiscal Year Ended September 30, 2019

Function and Activity	Balance September 30, 2018	Additions	Deductions	Transfers	Balance September 30, 2019
General Government					
City Commission	\$ 8,999	\$ -	\$ -	\$ -	\$ 8,999
Elections	5,001	-	-	-	5,001
Finance and Accounting	13,186	-	-	-	13,186
Treasurer	5,978	-	-	-	5,978
Information Systems	-	100,535	-	-	100,535
Cemetery	320,829	61,644	-	-	382,473
City Hall and Grounds	2,709,254	15,226	-	52,579	2,777,059
Other City Property	5,453,403	-	(566,168)	-	4,887,235
Total General Government	8,516,650	177,405	(566,168)	52,579	8,180,466
Public Health and Safety:					
Police Department	303,068	-	-	-	303,068
Fire Department	733,907	27,321	-	-	761,228
Total Public Health and Safety	1,036,975	27,321	-	-	1,064,296
Highways, Streets and Bridges:					
City Engineer	164,803	-	-	-	164,803
Public Works	10,698,848	203,711	-	-	10,902,559
Infrastructure	66,187,760	1,724,669	-	1,051,302	68,963,731
Parking System	2,475,516	-	-	-	2,475,516
Total Highways, Streets and Bridges	79,526,927	1,928,380	-	1,051,302	82,506,609
Other:					
Sanitation	14,932	-	-	-	14,932
Recreation	13,275,735	14,010	-	230,044	13,519,789
Other	43,164	-	-	-	43,164
Total Other	13,333,831	14,010	-	230,044	13,577,885
TOTAL GOVERNMENTAL CAPITAL ASSETS	102,414,383	2,147,116	(566,168)	1,333,925	105,329,256
Construction in progress	2,207,741	471,975	-	(1,333,925)	1,345,791
GRAND TOTAL	\$ 104,622,124	\$ 2,619,091	\$ (566,168)	\$ -	\$ 106,675,047

CITY OF MARQUETTE, MICHIGAN

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY

September 30, 2019

Function and Activity	Total	Land	Land Improvements	Buildings	Buildings Improvements	Furniture and Equipment	Infrastructure
General Government							
City Commission	\$ 8,999	\$ -	\$ -	\$ -	\$ -	\$ 8,999	\$ -
Elections	5,001	-	-	-	-	5,001	-
Finance and Accounting	13,186	-	-	-	-	13,186	-
Treasurer	5,978	-	-	-	-	5,978	-
Information Systems	100,535	-	-	-	-	100,535	-
Cemetery	382,473	98,002	233,218	9,048	42,205	-	-
City Hall and Grounds	2,777,059	100,008	128,596	1,395,545	1,075,052	77,858	-
Other City Property	4,887,235	4,822,260	19,817	45,158	-	-	-
Total General Government	8,180,466	5,020,270	381,631	1,449,751	1,117,257	211,557	-
Public Health and Safety:							
Police Department	303,068	-	-	-	-	303,068	-
Fire Department	761,228	32,296	14,663	154,155	205,899	354,215	-
Total Public Health and Safety	1,064,296	32,296	14,663	154,155	205,899	657,283	-
Highways, Streets and Bridges:							
City Engineer	164,803	-	-	-	-	164,803	-
Public Works	10,902,559	6,519,976	3,593,858	542,795	225,530	20,400	-
Infrastructure	68,963,731	-	-	-	-	-	68,963,731
Parking System	2,475,516	753,874	70,131	1,320,171	235,396	95,944	-
Total Highways, Streets and Bridges	82,506,609	7,273,850	3,663,989	1,862,966	460,926	281,147	68,963,731
Other:							
Sanitation	14,932	14,932	-	-	-	-	-
Recreation	13,519,789	861,005	4,440,797	2,361,461	5,257,405	599,121	-
Other	43,164	-	-	-	17,916	25,248	-
Total Other	13,577,885	875,937	4,440,797	2,361,461	5,275,321	624,369	-
TOTAL GOVERNMENTAL CAPITAL ASSETS ASSOCIATED TO FUNCTIONS	105,329,256	\$ 13,202,353	\$ 8,501,080	\$ 5,828,333	\$ 7,059,403	\$ 1,774,356	\$ 68,963,731
Construction in progress	1,345,791						
GRAND TOTAL	\$ 106,675,047						

CITY OF MARQUETTE, MICHIGAN
LONG-TERM DEBT SCHEDULES

CITY OF MARQUETTE, MICHIGAN

SCHEDULE OF BONDS, AND NOTES PAYABLE -
ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 2019

														LIGHTHOUSE PARK FUND	
Maturities Year Ending September 30,	WATER SUPPLY FUND													2018 Building Authority Bonds	
	State Drinking Water Revolving Fund Loan 2009	State Drinking Water Revolving Fund Loan 2011	State Drinking Water Revolving Fund Loan 2015	2007 High Street Bonds	2011 Street Improvements Bonds	2012 Capital Improvements Bonds	2013 Capital Improvements Bonds	2014 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2017 Capital Improvements Bonds	2018 Capital Improvements Bonds			
2020	\$ 25,000	\$ 25,000	\$ 20,000	\$ 17,407	\$ 19,250	\$ 44,880	\$ 55,000	\$ 36,550	\$ 104,645	\$ 125,150	\$ 309,985	\$ 105,000	\$ 90,000		
2021	25,000	25,000	20,000	17,619	19,800	46,750	56,250	37,400	107,095	129,705	322,910	110,000	95,000		
2022	25,000	25,000	25,000	17,935	20,350	47,685	57,500	39,100	109,545	134,260	342,975	115,000	95,000		
2023	25,000	25,000	25,000	18,251	21,450	49,555	60,000	39,950	111,995	139,665	348,760	120,000	100,000		
2024	25,000	30,000	25,000	18,568	22,550	50,490	61,250	40,800	114,445	148,775	363,470	120,000	105,000		
2025	30,000	30,000	25,000	18,885	23,100	52,360	63,750	42,500	116,190	153,330	375,000	125,000	105,000		
2026	30,000	30,000	25,000	19,201	24,200	54,230	65,000	44,200	120,382	161,205	388,000	130,000	110,000		
2027	30,000	30,000	25,000	19,518	25,300	55,165	67,500	45,900	-	165,760	403,000	140,000	115,000		
2028	30,000	30,000	25,000	20,121	-	57,035	68,750	48,450	-	174,870	420,000	145,000	120,000		
2029	30,000	30,000	15,875	-	-	-	-	50,150	-	37,400	134,000	-	-		
2030	15,058	30,000	-	-	-	-	-	51,850	-	39,100	140,000	-	-		
2031	-	30,000	-	-	-	-	-	-	-	40,800	145,000	-	-		
2032	-	28,908	-	-	-	-	-	-	-	-	151,000	-	-		
2033	-	-	-	-	-	-	-	-	-	-	-	-	-		
2034	-	-	-	-	-	-	-	-	-	-	-	-	-		
2035	-	-	-	-	-	-	-	-	-	-	-	-	-		
2036	-	-	-	-	-	-	-	-	-	-	-	-	-		
2037	-	-	-	-	-	-	-	-	-	-	-	-	-		
2038	-	-	-	-	-	-	-	-	-	-	-	-	-		
2039	-	-	-	-	-	-	-	-	-	-	-	-	-		
	\$ 290,058	\$ 368,908	\$ 230,875	\$ 167,505	\$ 176,000	\$ 458,150	\$ 555,000	\$ 476,850	\$ 784,297	\$ 1,450,020	\$ 2,746,100	\$ 1,110,000	\$ 935,000		
Interest Rates	3%	3%	3%	2%	2.0 - 4.125%	2.0 - 3.0%	2.95%	2.0 - 4.0%	2.0 - 3.0%	2.0 - 5.0%	2.0 - 4.0%	4.00%	2.65 - 3.81%		
Interest Dates	April and October	April and October	April and October	April and October	April and October	May and November	February and August	April and October	May and November	May and November	May and November	May and November	May and November		
Date of original issue	1/11/2010	6/24/2010	9/29/2014	3/29/2007	9/22/2012	8/7/2012	9/13/2013	9/30/2014	9/17/2015	11/3/2016	8/23/2017	7/31/2018	7/31/2018		
Amount of original issue *	\$ 511,058	\$ 529,507	\$ 330,000	\$ 342,318	\$ 295,900	\$ 704,055	\$ 867,500	\$ 615,400	\$ 1,095,447	\$ 1,625,015	\$ 2,959,025	\$ 1,220,000	\$ 1,035,000		

Maturities Year Ending September 30,	SEWAGE DISPOSAL FUND										STORMWATER UTILITY FUND									
	State Act 94 Clean Water Assistance Loan Payable	State Revolving Fund Loan 2009	State Revolving Fund Loan 2011	2011 Street Improvements Bonds	2012 Capital Improvements Bonds	2013 Capital Improvements Bonds	2014 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2017 Capital Improvements Bonds	2018 Capital Improvements Bonds	2007 High Street Bonds	2011 Street Improvements Bonds	2012 Capital Improvements Bonds	2013 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2017 Capital Improvements Bonds	2018 MTF Bonds	
2020	\$ 195,000	\$ 35,000	\$ 35,000	\$ 54,250	\$ 78,000	\$ 61,600	\$ 101,050	\$ 34,751	\$ 116,590	\$ 179,400	\$ 125,000	\$ 6,267	\$ 31,500	\$ 37,200	\$ 35,200	\$ 7,580	\$ 321,050	\$ 95,305	\$ 120,000	
2021	200,000	35,000	35,000	55,800	81,250	63,000	103,400	35,551	120,824	186,900	130,000	6,343	32,400	38,750	36,000	7,730	330,215	99,330	120,000	
2022	200,000	35,000	35,000	57,350	82,875	64,400	108,100	36,351	125,058	198,000	135,000	6,457	33,300	39,525	36,800	7,880	344,380	104,175	125,000	
2023	205,000	35,000	35,000	60,450	86,125	67,200	110,450	37,151	130,142	201,900	140,000	6,571	35,100	41,075	38,400	8,030	358,695	107,380	130,000	
2024	210,000	40,000	35,000	63,550	87,750	68,600	112,800	38,302	138,610	210,300	145,000	6,684	36,900	41,850	39,200	9,310	368,025	111,610	135,000	
2025	-	40,000	40,000	65,100	91,000	71,400	117,500	39,102	142,844	86,250	155,000	6,798	37,800	43,400	40,800	9,460	381,190	86,250	140,000	
2026	-	40,000	40,000	68,200	94,250	72,800	122,200	40,699	150,184	93,000	160,000	6,912	39,600	44,950	41,600	9,769	391,515	90,000	145,000	
2027	-	40,000	40,000	71,300	95,875	75,600	126,900	-	154,418	93,000	165,000	7,026	41,400	45,725	43,200	-	401,680	93,000	150,000	
2028	-	40,000	40,000	-	99,125	77,000	133,950	-	162,886	96,750	175,000	7,244	-	47,275	44,000	-	412,010	96,750	160,000	
2029	-	40,000	40,000	-	-	-	138,650	-	37,400	100,500	-	-	-	-	-	-	50,600	100,500	-	
2030	-	40,699	40,000	-	-	-	143,350	-	39,100	105,000	-	-	-	-	-	-	52,900	105,000	-	
2031	-	-	46,785	-	-	-	-	-	40,800	108,750	-	-	-	-	-	-	55,200	108,750	-	
2032	-	-	-	-	-	-	-	-	-	113,250	-	-	-	-	-	-	-	113,250	-	
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	\$ 1,010,000	\$ 420,699	\$ 461,785	\$ 496,000	\$ 796,250	\$ 621,600	\$ 1,318,350	\$ 261,907	\$ 1,358,856	\$ 1,770,000	\$ 1,330,000	\$ 60,302	\$ 288,000	\$ 379,750	\$ 355,200	\$ 59,759	\$ 2,029,460	\$ 1,311,300	\$ 1,225,000	
Interest Rates	2%	3%	3%	2.0 - 4.125%	2.0 - 3.0%	2.95%	2.0 - 4.0%	2.0 - 3.0%	2.0 - 5.0%	2.0 - 4.0%	4.00%	2%	2.0 - 4.125%	2.0 - 3.0%	2.95%	2.0 - 3.0%	2.0 - 5.0%	2.0 - 4.0%	3.0 - 4.0%	
Interest Dates	April and October	April and October	April and October	April and October	May and November	February and August	April and October	May and November	May and November	May and November	May and November	April and October	April and October	May and November	February and August	May and November	May and November	May and November	May and November	
issue	3/9/2004	1/11/2010	6/24/2010	9/22/2012	8/7/2012	9/13/2013	9/30/2014	9/17/2015	11/3/2016	8/23/2017	7/31/2018	3/29/2007	9/22/2012	8/7/2012	9/13/2013	9/17/2015	11/3/2016	8/23/2017	7/31/2018	
Amount of original issue *	\$ 3,470,000	\$ 695,699	\$ 706,785	\$ 833,900	\$ 1,223,625	\$ 971,600	\$ 1,701,400	\$ 363,507	\$ 1,525,612	\$ 1,927,500	\$ 1,465,000	\$ 123,234	\$ 484,200	\$ 583,575	\$ 555,200	\$ 78,809	\$ 1,579,945	\$ 1,465,325	\$ 1,350,000	

