

CITY OF MARQUETTE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2020

CITY OF MARQUETTE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2020

CITY COMMISSION
Jenna Smith, Mayor

Jenn Hill
Evan Bonsall
Sally Davis
Pete Frazier
Paul Schloegel
Frederick Stonehouse

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, 2020

INTRODUCTORY SECTION:

Table of Contents.....	3
Transmittal Letter.....	10
Certificate of Achievement for Excellence in Financial Reporting.....	16
Organizational Chart.....	17
Administrative Staff.....	18

FINANCIAL SECTION:

Independent Auditor's Report.....	19
Management's Discussion and Analysis.....	23

SECTION 1 - BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position.....	36
Statement of Activities.....	37

Fund Financial Statements:

Governmental Funds Balance Sheet.....	38
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	39
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance.....	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	41
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Comparison Statement.....	42
Major Special Revenues Funds Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Comparison Statement.....	43
Proprietary Funds Statement of Net Position.....	44
Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position.....	45
Proprietary Funds Statement of Cash Flows.....	46
Fiduciary Funds Statement of Fiduciary Net Position.....	47
Fiduciary Funds Statement of Changes in Fiduciary Net Position.....	48
Component Units Combining Statement of Net Position.....	49
Component Units Combining Statement of Activities.....	50
Notes to Financial Statements.....	51

Continued --

SECTION 2 - REQUIRED SUPPLEMENTARY INFORMATION:

Municipal Employees Retirement System of Michigan:	
Schedule of Changes in the Net Pension Liability and Related Ratios.....	134
Schedule of Contributions.....	135
Peter White Public Library:	
Schedule of Changes in the Net Pension Liability and Related Ratios.....	136
Schedule of Contributions.....	137
Fire/Police Retirement System:	
Schedule of Changes in the Net Pension Liability and Related Ratios.....	138
Schedule of Contributions.....	139
Marquette Board of Light and Power:	
Schedule of Changes in the Net Pension Liability and Related Ratios.....	140
Schedule of Contributions.....	141
Annual Money-Weighted Rate of Return, Net of Investment Expense.....	142
Other Post Employment Benefits:	
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	143
Schedule of OPEB Contributions.....	144
Marquette Board of Light and Power:	
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	145
Schedule of OPEB Contributions.....	146

SECTION 3 - MAJOR GOVERNMENTAL FUNDS:

General Fund:	
Comparative Balance Sheet.....	148
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	149
Major Street and Trunkline Fund:	
Comparative Balance Sheet.....	155
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	156
Local Street Fund:	
Comparative Balance Sheet.....	157
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	158
Construction Fund - Capital Project Fund:	
Comparative Balance Sheet.....	159
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	160

SECTION 4 - NON-MAJOR GOVERNMENTAL FUNDS:

Non-Major Governmental Funds:	
Combining Balance Sheet.....	165
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	166
Non-Major Special Revenue Funds:	
Combining Balance Sheet.....	167
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	168
Public Art Fund:	
Comparative Balance Sheet.....	169
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	170

Continued --

Sanitation Fund:	
Comparative Balance Sheet.....	171
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	172
Local Development Finance Authority Fund:	
Comparative Balance Sheet.....	173
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	174
Public Education Government (PEG) Fund:	
Comparative Balance Sheet.....	175
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	176
Drug Forfeiture Fund:	
Comparative Balance Sheet.....	177
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	178
MSHDA Downtown Rental Fund:	
Comparative Balance Sheet.....	179
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	180
Road Maintenance Fund:	
Comparative Balance Sheet.....	181
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	182
Road Safety Improvement Fund:	
Comparative Balance Sheet.....	183
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	184
Criminal Justice Training Fund:	
Comparative Balance Sheet.....	185
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	186
Senior Services Fund:	
Comparative Balance Sheet.....	187
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	188
Lakeview Arena Fund:	
Comparative Balance Sheet.....	189
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	190
Non-Major Debt Service Funds:	
Combining Balance Sheet.....	191
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	192
High Street - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	193
2004 Spring Street - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	194

Continued --

2009 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	195
2011 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	196
2012 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	197
2013 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	198
2003 Founders Landing - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	199
2014 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	200
2015 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	201
2016 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	202
2017 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	203
Forestland - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	204
2018 Capital Improvements & MTF - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	205
2019 Capital Improvements & MTF - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	206
Cemetery Fund - Permanent Fund:	
Comparative Balance Sheet.....	207
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	208

SECTION 5 - ENTERPRISE FUNDS:

Major Enterprise Funds:	
Water Supply Fund:	
Comparative Statement of Net Position.....	210
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	211
Sewage Disposal Fund:	
Comparative Statement of Net Position.....	212
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	213

Continued --

Stormwater Utility Fund:	
Comparative Statement of Net Position.....	214
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	215
Non-Major Enterprise Funds:	
Combining Statement of Net Position.....	216
Combining Schedule of Revenues, Expenses and Changes in Net Position.....	217
Combining Statement of Cash Flows.....	218
Tourist Park Fund:	
Comparative Statement of Net Position.....	219
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	220
Lighthouse Park Fund:	
Comparative Statement of Net Position.....	221
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	222
Fuel System Fund:	
Comparative Statement of Net Position.....	223
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	224
Marinas Fund:	
Comparative Statement of Net Position.....	225
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	226
SECTION 6 - INTERNAL SERVICE FUNDS:	
Combining Statement of Net Position.....	228
Combining Statement of Revenues, Expenses and Changes in Net Position.....	229
Combining Statement of Cash Flows.....	230
Technology Services Fund:	
Comparative Statement of Net Position.....	231
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	232
Municipal Service Center Fund:	
Comparative Statement of Net Position.....	233
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	234
Motor Vehicle Equipment Fund:	
Comparative Statement of Net Position.....	235
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	236
Energy Enhancements Fund:	
Comparative Statement of Net Position.....	237
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	238
SECTION 7 - FIDUCIARY FUNDS:	
Fire - Police Retirement System Pension Trust Fund:	
Comparative Statement of Plan Net Position.....	240
Agency Fund:	
Comparative Balance Sheet.....	241
Statement of Changes in Assets and Liabilities.....	242

Continued --

SECTION 8 - CAPITAL ASSET SCHEDULES:

Schedule of Capital Assets Used in the Operation of Governmental Funds - By Source.....	244
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds - By Function and Activity.....	245
Schedule of Capital Assets Used in the Operation of Governmental Funds - By Function and Activity.....	246

SECTION 9 - LONG-TERM DEBT SCHEDULES:

Schedule of Bonds and Notes Payable - Enterprise Funds.....	248
---	-----

SECTION 10 - COMPONENT UNITS:

Board of Light and Power Electric Utility:	
Comparative Statement of Net Position.....	250
Schedule of Revenues, Expenses and Changes in Net Position.....	251
Statement of Cash Flows.....	252

Brownfield Redevelopment Authority:	
Statement of Net Position.....	253
Statement of Activities.....	254
Governmental Funds Balance Sheet.....	255
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	256
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance.....	257
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	258

Non-Major Component Units:	
Combining Statement of Net Position.....	259
Combining Statement of Activities.....	260

Non-Major Component Units - Downtown Development Authority:	
Statement of Net Position.....	261
Statement of Activities.....	262
Governmental Funds Balance Sheet.....	263
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	264
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance.....	265
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	266

Non-Major Component Units - Peter White Public Library:	
Statement of Net Position.....	267
Statement of Activities.....	268
Governmental Funds Balance Sheet.....	269
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	270
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance.....	271
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	272

SECTION 11 - STATISTICAL SECTION

Net Position / Net Assets by Component - Table 1.....	274
Changes in Net Position / Net Assets - Table 2.....	275
Fund Balances, Governmental Funds - Table 3.....	276
Changes in Fund Balances, Governmental Funds - Table 4.....	277
General Government Expenditures by Function - Table 5.....	278

Continued --

General Revenues by Sources - Table 6.....	279
Assessed Value and Actual Value of Taxable Property - Table 7.....	280
Direct and Overlapping Property Tax Rates - Table 8.....	281
Principal Property Tax Payers - Table 9.....	282
Property Tax Levies and Collections - Table 10.....	283
Ratios of Outstanding Debt by Type - Table 11.....	284
Ratios of General Bonded Debt Outstanding - Table 12.....	285
Direct and Overlapping Governmental Activities Debt - Table 13.....	286
Legal Debt Margin Information - Table 14.....	287
Pledged-Revenue Coverage - Table 15.....	288
Demographic and Economic Statistics - Table 16.....	289
Principal Employers - Table 17.....	290
Full-Time Equivalent City Government Employees by Function/Program - Table 18.....	291
Operating Indicators by Function/Program - Table 19.....	292
Capital Asset Statistics by Function/Program - Table 20.....	293
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.....	296



March 25, 2021

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

Ladies and Gentlemen:

This Comprehensive Annual Financial Report 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 Comprehensive Annual Financial Report is published to fulfill that requirement for the fiscal year ended September 30, 2020.

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, 2020. Their independent auditor’s report is located at the front of the financial section of this Comprehensive Annual Financial Report.

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 Comprehensive Annual Financial Report.

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 \$300M/annum in payroll, and indirect spending with local businesses. DLP Marquette General Hospital, LLC carries an approximate \$325M/annum economic impact and recently completed \$340M 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. COVID-19 forced the cancelation of these festivals and special events this past year. Although tourism visitor volumes remain very strong, we hope most, if not all, of these events will be able to resume this upcoming summer.

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 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 2020 INITIATIVES

The major themes which guided projects and initiatives for FY 2020 were:

- Infrastructure Repairs, Replacements, and Improvements
- 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 property taxpayer
- Debt Management
- Aggressive pursuit of non-local revenue sources
- COVID-19

The following major capital improvements were accomplished in FY 2020:

- ✓ Stormwater Drainage Improvements - \$2,730,416
- ✓ Water System Improvements - \$1,811,356
- ✓ Sewer System Improvements - \$1,889,202
- ✓ Street/Road Reconstruction & Improvements - \$3,522,139

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, 2019. This is the 34th consecutive year

that the City has achieved this prestigious award. 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.

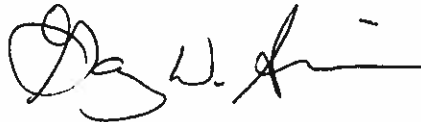
Acknowledgments – Special recognition must be extended to members of the Financial Services Department who assisted in the development of this Comprehensive Annual Financial Report and with the annual independent audit. We wish to express our appreciation to the accounting firm of Anderson, Tackman and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



L. Michael Angeli
City Manager



Gary W. Simpson
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Marquette
Michigan**

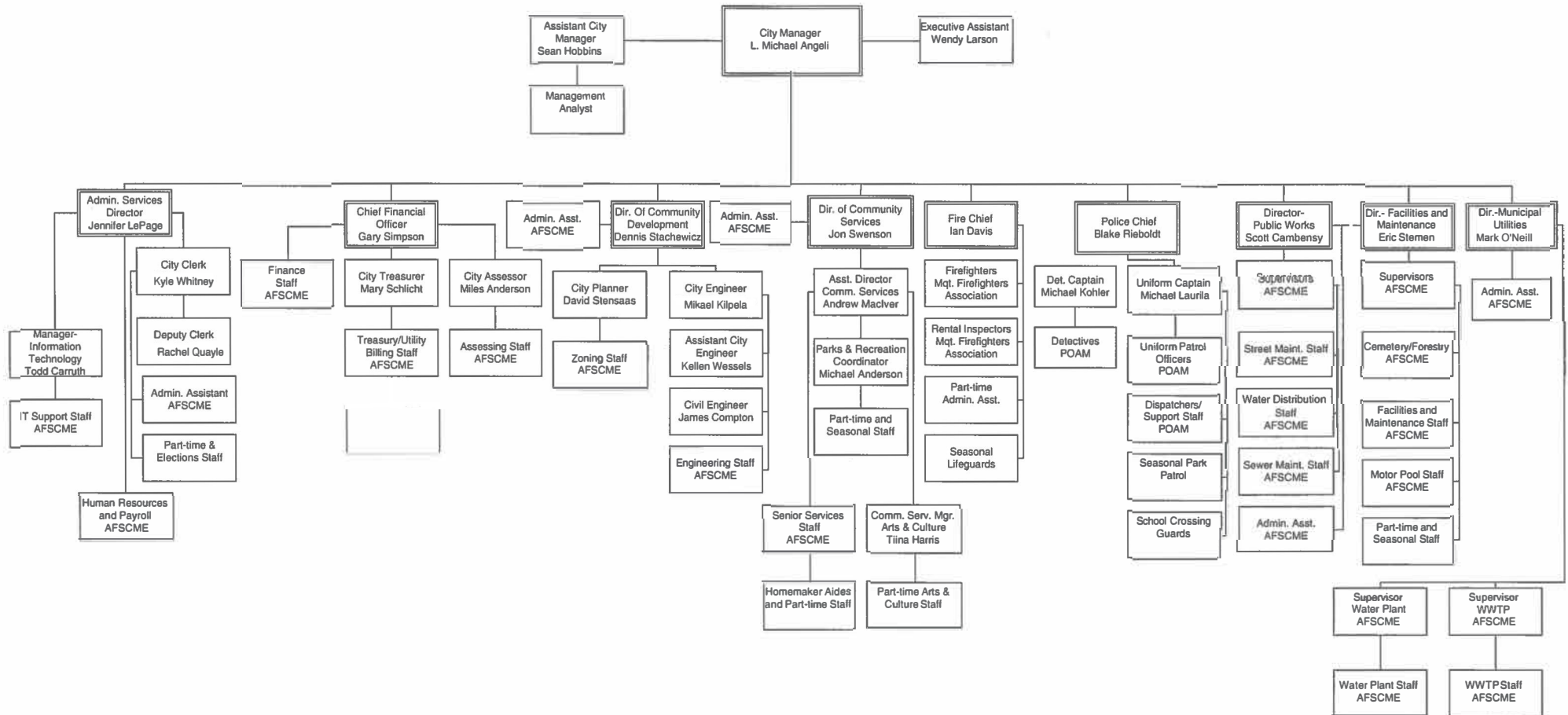
**For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended**