* Applicable to fund

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BOARD OF LIGHT AND POWER: To account for the electric utility

BROWNFIELD REDEVELOPMENT AUTHORITY: To record the activities associated with the Brownfield Redevelopment Authority.

DOWNTOWN DEVELOPMENT AUTHORITY: To record the activities associated with the Downtown Development Authority.

PETER WHITE PUBLIC LIBRARY: To record revenues and expenditures of the Peter White Public Library. Financing is primarily provided through property taxes.

CITY OF MARQUETTE, MICHIGAN

BOARD OF LIGHT AND POWER ELECTRIC UTILITY

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,824,276	\$ 5,486,196
Internally designated assets:		
Customer electric rate stabilization fund	1,100,000	975,000
Fuel imbursement fund	3,000,000	4,627,837
Capital projects fund cash and cash equivalents	-	-
Investments - capital projects fund	-	-
Turbine and major generating equipment overhaul fund	3,350,000	2,271,006
Debt service fund	5,400,000	4,200,000
Asset retirement obligation and environmental liability remediation fund	5,028,000	5,000,000
Replacement-risk retention fund	4,550,000	4,450,540
Improvement fund	15,092,364	7,500,000
Future generation fund	-	-
Accrued interest	50,702	2,362
Accounts receivable, net	4,366,186	2,706,167
Accrued interest receivable	-	37,768
Inventory	1,165,602	1,127,251
Prepaid expenses	112,977	107,723
TOTAL CURRENT ASSETS	51,040,107	38,491,850
Non-current Assets:		
Restricted Assets:		
Unspent 2016A bond proceeds	4,647,546	7,574,515
Bond and interest redemption fund	1,038,401	1,086,968
Bond reserve fund	5,484,486	5,457,130
Customer deposits	1,638,338	1,535,609
Retiree health funding vehicle fund (Net OPEB asset)	-	-
Pinehill landfill fund	-	-
Asset retirement fund	263,832	263,832
Energy optimization fund	407,151	374,906
Accrued interest	27,985	31,229
TOTAL RESTRICTED ASSETS	13,507,739	16,324,189
Investment in UPPPA	4,226,199	3,983,509
Property, plant, and equipment	145,177,519	140,790,399
Accumulated depreciation	(49,648,780)	(44,992,539)
TOTAL NON-CURRENT ASSETS	113,262,677	116,105,558
TOTAL ASSETS	164,302,784	154,597,408
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	2,165,023	134,270
Deferred outflows related to OPEB	351,292	192,070
Employer contributions subsequent to measurement	2,365,722	3,578,051
Deferred charge on refunding	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,882,037	3,904,391
LIABILITIES		
Current Liabilities:		
Accounts payable	3,087,780	3,447,779
Accrued liabilities	556,562	451,118
Compensated absences	1,019,058	1,008,230
Customer deposits payable	1,639,923	1,531,320
Other current liabilities	2,434,651	406,907
TOTAL CURRENT LIABILITIES	8,737,974	6,845,354
Current Liabilities (payable from restricted assets):		
Current maturities on bonds and capital lease	2,663,101	1,254,398
Revenue bond accrued interest payable	731,241	746,366
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	3,394,342	2,000,764
Non-current Liabilities:		
Other post-employment benefits (OPEB)	-	-
Net pension liability	13,369,259	13,190,813
Net OPEB liability	9,592,949	11,691,173
Bonds payable	61,865,000	64,531,851
Unamortized bond premium	8,011,909	8,883,952
Reserve for turbine and major generating equipment overhaul	2,364,181	4,267,451
Postclosure costs - Landfill	-	218,000
TOTAL NON-CURRENT LIABILITIES	95,203,298	102,783,240
TOTAL LIABILITIES	107,335,614	111,629,358
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	67,616	700,713
NET POSITION		
Net investment in capital assets	22,988,729	21,127,659
Restricted for:		
Other activities	13,507,739	16,324,189
Unrestricted	25,285,123	8,719,880
TOTAL NET POSITION	\$ 61,781,591	\$ 46,171,728

CITY OF MARQUETTE, MICHIGAN

BOARD OF LIGHT AND POWER ELECTRIC UTILITY

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019	2018
OPERATING REVENUES:		
Electricity Sales:		
Urban	\$ 27,306,750	\$ 27,053,793
Rural	17,023,400	17,429,414
Sales to Alger-Delta Co-op	767,606	939,370
Sales to Wisconsin Electric Power Company	185,962	688,097
Street lighting	578,492	574,401
Other municipal departments	1,460,389	1,581,198
Rent and other	1,103,922	805,834
TOTAL OPERATING REVENUES	48,426,521	49,072,107
OPERATING EXPENSES:		
Administrative and general	5,334,837	8,461,382
Production	9,491,652	13,312,673
Purchased power	5,790,971	4,899,263
Distribution and transmission	3,593,561	1,730,125
Customer accounting	740,090	639,444
Payment in lieu of property taxes - City of Marquette	2,598,665	2,823,446
Provision for depreciation, excluding amounts charged to other operating expenses (2019 - \$0; 2018 - \$163,743)	4,880,937	5,343,787
TOTAL OPERATING EXPENSES	32,430,713	37,210,120
INCOME/(LOSS) FROM OPERATIONS	15,995,808	11,861,987
NON-OPERATING REVENUES (EXPENSES):		
Investment income	1,194,654	787,413
Amortization of bond premium	-	-
Interest on long term debt	(2,102,023)	(2,189,500)
Bond issuance expense	-	-
Gain on sale of treasury note	-	-
Gain (Loss) on disposal of equipment	63,930	4,014
TOTAL NON-OPERATING REVENUES (EXPENSES)	(843,439)	(1,398,073)
CHANGE IN NET POSITION BEFORE SPECIAL ITEM	15,152,369	10,463,914
Shiras Steam Plant impairment	-	(6,824,007)
CHANGE IN NET POSITION AFTER SPECIAL ITEM	15,152,369	3,639,907
Capital contributions from customers	457,494	526,991
CHANGE IN NET POSITION	15,609,863	4,166,898
Net position, beginning of year	46,171,728	57,069,446
Adjustment for implementation of GASB Statement No. 75	-	(15,064,616)
Net position, beginning of year, as restated	46,171,728	42,004,830
NET POSITION, END OF YEAR	\$ 61,781,591	\$ 46,171,728

CITY OF MARQUETTE, MICHIGAN

BOARD OF LIGHT AND POWER ELECTRIC UTILITY

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 46,809,821	\$ 49,065,598
Cash paid to suppliers and employees	(31,395,871)	(33,850,122)
NET CASH PROVIDED BY OPERATING ACTIVITIES	15,413,950	15,215,476
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(4,611,815)	(1,830,448)
Proceeds from sale of equipment	63,930	36,845
Principal payment on revenue bonds, notes payable and capital lease obligations	(1,258,148)	(1,194,741)
Capital contributions	457,494	526,991
Proceeds from issuance of long term debt	-	-
Premium on bond issuance	-	-
Cash payments for bond issuance expense	-	-
Interest paid on revenue bonds and notes payable	(2,989,192)	(3,047,957)
NET CASH (USED) FOR CAPITAL AND FINANCING ACTIVITIES	(8,337,731)	(5,509,310)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	1,195,892	716,054
Proceeds from maturities and sales of investment securities	7,662,463	(9,059,046)
Purchase of investments	(13,596,494)	(258,868)
NET CASH (USED) BY INVESTING ACTIVITIES	(4,738,139)	(8,601,860)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,338,080	1,104,306
Cash and cash equivalents, beginning of year	5,486,196	4,381,890
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,824,276	\$ 5,486,196
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	\$ 15,995,808	\$ 11,861,987
Operating income		
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation	4,880,937	5,507,530
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	(1,660,019)	160,009
(Increase)/Decrease in inventory	(38,351)	3,616,684
(Increase)/Decrease in prepaid expenses	(5,254)	257,141
Increase/(Decrease) in accounts payable	(359,999)	(265,456)
Increase/(Decrease) in accrued wages and related liabilities	105,444	(1,996)
Increase/(Decrease) in accrued sick and vacation	10,828	(1,766)
Increase in customer deposits, including accrued interest	108,603	(133,218)
(Decrease) in landfill site postclosure care cost liability	(218,000)	(206,785)
Increase/(Decrease) in other post-employment benefits (OPEB), and net pension liability	(3,530,521)	(5,526,487)
Increase in reserve for turbine overhaul	(1,903,270)	2,634
Increase/(Decrease) in energy optimization program liability	2,027,744	(54,801)
NET ADJUSTMENTS	(581,858)	3,353,489
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 15,413,950	\$ 15,215,476

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
September 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,165,339
Taxes receivable, net	25,072
Accounts receivable, net	-
Due from primary government	-
Other assets	<u>2,187</u>
TOTAL CURRENT ASSETS	<u>6,192,598</u>
Non-current assets:	
Other capital assets, net of depreciation	<u>1,060,613</u>
TOTAL NON-CURRENT ASSETS	<u>1,060,613</u>
TOTAL ASSETS	<u>7,253,211</u>
DEFERRED OUTFLOWS OF RESOURCES	
Receivables for developer obligations	<u>66,199,408</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>66,199,408</u>
LIABILITIES	
Current liabilities:	
Accounts payable	3,132
Accrued liabilities	1,501
Accrued interest	606,091
Due to primary government	-
Bonds payable for capital assets- due in one year	80,000
Bonds payable for developer - due in one year	<u>130,000</u>
TOTAL CURRENT LIABILITIES	<u>820,724</u>
Non-current liabilities:	
Bonds payable for capital assets - due in more than one year	790,000
Bonds payable for developer - due in more than one year	32,942,739
Long term obligations to developers	<u>31,650,578</u>
TOTAL NON-CURRENT LIABILITIES	<u>65,383,317</u>
TOTAL LIABILITIES	<u>66,204,041</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for a subsequent period	<u>2,669,795</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,669,795</u>
NET POSITION	
Net investment in capital assets	190,613
Restricted	<u>4,388,170</u>
TOTAL NET POSITION	<u><u>\$ 4,578,783</u></u>

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2019

		<u>Program Revenues</u>		
<u>Function / Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:				
General government	\$ 3,187,865	\$ -	\$ -	\$ (3,187,865)
Interest on long-term debt	<u>1,093,737</u>	<u>-</u>	<u>-</u>	<u>(1,093,737)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,281,602</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(4,281,602)</u>
		General revenues:		
		Property taxes		3,604,778
		Interest and investment earnings		9,621
		Miscellaneous		<u>-</u>
		Total General Revenues		<u>3,614,399</u>
		CHANGE IN NET POSITION		(667,203)
		Net position, beginning of year		<u>5,245,986</u>
		NET POSITION, END OF YEAR		<u>\$ 4,578,783</u>

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
COMPARATIVE BALANCE SHEET
September 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 6,165,339	\$ 5,794,369
Taxes receivable, net	25,072	13,617
Other assets	2,187	1,620
TOTAL ASSETS	6,192,598	5,809,606
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,192,598	\$ 5,809,606
LIABILITIES		
Accounts payable	\$ 3,132	\$ 3,690
Accrued salaries and wages	1,501	1,472
Due to primary government	-	-
TOTAL LIABILITIES	4,633	5,162
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	2,669,795	1,731,693
FUND BALANCE		
Restricted	3,513,579	4,070,351
Unassigned	4,591	2,400
TOTAL FUND BALANCE	3,518,170	4,072,751
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 6,192,598	\$ 5,809,606

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2019

Total Fund Balances for Governmental Funds	\$ 3,518,170
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in those funds

	Cost of capital assets	1,285,857	
	Accumulated depreciation	<u>(225,244)</u>	1,060,613

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

	Receivables for developer obligations	66,199,408
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

	Current portion of bonds payable for capital assets	(80,000)	
	Current portion of bonds payable for developer	(130,000)	
	Accrued interest on bonds	(606,091)	
	Bonds payable for capital assets	(790,000)	
	Bonds payable for developer	(32,942,739)	
	Long term obligations to developers	<u>(31,650,578)</u>	<u>(66,199,408)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,578,783</u>
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CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2019
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2018

	2019	2018
REVENUES		
Property taxes	\$ 2,729,288	\$ 1,547,518
Private contribution	-	12,000
Investment income	9,621	15,358
	<u>2,738,909</u>	<u>1,574,876</u>
TOTAL REVENUES	<u>2,738,909</u>	<u>1,574,876</u>
EXPENDITURES		
Current operations:		
General government	38,983	38,378
Economic development:		
Supplies and contractual	1,844,491	11,715,107
Capital outlay	-	-
Debt service		
Principal retirement	200,000	140,000
Bond issuance expense	-	203,597
Interest and fiscal charges	1,210,016	1,012,396
	<u>3,293,490</u>	<u>13,109,478</u>
TOTAL EXPENDITURES	<u>3,293,490</u>	<u>13,109,478</u>
NET REVENUES OVER EXPENDITURES	<u>(554,581)</u>	<u>(11,534,602)</u>
OTHER FINANCING SOURCES (USES)		
Bond issuance	-	12,915,000
Premium on bond issuance	-	53,176
	<u>-</u>	<u>12,968,176</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>12,968,176</u>
NET CHANGE IN FUND BALANCE	<u>(554,581)</u>	<u>1,433,574</u>
Fund balance, beginning of year	<u>4,072,751</u>	<u>2,639,177</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 3,518,170</u></u>	<u><u>\$ 4,072,751</u></u>

CITY OF MARQUETTE, MICHIGAN

BROWNFIELD REDEVELOPMENT AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ (554,581)
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*Amounts reported for governmental activities in the statement of
activities is different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ -	
Depreciation expense	(112,622)	
Net book value of disposals	-	(112,622)

Proceeds from debt issues are an other financing source in the fund, but a debt issue increases long-term liabilities in the statement of net position

-

Premiums on bonds are an other financing source in the fund when first issued, but these amounts are amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt.

120,195

Proceeds from debt issues are a receivable for developer obligations, a deferred outflow of resources, in the statement of net position.

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental fund, an interest expenditure is reported when due.

(3,916)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

200,000

Payment of long-term obligations to developers is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

(1,191,769)

Payments of bond principal, bond interest, and long-term obligations to developers decreases the deferred receivable for developer obligations at the statement of net position, but the revenue is already recognized as property taxes in the statement of activities.

875,490

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES\$ (667,203)

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
September 30, 2019

	Downtown Development Authority	Peter White Public Library	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,529,466	\$ 1,859,466	\$ 3,388,932
Taxes receivable, net	95,173	71,113	166,286
Accounts receivable, net	15,382	22,663	38,045
Due from Federal	-	-	-
Other assets	150	15,212	15,362
TOTAL CURRENT ASSETS	1,640,171	1,968,454	3,608,625
Non-current assets:			
Restricted cash and cash equivalents	-	1,159,905	1,159,905
Land and construction in progress	-	4,158,857	4,158,857
Other capital assets, net of depreciation	3,050,957	3,389,249	6,440,206
TOTAL NON-CURRENT ASSETS	3,050,957	8,708,011	11,758,968
TOTAL ASSETS	4,691,128	10,676,465	15,367,593
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	-	171,522	171,522
Employer contributions subsequent to measurement date	-	56,900	56,900
Receivables for developer obligations	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	228,422	228,422
LIABILITIES			
Current liabilities:			
Accounts payable	-	113,941	113,941
Accrued liabilities	3,606	99,349	102,955
Accrued interest	3,136	-	3,136
Due to others	-	6,753	6,753
Grants received in advance	117,375	-	117,375
Compensated absences	29,540	-	29,540
Bonds payable - due in one year	115,000	215,000	330,000
TOTAL CURRENT LIABILITIES	268,657	435,043	703,700
Non-current liabilities:			
Compensated absences	-	63,133	63,133
Net pension liability	-	1,220,369	1,220,369
Bonds payable	750,000	3,755,468	4,505,468
TOTAL NON-CURRENT LIABILITIES	750,000	5,038,970	5,788,970
TOTAL LIABILITIES	1,018,657	5,474,013	6,492,670
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	-	31,288	31,288
Taxes levied for a subsequent period	593,399	988,810	1,582,209
TOTAL DEFERRED INFLOWS OF RESOURCES	593,399	1,020,098	1,613,497
NET POSITION			
Net investment in capital assets	2,185,957	3,924,153	6,110,110
Restricted	117,375	1,398,639	1,516,014
Unrestricted	775,740	(912,016)	(136,276)
TOTAL NET POSITION	\$ 3,079,072	\$ 4,410,776	\$ 7,489,848

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2019

Function / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Downtown Development Authority	Peter White Public Library	Total
Governmental Activities:						
Downtown Development Authority	\$ 1,401,223	\$ 405,118	\$ 32,625	\$ (963,480)	\$ -	\$ (963,480)
Peter White Public Library	2,261,086	181,403	1,044,397	-	(1,035,286)	(1,035,286)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,662,309	\$ 586,521	\$ 1,077,022	(963,480)	(1,035,286)	(1,998,766)
General revenues:						
Property taxes				805,929	1,313,088	2,119,017
Interest and investment earnings				2,357	43,166	45,523
Gain on the sale of capital assets				-	94	94
Miscellaneous				120,402	55,468	175,870
Total General Revenues				928,688	1,411,816	2,340,504
CHANGE IN NET POSITION				(34,792)	376,530	341,738
Net position, beginning of year				3,113,864	4,034,246	7,148,110
NET POSITION, END OF YEAR				\$ 3,079,072	\$ 4,410,776	\$ 7,489,848

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

September 30, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,529,466
Taxes receivable, net	95,173
Accounts receivable, net	15,382
Due from Federal government	-
Due from primary government	-
Other assets	150
TOTAL CURRENT ASSETS	1,640,171
Non-current assets:	
Land and construction in progress	-
Other capital assets, net of depreciation	3,050,957
TOTAL NON-CURRENT ASSETS	3,050,957
TOTAL ASSETS	4,691,128
DEFERRED OUTFLOWS OF RESOURCES	-
LIABILITIES	
Current liabilities:	
Accounts payable	-
Accrued liabilities	3,606
Accrued interest	3,136
Grants received in advance	117,375
Compensated absences	29,540
Bonds payable - due in one year	115,000
TOTAL CURRENT LIABILITIES	268,657
Non-current liabilities:	
Bonds payable - due in more than one year	750,000
TOTAL NON-CURRENT LIABILITIES	750,000
TOTAL LIABILITIES	1,018,657
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for a subsequent period	593,399
TOTAL DEFERRED INFLOWS OF RESOURCES	593,399
NET POSITION	
Net investment in capital assets	2,185,957
Restricted	117,375
Unrestricted	775,740
TOTAL NET POSITION	\$ 3,079,072

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 1,358,164	\$ 405,118	\$ 32,625	\$ (920,421)
Interest on long-term debt	43,059	-	-	(43,059)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,401,223</u>	<u>\$ 405,118</u>	<u>\$ 32,625</u>	<u>(963,480)</u>
General revenues:				
	Property taxes			805,929
	Interest and investment earnings			2,357
	Gain on the sale of capital assets			-
	Miscellaneous			<u>120,402</u>
	Total General Revenues			<u>928,688</u>
	CHANGE IN NET POSITION			(34,792)
	Net position, beginning of year			<u>3,113,864</u>
	NET POSITION, END OF YEAR			<u>\$ 3,079,072</u>

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2019

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 1,529,466	\$ 1,529,466
Taxes receivable, net	95,173	95,173
Accounts receivable, net	15,382	15,382
Grants receivable, net	-	-
Other assets	150	150
	<hr/>	<hr/>
TOTAL ASSETS	1,640,171	1,640,171
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,640,171</u>	<u>\$ 1,640,171</u>
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued salaries and wages	3,606	3,606
Grants received in advance	117,375	117,375
	<hr/>	<hr/>
TOTAL LIABILITIES	120,981	120,981
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	593,399	593,399
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	593,399	593,399
	<hr/>	<hr/>
FUND BALANCE		
Restricted	117,375	117,375
Unassigned	808,416	808,416
	<hr/>	<hr/>
TOTAL FUND BALANCE	925,791	925,791
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,640,171</u>	<u>\$ 1,640,171</u>
	<hr/>	<hr/>

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2019

Total Fund Balances for Governmental Funds	\$	925,791
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in those funds

	5,424,286		
Cost of capital assets			
Accumulated depreciation	<u>(2,373,329)</u>		3,050,957

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

	(115,000)		
Current portion of bonds payable			
Bonds payable	(750,000)		
Compensated absences	(29,540)		
Accrued interest on bonds	<u>(3,136)</u>		

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>3,079,072</u>
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CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2019

	General Fund	Total Governmental Funds
REVENUES		
Property taxes	\$ 805,929	\$ 805,929
Federal sources	-	-
State sources	32,625	32,625
Intergovernmental revenues	-	-
Charges for services	234,503	234,503
Rentals	170,615	170,615
Investment income	2,357	2,357
Other	120,402	120,402
	<hr/>	<hr/>
TOTAL REVENUES	1,366,431	1,366,431
	<hr/>	<hr/>
EXPENDITURES		
Current operations:		
General government	1,136,494	1,136,494
Capital outlay	24,506	24,506
Debt service		
Principal retirement	115,000	115,000
Interest and fiscal charges	43,475	43,475
	<hr/>	<hr/>
TOTAL EXPENDITURES	1,319,475	1,319,475
	<hr/>	<hr/>
NET REVENUES OVER EXPENDITURES	46,956	46,956
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	-	-
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	46,956	46,956
	<hr/>	<hr/>
Fund balance, beginning of year	878,835	878,835
	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 925,791	\$ 925,791
	<hr/>	<hr/>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	46,956
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*Amounts reported for governmental activities in the statement of
activities is different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$	-	
Depreciation expense		(226,541)	
Net book value of disposals		<u>-</u>	(226,541)

Interest on long-term debt is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount of accrued interest recognized in the Statement of Activities.