September 30, 2019

Christopher P. Morill

Executive Director/CEO

City of Marquette



CITY OF MARQUETTE, MICHIGAN
ADMINISTRATIVE STAFF

CITY MANAGER

Leonard Angeli

ASSISTANT CITY MANAGER

Sean Hobbins

EXECUTIVE ASSISTANT

Wendy Larson

CITY ATTORNEY

Ronald Keefe

CHIEF FINANCIAL OFFICER

Gary Simpson

DIRECTOR OF ADMINISTRATIVE SERVICES

Jennifer LePage

Information Services Division

Todd Carruth

Clerks Office Division

Kyle Whitney

DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

Dennis Stachewicz

Engineering Division

Mikael Kilpela

Kellen Wessels

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

Mark O'Neill

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, 2020, 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 87 percent, 84 percent, and 84 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 87 percent, 84 percent, and 84 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, 2020, 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

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

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, 2019, 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 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. The individual major fund financial statements and individual non-major fund financial statements, for the year ended September 30, 2019, 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 2019 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 2019 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 25, 2021, 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

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

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 25, 2021

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, 2020. 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 increased by \$14,763 as a result of this fiscal year's operations. Net position of our business-type activities increased by \$2,571,846 or 8.27%, and net position of our governmental activities decreased by \$(2,557,083) or (6.81)%.
- During the year, the City had expenses for governmental activities that were \$20,682,681 more than the \$10,358,093 generated in program revenues.
- The City's business-type activities had expenses that were \$2,637,789 less than the \$16,589,508 generated in program revenues.

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, 2020 and 2019.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 32,711,371	\$ 32,368,056	\$ 9,518,245	\$ 10,342,711	\$ 42,229,616	\$ 42,710,767
Capital assets, net	96,943,456	96,478,373	63,033,348	58,865,673	159,976,804	155,344,046
Total Assets	<u>129,654,827</u>	<u>128,846,429</u>	<u>72,551,593</u>	<u>69,208,384</u>	<u>202,206,420</u>	<u>198,054,813</u>
Deferred outflows of resources	4,106,816	4,902,724	781,626	962,384	4,888,442	5,865,108
Current liabilities	6,254,136	4,332,070	4,937,815	7,939,413	11,191,951	12,271,483
Noncurrent liabilities	81,899,581	81,570,120	34,679,045	30,978,784	116,578,626	112,548,904
Total Liabilities	<u>88,153,717</u>	<u>85,902,190</u>	<u>39,616,860</u>	<u>38,918,197</u>	<u>127,770,577</u>	<u>124,820,387</u>
Deferred inflows of resources	10,596,979	10,278,933	55,712	163,770	10,652,691	10,442,703
Net Position:						
Net investment in capital assets	54,164,067	55,333,265	32,535,469	32,575,063	86,699,536	87,908,328
Restricted	886,004	940,606	320,602	328,361	1,206,606	1,268,967
Unrestricted	(20,039,124)	(18,705,841)	804,576	(1,814,623)	(19,234,548)	(20,520,464)
Total Net Position	<u>\$ 35,010,947</u>	<u>\$ 37,568,030</u>	<u>\$ 33,660,647</u>	<u>\$ 31,088,801</u>	<u>\$ 68,671,594</u>	<u>\$ 68,656,831</u>

Net position of the City's governmental activities stood at \$35,010,947. *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 \$(20,039,124).

The \$(20,039,124) 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 \$33,660,647. 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 2020 and 2019.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 5,461,528	\$ 5,026,782	\$ 16,047,608	\$ 14,887,411	\$ 21,509,136	\$ 19,914,193
Operating grants and contributions	4,809,117	4,114,892	-	-	4,809,117	4,114,892
Capital grants and contributions	87,448	1,183,743	541,900	154,491	629,348	1,338,234
General revenues:						
Property taxes	14,337,502	14,331,042	-	-	14,337,502	14,331,042
Unrestricted State sources	3,016,816	2,561,563	-	-	3,016,816	2,561,563
Investment earnings	172,771	409,911	27,215	43,260	199,986	453,171
Sale of capital assets	13,620	1,376,313	-	-	13,620	1,376,313
Miscellaneous	418,908	129,076	72,823	-	491,731	129,076
Total Revenues	<u>28,317,710</u>	<u>29,133,322</u>	<u>16,689,546</u>	<u>15,085,162</u>	<u>45,007,256</u>	<u>44,218,484</u>
Program Expenses:						
General government	6,076,249	6,104,823	-	-	6,076,249	6,104,823
Public health and safety	8,910,951	8,880,337	-	-	8,910,951	8,880,337
Public works	4,785,208	5,554,637	323,404	-	5,108,612	5,554,637
Highways and streets	3,614,699	3,946,829	-	-	3,614,699	3,946,829
Social services	733,323	727,878	-	-	733,323	727,878
Sanitation services	2,190,637	1,998,223	-	-	2,190,637	1,998,223
Community services	1,478,958	1,570,778	914,792	1,212,776	2,393,750	2,783,554
Interest on long-term debt	784,210	742,496	-	-	784,210	742,496
Depreciation - unallocated	2,466,539	2,374,557	-	-	2,466,539	2,374,557
Water supply	-	-	5,122,980	5,302,484	5,122,980	5,302,484
Sewage disposal	-	-	5,859,101	6,067,463	5,859,101	6,067,463
Stormwater utility	-	-	1,731,442	1,562,628	1,731,442	1,562,628
Total Expenses	<u>31,040,774</u>	<u>31,900,558</u>	<u>13,951,719</u>	<u>14,145,351</u>	<u>44,992,493</u>	<u>46,045,909</u>
Excess (deficiency) before transfers	(2,723,064)	(2,767,236)	2,737,827	939,811	14,763	(1,827,425)
Transfers	165,981	1,616,472	(165,981)	(1,616,472)	-	-
Increase (decrease) in net position	(2,557,083)	(1,150,764)	2,571,846	(676,661)	14,763	(1,827,425)
Net position, beginning	37,568,030	38,718,794	31,088,801	31,765,462	68,656,831	70,484,256
Net Position, Ending	<u>\$ 35,010,947</u>	<u>\$ 37,568,030</u>	<u>\$ 33,660,647</u>	<u>\$ 31,088,801</u>	<u>\$ 68,671,594</u>	<u>\$ 68,656,831</u>

The City's total revenues were \$45,007,256 The total cost of all programs and services was \$44,992,493 leaving an increase in net position of \$14,763. 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.
- The millage rate for fiscal year 2020 was unchanged from the previous fiscal year, at 14.9225 mills.

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.
- 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 fiscal year 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	\$ 6,076,249	\$ 4,758,985
Public health and safety	8,910,951	8,213,065
Public works	4,785,208	3,249,669
Highways and streets	3,614,699	(15,065)
Sanitation	2,190,637	34,018
Community services	1,478,958	907,145

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 continued 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 fiscal year 2019, which was implemented, and 11.50% per year for the four years after. The 11.50% increase was implemented for fiscal year 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 fiscal year 2019 and continued for fiscal year 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 \$15,991,842, a decrease of \$(1,031,819) from the beginning of the year. The reasons for this decrease are discussed above.

General Fund Budgetary Highlights

During the year, there was a \$439,628 increase in total expenditure appropriations between the original and final amended budget. Following are the main components of this increase:

\$ 408,628 for capital project carry-over from the previous year.

\$ 31,000 for grant pass-thru's not previously budgeted for.

Actual 2020 Total General Fund revenues were \$525,083 below final budget mostly due to the settlement of tax tribunal cases and a reduction in bond proceeds originally planned to fund capital improvement projects. General Fund revenues were \$1,841,870 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 2020 the City had \$159,976,804 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)

	2020			Totals 2019
	Governmental Activities	Business-type Activities	Totals	
Land and construction in progress	\$ 18,204,387	\$ 2,363,875	\$ 20,568,262	\$ 42,871,010
Land improvements	1,481,685	2,820,733	4,302,418	3,173,869
Buildings and improvements	16,976,438	7,291,943	24,268,381	25,411,249
Furniture and equipment	2,611,660	1,255,538	3,867,198	4,017,592
Infrastructure	57,669,286	49,301,259	106,970,545	79,870,326
Totals	<u>\$ 96,943,456</u>	<u>\$ 63,033,348</u>	<u>\$ 159,976,804</u>	<u>\$ 155,344,046</u>

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

Debt

At year-end, the City had \$73,597,870 in bonds, notes and capital lease obligations outstanding as depicted in Table 5 below, which shows total bonded debt as of September 30, 2020.

Table 5
Outstanding Debt at Year-End

	2020			Totals 2019
	Governmental Activities	Business-type Activities	Totals	
General obligation bonds	\$ 17,660,034	\$ 28,701,157	\$ 46,361,191	\$ 40,158,970
Revenue bonds	-	-	-	-
Contracts and notes payable	25,119,355	2,117,324	27,236,679	27,968,660
Totals	<u>\$ 42,779,389</u>	<u>\$ 30,818,481</u>	<u>\$ 73,597,870</u>	<u>\$ 68,127,630</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 2021 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 annually without any qualification criteria. With EVIP, 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".

Property Taxes (Real and Personal) are another big factor in the City's General Fund budget. Property Tax calculations are based on taxable value. Taxable value is determined by the City Assessor as of December 31st of each year, using State approved methods and processes. 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. There are several avenues for taxpayers to contest taxable values, namely the City's Board of Review and the State tax tribunal process.

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), at one time 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 of closure 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.

The City continues to look for economic development opportunities with the goal to create jobs and increase the City's tax base. The City owned Cliff's Dow property and the privately owned former hospital site are two such examples for potential development.

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

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

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.

The COVID-19 global pandemic is still ongoing as of this writing. We will continue to monitor funding and relief opportunities, not only for City operations but for its citizens and businesses. The full impact is yet to be known but, so far, it appears the City is in position to handle potential short-term consequences. Impact to City operations has been minimal with everyone finding new ways to provide services.