416

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of net Position.

115,000

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated absences		<u>29,377</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(34,792)</u>
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CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY
STATEMENT OF NET POSITION
September 30, 2019

	Primary Government
	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,859,466
Taxes receivable, net	71,113
Accounts receivable, net	22,663
Prepaid expenses	15,212
Non-current assets:	
Restricted cash and cash equivalents	1,159,905
Land and construction in progress	4,158,857
Other capital assets, net of depreciation	3,389,249
TOTAL ASSETS	10,676,465
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	171,522
Employer contributions subsequent to measurement date	56,900
TOTAL DEFERRED OUTFLOWS OF RESOURCES	228,422
LIABILITIES	
Current liabilities:	
Accounts payable	113,941
Accrued liabilities	99,349
Due to others	6,753
Bonds payable - due in one year	215,000
Non-current liabilities:	
Bonds payable	3,755,468
Compensated absences	63,133
Net pension liability	1,220,369
TOTAL LIABILITIES	5,474,013
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	31,288
Taxes levied for a subsequent period	988,810
TOTAL DEFERRED INFLOWS OF RESOURCES	1,020,098
NET POSITION	
Net investment in capital assets	3,924,153
Restricted for:	
Capital outlay	11,047
Debt services	212,475
Other activities	1,175,117
Unrestricted	(912,016)
TOTAL NET POSITION	\$ 4,410,776

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities:				
Recreation and culture	\$ 2,138,586	\$ 181,403	\$ 1,044,397	\$ (912,786)
Interest on long-term debt	122,500	-	-	(122,500)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,261,086	\$ 181,403	\$ 1,044,397	(1,035,286)
General revenues:				
Property taxes				1,313,088
Interest and investment earnings				43,166
Gain/(loss) on sale of fixed assets				94
Miscellaneous				55,468
			Total General Revenues	1,411,816
			CHANGE IN NET POSITION	376,530
			Net position, beginning of year	4,034,246
			NET POSITION, END OF YEAR	\$ 4,410,776

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2019

	General Fund	Carroll Paul Memorial Trust Fund	1997 Library Improvement Debt Fund	Peter White Public Library Development Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,397,197	\$ 838,553	\$ 462,269	\$ 321,352	\$ 3,019,371
Investments	-	-	-	-	-
Taxes receivable, net	53,241	-	17,872	-	71,113
Accounts receivable, net	22,663	-	-	-	22,663
Prepaid expenditures	15,212	-	-	-	15,212
TOTAL ASSETS	1,488,313	838,553	480,141	321,352	3,128,359
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,488,313	\$ 838,553	\$ 480,141	\$ 321,352	\$ 3,128,359
LIABILITIES					
Accounts payable	\$ 113,941	\$ -	\$ -	\$ -	\$ 113,941
Accrued salaries and wages	38,099	-	-	-	38,099
Due to other funds	5,263	-	1,490	-	6,753
TOTAL LIABILITIES	157,303	-	1,490	-	158,793
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for a subsequent period	722,634	-	266,176	-	988,810
TOTAL DEFERRED INFLOWS OF RESOURCES	722,634	-	266,176	-	988,810
FUND BALANCE					
Non-spendable	15,212	-	-	-	15,212
Restricted for:					
Capital outlay	11,047	-	-	-	11,047
Debt retirement	-	-	212,475	-	212,475
Endowments	-	838,553	-	321,352	1,159,905
Unassigned	582,117	-	-	-	582,117
TOTAL FUND BALANCE	608,376	838,553	212,475	321,352	1,980,756
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,488,313	\$ 838,553	\$ 480,141	\$ 321,352	\$ 3,128,359

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2019

Total Fund Balances for Governmental Funds	\$ 1,980,756
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in those funds

	14,199,342	
Cost of capital assets		
Accumulated depreciation	<u>(6,651,236)</u>	7,548,106

Net pension liability, and related deferred (outflows)/inflows of resources, is not due and payable in the current period and is not reported in the funds.

Net pension liability	(1,220,369)	
Deferred (outflows) of resources related to net pension liability	171,522	
Employer contributions subsequent to measurement date	56,900	
Deferred inflows of resources related to net pension liability	<u>(31,288)</u>	(1,023,235)

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

Bonds payable - due in one year	(215,000)	
Bonds payable - due in more than one year	(3,420,000)	
Premium on bond	(335,468)	
Accrued interest on debt	(61,250)	
Compensated absences	<u>(63,133)</u>	<u>(4,094,851)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,410,776</u>
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CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2019

	General Fund	Carroll Paul Memorial Trust Fund	1997 Library Improvement Debt Fund	Peter White Public Library Development Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 882,016	\$ -	\$ 431,072	\$ -	\$ 1,313,088
State sources	69,208	-	-	-	69,208
Local sources	573,592	-	-	-	573,592
Charges for services	39,429	-	-	-	39,429
Fine and forfeiture	107,162	-	-	-	107,162
Rentals	34,812	-	-	-	34,812
Contributions from private sources	207,466	-	-	194,131	401,597
Investment income	21,079	38,523	-	(16,436)	43,166
Other revenues	31,506	-	-	-	31,506
TOTAL REVENUES	1,966,270	38,523	431,072	177,695	2,613,560
EXPENDITURES					
Recreation and Culture:					
Personnel services	1,304,878	-	-	-	1,304,878
Supplies	90,978	-	-	-	90,978
Other services and charges	436,984	-	520	85,356	522,860
Capital outlay	1,536,883	-	-	-	1,536,883
Debt service:					
Principal retirement	-	-	210,000	-	210,000
Interest and fiscal charges	-	-	124,600	-	124,600
Bond issuance expense	-	-	-	-	-
TOTAL EXPENDITURES	3,369,723	-	335,120	85,356	3,790,199
NET REVENUES OVER EXPENDITURES	(1,403,453)	38,523	95,952	92,339	(1,176,639)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of fixed assets	94	-	-	-	94
Transfers in	30,000	-	-	-	30,000
Transfers (out)	-	(30,000)	-	-	(30,000)
Issuance of debt	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	30,094	(30,000)	-	-	94
NET CHANGE IN FUND BALANCE	(1,373,359)	8,523	95,952	92,339	(1,176,545)
Fund balance, beginning of year	1,981,735	830,030	116,523	229,013	3,157,301
FUND BALANCE, END OF YEAR	\$ 608,376	\$ 838,553	\$ 212,475	\$ 321,352	\$ 1,980,756

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (1,176,545)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 1,454,031	
Depreciation expense	(139,906)	
Net book value of disposals	<u>-</u>	1,314,125

Issuance of bond principal is a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.

-

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

210,000

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt.

23,962

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

2,100

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

2,422

Net pension liability reported in the statement of activities does not require the use of current resources, and therefore, is not reported in the fund statements until it is due for payment.

Pension expense

466

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 376,530

CITY OF MARQUETTE, MICHIGAN

STATISTICAL SECTION

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

CONTENTS

TABLE

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 - 5

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

6 - 10

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and City's ability to issue additional debt in the future

11 - 15

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

16 - 18

Operating Information

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.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF MARQUETTE, MICHIGAN
Net Position / Net Assets by Component
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015 *	2014	2013	2012	2011	2010
Governmental Activities										
Net investment in capital assets	\$ 55,333,265	\$ 49,600,732	\$ 48,649,613	\$ 30,048,214	\$ 23,971,445	\$ 24,635,549	\$ 26,385,560	\$ 28,078,995	\$ 26,694,914	\$ 26,639,090
Restricted	940,606	4,126,444	2,861,425	792,364	1,482,626	1,873,995	719,411	1,593,378	4,606,252	4,007,127
Unrestricted	(18,705,841)	(15,008,382)	(13,670,347)	(9,917,153)	(7,948,501)	15,046,757	15,245,254	14,769,302	14,162,543	15,351,884
Total Governmental Activities										
Net Position / Net Assets	<u>\$ 37,568,030</u>	<u>\$ 38,718,794</u>	<u>\$ 37,840,691</u>	<u>\$ 20,923,425</u>	<u>\$ 17,505,570</u>	<u>\$ 41,556,301</u>	<u>\$ 42,350,225</u>	<u>\$ 44,441,675</u>	<u>\$ 45,463,709</u>	<u>\$ 45,998,101</u>
Business-Type Activities										
Net investment in capital assets	\$ 32,475,063	\$ 31,369,945	\$ 31,098,570	\$ 32,644,974	\$ 33,683,601	\$ 33,852,800	\$ 33,351,560	\$ 33,214,121	\$ 32,923,791	\$ 30,841,543
Restricted	328,361	1,705,053	837,004	-	1,661,848	2,714,043	211,294	1,142,971	1,137,437	1,607,849
Unrestricted	(1,814,623)	(1,309,536)	(309,010)	(524,411)	(2,604,078)	474,848	4,387,928	3,651,627	3,597,011	4,107,196
Total Business-Type Activities										
Net Position / Net Assets	<u>\$ 30,988,801</u>	<u>\$ 31,765,462</u>	<u>\$ 31,626,564</u>	<u>\$ 32,120,563</u>	<u>\$ 32,741,371</u>	<u>\$ 37,041,691</u>	<u>\$ 37,950,782</u>	<u>\$ 38,008,719</u>	<u>\$ 37,658,239</u>	<u>\$ 36,556,588</u>
Primary Government										
Net investment in capital assets	\$ 87,808,328	\$ 80,970,677	\$ 79,748,183	\$ 62,693,188	\$ 57,655,046	\$ 58,488,349	\$ 59,737,120	\$ 61,293,116	\$ 59,618,705	\$ 57,480,633
Restricted	1,268,967	5,831,497	3,698,429	792,364	3,144,474	4,588,038	930,705	2,736,349	5,743,689	5,614,976
Unrestricted	(20,520,464)	(16,317,918)	(13,979,357)	(10,441,564)	(10,552,579)	15,521,605	19,633,182	18,420,929	17,759,554	19,459,080
Total Primary Government										
Net Position / Net Assets	<u>\$ 68,556,831</u>	<u>\$ 70,484,256</u>	<u>\$ 69,467,255</u>	<u>\$ 53,043,988</u>	<u>\$ 50,246,941</u>	<u>\$ 78,597,992</u>	<u>\$ 80,301,007</u>	<u>\$ 82,450,394</u>	<u>\$ 83,121,948</u>	<u>\$ 82,554,689</u>

* GASB 68 was implemented in fiscal year 2015 which required the City to record the unfunded liability for its pension plans.