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, 2020

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 16,205,126	\$ 3,191,357	\$ 19,396,483	\$ 50,422,054
Investments	6,035,676	-	6,035,676	11,655,689
Receivables (net)	5,653,372	1,854,840	7,508,212	6,910,503
Inventory	511,572	229,461	741,033	1,583,471
Prepaid expenses and other assets	425,791	99,879	525,670	381,593
TOTAL CURRENT ASSETS	28,831,537	5,375,537	34,207,074	70,953,310
Non-current Assets:				
Restricted assets	825,220	812,347	1,637,567	14,793,394
Investment in UPPPA	-	-	-	4,864,433
Investment in joint venture	3,054,614	3,330,361	6,384,975	-
Capital assets:				
Land and construction in progress	18,204,387	2,363,875	20,568,262	405,980
Other capital assets, net of depreciation	78,739,069	60,669,473	139,408,542	104,104,141
Total Capital Assets	96,943,456	63,033,348	159,976,804	104,510,121
TOTAL NON-CURRENT ASSETS	100,823,290	67,176,056	167,999,346	124,167,948
TOTAL ASSETS	129,654,827	72,551,593	202,206,420	195,121,258
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	105,421	244,569	349,990	-
Deferred amounts related to pension	3,295,100	472,217	3,767,317	1,482,167
Employer contributions subsequent to measurement date	-	-	-	1,536,933
Deferred amounts related to OPEB	706,295	64,837	771,132	268,849
Receivables for developer obligations	-	-	-	65,057,874
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,106,816	781,623	4,888,439	68,345,823
LIABILITIES				
Current Liabilities:				
Cash overdraft	-	-	-	-
Accounts payable	1,483,294	1,177,745	2,661,039	4,147,659
Accrued wages payable	525,473	89,109	614,582	-
Accrued liabilities	458,554	400,644	859,198	366,840
Compensated absences	704,227	-	704,227	1,329,950
Customer deposits payable	802,455	14,775	817,230	1,773,799
Due to primary government	-	-	-	76,158
Grants received in advance	-	-	-	64,029
Current portion of bonds payable	1,819,698	3,255,539	5,075,237	1,230,000
Current portion of contracts and notes payable	460,435	-	460,435	-
Current maturities on revenue bonds	-	-	-	2,630,000
Other current liabilities	-	-	-	7,626,752
TOTAL CURRENT LIABILITIES	6,254,136	4,937,812	11,191,948	19,245,187
Non-current Liabilities:				
Compensated absences	1,242,839	352,822	1,595,661	67,318
Other post-employment benefits (OPEB)	7,323,394	419,525	7,742,919	5,094,716
Net pension liability	32,834,092	5,231,734	38,065,826	11,528,339
Bonds payable	15,840,336	25,690,190	41,530,526	103,240,212
Long-term contracts and notes payable	24,658,920	2,117,324	26,776,244	30,843,149
Other	-	867,450	867,450	100,000
TOTAL NON-CURRENT LIABILITIES	81,899,581	34,679,045	116,578,626	150,873,734
TOTAL LIABILITIES	88,153,717	39,616,857	127,770,574	170,118,921
DEFERRED INFLOWS OF RESOURCES				
Taxes levied for a subsequent period	7,802,299	-	7,802,299	5,004,174
Special assessments	-	19,734	19,734	-
Deferred amounts related to OPEB	202,515	35,978	238,493	882,425
Deferred amounts related to pension	2,592,165	-	2,592,165	778,659
TOTAL DEFERRED INFLOWS OF RESOURCES	10,596,979	55,712	10,652,691	6,665,258
NET POSITION				
Net investment in capital assets	54,164,067	32,535,469	86,699,536	30,543,960
Restricted for:				
Debt services	-	-	-	-
Capital outlay	-	320,602	320,602	-
Nonexpendable	886,004	-	886,004	-
Other activities:				
Board of Light and Power	-	-	-	13,059,280
Brownfield Redevelopment Authority	-	-	-	-
Non-major component units	-	-	-	1,582,565
Unrestricted	(20,039,124)	804,576	(19,234,548)	41,497,097
TOTAL NET POSITION	\$ 35,010,947	\$ 33,660,647	\$ 68,671,594	\$ 86,682,902

CITY OF MARQUETTE, MICHIGAN

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2020

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	\$ 6,076,249	\$ 1,258,904	\$ 58,360	\$ -	\$ (4,758,985)	\$ -	\$ (4,758,985)	\$ -
Public health and safety	8,910,951	169,654	518,132	10,100	(8,213,065)	-	(8,213,065)	-
Public works	4,785,208	1,341,016	140,000	54,523	(3,249,669)	-	(3,249,669)	-
Highway and streets	3,614,699	-	3,629,764	-	15,065	-	15,065	-
Social services	733,323	-	449,208	-	(284,115)	-	(284,115)	-
Sanitation services	2,190,637	2,156,619	-	-	(34,018)	-	(34,018)	-
Community services	1,478,958	535,335	13,653	22,825	(907,145)	-	(907,145)	-
Interest on long-term debt	784,210	-	-	-	(784,210)	-	(784,210)	-
Depreciation - unallocated	2,466,539	-	-	-	(2,466,539)	-	(2,466,539)	-
Total Governmental Activities	31,040,774	5,461,528	4,809,117	87,448	(20,682,681)	-	(20,682,681)	-
Business-Type Activities:								
Water supply	5,122,980	5,346,110	-	-	-	223,130	223,130	-
Sewage disposal	5,859,101	7,412,178	-	-	-	1,553,077	1,553,077	-
Stormwater utility	1,731,442	2,164,142	-	-	-	432,700	432,700	-
Public works	323,404	338,495	-	-	-	15,091	15,091	-
Community services	914,792	786,683	-	541,900	-	413,791	413,791	-
Total Business-Type Activities	13,951,719	16,047,608	-	541,900	-	2,637,789	2,637,789	-
TOTAL PRIMARY GOVERNMENT	\$ 44,992,493	\$ 21,509,136	\$ 4,809,117	\$ 629,348	(20,682,681)	2,637,789	(18,044,892)	-
Component Units:								
Board of Light and Power	\$ 31,087,823	\$ 41,543,423	\$ -	\$ 46,901	-	-	-	10,502,501
Brownfield Redevelopment Authority	2,588,361	-	-	-	-	-	-	(2,588,361)
Non-Major Component Units	3,664,119	383,620	1,294,220	-	-	-	-	(1,986,279)
TOTAL COMPONENT UNITS	\$ 37,340,303	\$ 41,927,043	\$ 1,294,220	\$ 46,901	-	-	-	5,927,861
General Revenues:								
Taxes:								
Property taxes					10,631,256	-	10,631,256	6,190,139
Payment in lieu of taxes					3,706,246	-	3,706,246	-
Unrestricted State sources					3,016,816	-	3,016,816	-
Interest and investment earnings					172,771	27,215	199,986	1,350,033
Gain on sale of capital assets					13,620	-	13,620	(751,196)
Miscellaneous					418,908	72,823	491,731	115,843
Transfers					165,981	(165,981)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					18,125,598	(65,943)	18,059,655	6,904,819
CHANGE IN NET POSITION					(2,557,083)	2,571,846	14,763	12,832,680
Net position, beginning of year					37,568,030	31,088,801	68,656,831	73,850,222
NET POSITION, END OF YEAR					\$ 35,010,947	\$ 33,660,647	\$ 68,671,594	\$ 86,682,902

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2020

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Construction Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 8,839,543	\$ 602,601	\$ 761,509	\$ 574,487	\$ 4,718,667	\$ 15,496,807
Investments	5,490,024	-	-	-	545,652	6,035,676
Taxes receivable, net	1,378,687	-	-	-	59,683	1,438,370
Accounts receivable	269,050	-	-	-	298,739	567,789
Due from other authorities	1,487,159	-	-	490,799	-	1,977,958
Due from other funds	-	-	-	-	-	-
Due from other governments	601,655	154,297	52,941	-	1,791	810,684
Inventories	511,572	-	-	-	-	511,572
Prepaid expenditures	302,227	-	-	-	26,784	329,011
TOTAL ASSETS	18,879,917	756,898	814,450	1,065,286	5,651,316	27,167,867
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 18,879,917	\$ 756,898	\$ 814,450	\$ 1,065,286	\$ 5,651,316	\$ 27,167,867
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	416,022	499,301	249,638	48,706	165,007	1,378,674
Accrued wages payable	437,040	9,045	7,573	-	34,712	488,370
Accrued compensated absences	701,645	-	-	-	2,582	704,227
Due to other funds	-	-	-	-	-	-
Due to other governments	264	-	-	-	-	264
Due to other authorities	765,155	-	-	-	-	765,155
Customer deposits payable	37,036	-	-	-	-	37,036
TOTAL LIABILITIES	2,357,162	508,346	257,211	48,706	202,301	3,373,726
DEFERRED INFLOWS OR RESOURCES						
Taxes levied for a subsequent period	6,893,632	-	-	-	908,667	7,802,299
Special assessments	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	6,893,632	-	-	-	908,667	7,802,299
FUND BALANCE						
Non-spendable	813,799	-	-	-	912,788	1,726,587
Restricted	7,095	248,552	557,239	-	2,878,097	3,690,983
Assigned	63,781	-	-	1,016,580	749,463	1,829,824
Unassigned	8,744,448	-	-	-	-	8,744,448
TOTAL FUND BALANCE	9,629,123	248,552	557,239	1,016,580	4,540,348	15,991,842
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 18,879,917	\$ 756,898	\$ 814,450	\$ 1,065,286	\$ 5,651,316	\$ 27,167,867

CITY OF MARQUETTE, MICHIGAN

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

September 30, 2020

Total Fund Balances for Governmental Funds

\$ 15,991,842

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).

99,998,070

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	\$ 1,965,260
Restricted assets	825,220
Current liabilities	<u>(443,313)</u>

2,347,167

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 (includes amounts related to internal service funds).

Net pension liability - MERS	20,797,537
Net pension liability - Fire/Police Retirement System	12,036,555
Deferred (outflows) of resources related to net pension liability	(3,295,100)
Employer contributions subsequent to measurement date	-
Deferred inflows of resources related to net pension liability	<u>2,592,165</u>

(32,131,157)

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 (includes amounts related to internal service funds).

Other post-employment benefits	7,323,394
Deferred (outflows) related to other post-employment benefits	(706,295)
Deferred inflows related to other post-employment benefits	<u>202,515</u>

(6,819,614)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (includes amounts related to internal service funds).

Current portion of bonds payable	\$ 1,819,698
Current portion of notes and contracts payable	460,435
Accrued interest on bonds	458,554
Compensated absences	1,242,839
Bonds payable	15,734,915
Long-term contracts and notes payable	<u>24,658,920</u>

(44,375,361)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 35,010,947

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2020

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Construction Fund	Other Governmental Funds	Total
REVENUES:						
Taxes and penalties	\$ 9,710,961	\$ -	\$ -	\$ -	\$ 987,635	\$ 10,698,596
State sources	3,199,615	2,035,382	894,382	-	42,658	6,172,037
Federal sources	474,957	-	-	-	-	474,957
Charges for services	2,354,622	-	-	-	2,147,729	4,502,351
Sales	40,881	-	-	-	-	40,881
Use and admission fees	13,872	-	-	-	404,382	418,254
Rentals	60,738	-	-	-	69,213	129,951
Licenses and permits	85,999	-	-	-	-	85,999
Fines and forfeiture	136,438	-	-	-	-	136,438
Sales of assets	13,620	-	-	-	-	13,620
Reimbursements	269,601	63,441	13,000	54,523	4,225	404,790
Investment income	162,161	1,661	852	1,811	16,734	183,219
Payment in lieu of taxes	3,706,246	-	-	-	-	3,706,246
Private contribution	108,824	-	-	-	721,965	830,789
Intergovernmental revenues	11,296	-	-	-	388,675	399,971
Special assessments	-	-	-	-	-	-
Other revenues	60,244	-	-	-	6,376	66,620
TOTAL REVENUES	20,410,075	2,100,484	908,234	56,334	4,789,592	28,264,719
EXPENDITURES:						
Current operations:						
General government	5,046,110	-	-	-	690,566	5,736,676
Public health and safety	8,722,231	-	-	-	4,035	8,726,266
Public works	4,369,473	-	-	-	-	4,369,473
Highways and streets	-	1,401,818	1,405,152	-	-	2,806,970
Social services	-	-	-	-	709,284	709,284
Sanitation services	-	-	-	-	1,967,031	1,967,031
Community services	630,373	-	-	-	660,218	1,290,591
Capital outlay	-	2,700,663	821,476	62,505	190,414	3,775,058
Debt Service:						
Professional services	-	45,286	31,242	-	4,568	81,096
Principal payments	-	-	-	-	1,737,981	1,737,981
Interest and fiscal changes	-	-	-	-	558,281	558,281
TOTAL EXPENDITURES	18,768,187	4,147,767	2,257,870	62,505	6,522,378	31,758,707
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,641,888	(2,047,283)	(1,349,636)	(6,171)	(1,732,786)	(3,493,988)
OTHER FINANCING SOURCES (USES):						
Bond issuance	400,000	1,640,000	1,125,000	-	175,000	3,340,000
Premium on bond issuance	56,429	233,282	160,982	-	27,679	478,372
Transfers in	137,035	851,152	1,318,748	-	2,559,092	4,866,027
Transfers (out)	(4,077,222)	(447,290)	(715,768)	-	(981,950)	(6,222,230)
TOTAL OTHER FINANCING SOURCES (USES)	(3,483,758)	2,277,144	1,888,962	-	1,779,821	2,462,169
CHANGES IN FUND BALANCE	(1,841,870)	229,861	539,326	(6,171)	47,035	(1,031,819)
Fund balance, beginning of year	11,470,993	18,691	17,913	1,022,751	4,493,313	17,023,661
FUND BALANCE, END OF YEAR	\$ 9,629,123	\$ 248,552	\$ 557,239	\$ 1,016,580	\$ 4,540,348	\$ 15,991,842