CITY OF MARQUETTE, MICHIGAN
Changes in Net Position / Net Assets
Last Ten Fiscal Years

Table 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014 *	2013	2012	2011	2010
Expenses										
Governmental Activities										
General government	\$ 6,104,823	\$ 5,524,941	\$ 5,963,346	\$ 6,592,257	\$ 5,324,952	\$ 5,581,640	\$ 4,309,681	\$ 3,814,963	\$ 3,361,970	\$ 3,557,709
Public health & Safety	8,880,337	7,984,991	8,373,965	10,154,891	8,058,601	8,866,452	7,287,784	6,588,969	6,366,366	6,135,628
Public works	5,554,637	4,450,990	4,810,726	3,425,157	3,457,197	4,302,325	3,615,570	3,811,888	3,636,858	3,574,999
Highway and streets	3,946,829	2,919,733	2,100,708	3,288,402	2,688,985	3,089,215	2,130,526	2,458,441	2,385,994	2,171,826
Social services	727,878	650,445	673,013	672,878	540,432	642,198	462,412	436,476	492,859	821,821
Sanitation	1,998,223	1,820,786	2,012,645	2,960,919	1,915,016	1,914,121	1,538,331	1,544,378	1,484,999	1,208,888
Community services / Recreation and culture	1,570,778	1,445,068	1,460,830	1,472,744	1,396,090	1,866,955	1,469,678	1,335,522	1,249,567	1,582,782
Interest on long-term debt	742,496	710,415	659,470	765,649	702,786	887,454	761,123	804,326	834,359	851,422
Depreciation - unallocated	2,374,557	1,777,715	1,815,600	1,814,190	1,912,453	2,502,444	2,044,577	1,965,821	1,918,108	1,957,215
Total Governmental Activities Expenses	<u>31,900,558</u>	<u>27,285,084</u>	<u>27,870,303</u>	<u>31,147,087</u>	<u>25,996,512</u>	<u>29,652,804</u>	<u>23,619,682</u>	<u>22,760,784</u>	<u>21,731,080</u>	<u>21,862,290</u>
Business-Type Activities										
Water supply	5,302,484	4,645,417	4,704,339	4,968,514	4,578,855	6,124,462	4,305,265	3,930,948	3,808,792	3,618,265
Sewage disposal	6,067,463	5,622,152	5,960,709	5,942,079	5,554,168	6,861,865	5,386,190	5,175,685	4,487,815	4,514,472
Storm water utility	1,562,628	1,535,566	1,348,498	1,245,744	1,242,712	1,511,338	1,336,185	1,030,096	977,864	1,039,131
Community services / Recreation and culture	1,212,776	1,084,168	710,244	591,369	586,703	1,075,127	565,480	564,667	652,173	385,378
Total Business-Type Activities Expenses	<u>14,145,351</u>	<u>12,887,303</u>	<u>12,723,790</u>	<u>12,747,706</u>	<u>11,962,438</u>	<u>15,572,792</u>	<u>11,593,120</u>	<u>10,701,396</u>	<u>9,926,644</u>	<u>9,557,246</u>
Total Primary Government Expenses	<u>\$ 46,045,909</u>	<u>\$ 40,172,387</u>	<u>\$ 40,594,093</u>	<u>\$ 43,894,793</u>	<u>\$ 37,958,950</u>	<u>\$ 45,225,596</u>	<u>\$ 35,212,802</u>	<u>\$ 33,462,180</u>	<u>\$ 31,657,724</u>	<u>\$ 31,419,536</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 1,280,774	\$ 1,179,745	\$ 1,208,318	\$ 1,134,353	\$ 1,127,711	\$ 1,359,826	\$ 1,114,877	\$ 1,132,836	\$ 1,221,257	\$ 1,136,397
Public health	237,949	262,901	269,667	164,015	198,196	245,345	128,350	189,761	205,175	418,443
Public works	1,433,183	1,252,931	1,220,582	1,179,029	1,278,331	1,295,786	1,063,755	1,421,290	1,446,912	1,298,101
Sanitation	1,500,439	1,714,840	1,941,845	2,667,001	1,973,833	2,046,511	1,478,213	1,249,960	1,377,460	1,240,711
Community services / Recreation and culture	574,437	632,351	594,120	591,373	546,539	676,196	544,566	532,742	467,299	834,142
Operating grants and contributions	4,114,892	4,078,996	3,708,396	4,702,797	2,983,180	2,953,384	934,124	2,493,779	2,274,909	2,522,298
Capital grants and contributions	1,183,743	4,645,306	19,492,855	6,560,733	731,688	51,348	202,303	135,860	353,012	93,471
Total Governmental Activities Program Revenues	<u>10,325,417</u>	<u>13,767,060</u>	<u>28,435,783</u>	<u>17,019,301</u>	<u>8,839,498</u>	<u>8,630,396</u>	<u>5,466,188</u>	<u>7,156,228</u>	<u>7,346,024</u>	<u>7,543,563</u>
Business-Type Activities										
Charges for Services										
Water supply	5,112,320	4,397,111	4,310,181	4,341,749	4,190,347	5,061,909	4,281,048	4,266,009	3,868,444	3,693,265
Sewage disposal	7,074,400	5,421,289	5,515,000	5,195,249	4,144,417	6,609,593	5,163,824	5,038,605	4,628,946	3,617,124
Storm water utility	1,543,703	1,307,658	1,319,804	1,241,285	1,213,912	1,414,643	1,045,493	1,097,036	999,570	1,030,634
Community services / Recreation and culture	1,156,988	1,136,865	768,451	691,716	1,220,648	1,025,237	496,962	518,836	562,924	343,235
Operating grants and contributions	-	-	-	-	-	-	-	69,271	346,411	11,111
Capital grants and contributions	154,491	795,762	267,919	275,033	118,089	729,426	749,985	-	-	-
Total Business-Type Activities Program Revenues	<u>15,041,902</u>	<u>13,058,685</u>	<u>12,181,355</u>	<u>11,745,032</u>	<u>10,887,413</u>	<u>14,840,808</u>	<u>11,737,312</u>	<u>10,989,757</u>	<u>10,406,295</u>	<u>8,695,369</u>
Total Primary Government Program Revenues	<u>\$ 25,367,319</u>	<u>\$ 26,825,745</u>	<u>\$ 40,617,138</u>	<u>\$ 28,764,333</u>	<u>\$ 19,726,911</u>	<u>\$ 23,471,204</u>	<u>\$ 17,203,500</u>	<u>\$ 18,145,985</u>	<u>\$ 17,752,319</u>	<u>\$ 16,238,932</u>
Net (Expense) Revenue										
Governmental Activities	\$ (21,575,141)	\$ (13,518,024)	\$ 565,480	\$ (14,127,786)	\$ (17,157,015)	\$ (21,022,408)	\$ (18,153,494)	\$ (15,604,556)	\$ (14,385,056)	\$ (14,318,727)
Business-Type Activities	896,551	171,382	(542,435)	(1,002,674)	(1,075,025)	(731,984)	144,192	288,361	479,651	(861,877)
Total Primary Government Net Expense	<u>\$ (20,678,590)</u>	<u>\$ (13,346,642)</u>	<u>\$ 23,045</u>	<u>\$ (15,130,460)</u>	<u>\$ (18,232,039)</u>	<u>\$ (21,754,392)</u>	<u>\$ (18,009,302)</u>	<u>\$ (15,316,195)</u>	<u>\$ (13,905,405)</u>	<u>\$ (15,180,604)</u>
General Revenues and Other Changes in Net Position / Net Assets										
Governmental Activities										
Taxes										
Property taxes	\$ 10,309,858	\$ 10,520,313	\$ 10,327,997	\$ 10,940,124	\$ 10,319,719	\$ 13,128,364	\$ 9,393,501	\$ 9,068,039	\$ 8,951,908	\$ 8,935,237
Payments in lieu of taxes	4,021,184	4,346,184	3,450,621	3,436,353	3,452,171	4,225,666	3,367,177	3,139,168	2,717,597	2,638,076
Unrestricted state sources	2,561,563	2,221,895	2,250,026	2,063,647	2,089,213	2,544,745	3,372,989	1,945,218	1,925,889	1,940,321
Interest and investment earnings	409,911	11,095	3,197	252,962	219,202	134,258	(47,473)	251,226	119,309	251,949
Gain (loss) on sale of capital assets	1,376,313	-	-	854,166	7,384	9,539	1,262	(51,757)	61,862	1,543,022
Miscellaneous	129,076	155,429	319,945	358,389	154,165	352,322	154,680	265,949	112,539	350,313
Transfers	1,616,472	(18,720)	-	(360,000)	-	(166,410)	(50,247)	(35,321)	(106,128)	(40,056)
Total Governmental Activities	<u>20,424,377</u>	<u>17,236,196</u>	<u>16,351,786</u>	<u>17,545,641</u>	<u>16,241,854</u>	<u>20,228,484</u>	<u>16,191,889</u>	<u>14,582,522</u>	<u>13,782,976</u>	<u>15,618,862</u>
Business-Type Activities										
Interest and investment earnings	43,260	19,755	48,436	21,866	22,907	18,541	7,342	9,934	18,001	29,350
Gain on sale of capital assets	-	-	-	-	-	-	5,942	-	-	-
Miscellaneous	-	-	-	-	-	-	-	16,864	497,871	-
Extraordinary item - Winter Storm Damage	-	-	-	-	-	(362,058)	-	-	-	-
Transfers	(1,616,472)	18,720	-	360,000	-	166,410	50,247	35,321	106,128	40,056
Total Business-Type Activities	<u>(1,573,212)</u>	<u>38,475</u>	<u>48,436</u>	<u>381,866</u>	<u>22,907</u>	<u>(177,107)</u>	<u>63,531</u>	<u>62,119</u>	<u>622,000</u>	<u>69,406</u>
Total Primary Government	<u>\$ 18,851,165</u>	<u>\$ 17,274,671</u>	<u>\$ 16,400,222</u>	<u>\$ 17,927,507</u>	<u>\$ 16,264,761</u>	<u>\$ 20,051,377</u>	<u>\$ 16,255,420</u>	<u>\$ 14,644,641</u>	<u>\$ 14,404,976</u>	<u>\$ 15,688,268</u>
Change in Net Position / Net Assets										
Governmental activities	\$ (1,150,764)	\$ 3,718,172	\$ 16,917,266	\$ 3,417,855	\$ (915,160)	\$ (793,924)	\$ (1,961,605)	\$ (1,022,034)	\$ (602,080)	\$ 1,300,135
Business-type activities	(676,661)	209,857	(493,999)	(620,808)	(1,052,118)	(909,091)	207,723	350,480	1,101,651	(792,471)
Total Primary Government	<u>\$ (1,827,425)</u>	<u>\$ 3,928,029</u>	<u>\$ 16,423,267</u>	<u>\$ 2,797,047</u>	<u>\$ (1,967,278)</u>	<u>\$ (1,703,015)</u>	<u>\$ (1,753,882)</u>	<u>\$ (671,554)</u>	<u>\$ 499,571</u>	<u>\$ 507,664</u>