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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (1,031,819)

*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 \$1,745,183

Capital outlays	\$ 5,103,460	
Contributed capital	-	
Basis of disposed asset	(978)	
Depreciation expense	<u>(4,637,399)</u>	465,083

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. (3,340,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,737,981

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. (377,619)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditures is reported when due. (225,929)

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)	\$ 37,241	
Pension liability expense	(622,608)	
Pension liability expense - Fire/Police Retirement	208,925	
Compensated absences	<u>(38,886)</u>	(415,328)

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	\$ (143,850)	
Capital outlays	(1,086,044)	
Capital contribution	-	
Basis of disposed asset	-	
Depreciation expense	1,745,183	
Other post-employment benefits (OPEB)	(908)	
Pension liability expense	53,908	
Compensated absences	<u>9,268</u>	<u>577,557</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (2,610,074)

CITY OF MARQUETTE, MICHIGAN

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP	Final Budget
			Basis	Positive
				(Negative)
REVENUES:				
Property taxes	\$ 14,006,960	\$ 14,006,960	\$ 13,417,207	\$ (589,753)
Federal grants	197,635	197,635	474,957	277,322
State grants and shared revenue	2,749,005	2,749,005	3,199,615	450,610
Intergovernmental revenues	11,000	11,000	11,296	296
Licenses and permits	47,615	47,615	85,999	38,384
Charges for services	2,385,695	2,385,695	2,354,622	(31,073)
Fines and forfeits	136,650	136,650	136,438	(212)
Interest and rentals	282,000	282,000	222,899	(59,101)
Other revenues	1,118,598	1,118,598	507,042	(611,556)
TOTAL REVENUES	20,935,158	20,935,158	20,410,075	(525,083)
EXPENDITURES:				
General government	5,127,530	5,425,515	5,046,110	379,405
Public health and safety	9,014,325	9,053,363	8,722,231	331,132
Public works	4,560,795	4,630,836	4,369,473	261,363
Community services	1,222,560	1,255,124	630,373	624,751
TOTAL EXPENDITURES	19,925,210	20,364,838	18,768,187	1,596,651
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,009,948	570,320	1,641,888	1,071,568
OTHER FINANCING SOURCES (USES):				
Bond issuance	1,636,845	2,076,473	400,000	(1,676,473)
Premium on bond issuance	-	-	56,429	56,429
Transfers in	20,000	20,000	137,035	117,035
Transfers (out)	(2,666,793)	(2,666,793)	(4,077,222)	(1,410,429)
TOTAL OTHER FINANCING SOURCES (USES)	(1,009,948)	(570,320)	(3,483,758)	(2,913,438)
CHANGES IN FUND BALANCE	-	-	(1,841,870)	(1,841,870)
Fund balance, beginning of year	11,470,993	11,470,993	11,470,993	-
FUND BALANCE, END OF YEAR	\$ 11,470,993	\$ 11,470,993	\$ 9,629,123	\$ (1,841,870)

CITY OF MARQUETTE, MICHIGAN

MAJOR SPECIAL REVENUE FUNDS

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

For the Fiscal Year Ended September 30, 2020

	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	2,047,965	2,047,965	2,035,382	(12,583)	839,410	839,410	894,382	54,972
Reimbursements	-	-	63,441	63,441	-	-	13,000	13,000
Investment income	1,500	1,500	1,661	161	1,000	1,000	852	(148)
Other revenues	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,049,465	2,049,465	2,100,484	51,019	840,410	840,410	908,234	67,824
EXPENDITURES:								
Highways, Streets and Bridges	2,985,400	3,985,400	4,147,767	(162,367)	2,193,115	2,336,471	2,257,870	78,601
TOTAL EXPENDITURES	2,985,400	3,985,400	4,147,767	(162,367)	2,193,115	2,336,471	2,257,870	78,601
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(935,935)	(1,935,935)	(2,047,283)	(111,348)	(1,352,705)	(1,496,061)	(1,349,636)	146,425
OTHER FINANCING SOURCES (USES):								
Bond issuance	1,339,625	2,339,625	1,640,000	(699,625)	764,940	919,940	1,125,000	205,060
Premium on bond issuance	-	-	233,282	233,282	-	-	160,982	160,982
Transfers in	238,045	238,045	851,152	613,107	1,239,555	1,280,411	1,318,748	38,337
Transfers (out)	(641,735)	(641,735)	(447,290)	194,445	(651,790)	(704,290)	(715,768)	(11,478)
TOTAL OTHER FINANCING SOURCES (USES)	935,935	1,935,935	2,277,144	341,209	1,352,705	1,496,061	1,888,962	392,901
CHANGES IN FUND BALANCE	-	-	229,861	229,861	-	-	539,326	539,326
Fund balance, beginning of year	18,691	18,691	18,691	-	17,913	17,913	17,913	-
FUND BALANCE, END OF YEAR	\$ 18,691	\$ 18,691	\$ 248,552	\$ 229,861	\$ 17,913	\$ 17,913	\$ 557,239	\$ 539,326

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

September 30, 2020

	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	\$ 611,934	\$ 408,632	\$ 752,612	\$ 1,418,179	\$ 3,191,357
Accounts receivable	751,043	1,008,640	69,493	13,565	1,842,741
Special assessments receivable	2,341	2,341	-	-	4,682
Due from other governments	-	-	-	-	-
Due from local units	-	-	-	7,417	7,417
Due from other authorities	-	-	-	-	853,380
Inventory	-	195,029	-	34,432	229,461
Prepaid expense	49,076	44,721	151	5,931	99,879
TOTAL CURRENT ASSETS	1,414,394	1,659,363	822,256	1,479,524	5,375,537
Non-current Assets:					
Restricted Assets:					
Replacement and maintenance fund	-	-	-	40,000	40,000
OPEB reserve	246,013	173,512	-	-	419,525
Compensated absences reserve	240,845	78,697	32,095	1,185	352,822
Total Restricted Assets	486,858	252,209	32,095	41,185	812,347
Investment in joint venture	-	3,330,361	-	-	3,330,361
Land and other non-depreciable assets	703,176	604,067	1,056,632	-	2,363,875
Other capital assets, net of depreciation	24,375,451	20,295,355	11,936,283	4,062,384	60,669,473
TOTAL NON-CURRENT ASSETS	25,565,485	24,481,992	13,025,010	4,103,569	67,176,056
TOTAL ASSETS	26,979,879	26,141,355	13,847,266	5,583,093	72,551,593
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	123,722	72,694	48,156	-	244,572
Deferred outflows related to pension	331,274	140,943	-	-	472,217
Deferred outflows related to OPEB	38,021	26,816	-	-	64,837
TOTAL DEFERRED OUTFLOWS OF RESOURCES	493,017	240,453	48,156	-	781,626
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	-	-	-	301,590
Accounts payable	134,128	739,172	250,861	53,587	1,177,748
Accrued wages payable	52,804	14,180	11,229	10,896	89,109
Customer deposits payable	-	-	-	14,775	14,775
Accrued interest payable	124,745	141,288	109,743	24,868	400,644
Current portion of long-term debt	1,022,059	1,206,959	861,521	165,000	3,255,539
TOTAL CURRENT LIABILITIES	1,333,736	2,101,599	1,233,354	269,126	4,937,815
Non-current Liabilities:					
Compensated absences	240,845	78,697	32,095	1,185	352,822
Other post employment benefits (OPEB)	246,013	173,512	-	-	419,525
Net pension liability	3,303,188	1,928,546	-	-	5,231,734
Long term payable to other authorities	-	867,450	-	-	867,450
Bonds payable	8,100,653	8,829,343	7,162,271	1,597,923	25,690,190
Loan payable	759,840	1,357,484	-	-	2,117,324
Leases payable	-	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	12,650,539	13,235,032	7,194,366	1,599,108	34,679,045
TOTAL LIABILITIES	13,984,275	15,336,631	8,427,720	1,868,234	39,616,860
DEFERRED INFLOWS OF RESOURCES					
Special assessment	3,259	16,475	-	-	19,734
Deferred inflows related to pension	-	-	-	-	-
Deferred inflows related to OPEB	21,098	14,880	-	-	35,978
TOTAL DEFERRED INFLOWS OF RESOURCES	24,357	31,355	-	-	55,712
NET POSITION					
Net investment in capital assets	15,319,797	9,578,330	5,017,279	2,620,063	32,535,469
Restricted for:					
Debt service	-	-	-	-	-
Fuel system reserve	-	-	-	-	-
Capital outlay	-	-	-	320,602	320,602
Unrestricted	(1,855,533)	1,435,492	450,423	774,194	804,576
TOTAL NET POSITION	\$ 13,464,264	\$ 11,013,822	\$ 5,467,702	\$ 3,714,859	\$ 33,660,647

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2020

	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	\$ 5,190,961	\$ -	\$ -	\$ -	\$ 5,190,961
Sewage disposal	-	7,327,682	-	-	7,327,682
Charges for services	21,513	9,922	1,814,583	10,753	1,856,771
Other operating revenue	133,636	74,574	349,559	1,114,425	1,672,194
TOTAL OPERATING REVENUES	5,346,110	7,412,178	2,164,142	1,125,178	16,047,608
OPERATING EXPENSES:					
Personnel services	1,631,801	568,439	269,884	190,073	2,660,197
Supplies and contractual	1,056,471	3,282,349	247,662	769,131	5,355,613
Capital outlay	-	-	-	-	-
Provision for depreciation	1,470,508	1,122,133	948,280	200,390	3,741,311
Other supplies and charges	650,808	519,000	-	2,783	1,172,591
TOTAL OPERATING EXPENSES	4,809,588	5,491,921	1,465,826	1,162,377	12,929,712
OPERATING INCOME (LOSS)	536,522	1,920,257	698,316	(37,199)	3,117,896
NON-OPERATING REVENUES (EXPENSES):					
Investment income	14,492	2,573	2,067	8,083	27,215
Interest expense	(283,021)	(324,411)	(211,101)	(57,810)	(876,343)
Gain (Loss) on sale of capital asset	-	-	-	-	-
Contributions from other authorities	-	-	-	-	-
Operating (loss) from Marquette Area Wastewater Treatment Facility	-	72,823	-	-	72,823
Bond issuance expense	(30,371)	(42,769)	(54,515)	(18,009)	(145,664)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(298,900)	(291,784)	(263,549)	(67,736)	(921,969)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	237,622	1,628,473	434,767	(104,935)	2,195,927
Federal grant - capital grant	-	-	-	-	-
State grant - capital grant	-	-	-	541,900	541,900
Contributed capital	-	-	-	-	-
Transfers in	1,176,405	-	-	67,620	1,244,025
Transfers (out)	(656,158)	(435,639)	(296,757)	(21,452)	(1,410,006)
CHANGE IN NET POSITION	757,869	1,192,834	138,010	483,133	2,571,846
Net position, beginning of year	12,706,395	9,820,988	5,329,692	3,231,726	31,088,801
NET POSITION, END OF YEAR	\$ 13,464,264	\$ 11,013,822	\$ 5,467,702	\$ 3,714,859	\$ 33,660,647

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2020

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds	Internal Service Funds
				Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from fees and charges for services	\$ 5,648,270	\$ 7,860,281	\$ 1,806,540	\$ 12,933	\$ 15,328,024
Other operating revenues	87,686	74,574	349,559	1,110,850	1,622,669
Cash payments to employees for services	(1,531,686)	(526,602)	(266,431)	(187,251)	(2,511,970)
Cash payments to suppliers for goods and services	(992,375)	(3,575,941)	646,618	(1,065,430)	(4,987,128)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,211,895	3,832,312	2,536,286	(128,898)	9,451,595
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	(1,527,391)	(1,734,618)	(362,910)	-	(3,624,919)
Transfers in	1,176,405	-	-	67,620	1,244,025
Transfers (out)	(656,158)	(435,639)	(296,757)	(21,452)	(1,410,006)
Contributions from other authorities	-	-	-	-	134,395
State and Federal grants	-	-	-	-	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(1,007,144)	(2,170,257)	(659,667)	46,168	1,458,299
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	(883,572)	(1,015,290)	(652,972)	(90,000)	(2,641,834)
Interest paid on long-term debt	(320,346)	(355,315)	(230,996)	(46,396)	(953,053)
Proceeds from issuance of bonds	1,265,000	1,835,000	2,235,000	825,000	6,160,000
Premium on issuance of bonds	170,957	234,589	311,580	92,923	810,049
Proceeds from capital lease	-	-	-	-	-
Cash payments for bond issuance expenses	(30,371)	(42,769)	(54,515)	(18,009)	(145,664)
Cash payments for capital assets	(1,811,356)	(1,889,202)	(2,730,416)	(1,478,012)	(7,908,986)
Proceeds from sale of capital assets	-	-	-	-	-
State and Federal grants	-	-	-	541,900	541,900
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,609,688)	(1,232,987)	(1,122,319)	(172,594)	(2,210,551)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	14,492	2,573	2,067	8,083	27,215
(Increase) decrease in restricted assets:					
Replacement maintenance reserve	-	-	-	-	(2,487)
OPEB reserve	(28,087)	(19,810)	-	-	(47,897)
Compensated absences reserve	30,466	(3,199)	(3,755)	(242)	23,270
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	16,871	(20,436)	(1,688)	7,841	2,588
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	611,934	408,632	752,612	(247,483)	1,525,695
Cash and cash equivalents, beginning of year	-	-	-	1,665,662	1,665,662
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 611,934	\$ 408,632	\$ 752,612	\$ 1,418,179	\$ 3,191,357
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Gain on investment from Marquette Wastewater Treatment Facility	\$ -	\$ 72,823	\$ -	\$ -	\$ 72,823
TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	\$ -	\$ 72,823	\$ -	\$ -	\$ 72,823
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income	\$ 536,522	\$ 1,920,257	\$ 698,316	\$ (37,199)	\$ 3,117,896
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,470,508	1,122,133	948,280	200,390	3,741,311
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	380,622	516,131	(8,043)	(384)	888,326
(Increase) decrease in special assessments receivable	-	6,234	-	-	6,234
(Increase) decrease in due from other governments	9,224	-	-	(1,389)	7,835
(Increase) decrease in inventory	-	(339)	-	11,026	10,687
(Increase) decrease in prepaid expenses	706,577	835,377	810,728	901,669	3,254,351
Increase (decrease) in accounts payable	8,327	(609,630)	83,552	(1,206,211)	(1,723,962)
Increase (decrease) in accrued wages payable	15,547	3,494	(302)	2,580	21,319
Increase (decrease) in customer deposits payable	-	-	-	378	378
Increase (decrease) in compensated absences	(30,466)	3,199	3,755	242	(23,270)
Increase (decrease) in net pension liability	116,285	36,026	-	-	152,311
Increase (decrease) in other post-employment benefits (OPEB)	(1,251)	(882)	-	-	(2,133)
Increase (decrease) in deferred inflows - special assessments	-	312	-	-	312
NET ADJUSTMENTS	2,675,373	1,912,055	1,837,970	(91,699)	6,333,699
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 3,211,895	\$ 3,832,312	\$ 2,536,286	\$ (128,898)	\$ 9,451,595

CITY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2020

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 955,601	\$ 1,579,813
Investments		
Domestic Corporation Bonds	3,509,277	-
Common, Pooled Fund	33,078,095	-
Taxes receivable	-	4,456,897
Accrued interest receivable	135	
TOTAL ASSETS	<u>37,543,108</u>	<u>\$ 6,036,710</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	
LIABILITIES		
Accounts payable	10,960	218,321
Accrued wages payable	-	751,864
Due to State	-	317,307
Due to other governments	-	1,888,559
Due to local units	-	2,637,287
Other liabilities	-	223,372
TOTAL LIABILITIES	<u>10,960</u>	<u>\$ 6,036,710</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	
NET POSITION		
Net position restricted for pensions	<u>37,532,148</u>	
TOTAL NET POSITION	<u>\$ 37,532,148</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, 2020

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 1,778,792
Employee	224,770
Total Contributions	2,003,562
Investment Income:	
Net appreciation (depreciation) in fair value of investments	3,331,732
Interest and dividends	27,375
Net Investment Income	3,359,107
TOTAL ADDITIONS	5,362,669
DEDUCTIONS	
Benefits and annuity withdrawals	2,582,244
Administrative expenses	19,306
TOTAL DEDUCTIONS	2,601,550
CHANGE IN NET POSITION	2,761,119
Net position, beginning of year	34,771,029
NET POSITION, END OF YEAR	<u><u>\$ 37,532,148</u></u>

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	\$ 41,672,482	\$ 5,881,672	\$ 2,867,900	\$ 50,422,054
Investments	11,655,689	-	-	11,655,689
Receivables (net)	3,925,060	2,659,892	325,551	6,910,503
Inventory	1,583,471	-	-	1,583,471
Prepaid expenses and other assets	356,264	11,020	14,309	381,593
TOTAL CURRENT ASSETS	59,192,966	8,552,584	3,207,760	70,953,310
Non-current Assets:				
Restricted assets	13,059,280	-	1,734,114	14,793,394
Investment in UPPPA	4,864,433	-	-	4,864,433
Capital assets:				
Land and construction in progress	291,276	-	114,704	405,980
Other capital assets, net of depreciation	92,955,870	947,991	10,200,280	104,104,141
Total Capital Assets	93,247,146	947,991	10,314,984	104,510,121
TOTAL NON-CURRENT ASSETS	111,170,859	947,991	12,049,098	124,167,948
TOTAL ASSETS	170,363,825	9,500,575	15,256,858	195,121,258
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	-	-	-	-
Deferred outflows related to pension	1,405,234	-	76,933	1,482,167
Deferred outflows related to OPEB	268,849	-	-	268,849
Employer contributions subsequent to measurement date	1,420,081	-	116,852	1,536,933
Receivables for developer obligations	-	65,057,874	-	65,057,874
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	3,094,164	65,057,874	193,785	68,345,823
LIABILITIES				
Current Liabilities:				
Accounts payable	4,022,032	24,880	100,747	4,147,659
Accrued liabilities	245,328	1,990	119,522	366,840
Compensated absences	1,296,577	-	33,373	1,329,950
Customer deposits payable	1,773,799	-	-	1,773,799
Due to primary government	-	-	76,158	76,158
Grants received in advance	-	-	64,029	64,029
Current portion of bonds payable	-	885,000	345,000	1,230,000
Current maturities on revenue bonds	2,630,000	-	-	2,630,000
Other current liabilities	7,024,572	602,180	-	7,626,752
TOTAL CURRENT LIABILITIES	16,992,308	1,514,050	738,829	19,245,187
Non-current Liabilities:				
Compensated absences	-	-	67,318	67,318
Net pension liability	10,463,379	-	1,064,960	11,528,339
Net OPEB liability	5,094,716	-	-	5,094,716
Bonds payable	66,376,161	32,727,545	4,136,506	103,240,212
Long-term contract and notes payable	-	30,843,149	-	30,843,149
Other	100,000	-	-	100,000
TOTAL NON-CURRENT LIABILITIES	82,034,256	63,570,694	5,268,784	150,873,734
TOTAL LIABILITIES	99,026,564	65,084,744	6,007,613	170,118,921
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	882,425	-	-	882,425
Deferred inflows related to pension	770,614	-	8,045	778,659
Taxes levied for subsequent period	-	3,429,161	1,575,013	5,004,174
TOTAL DEFERRED INFLOWS OF RESOURCES	1,653,039	3,429,161	1,583,058	6,665,258
NET POSITION				
Net investment in capital assets	24,240,985	157,991	6,144,984	30,543,960
Restricted for:				
Debt Services	-	-	-	-
Capital Assets	-	-	-	-
Perpetual Care	-	-	-	-
Other activities	13,059,280	-	1,582,565	14,641,845
Unrestricted	35,478,121	5,886,553	132,423	41,497,097
TOTAL NET POSITION	\$ 72,778,386	\$ 6,044,544	\$ 7,859,972	\$ 86,682,902

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	\$ 31,087,823	\$ 41,543,423	\$ -	\$ 46,901	\$ 10,502,501	\$ -	\$ -	\$ 10,502,501
Brownfield Redevelopment Authority	2,588,361	-	-	-	-	(2,588,361)	-	(2,588,361)
Non-Major Component Units	3,664,119	383,620	1,294,220	-	-	-	(1,986,279)	(1,986,279)
TOTAL COMPONENT UNITS	\$ 37,340,303	\$ 41,927,043	\$ 1,294,220	\$ 46,901	10,502,501	(2,588,361)	(1,986,279)	5,927,861
General Revenues:								
Property taxes					-	4,045,655	2,144,484	6,190,139
Interest and investment earnings					1,245,490	8,467	96,076	1,350,033
Gain on sale of capital assets					(751,196)	-	-	(751,196)
Amortization of bond premium					-	-	-	-
Miscellaneous					-	-	115,843	115,843
TOTAL GENERAL REVENUES					494,294	4,054,122	2,356,403	6,904,819
CHANGE IN NET POSITION					10,996,795	1,465,761	370,124	12,832,680
Net position, beginning of year					61,781,591	4,578,783	7,489,848	73,850,222
NET POSITION, END OF YEAR	\$ 72,778,386	\$ 6,044,544	\$ 7,859,972	\$ 86,682,902				

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, 2019. 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, 2020, the Development Fund distributed \$79,531 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 25, 2021, 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	\$ 19,396,483	\$ 50,422,054	\$ 2,535,414	\$ 72,353,951
Investments	6,035,676	11,655,689	36,587,372	54,278,737
	<u>25,432,159</u>	<u>62,077,743</u>	<u>39,122,786</u>	<u>126,632,688</u>
Restricted:				
Cash and cash equivalents	1,113,800	14,793,394	-	15,907,194
Investments	523,767	-	-	523,767
	<u>1,637,567</u>	<u>14,793,394</u>	<u>-</u>	<u>16,430,961</u>
TOTALS	<u>\$ 27,069,726</u>	<u>\$ 76,871,137</u>	<u>\$ 39,122,786</u>	<u>\$ 143,063,649</u>

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 \$88,261,145 and the bank balance was \$91,981,015. The bank balance is categorized as follows:

Amount insured by the FDIC or uncollateralized with securities held by the City in its name	\$ 49,904,284
---	---------------

Amount collateralized with securities held by the pledging financial institutions trust department in the City's name:

Collateralized and uninsured	42,076,731
	<u>\$ 91,981,015</u>

NOTE B – DEPOSITS AND INVESTMENTS (Continued):Investments

As of September 30, 2020, 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*	\$ 873,709	\$ 873,709	\$ -	\$ -
Investment type 1**	1,011,000	1,011,000	-	-
Fixed income securities***	4,150,967	4,150,967	-	-
Restricted Investments:				
Investment type 1*	523,767	523,767	-	-
TOTAL INVESTMENTS	\$ 6,559,443	\$ 6,559,443	\$ -	\$ -
COMPONENT UNITS:				
Fixed income securities*	\$ 7,481,808	\$ 7,481,808	\$ -	\$ -
Fixed income securities**	3,715,416	3,715,416	-	-
Fixed income securities***	458,465	458,465	-	-
TOTAL INVESTMENTS	\$11,655,689	\$11,655,689	\$ -	\$ -
FIDUCIARY FUNDS:				
Investment type 1*	\$36,587,372	\$36,587,372	\$ -	\$ -
TOTAL INVESTMENTS	\$36,587,372	\$36,587,372	\$ -	\$ -

* Investment matures within one year

** Investment matures in 1-5 years

*** Investment matures in 6-10 years

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.

NOTE B – DEPOSITS AND INVESTMENTS (Continued):

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.
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	\$ 486,858	\$ 252,209	\$ 32,095	\$ 41,185	\$ 37,623	\$ 11,404	\$ 252,426	\$ 1,113,800	\$ 14,793,394
Investments	-	-	-	-	-	-	523,767	\$ 523,767	-
TOTALS	\$ 486,858	\$ 252,209	\$ 32,095	\$ 41,185	\$ 37,623	\$ 11,404	\$ 776,193	\$ 1,637,567	\$ 14,793,394

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.