* 2014 is a 15-month fiscal year

CITY OF MARQUETTE, MICHIGAN
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Reserved	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 691,862
Unreserved	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8,905,813
Non-spendable*	\$ 723,433	\$ 464,596	\$ 470,349	\$ 447,303	\$ 414,088	\$ 529,534	\$ 329,423	\$ 307,355	\$ 496,921	n/a
Restricted*	33,512	44,694	47,996	64,618	177,559	223,793	245,597	240,180	3,159,710	n/a
Assigned*	1,012,771	2,505,814	3,108,348	4,466,772	3,863,930	2,888,016	1,503,235	1,501,129	1,498,974	n/a
Unassigned*	9,701,277	11,209,897	10,505,094	8,374,197	8,455,195	9,008,005	8,726,900	8,754,851	4,184,567	n/a
Total General Fund	<u>\$ 11,470,993</u>	<u>\$ 14,225,001</u>	<u>\$ 14,131,787</u>	<u>\$ 13,352,890</u>	<u>\$ 12,910,772</u>	<u>\$ 12,649,348</u>	<u>\$ 10,805,155</u>	<u>\$ 10,803,515</u>	<u>\$ 9,340,172</u>	<u>\$ 9,597,675</u>
All Other Governmental Funds										
Reserved	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 1,275,722
Unreserved, reported in:										
Special revenue funds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	229,228
Capital projects funds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
Debt service funds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	509,681
Non-spendable*	\$ 1,709,080	\$ 846,152	\$ 823,102	\$ 787,786	\$ 761,387	\$ 744,640	\$ 693,924	\$ 669,565	\$ 659,186	n/a
Restricted*	2,172,383	3,215,886	3,780,031	1,264,343	675,770	483,532	416,098	343,358	259,636	n/a
Assigned*	1,671,205	4,900,651	3,064,309	2,441,230	2,674,404	1,914,986	1,696,230	1,611,847	1,348,749	n/a
Total All Other Governmental Funds	<u>\$ 5,552,668</u>	<u>\$ 8,962,689</u>	<u>\$ 7,667,442</u>	<u>\$ 4,493,359</u>	<u>\$ 4,111,561</u>	<u>\$ 3,143,158</u>	<u>\$ 2,806,252</u>	<u>\$ 2,624,770</u>	<u>\$ 2,267,571</u>	<u>\$ 2,014,631</u>

* - The requirements for GASB 54 were implemented in the fiscal year ending June 30, 2011

CITY OF MARQUETTE, MICHIGAN
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014 *	2013	2012	2011	2010
Revenues										
Taxes	\$ 14,343,664	\$ 14,893,186	\$ 13,809,799	\$ 14,410,979	\$ 13,808,189	\$ 17,400,992	\$ 12,760,678	\$ 12,207,207	\$ 11,668,544	\$ 11,573,313
Federal and state sources	5,478,353	5,196,314	4,815,572	4,481,616	4,435,086	4,996,865	4,008,066	4,083,826	3,866,356	4,146,966
Fines and penalties	117,468	200,056	190,549	70,643	118,012	136,239	113,071	158,192	175,456	298,052
Charges for services	4,346,650	3,978,758	4,165,062	4,868,257	4,265,660	4,565,487	3,542,272	3,656,632	4,038,826	3,631,547
Special assessments	-	-	-	-	14,114	14,114	(23,167)	24,903	32,747	57,507
Intergovernmental	394,032	384,429	366,022	343,530	332,069	383,980	291,264	275,607	261,402	266,980
Investment income	453,027	(17,797)	(7,068)	274,997	244,794	136,093	(46,464)	251,125	118,982	265,207
Other revenues	4,272,502	6,073,639	9,456,177	13,129,529	1,737,101	1,391,520	1,040,449	1,348,577	1,289,912	3,042,582
Total Revenues	<u>29,405,696</u>	<u>30,708,585</u>	<u>32,796,113</u>	<u>37,579,551</u>	<u>24,955,025</u>	<u>29,025,290</u>	<u>21,686,169</u>	<u>22,006,069</u>	<u>21,452,225</u>	<u>23,282,154</u>
Expenditures										
General government	5,282,008	5,142,497	4,962,649	5,584,909	4,417,297	5,318,165	4,095,556	3,404,021	3,299,714	3,310,799
Public health and safety	8,389,447	8,075,826	7,607,896	7,366,980	7,278,038	8,802,764	7,078,837	6,458,878	6,275,530	6,063,263
Public works	5,445,760	5,893,127	5,855,742	3,963,721	3,742,907	4,350,493	3,407,456	3,611,473	3,804,789	4,140,899
Highway and streets	3,142,470	2,662,169	2,163,482	2,248,698	2,587,576	3,206,071	2,136,893	2,057,934	2,483,106	2,430,655
Social services and community development	679,975	631,176	608,234	580,937	532,432	634,993	458,863	435,328	489,211	818,720
Sanitation	1,809,277	1,753,570	1,969,565	2,644,699	1,892,278	1,946,799	1,515,690	1,299,279	1,510,153	1,281,584
Community services / Recreation and culture	1,361,966	1,250,025	1,246,046	1,279,432	1,111,815	1,437,392	1,120,833	1,057,596	933,406	1,273,468
Capital outlay	2,064,038	3,894,513	8,822,488	8,819,107	1,126,282	1,629,475	1,333,372	1,268,591	1,031,817	2,825,517
Other expenditures	-	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Professional and contractual	3,580	14,234	79,538	320	17,127	31,950	36,242	15,595	345	877
Principal	5,287,438	1,898,635	1,572,463	2,745,388	1,459,316	1,427,363	1,205,973	1,111,502	1,042,166	1,228,215
Interest	804,410	656,674	597,847	789,199	710,837	795,144	780,142	789,076	813,055	853,446
Total Expenditures	<u>34,270,369</u>	<u>31,872,446</u>	<u>35,485,950</u>	<u>36,023,390</u>	<u>24,875,905</u>	<u>29,580,609</u>	<u>23,169,857</u>	<u>21,509,273</u>	<u>21,683,292</u>	<u>24,227,443</u>
Excess of revenues over (under) expenditures	(4,864,673)	(1,163,861)	(2,689,837)	1,556,161	79,120	(555,319)	(1,483,688)	496,796	(231,067)	(945,289)
Other Financing Sources (Uses)										
Proceeds from borrowing	-	2,405,000	9,582,578	-	712,237	4,512,900	1,253,745	1,076,000	-	-
Premium on bond issuance	-	166,042	1,082,241	-	24,675	78,578	65,117	21,373	-	-
Receipts from other governments	-	-	-	-	-	-	-	746,069	-	-
Payments to other governments	-	-	-	-	-	-	-	(746,069)	-	-
Payments to escrow agent	-	-	(4,356,589)	-	-	(2,315,000)	-	-	-	-
Transfers in	5,900,439	3,834,285	2,895,394	5,474,911	4,676,731	4,301,543	3,669,697	3,305,244	4,554,903	4,481,891
Transfers out	(7,199,795)	(3,853,005)	(3,250,445)	(5,517,518)	(4,262,936)	(3,841,603)	(3,321,749)	(3,078,871)	(4,396,086)	(4,263,514)
Total Other Financing Sources (Uses)	<u>(1,299,356)</u>	<u>2,552,322</u>	<u>5,953,179</u>	<u>(42,607)</u>	<u>1,150,707</u>	<u>2,736,418</u>	<u>1,666,810</u>	<u>1,323,746</u>	<u>158,817</u>	<u>218,377</u>
Net change in fund balances	<u>\$ (6,164,029)</u>	<u>\$ 1,388,461</u>	<u>\$ 3,263,342</u>	<u>\$ 1,513,554</u>	<u>\$ 1,229,827</u>	<u>\$ 2,181,099</u>	<u>\$ 183,122</u>	<u>\$ 1,820,542</u>	<u>\$ (72,250)</u>	<u>\$ (726,912)</u>
Debt Service as a Percentage of Non-capital Expenditures	19.25%	9.81%	8.78%	13.10%	9.42%	7.98%	9.15%	9.46%	9.18%	10.00%

* 2014 is a 15-month fiscal year

CITY OF MARQUETTE, MICHIGAN

General Governmental Expenditures by Functions ^(A)

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014 *	2013	2012	2011	2010
General Government	\$ 5,282,008	\$ 5,142,497	\$ 4,962,649	\$ 5,584,909	\$ 4,417,297	\$ 5,318,165	\$ 4,095,556	\$ 3,404,021	\$ 3,299,714	\$ 3,310,705
Public Health and Safety	8,389,447	8,075,826	7,607,896	7,366,980	7,278,038	8,802,764	7,078,837	6,458,878	6,275,530	6,063,263
Highways, Streets and Bridges	7,460,969	8,555,296	7,991,443	6,212,419	6,330,483	7,556,564	5,544,349	5,669,407	6,287,895	6,571,554
Sanitation	1,809,277	1,753,570	1,969,565	2,644,699	1,892,278	1,946,799	1,515,690	1,299,279	1,510,153	1,281,584
Social Services	679,975	631,176	608,234	580,937	532,432	634,993	458,863	435,328	489,211	818,720
Recreation and Culture	1,361,966	1,250,025	1,239,205	1,279,432	1,111,815	1,437,392	1,120,833	1,057,596	933,406	1,273,468
Capital Outlay	1,279,272	1,219,017	1,448,065	560,136	1,098,782	1,629,475	1,333,372	1,268,591	1,031,817	2,825,517
Debt Service	-	13,914	111,540	-	16,557	13,676	13,910	15,250	-	199,631
TOTALS	<u>\$ 26,262,914</u>	<u>\$ 26,641,321</u>	<u>\$ 25,938,597</u>	<u>\$ 24,229,512</u>	<u>\$ 22,677,682</u>	<u>\$ 27,339,828</u>	<u>\$ 21,161,410</u>	<u>\$ 19,608,350</u>	<u>\$ 19,827,726</u>	<u>\$ 22,344,442</u>

^(A) Includes General and Special
Revenue Funds

* 2014 is a 15-
month fiscal
year

CITY OF MARQUETTE, MICHIGAN

General Revenues by Sources ^(A)

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014 *	2013	2012	2011	2010
Property Taxes	\$ 10,322,480	\$ 10,547,002	\$ 10,359,178	\$ 10,974,626	\$ 10,356,018	\$ 13,175,326	\$ 9,394,438	\$ 9,068,039	\$ 8,950,947	\$ 8,935,237
Payments in lieu of property taxes	4,021,184	4,346,184	3,450,621	3,436,353	3,452,171	4,225,666	3,366,240	3,139,168	2,717,597	2,638,076
State and Federal sources	5,478,353	5,196,314	4,815,572	4,481,616	4,435,086	4,996,865	4,008,066	4,083,826	3,866,356	4,146,966
Intergovernmental revenue	394,032	384,429	366,022	343,530	332,069	383,980	291,264	275,607	261,402	266,980
Licenses and permits	61,664	62,472	80,353	76,971	49,129	47,364	33,492	35,076	37,472	36,928
Charges for services	4,301,949	3,956,371	4,129,822	4,842,812	4,248,375	4,531,042	3,516,067	3,642,417	4,021,532	3,612,419
Sales	55,248	29,207	54,986	40,579	34,753	49,080	48,167	18,415	23,379	159,410
Use and admission fees	417,544	457,488	422,654	404,027	397,096	446,695	415,920	445,101	442,141	667,473
Fines and forfeits	117,468	200,056	190,549	70,643	118,012	136,239	113,071	158,192	175,456	298,052
Rentals	140,859	147,409	144,852	142,944	108,235	185,228	122,159	130,515	119,710	90,949
Special assessments	-	-	-	-	14,114	14,114	(23,167)	24,903	32,747	57,507
Sale of assets	895,523	-	-	8,800	-	9,540	1,262	201,614	61,862	1,543,122
Contribution from private sources	815,556	819,994	894,559	2,033,273	409,214	208,640	216,197	173,332	403,618	131,814
Reimbursements	393,830	127,856	232,822	168,869	142,552	303,668	148,441	87,621	36,037	44,632
Investment income	405,395	7,825	3,197	249,251	219,921	141,452	(1,313)	234,182	131,691	250,856
Other revenue	107,637	138,926	177,765	274,247	96,122	95,892	54,791	256,903	165,692	368,254
TOTAL	\$ 27,928,722	\$ 26,421,533	\$ 25,322,952	\$ 27,548,541	\$ 24,412,867	\$ 28,950,791	\$ 21,705,095	\$ 21,974,911	\$ 21,447,639	\$ 23,248,675

^(A) Includes General and Special Revenue Funds

* 2014 is a 15-month fiscal year

Table 7

CITY OF MARQUETTE, MICHIGAN
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct</u>
June 30, 2010	\$ 830,577,700	\$ 1,031,887,000	\$ 201,423,800	\$ 672,005,600	\$ 1,391,882,900	17.283
June 30, 2011	838,863,600	1,028,459,800	200,971,400	672,231,000	1,396,063,800	17.263
June 30, 2012	847,599,900	1,030,654,000	201,107,200	675,404,400	1,403,956,700	17.253
June 30, 2013	875,868,800	1,018,676,400	207,203,800	675,331,400	1,426,417,600	17.243
September 30, 2014	883,211,800	1,113,465,600	220,136,800	675,331,400	1,541,482,800	17.143
September 30, 2015	902,211,400	1,136,314,200	215,601,400	675,331,400	1,578,795,600	17.153
September 30, 2016	939,829,600	1,152,263,200	230,026,000	675,331,400	1,646,787,400	17.153
September 30, 2017	936,191,000	1,141,539,800	180,297,400	675,331,400	1,582,696,800	17.193
September 30, 2018	970,918,200	1,137,214,800	139,636,800	675,331,400	1,572,438,400	17.103
September 30, 2019	1,039,826,900	1,258,027,800	48,865,000	675,331,400	1,671,388,300	17.323

Source: City of Marquette Assessor's Department.