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, 2020, of the Facility, in the aggregate, is as follows:

Assets	\$ 16,459,415
Deferred outflows of resources	170,964
Liabilities	10,031,274
Deferred inflows of resources	65,602
Equity	6,533,503
Operating Revenues	2,260,879
Operating Expenses	2,840,337
Non-operating Revenues	1,255,766
Non-operating Expenses	(257,810)
Increase in net position	418,498
City's share of net loss	351,538

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:

Year ending September 30,	
2021	\$ 1,173,825
2022	1,298,999
2023	1,197,386
2024	1,564,766
2025	1,626,790
2026 - 2030	9,264,704
2031 - 2035	11,653,949
2036 - 2040	5,343,179
Total minimum lease payment	33,123,598
Less amount representing interest	(8,004,243)
Present value of minimum lease payments	<u>\$ 25,119,355</u>
Asset	
Building improvements, net of depreciation	<u>\$ 27,529,830</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, 2020:

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
2007 High Street Bonds	\$ 107,204	\$ -	\$ (11,141)	\$ 96,063	\$ 11,275
2011 Capital Improvement Bonds	640,000	-	(70,000)	570,000	72,000
2012 Capital Improvement Bonds	815,850	-	(79,920)	735,930	83,250
Add: deferred amounts on 2012 bonds	39,071	-	(4,341)	34,730	
2013 Capital Improvement Bonds					
Street Bonds Portion	688,200	-	(68,200)	620,000	69,750
Refunding Portion - 2003 Founder's Landing Bonds	265,000	-	(265,000)	-	-
2014 Capital Improvement Bonds	1,009,800	-	(77,400)	932,400	79,200
Add: deferred amounts on 2014 bonds	66,253	-	(6,023)	60,230	
2015 Capital Improvement Bonds	509,037	-	(68,800)	440,237	69,107
Add: deferred amounts on 2015 bonds	17,271	-	(2,468)	14,803	
2016 Capital Improvement Bonds					
Street Bonds Portion	1,006,200	-	(66,650)	939,550	68,800
Add: deferred amount on 2016 bonds	117,910	-	(9,826)	108,084	
Refunding Portion - 2006 & 2008 Street Bonds	2,025,464	-	(335,560)	1,689,904	345,456
Add: deferred amount on 2006 & 2008 refundings	236,843	-	(26,316)	210,527	
2017 Capital Improvement Bonds					
Street Bonds Portion	3,920,000	-	(235,000)	3,685,000	245,000
Add: deferred amount on 2017 bonds	399,380	-	(30,722)	368,658	
Refunding Portion - 2009 Capital Imp. Bonds	1,392,600	-	(255,310)	1,137,290	265,860
Add: deferred amount on 2009 refunding	113,028	-	(22,606)	90,422	
2018 Capital Improvement Bonds	695,000	-	(65,000)	630,000	70,000
Add: deferred amounts on 2018 bonds	50,208	-	(5,578)	44,630	
2018 Michigan Transportation Fund Bonds	1,485,000	-	(140,000)	1,345,000	150,000
Add: deferred amounts on 2018 MTF bonds	99,230	-	(11,026)	88,204	
2019 Capital Improvement Bonds	-	1,025,000	-	1,025,000	85,000
Add: deferred amounts on 2019 bonds	-	115,818	-	115,818	
2020 Capital Improvement Bonds	-	440,000	-	440,000	40,000
Add: deferred amounts on 2020 bonds	-	68,554	-	68,554	
2020 Michigan Transportation Fund Bonds	-	1,875,000	-	1,875,000	165,000
Add: deferred amounts on 2020 MTF bonds	-	294,000	-	294,000	
Capital lease [see footnote "Leases"]	25,521,336	-	(401,981)	25,119,355	460,435
Accrued Compensated Absences	1,890,703	418,066	(361,703)	1,947,066	704,227
TOTAL GOVERNMENTAL ACTIVITIES	\$ 43,110,588	\$ 4,236,438	\$ (2,620,571)	\$ 44,726,455	\$ 2,984,360

NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020	Due Within One Year
BUSINESS-TYPE ACTIVITIES:					
<u>WATER SUPPLY FUND:</u>					
State Drinking Water Revolving Fund Loan - 2009	\$ 290,058	\$ -	\$ (25,000)	\$ 265,058	\$ 25,000
State Drinking Water Revolving Fund Loan - 2011	368,908	-	(25,000)	343,908	25,000
State Drinking Water Revolving Fund Loan - 2015	230,875	-	(15,000)	215,875	15,000
2007 High Street Bonds	167,505	-	(17,407)	150,098	17,619
2011 Capital Improvements Bonds	176,000	-	(19,250)	156,750	19,800
2012 Capital Improvements Bonds	458,150	-	(44,880)	413,270	46,750
Add: deferred amounts	21,939	-	(2,438)	19,501	
2013 Capital Improvements Bonds	555,000	-	(55,000)	500,000	56,250
2014 Capital Improvements Bonds	476,850	-	(36,550)	440,300	37,400
Add: deferred amounts	29,343	-	(2,667)	26,676	
2015 Capital Improvements Bonds	784,297	-	(105,350)	678,947	106,625
Add: deferred amounts	23,910	-	(3,416)	20,494	
2016 Capital Improvement Bonds					
Capital Improvement Portion	397,800	-	(26,350)	371,450	27,200
Add: deferred amounts	46,615	-	(3,885)	42,730	
Refunding Portion - 2008 Street Bonds	1,052,220	-	(98,800)	953,420	102,505
Add: deferred amounts - 2008 Refunding, net	62,413	-	(6,934)	55,479	
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,568,000	-	(94,000)	1,474,000	98,000
Add: deferred amounts	159,751	-	(12,289)	147,462	
Refunding Portion - 2009 Capital Imp. Bonds	1,178,100	-	(215,985)	962,115	224,910
Add: deferred amounts - 2009 Refunding, net	11,424	-	(2,285)	9,139	
2018 Capital Improvement Bonds	1,110,000	-	(105,000)	1,005,000	110,000
Add: deferred amounts	80,103	-	(8,900)	71,203	
2019 Capital Improvements Bonds	-	620,000	-	620,000	55,000
Add: deferred amounts	-	69,585	-	69,585	
2020 Capital Improvements Bonds	-	645,000	-	645,000	55,000
Add: deferred amounts	-	101,372	-	101,372	
Accrued Compensated Absences	271,311	33,671	(64,137)	240,845	96,338
TOTAL WATER SUPPLY FUND	9,520,572	1,469,628	(990,523)	9,999,677	1,118,397
<u>SEWAGE DISPOSAL FUND:</u>					
State Act 94 Clean Water Assistance Loan	1,010,000	-	(195,000)	815,000	200,000
State Revolving Fund Loan -2009	420,699	-	(35,000)	385,699	35,000
State Revolving Fund Loan -2011	461,785	-	(35,000)	426,785	35,000
2011 Capital Improvements Bonds	496,000	-	(54,250)	441,750	55,800
2012 Capital Improvements Bonds	796,250	-	(78,000)	718,250	81,250
Add: deferred amounts	38,131	-	(4,238)	33,893	
2013 Capital Improvements Bonds	621,600	-	(61,600)	560,000	63,000
2014 Capital Improvements Bonds	1,318,350	-	(101,050)	1,217,300	103,400
Add: deferred amounts	81,125	-	(7,375)	73,750	
2015 Capital Improvements Bonds	261,907	-	(34,400)	227,507	35,785
Add: deferred amounts	7,934	-	(1,133)	6,801	
2016 Capital Improvement Bonds					
Capital Improvement Portion	397,800	-	(26,350)	371,450	27,200
Add: deferred amounts	46,615	-	(3,885)	42,730	
Refunding Portion - 2008 Street Bonds	961,056	-	(90,240)	870,816	93,624
Add: deferred amounts - 2008 Refunding, net	71,348	-	(7,928)	63,420	
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,176,000	-	(70,500)	1,105,500	73,500
Add: deferred amounts	119,815	-	(9,216)	110,599	
Refunding Portion - 2009 Capital Imp. Bonds	594,000	-	(108,900)	485,100	113,400
Add: deferred amounts - 2009 Refunding, net	5,760	-	(1,152)	4,608	
2018 Capital Improvement Bonds	1,330,000	-	(125,000)	1,205,000	130,000
Add: deferred amounts	96,238	-	(10,693)	85,545	
2019 Capital Improvements Bonds	-	1,200,000	-	1,200,000	105,000
Add: deferred amounts	-	134,650	-	134,650	
2020 Capital Improvements Bonds	-	635,000	-	635,000	55,000
Add: deferred amounts	-	99,939	-	99,939	
Accrued Compensated Absences	75,498	20,328	(17,129)	78,697	31,479
TOTAL SEWAGE DISPOSAL FUND	10,387,911	2,089,917	(1,078,039)	11,399,789	1,238,438

NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020	Due Within One Year
STORMWATER UTILITY FUND:					
2007 High Street Bonds	\$ 60,302	\$ -	\$ (6,267)	\$ 54,035	\$ 6,343
2011 Capital Improvements Bonds	288,000	-	(31,500)	256,500	32,400
2012 Capital Improvements Bonds	379,750	-	(37,200)	342,550	38,750
Add: deferred amounts	18,185	-	(2,021)	16,164	
2013 Capital Improvements Bonds	355,200	-	(35,200)	320,000	36,000
2015 Capital Improvements Bonds	59,759	-	(6,450)	53,309	8,483
Add: deferred amounts	1,720	-	(246)	1,474	
2016 Capital Improvement Bonds					
Capital Improvement Portion	538,200	-	(35,650)	502,550	36,800
Add: deferred amounts	63,067	-	(5,256)	57,811	
Refunding Portion - 2006 & 2008 Street Bonds	1,491,260	-	(285,400)	1,205,860	293,415
Add: deferred amounts - 2006 & 2008 Refunding, net	127,491	-	(14,165)	113,326	
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,176,000	-	(70,500)	1,105,500	73,500
Add: deferred amounts	119,814	-	(9,216)	110,598	
Refunding Portion - 2009 Capital Imp. Bonds	135,300	-	(24,805)	110,495	25,830
Add: deferred amounts - 2009 Refunding, net	1,315	-	(263)	1,052	
2018 MTF Bonds	1,225,000	-	(120,000)	1,105,000	120,000
Add: deferred amounts	81,937	-	(9,104)	72,833	
2019 Capital Improvements Bonds	-	895,000	-	895,000	70,000
Add: deferred amounts	-	101,797	-	101,797	
2020 Capital Improvements Bonds	-	1,340,000	-	1,340,000	120,000
Add: deferred amounts	-	209,783	-	209,783	
Accrued Compensated Absences	28,340	11,166	(7,411)	32,095	12,838
TOTAL STORMWATER UTILITY FUND	6,150,640	2,557,746	(700,654)	8,007,732	874,359
TOURIST PARK FUND:					
Accrued Compensated Absences	943	242	-	1,185	474
TOTAL TOURIST PARK FUND	943	242	-	1,185	474
LIGHTHOUSE PARK FUND:					
2018 Building Authority Bonds	935,000	-	(90,000)	845,000	95,000
TOTAL LIGHTHOUSE PARK FUND	935,000	-	(90,000)	845,000	95,000
MARINAS FUND:					
2019 Capital Improvement Bonds	-	825,000	-	825,000	70,000
Add: deferred amounts	-	92,923	-	92,923	
TOTAL MARINAS FUND	-	917,923	-	917,923	70,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 26,995,066	\$ 7,035,456	\$ (2,859,216)	\$ 31,171,306	\$ 3,396,668

NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020	Due Within One Year
COMPONENT UNITS:					
Board of Light & Power:					
2016 Electric Utility Revenue Bonds	\$ 64,370,000	\$ -	\$ (2,505,000)	\$ 61,865,000	\$ 2,630,000
Add: deferred amounts	8,011,909	-	(870,748)	7,141,161	
Capital Lease	158,101	-	(158,101)	-	-
Compensated Absences	1,019,058	277,519	-	1,296,577	1,296,577
Peter White Public Library:					
2017 Library Improvement Bonds	3,635,000	-	(215,000)	3,420,000	220,000
Add: deferred amounts	335,468	-	(23,962)	311,506	
Compensated Absences	63,133	4,185	-	67,318	-
Downtown Development Authority:					
2011 Tax Increment Bonds	865,000	-	(115,000)	750,000	125,000
Compensated Absences	29,540	3,833	-	33,373	
Brownfield Redevelopment Authority:					
2010 Capital Improvement Bonds	695,000	-	(45,000)	650,000	45,000
2010 Recovery Zone Facility Bonds	315,000	-	(20,000)	295,000	20,000
2013 Capital Improvement Bonds	175,000	-	(35,000)	140,000	35,000
2016 Tax Increment Bonds	17,195,000	-	-	17,195,000	50,000
Add: deferred amounts	1,855,021	-	(109,119)	1,745,902	
2017 Capital Improvement Bonds	735,000	-	(45,000)	690,000	45,000
Add: deferred amounts	74,860	-	(5,758)	69,102	
2017 Tax Increment Bonds	12,185,000	-	-	12,185,000	625,000
2018 Capital Improvement Bonds	665,000	-	(65,000)	600,000	65,000
Add: deferred amounts	47,858	-	(5,317)	42,541	
TOTAL COMPONENT UNITS	\$ 112,429,948	\$ 285,537	\$ (4,218,005)	\$ 108,497,480	\$ 5,156,577

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.

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, 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%.

NOTE F – LONG-TERM DEBT (Continued):

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 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 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.

NOTE F – LONG-TERM DEBT (Continued):

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, 2020, \$0 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.

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.

NOTE F – LONG-TERM DEBT (Continued):

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, 2020, \$845,000 of the bonds outstanding are considered defeased.

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.

NOTE F – LONG-TERM DEBT (Continued):

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, 2020, \$930,000 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, 2020, \$4,150,000 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 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.

NOTE F – LONG-TERM DEBT (Continued):

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, 2020, \$2,800,000 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.

2019 Capital Improvement Bonds – 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 and/or local street improvements, the construction and installation of sanitary sewer lateral replacements, sidewalk extensions/improvements, and marina improvements.

2020 Capital Improvement Bonds – On June 23, 2020, the City issued \$3,060,000 in General Obligation Capital Improvement Bonds, Series 2020 with interest rates of 4.0% for the purpose of paying the cost of certain capital improvements including Lakeshore Boulevard Relocation, and the construction and installation of sanitary sewer lateral replacements.

2020 Michigan Transportation Fund Bonds – On June 23, 2020, the City issued \$1,875,000 in Michigan Transportation Fund Bonds, Series 2020 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.

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.

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.

NOTE F – LONG-TERM DEBT (Continued):

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.

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.

NOTE F – LONG-TERM DEBT (Continued):

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	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	2019 Capital Improvements Bonds	2020 Capital Improvements Bonds	2020 MTF Bonds
2021	\$ 11,275	\$ 72,000	\$ 83,250	\$ 69,750	\$ 79,200	\$ 69,107	\$ 68,800	\$ 345,456	\$ 245,000	\$ 265,860	\$ 70,000	\$ 150,000	\$ 85,000	\$ 40,000	\$ 165,000
2022	11,479	74,000	84,915	71,300	82,800	70,707	70,950	360,352	255,000	284,850	70,000	155,000	90,000	40,000	160,000
2023	11,681	78,000	88,245	74,400	84,600	72,307	75,250	145,248	265,000	286,960	75,000	155,000	90,000	40,000	170,000
2024	11,883	82,000	89,910	75,950	86,400	73,907	79,550	155,040	275,000	299,620	75,000	165,000	100,000	40,000	175,000
2025	12,086	84,000	93,240	79,050	90,000	75,507	81,700	159,936	287,500	-	80,000	170,000	100,000	40,000	180,000
2026	12,289	88,000	96,570	80,600	93,600	78,702	86,000	168,096	300,000	-	85,000	180,000	105,000	45,000	190,000
2027	12,491	92,000	98,235	83,700	97,200	-	88,150	172,992	310,000	-	85,000	185,000	105,000	45,000	195,000
2028	12,879	-	101,565	85,250	102,600	-	92,450	182,784	322,500	-	90,000	185,000	115,000	50,000	205,000
2029	-	-	-	-	106,200	-	94,600	-	335,000	-	-	-	115,000	50,000	215,000
2030	-	-	-	-	109,800	-	98,900	-	350,000	-	-	-	120,000	50,000	220,000
2031	-	-	-	-	-	-	103,200	-	362,500	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	377,500	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	96,063	570,000	735,930	620,000	932,400	440,237	939,550	1,689,904	3,685,000	1,137,290	630,000	1,345,000	1,025,000	440,000	1,875,000
Interest	8,026	83,948	91,657	75,995	189,358	38,008	224,610	239,375	953,100	93,052	118,400	247,000	210,175	98,858	424,167
	\$ 104,089	\$ 653,948	\$ 827,587	\$ 695,995	\$ 1,121,758	\$ 478,245	\$ 1,164,160	\$ 1,929,279	\$ 4,638,100	\$ 1,230,342	\$ 748,400	\$ 1,592,000	\$ 1,235,175	\$ 538,858	\$ 2,299,167

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

WATER SUPPLY FUND																
Year Ending September 30,	State Drinking Water Revolving Fund Loan	State DWRP 2011 Loan	State DWRP 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 Bonds	2017 Capital Improvement Bonds	2017 Refunding Bonds	2018 Capital Improvement Bonds	2019 Capital Improvement Bonds	2020 Capital Improvement Bonds
2021	\$ 25,000	\$ 25,000	\$ 15,000	\$ 17,619	\$ 19,800	\$ 46,750	\$ 56,250	\$ 37,400	\$ 106,625	\$ 27,200	\$ 102,505	\$ 98,000	\$ 224,910	\$ 110,000	\$ 55,000	\$ 55,000
2022	25,000	25,000	15,000	17,935	20,350	47,685	57,500	39,100	109,075	28,050	106,210	102,000	240,975	115,000	55,000	55,000
2023	25,000	25,000	15,000	18,251	21,450	49,555	60,000	39,950	111,525	29,750	109,915	106,000	242,760	120,000	55,000	60,000
2024	25,000	30,000	15,000	18,568	22,550	50,490	61,250	40,800	113,975	31,450	117,325	110,000	253,470	120,000	60,000	60,000
2025	30,000	30,000	15,000	18,885	23,100	52,360	63,750	42,500	116,425	32,300	121,030	115,000	-	125,000	60,000	60,000
2026	30,000	30,000	20,000	19,201	24,200	54,230	65,000	44,200	121,322	34,000	127,205	120,000	-	130,000	60,000	65,000
2027	30,000	30,000	20,000	19,518	25,300	55,165	67,500	45,900	-	34,850	130,910	124,000	-	140,000	65,000	70,000
2028	30,000	30,000	20,000	20,121	-	57,035	68,750	48,450	-	36,550	138,320	129,000	-	145,000	65,000	70,000
2029	30,000	30,000	20,000	-	-	-	-	50,150	-	37,400	-	134,000	-	-	70,000	75,000
2030	15,058	30,000	20,000	-	-	-	-	51,850	-	39,100	-	140,000	-	-	75,000	75,000
2031	-	30,000	20,000	-	-	-	-	-	-	40,800	-	145,000	-	-	-	-
2032	-	28,908	20,875	-	-	-	-	-	-	-	-	151,000	-	-	-	-
Principal	265,058	343,908	215,875	150,098	156,750	413,270	500,000	440,300	678,947	371,450	953,420	1,474,000	962,115	1,005,000	620,000	645,000
Interest	41,262	55,023	19,344	12,541	23,090	51,472	61,285	75,739	58,202	96,518	185,634	410,720	97,960	189,000	126,425	146,273
	\$ 306,320	\$ 398,931	\$ 235,219	\$ 162,639	\$ 179,840	\$ 464,742	\$ 561,285	\$ 516,039	\$ 737,149	\$ 467,968	\$ 1,139,054	\$ 1,884,720	\$ 1,060,075	\$ 1,194,000	\$ 746,425	\$ 791,273

NOTE F – LONG-TERM DEBT (Continued):

SEWAGE DISPOSAL 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	2019 Capital Improvements Bonds	2020 Capital Improvements Bonds
2021	\$ 200,000	\$ 35,000	\$ 35,000	\$ 55,800	\$ 81,250	\$ 63,000	\$ 103,400	\$ 35,785	\$ 27,200	\$ 93,624	\$ 73,500	\$ 113,400	\$ 130,000	\$ 105,000	\$ 55,000
2022	200,000	35,000	35,000	57,350	82,875	64,400	108,100	36,585	28,050	97,008	76,500	121,500	135,000	105,000	55,000
2023	205,000	35,000	35,000	60,450	86,125	67,200	110,450	37,385	29,750	100,392	79,500	122,400	140,000	110,000	55,000
2024	210,000	40,000	35,000	63,550	87,750	68,600	112,800	38,185	31,450	107,160	82,500	127,800	145,000	115,000	60,000
2025	-	40,000	40,000	65,100	91,000	71,400	117,500	38,985	32,300	110,544	86,250	-	155,000	115,000	60,000
2026	-	40,000	40,000	68,200	94,250	72,800	122,200	40,582	34,000	116,184	90,000	-	160,000	120,000	65,000
2027	-	40,000	40,000	71,300	95,875	75,600	126,900	-	34,850	119,568	93,000	-	165,000	125,000	65,000
2028	-	40,000	40,000	-	99,125	77,000	133,950	-	36,550	126,336	96,750	-	175,000	130,000	70,000
2029	-	40,000	40,000	-	-	-	138,650	-	37,400	-	100,500	-	-	135,000	75,000
2030	-	40,699	40,000	-	-	-	143,350	-	39,100	-	105,000	-	-	140,000	75,000
2031	-	-	46,785	-	-	-	-	-	40,800	-	108,750	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	113,250	-	-	-	-
Principal	815,000	385,699	426,785	441,750	718,250	560,000	1,217,300	227,507	371,450	870,816	1,105,500	485,100	1,205,000	1,200,000	635,000
Interest	54,401	54,420	71,930	65,065	89,458	68,644	209,397	19,004	96,521	169,550	308,040	49,392	227,600	244,325	144,331
	<u>\$ 869,401</u>	<u>\$ 440,119</u>	<u>\$ 498,715</u>	<u>\$ 506,815</u>	<u>\$ 807,708</u>	<u>\$ 628,644</u>	<u>\$ 1,426,697</u>	<u>\$ 246,511</u>	<u>\$ 467,971</u>	<u>\$ 1,040,366</u>	<u>\$ 1,413,540</u>	<u>\$ 534,492</u>	<u>\$ 1,432,600</u>	<u>\$ 1,444,325</u>	<u>\$ 779,331</u>

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	2019 Capital Improvements Bonds	2020 Capital Improvements Bonds	
2021	\$ 6,343	\$ 32,400	\$ 38,750	\$ 36,000	\$ 8,483	\$ 36,800	\$ 293,415	\$ 73,500	\$ 25,830	\$ 120,000	\$ 70,000	\$ 120,000	
2022	6,457	33,300	39,525	36,800	8,633	37,950	306,430	76,500	27,675	125,000	80,000	115,000	
2023	6,571	35,100	41,075	38,400	8,783	40,250	89,445	79,500	27,880	130,000	80,000	120,000	
2024	6,684	36,900	41,850	39,200	8,933	42,550	95,475	82,500	29,110	135,000	85,000	125,000	
2025	6,798	37,800	43,400	40,800	9,083	43,700	98,490	86,250	-	140,000	85,000	130,000	
2026	6,912	39,600	44,950	41,600	9,394	46,000	103,515	90,000	-	145,000	90,000	135,000	
2027	7,026	41,400	45,725	43,200	-	47,150	106,530	93,000	-	150,000	95,000	140,000	
2028	7,244	-	47,275	44,000	-	49,450	112,560	96,750	-	160,000	100,000	145,000	
2029	-	-	-	-	-	50,600	-	100,500	-	-	105,000	150,000	
2030	-	-	-	-	-	52,900	-	105,000	-	-	105,000	160,000	
2031	-	-	-	-	-	55,200	-	108,750	-	-	-	-	
2032	-	-	-	-	-	-	-	113,250	-	-	-	-	
Principal	54,035	256,500	342,550	320,000	53,309	502,550	1,205,860	1,105,500	110,495	1,105,000	895,000	1,340,000	
Interest	4,513	37,778	42,662	39,224	3,561	130,582	181,460	308,040	11,250	204,300	184,975	302,658	
	<u>\$ 58,548</u>	<u>\$ 294,278</u>	<u>\$ 385,212</u>	<u>\$ 359,224</u>	<u>\$ 56,870</u>	<u>\$ 633,132</u>	<u>\$ 1,387,320</u>	<u>\$ 1,413,540</u>	<u>\$ 121,745</u>	<u>\$ 1,309,300</u>	<u>\$ 1,079,975</u>	<u>\$ 1,642,658</u>	