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to 50% of true cash value. Tax rates are per \$1,000 of taxable value.

Table 8

CITY OF MARQUETTE, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended	City Direct Rates					(A)	(B)	Total
	General Fund	Senior Services Fund	Library Fund	Debt Service Funds	Total Direct	Overlapping Rates *		
						Marquette Area Public School District	County of Marquette	
June 30, 2010	14.923	0.350	1.370	0.640	17.283	7.200	9.447	33.930
June 30, 2011	14.923	0.350	1.370	0.620	17.263	6.950	9.721	33.934
June 30, 2012	14.923	0.350	1.370	0.620	17.263	6.950	9.910	34.123
June 30, 2013	14.923	0.350	1.370	0.600	17.243	6.900	9.945	34.088
September 30, 2014	14.923	0.350	1.370	0.500	17.143	6.550	9.844	33.537
September 30, 2015	14.923	0.350	1.370	0.510	17.153	7.500	9.940	34.593
September 30, 2016	14.923	0.350	1.370	0.510	17.153	7.530	9.940	34.623
September 30, 2017	14.923	0.350	1.370	0.550	17.193	7.520	10.023	34.736
September 30, 2018	14.923	0.350	1.370	0.460	17.103	7.450	7.693	32.246
September 30, 2019	14.923	0.350	1.370	0.680	17.323	7.440	7.693	32.456

Source: City of Marquette Treasurer's Department.

Note: Rates for debt service are set based on each year's requirements.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Marquette.

(A) - Includes Debt Service

(B) - Includes Intermediate School District, Special Education, County Wide Transit, County Medical Facility, and Heritage Authority.

Table 9

CITY OF MARQUETTE, MICHIGAN
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
DLP Marquette General Hospital	\$ 96,933,449	1	13.00%			
WE Energies	65,625,000	2	8.80%	\$ 98,027,100	1	16.40%
American Transmission Co. LLC	6,149,300	3	0.82%	5,044,800	4	0.84%
Marquette Medical Dental Center	5,839,977	4	0.78%	11,252,360	2	1.88%
O'Dovero Properties	5,389,505	5	0.72%	4,545,726	5	0.76%
Liberty Way Hospitality	5,349,819	6	0.72%			
HJ Larson & Associates, Inc	5,205,727	7	0.70%	4,256,992	6	0.71%
Tourville, Inc.	4,688,750	8	0.63%	4,110,179	7	0.69%
Veridea Group LLC	4,000,451	9	0.54%			
CHT Brookridge Heights	3,628,025	10	0.49%			
Pioneer Laboratories, Inc.				7,491,544	3	1.25%
Shopko Properties Spe. Real Estate				3,210,015	8	0.54%
Marquette Golf & Country Club				2,623,224	9	0.44%
Tourville North				2,413,123	10	0.40%
Total	<u>\$ 202,810,003</u>		<u>27.20%</u>	<u>\$ 142,975,063</u>		<u>23.91%</u>

Source: City of Marquette Assessor's Department.

CITY OF MARQUETTE, MICHIGAN

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Personal Property Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
June 30, 2010	\$ 10,531,476	\$ 10,509,182	99.79%	\$ 12,073	\$ 10,521,255	99.90%
June 30, 2011	10,550,308	10,480,552	99.34%	25,204	10,505,757	99.58%
June 30, 2012	10,742,698	10,678,804	99.41%	22,401	10,701,205	99.61%
June 30, 2013	11,085,214	11,026,051	99.47%	15,856	11,041,907	99.61%
September 30, 2014	12,431,713	12,407,485	99.81%	20,697	12,428,182	99.97%
September 30, 2015	12,626,455	12,143,370	96.17%	16,908	12,160,278	96.31%
September 30, 2016	12,699,290	12,417,876	97.78%	35,365	12,453,241	98.06%
September 30, 2017	12,942,947	12,246,743	94.62%	37,827	12,284,570	94.91%
September 30, 2018	12,817,844	12,162,215	94.89%	24,192	12,186,407	95.07%
September 30, 2019	13,258,863	12,929,260	97.51%	17,055	12,946,315	97.64%

Source: Marquette City Treasurer's Department.

Table 11

CITY OF MARQUETTE, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Transportation Bonds	State Infrastructure Bank Note	State Revolving Loan	Capital Lease	Water Bonds	Sewer Bonds	Storm Water Bonds	Marina Bond	Lighthouse Park Bond			
2010	\$ 18,067,143	\$ -	\$ 745,861	\$ 209,294	\$ -	\$ 9,278,496	\$ 6,159,092	\$ 4,310,842	\$ 315,000	\$ -	\$ 39,085,728	6.71%	\$ 1,869
2011	17,117,371	-	662,988	199,773	-	8,635,862	6,320,349	4,075,262	240,000	-	37,251,605	5.75%	1,774
2012	17,174,397	-	580,115	190,118	-	8,926,946	7,447,313	4,313,476	165,000	-	38,797,365	5.77%	1,844
2013	17,314,829	-	497,242	180,328	-	8,363,149	8,289,707	4,616,954	85,000	-	39,347,209	5.80%	1,843
2014	18,509,963	-	414,369	160,342	-	8,860,650	10,393,327	4,836,059	193,674	-	43,368,384	6.24%	2,031
2015	17,865,116	-	331,496	150,079	-	9,196,194	10,182,009	4,548,246	192,829	-	42,465,969	5.82%	1,986
2016	15,192,250	-	248,623	139,613	-	8,050,939	9,488,400	4,166,728	181,984	-	37,468,537	4.99%	1,754
2017	20,128,766	-	165,750	129,013	-	9,731,616	10,724,983	5,930,011	171,199	-	46,981,338	6.15%	2,192
2018	19,183,525	1,750,255	82,877	118,210	26,326,166	10,197,415	11,379,582	6,808,576	-	1,035,000	76,881,606	9.64%	3,738
2019	14,007,115	1,584,230	-	107,204	25,521,336	9,249,261	10,312,413	6,122,300	-	935,000	67,838,859	8.45%	3,218

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

^a See Table 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF MARQUETTE, MICHIGAN
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding ^c		Percentage of Taxable Assessed Value ^a of Property	Per Capita ^b
	Debt Supported by General Resources			
2010	\$	19,022,298	1.37%	\$ 905.65
2011		17,980,132	1.29%	854.77
2012		17,944,630	1.28%	840.30
2013		17,992,399	1.26%	842.54
2014		19,084,674	1.24%	892.52
2015		18,346,691	1.16%	858.65
2016		15,580,486	0.95%	727.04
2017		20,423,529	1.29%	992.88
2018		21,134,867	1.34%	1,002.56
2019		15,698,549	0.94%	759.12

Note: Detail regarding the City's outstanding debt can be found in the notes to financial statements.

^a See Table 7 for property value data.

^b Population data can be found in Table 16.

^c Amounts include debt outstanding in Governmental Activities only.

CITY OF MARQUETTE, MICHIGAN
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019

Governmental Unit	Overlapping Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
DIRECT DEBT			
City of Marquette	\$ 41,219,885	100.00%	\$ 41,219,885
		TOTAL DIRECT DEBT	41,219,885
OVERLAPPING DEBT			
County School District	6,295,000	59.47%	3,743,637
Library Improvements	3,635,000	100.00%	3,635,000
Tax Increment Bonds - DDA	865,000	100.00%	865,000
2010 Capital Improvement - BRFA	695,000	100.00%	695,000
2010 Recovery Zone Facility - BRFA	315,000	100.00%	315,000
2013 Capital Improvement - BRFA	175,000	100.00%	175,000
2016 Tax Increment Bonds - BRFA	17,195,000	100.00%	17,195,000
2017 Tax Increment Bonds - BRFA	735,000	100.00%	735,000
2017 Tax Increment Bonds - BRFA	12,185,000	100.00%	12,185,000
2018 Tax Increment Bonds - BRFA	665,000	100.00%	665,000
		TOTAL OVERLAPPING DEBT	40,208,637
		TOTAL DIRECT AND OVERLAPPING DEBT	\$ 81,428,522

Sources: Assessed value data used to estimate applicable percentages provided by the Marquette County Board of Equalization and Assessment. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Marquette. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF MARQUETTE, MICHIGAN
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2019 ^d	2018	2017	2016 ^a	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 102,967,138	\$ 86,530,260	\$ 87,023,820	\$ 83,770,539	\$ 83,141,190	\$ 77,218,149	\$ 71,320,880	\$ 70,197,835	\$ 69,803,190	\$ 69,594,145
Total net debt applicable to limit	<u>73,617,336</u>	<u>81,774,607</u>	<u>61,179,053</u>	<u>52,299,914</u>	<u>18,346,691</u>	<u>19,084,674</u>	<u>17,992,399</u>	<u>17,944,630</u>	<u>17,980,132</u>	<u>19,022,298</u>
Legal Debt Margin	<u>\$ 29,349,802</u>	<u>\$ 4,755,653</u>	<u>\$ 25,844,767</u>	<u>\$ 31,470,625</u>	<u>\$ 64,794,499</u>	<u>\$ 58,133,475</u>	<u>\$ 53,328,481</u>	<u>\$ 52,253,205</u>	<u>\$ 51,823,058</u>	<u>\$ 50,571,847</u>
Total net debt applicable to the limit as a percentage of debt limit	71.50%	94.50%	70.30%	62.43%	22.07%	24.72%	25.23%	25.56%	25.76%	27.33%

Legal Debt margin Calculation for Fiscal Year 2019:

State Equalized Assessed Value (SEV)	\$ 859,166,400
Add:	
Half of Act 198 Property	21,822,450
Revenue Sharing ^b	143,023,421
LCSA/PPT ^c	<u>5,659,105</u>
Total SEV	<u>\$ 1,029,671,376</u>
Debt limit (10% of total SEV)	102,967,138
Debt applicable to limit:	
Total debt included in	
Governmental Activities	41,219,885
Business-Type Activities	26,618,974
Component units	36,465,000
Less:	
Deferred amounts on bonds	
Governmental Activities	(1,139,194)
Business-Type Activities	(1,315,993)
Debt not subject to limit:	
Michigan transportation bonds	(2,710,000)
TELP capital lease	(25,521,336)
Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>73,617,336</u>
Legal debt margin	<u>\$ 29,349,802</u>

Note: Under State finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

^a - At fiscal year 2016, calculation was changed to include all general obligation bonds balances outstanding. Prior to 2016, these calculations only included general obligation balances in the Governmental Activity funds.

^b - Constitutional and statutory revenue sharing divided by the City's millage rate of 14.9255 mills

^c - Local Community Stabilization Authority [LSCA] reimbursements less loss distribution divided by the City's millage rate of 14.9255 mills

^d - At fiscal year 2019, calculation was changed, in accordance with State legislation, to include PPT reimbursements, constitutional and state revenue sharing adjustments to the SEV calculation.

CITY OF MARQUETTE, MICHIGAN
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water Supply Bonds						Marina Bonds					
	Gross Revenue (1)	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage	Gross Revenue (2)	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2010	\$ 3,714,922	\$ 3,228,386	\$ 486,536	\$ 410,000	\$ 121,815	0.91	\$ 343,235	\$ 367,997	\$ (24,762)	\$ 70,000	\$ 12,512	(0.30)
2011	3,880,222	3,439,781	440,441	410,000	107,465	0.85	297,162	363,968	(66,806)	75,000	10,244	(0.78)
2012	4,271,860	3,580,239	691,621	430,000	92,090	1.32	341,299	413,533	(72,234)	75,000	7,713	(0.87)
2013	4,283,280	3,960,960	322,320	450,000	75,965	0.61	275,212	399,905	(124,693)	80,000	4,900	(1.47)
2014 ^(A)	5,071,974	5,716,042	(644,068)	490,000	39,469	(1.22)	659,458	824,831	(165,373)	85,000	1,700	(1.91)
2015	4,202,649	4,265,003	(62,354)	495,000	12,500	(0.12)	921,244	403,951	517,293	-	-	-
2016	4,353,648	4,683,258	(329,610)	335,000	6,312	(0.97)	343,931	394,207	(50,276)	-	-	-
2017	4,353,898	4,371,618	(17,720)	170,000	-	(0.10)	367,883	468,192	(100,309)	-	-	-
2018	4,406,501	4,394,676	11,825	-	-	-	406,701	481,762	(75,061)	-	-	-
2019	5,133,369	5,049,915	83,454	-	-	-	375,508	475,096	(99,588)	-	-	-

Fiscal Year	Stormwater Utility Bonds						Electric Utility Bonds					
	Gross Revenue (3)	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage	Gross Revenue	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2009	\$ 944,647	\$ 675,534	\$ 269,113	\$ 275,000	\$ 21,375	0.91	\$ 27,517,310	\$ 23,637,370	\$ 3,879,940	\$ 2,700,000	\$ 51,300	1.41
2010	1,031,968	831,113	200,855	290,000	7,250	0.68	27,537,303	26,930,109	607,194	-	-	-
2011	1,000,619	810,311	190,308	-	-	-	29,046,768	28,029,914	1,016,854	-	-	-
2012	1,097,483	858,082	239,401	-	-	-	30,884,443	30,944,182	(59,739)	675,000	352,027	(0.06)
2013	1,046,021	1,153,256	(107,235)	-	-	-	31,827,224	34,351,855	(2,524,631)	765,000	263,000	(2.46)
2014 ^(A)	1,415,211	1,280,283	134,928	-	-	-	41,876,891	42,182,318	(305,427)	795,000	232,400	(0.30)
2015	1,214,292	1,070,879	143,413	-	-	-	35,047,774	33,338,495	1,709,279	831,768	202,003	1.65
2016	1,241,893	1,090,986	150,907	-	-	-	36,963,835	32,419,638	4,544,197	3,890,000	94,842	1.14
2017	1,320,907	1,145,036	175,871	-	-	-	47,342,427	31,174,039	16,168,388	745,811	3,504,495	3.80
2018	1,310,920	1,359,642	(48,722)	-	-	-	49,072,107	37,210,120	11,861,987	1,194,741	3,048,416	2.80
2019	1,546,421	1,381,544	164,877	-	-	-	48,426,521	32,430,713	15,995,808	1,258,148	2,989,192	3.77

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

(1) Total operating revenues including interest.

(2) Total operating revenues include interest and an operating grant.

(3) Total operating revenues including interest and excluding grants.

(A) Fiscal year 2014 is a 15-month fiscal period.

Table 16

CITY OF MARQUETTE, MICHIGAN
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level In Years of Schooling	School Enrollment	Unemployment Rate
2010	21,004	\$ 647,721,352	\$ 30,838	32.2	12.8	3,148	10.7%
2011	21,035	671,849,655	31,940	29.1	12.8	3,097	9.1%
2012	21,355	678,811,385	31,787	29.1	12.8	3,047	5.3%
2013	21,355	695,212,025	32,555	29.1	12.8	3,111	5.2%
2014	21,383	730,037,003	34,141	30.7	12.8	3,242	5.1%
2015	21,367	750,216,737	35,111	29.1	12.8	3,251	4.0%
2016	21,430	763,465,180	35,626	29.1	12.8	3,201	3.4%
2017	20,570	797,573,686	38,774	28.4	12.8	3,279	3.6%
2018	21,081	803,114,395	38,096	27.8	12.8	3,289	5.7%
2019	20,680	806,478,640	38,998	27.8	12.8	*	4.9%

Sources: Population, personal income, and per capital income provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

Median age provided by the U.S. Bureau of Census.

Education and school enrollment provided by from Marquette-Alger Regional Education Service Agency.

Unemployment provided by the Lake Superior Community Partnership.

* Data not available.

Table 17

CITY OF MARQUETTE, MICHIGAN
Principal Employers
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UP Health System - Marquette	1,924	1	5.93%	2,831	1	13.48%
Northern Michigan University	1,200	2	3.70%	999	3	4.76%
Cliffs Natural Resources	950	3	2.93%	1,567	2	7.46%
Peninsula Medical Center	650	4	2.00%	630	4	3.00%
Marquette Area Public Schools	428	5	1.32%	425	8	2.02%
Michigan Department of Corrections	365	6	1.13%	490	6	2.33%
UP Health System - Bell	348	7	1.07%	335	9	1.59%
County of Marquette	270	8	0.83%			
RTI Surgical	265	9	0.82%			
Eagle Mine	198	10	0.61%			
Westwood Mall Merchants				500	5	2.38%
Wal-Mart Stores, Inc.				434	7	2.07%
Alger-Marquette County Community Action Board				250	10	1.19%
Total	<u>6,598</u>		<u>20.34%</u>	<u>8,461</u>		<u>40.28%</u>

Source: Michigan Department of Labor and Economic Growth, Office of Labor Marquette Information

CITY OF MARQUETTE, MICHIGAN
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

(Full-Time Equivalent Employees)

Function/Program	September 30,						June 30,			
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Administration Services	28	23	27	27	27	27	28	27	27	26
Public Health and Safety										
Police Officers	38	39	38	37	39	38	39	39	38	38
Firefighters and Officers	26	26	26	26	26	26	26	26	26	26
Public Works	24	39	32	36	36	37	36	28	29	29
Highway and Streets	17	8	8	8	8	8	8	9	12	12
Social Services	2	4	4	4	4	4	4	4	4	4
Recreation and Culture	8	4	3	4	4	4	4	5	6	6
Storm Water	1	1	1	1	1	1	1	1	1	1
Motor Pool	8	8	7	7	7	7	7	8	8	7
Water	13	13	13	13	13	13	13	13	14	13
Wastewater	10	10	10	10	10	9	8	9	9	9
Library	12	13	13	12	13	13	12	13	14	14
Total	<u>187</u>	<u>188</u>	<u>182</u>	<u>185</u>	<u>188</u>	<u>187</u>	<u>186</u>	<u>182</u>	<u>188</u>	<u>185</u>

Source: City Human Resources Department

CITY OF MARQUETTE, MICHIGAN
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014 *	2013	2012	2011	2010
Police										
Physical arrests	585	518	749	666	903	1,418	1,228	1,398	1,544	1,447
Parking violations	5,080	5,701	5,825	3,438	5,401	7,057	7,348	6,234	7,434	7,932
Traffic violations	2,873	3,802	3,802	4,354	4,299	4,916	2,666	2,963	2,333	2,262
Fire										
Emergency responses	2,258	2,213	1,635	1,323	923	1,030	842	803	783	681
Fires extinguished	18	18	22	21	22	31	34	35	41	28
Inspections	2,005	1,364	1,439	1,570	782	1,852	3,256	2,239	1,247	914
Refuse collection										
Refuse collected (tons per week)	50.4	50.4	47.2	49.0	47.6	54.8	51.9	49.2	53.7	55.2
Recycling (tons per week)	9.7	11.3	12.5	13.4	14.9	15.0	15.1	15.0	16.1	12.6
Other public works										
Street resurfacing (miles)	1.4	0.9	4.3	2.8	3.0	5.6	2.6	2.9	3.0	2.6
Potholes repaired	-	-	-	-	-	-	-	-	-	-
Parks and recreation										
Total Campers	**	**	27,880	26,715	22,867	18,744	17,014	11,592	11,592	10,380
Beach Attendance	19,213	26,261	20,829	19,285	32,952	16,943	28,687	21,989	35,389	24,317
Library										
Volumes in collection	193,160	214,069	204,467	237,013	243,147	248,447	250,022	246,979	241,924	234,018
Total volumes borrowed	263,621	212,017	237,063	254,758	274,698	353,038	311,041	356,154	362,099	355,489
Water										
Consumers	7,100	6,177	6,177	6,154	6,193	6,178	6,144	6,101	5,911	5,871
Water mains breaks	-	-	-	-	-	-	-	-	4	15
Average daily consumption (millions of gallons)	2.25	2.11	2.09	2.25	2.31	2.62	2.45	2.45	2.35	2.55
Wastewater										
Average daily sewage treatment (millions of gallons)	3.00	3.06	3.06	3.03	3.22	3.19	2.83	2.67	2.77	2.71

* 2014 is a 15-month fiscal year

Source: Various City Departments

** Data not available

CITY OF MARQUETTE, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other Public works										
Streets (miles)	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5	91.5
Streetlights	2,547	2,547	2,547	2,524	2,345	2,345	2,345	2,345	2,345	2,345
Parks and recreation										
Parks	20	20	20	20	19	19	19	19	19	19
Playfields	12	12	12	12	12	12	12	12	13	13
Marina	2	2	2	2	2	2	2	2	2	2
Camping Spaces	110	110	110	110	110	110	110	110	110	110
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	98.8	98.8	98.8	98.8	98.7	98.7	98.7	98.1	98.1	98.1
Wastewater										
Sanitary sewers (miles)	88.8	88.8	88.8	88.8	88.7	88.7	88.7	88.7	88.3	88.3
Storm sewers (miles)	53.2	53.2	52.9	52.8	52.6	52.6	52.6	52.1	61.7	50.2

Source: Various City Departments

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CITY OF MARQUETTE, MICHIGAN
COMPLIANCE SUPPLEMENT



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

Honorable Mayor, Members of the City
Commission and the City Manager of the
City of Marquette, Michigan

We have audited the in accordance with the auditing standards the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Marquette, Michigan (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated March 27, 2020. Our report includes a reference to other auditors who audited the financial statements of the Board of Light and Power, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor, Members of the City
Commission and the City Manager of the
City of Marquette, Michigan

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Marquette, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Anderson, Tackman & Company, PLLC
Certified Public Accountants

March 27, 2020