Year Ending September 30,	LIGHTHOUSE PARK FUND	MARINAS FUND
	2018 Building Authority Bonds	2019 Capital Improvements Bonds
2021	\$ 95,000	\$ 70,000
2022	95,000	75,000
2023	100,000	75,000
2024	105,000	75,000
2025	105,000	80,000
2026	110,000	85,000
2027	115,000	85,000
2028	120,000	90,000
2029	-	95,000
2030	-	95,000
Principal	845,000	825,000
Interest	142,877	168,525
	<u>\$ 987,877</u>	<u>\$ 993,525</u>

NOTE F – LONG-TERM DEBT (Continued):

Annual maturities on Component Unit debt are as follows:

Year Ending September 30,	2016 Electric Utility Revenue Bonds	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
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	-
							3,170,000			
2036	5,265,000	-	-	-	-	-	-	-	1,100,000	-
2037	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-
Principal	61,865,000	3,420,000	750,000	650,000	295,000	140,000	17,195,000	690,000	12,185,000	600,000
Interest	24,973,799	902,800	114,187	188,675	88,275	6,581	9,210,750	193,400	3,743,381	112,400
	<u>\$ 86,838,799</u>	<u>\$ 4,322,800</u>	<u>\$ 864,187</u>	<u>\$ 838,675</u>	<u>\$ 383,275</u>	<u>\$ 146,581</u>	<u>\$26,405,750</u>	<u>\$ 883,400</u>	<u>\$15,928,381</u>	<u>\$ 712,400</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
2021	\$ 1,819,698	\$ 582,070	\$ 3,255,539	\$ 1,017,382	\$ 3,860,000	\$ 4,150,986
2022	1,881,353	526,027	3,359,518	921,311	4,050,000	3,985,026
2023	1,711,691	457,740	3,234,812	798,949	4,235,000	3,807,646
2024	1,784,260	391,343	3,362,875	680,991	4,465,000	3,621,908
2025	1,533,019	328,504	2,834,750	559,899	4,565,000	3,426,193
2026-2030	6,588,153	778,081	11,750,285	1,252,362	25,960,000	13,823,500
2031-2035	843,200	31,964	1,023,368	54,077	41,120,000	6,418,988
2036-2040	-	-	-	-	9,535,000	300,001
	<u>\$ 16,161,374</u>	<u>\$ 3,095,729</u>	<u>\$ 28,821,147</u>	<u>\$ 5,284,971</u>	<u>\$ 97,790,000</u>	<u>\$ 39,534,248</u>

NOTE G – LETTERS OF CREDIT:

As of September 30, 2020, the City had the following letter of credit with Range Bank.

<u>Date Issued</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Expiration</u>
12/14/2011	\$ 157,430	n/a *	12/14/2020

* - 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, 2020.

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:

<u>Fund</u>	<u>Transfers In</u>	<u>Fund</u>	<u>Transfers Out</u>
PRIMARY GOVERNMENT:			
Major Street	\$ 851,152	General Fund	\$ 4,077,222
Local Street	1,318,748		
Non-major Governmental	1,069,217		
Internal Service Funds	562,548		
Water Supply	207,937		
Non-major Business-Type	67,620		
Subtotal	<u>4,077,222</u>	Subtotal	<u>4,077,222</u>
General Fund	137,035	Major Street	447,290
Non-major Governmental	1,489,875	Local Street	715,768
Water Supply	25,648	Non-major Governmental	489,500
Subtotal	<u>1,652,558</u>	Subtotal	<u>1,652,558</u>
Internal Service Funds	959,636	Non-major Governmental	492,450
Water Supply	942,820	Water Supply	656,158
		Sewage Disposal	435,639
		Stormwater	296,757
		Non-major Business-Type	21,452
Subtotal	<u>1,902,456</u>	Subtotal	<u>1,902,456</u>
TOTAL REPORTING ENTITY	<u>\$ 7,632,236</u>	TOTAL REPORTING ENTITY	<u>\$ 7,632,236</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, 2019	Additions	Disposals	Balance at September 30, 2020
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	\$ 13,689,765	\$ -	\$ -	\$ 13,689,765
Construction in progress	28,833,727	3,388,298	(27,707,403)	4,514,622
Total Capital Assets, not being depreciated	42,523,492	3,388,298	(27,707,403)	18,204,387
Capital Assets Being Depreciated				
Land improvements	8,508,396	13,895	-	8,522,291
Buildings	23,576,675	9,850	-	23,586,525
Building improvements	7,048,632	73,645	-	7,122,277
Furniture and equipment	14,084,175	518,329	(33,649)	14,568,855
Infrastructure	70,839,684	28,805,868	-	99,645,552
Total Capital Assets, being depreciated	124,057,562	29,421,587	(33,649)	153,445,500
Less Accumulated Depreciation:				
Land improvements	(6,878,403)	(162,203)	-	(7,040,606)
Buildings	(6,701,787)	(1,050,615)	-	(7,752,402)
Building improvements	(5,854,502)	(125,460)	-	(5,979,962)
Furniture and equipment	(11,545,789)	(445,055)	33,649	(11,957,195)
Infrastructure	(39,122,200)	(2,854,066)	-	(41,976,266)
Total Accumulated Depreciation	(70,102,681)	(4,637,399)	33,649	(74,706,431)
Governmental Activities Capital Assets, net	\$ 96,478,373	\$ 28,172,486	\$ (27,707,403)	\$ 96,943,456

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

Governmental Activity:	
General Government	\$ 20,638
Public Health and Safety	33,768
Public Works	181,344
Social Services	-
Recreation and Culture	189,927
Depreciation - unallocated	2,466,539
Internal Service Funds charged to above activities	1,745,183
Total Depreciation Expense - Governmental Activities	<u>\$ 4,637,399</u>

NOTE I – CAPITAL ASSETS (Continued):

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

	Balance at September 30, 2019	Additions	Disposals	Balance at September 30, 2020
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Subject to Depreciation:				
Land	\$ 38,319	\$ -	\$ -	\$ 38,319
Construction in progress	309,199	4,072,668	(2,056,311)	2,325,556
Total Capital Assets, not being depreciated	<u>347,518</u>	<u>4,072,668</u>	<u>(2,056,311)</u>	<u>2,363,875</u>
Capital Assets Subject to Depreciation:				
Land improvements	4,585,508	1,445,913	-	6,031,421
Building and building improvements	16,136,381	296,922	-	16,433,303
Furniture and equipment	6,181,974	23,265	-	6,205,239
Infrastructure	81,217,050	4,126,529	-	85,343,579
Total Capital Assets, being depreciated	<u>108,120,913</u>	<u>5,892,629</u>	<u>-</u>	<u>114,013,542</u>
Less Accumulated Depreciation:				
Land improvements	(3,041,632)	(169,056)	-	(3,210,688)
Building and building improvements	(8,794,150)	(347,210)	-	(9,141,360)
Furniture and equipment	(4,702,768)	(246,933)	-	(4,949,701)
Infrastructure	(33,064,208)	(2,978,112)	-	(36,042,320)
Total Accumulated Depreciation	<u>(49,602,758)</u>	<u>(3,741,311)</u>	<u>-</u>	<u>(53,344,069)</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 58,865,673</u>	<u>\$ 6,223,986</u>	<u>\$ (2,056,311)</u>	<u>\$ 63,033,348</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	\$ 1,470,508
Sewage Disposal	1,122,133
Stormwater Utility	948,280
Public Works	15,434
Recreation and Culture	184,956
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,741,311</u>

NOTE I – CAPITAL ASSETS (Continued):

A summary of Component Unit's capital assets as of September 30, 2020 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	1,324,211	-	-	-	1,324,211
Total Capital Assets, not being depreciated	1,615,487	114,704	-	-	1,730,191
Land improvements	-	117,250	5,248,311	1,285,857	6,651,418
Buildings and improvements	15,375,136	13,003,752	-	-	28,378,888
Furniture and equipment	122,475,688	1,013,636	197,950	-	123,687,274
Total Capital Assets, being depreciated	137,850,824	14,134,638	5,446,261	1,285,857	158,717,580
Less Accumulated Depreciation:					
Land improvements	-	(68,751)	(2,438,645)	(337,866)	(2,845,262)
Buildings and improvements	-	(5,699,956)	-	-	(5,699,956)
Furniture and equipment	-	(1,010,172)	(163,095)	-	(1,173,267)
Unallocated	(46,219,165)	-	-	-	(46,219,165)
Total Accumulated Depreciation	(46,219,165)	(6,778,879)	(2,601,740)	(337,866)	(55,937,650)
Component Units Capital Assets, net	\$ 93,247,146	\$ 7,470,463	\$ 2,844,521	\$ 947,991	\$ 104,510,121

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

Component Units:	
Board of Light and Power	\$5,155,523
Peter White Public Library	127,643
Downtown Development Authority	228,411
Brownfield Redevelopment Authority	112,622
Total Depreciation Expense - Component Units	<u>\$5,624,199</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 \$7,802,299. This amount relates to the 2020 tax levy.
2. The Business-Type Funds have reported deferred inflows of \$19,734. This amount, represents the portion of special assessment receivables which are not available resources within the next year.
3. The Component Units have reported deferred inflows of \$5,004,174 which relates to their portion of the 2020 tax levy.

NOTE K – FUND BALANCES – GOVERNMENTAL FUNDS:

As of September 30, 2020, 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, 2020, 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	\$ -	\$ -	\$ -	\$ -	\$ 886,004	\$ 886,004
Loan Receivable	-	-	-	-	-	-
Inventory	511,572	-	-	-	-	511,572
Prepays	302,227	26,784	-	-	-	329,011
Total Non-spendable	<u>\$ 813,799</u>	<u>\$ 26,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 886,004</u>	<u>\$ 1,726,587</u>
Restricted:						
Major Street	\$ -	\$ 248,552	\$ -	\$ -	\$ -	\$ 248,552
Local Street	-	557,239	-	-	-	557,239
Fire Dept. - Lifesaving Equipment	-	-	-	-	-	-
Drug Dog	7,095	-	-	-	-	7,095
Local Development Finance Authority Fund	-	157,954	-	-	-	157,954
Public Education Government (PEG) Fund	-	10,849	-	-	-	10,849
Drug Forfeiture Fund	-	15,360	-	-	-	15,360
MSHDA Downtown Rental Fund	-	-	-	-	-	-
Road Maintenance Fund	-	1,170,708	-	-	-	1,170,708
Road Safety Improvement Fund	-	851,680	-	-	-	851,680
Criminal Justice Training Fund	-	2,558	-	-	-	2,558
Senior Services Fund	-	668,988	-	-	-	668,988
Total Restricted	<u>\$ 7,095</u>	<u>\$ 3,683,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,690,983</u>
Committed:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assigned:						
Park Improvements	\$ 13,781	\$ -	\$ -	\$ -	\$ -	\$ 13,781
Capital Outlay	50,000	-	-	1,016,580	-	1,066,580
Public Art Fund	-	81,469	-	-	-	81,469
Sanitation Fund	-	633,168	-	-	-	633,168
Lakeview Arena Fund	-	34,826	-	-	-	34,826
Total Assigned	<u>\$ 63,781</u>	<u>\$ 749,463</u>	<u>\$ -</u>	<u>\$ 1,016,580</u>	<u>\$ -</u>	<u>\$ 1,829,824</u>
Unassigned:	<u>\$ 8,744,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,744,448</u>

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.

Benefits Provided:

2019 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)	2.50% Multiplier (80% max)
	Normal Retirement Age	60	60	60	60
	Vesting	10 years	10 years	6 years	10 years
	Early Retirement (Unreduced)	55/25	50/25	55/25	55/25
	Early Retirement (Reduced)	50/25	55/15	50/25	50/25
		55/15		55/15	55/15
	Final Average Compensation	3 years	3 years	3 years	3 years
	COLA for Future Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)
	Employee Contributions	6%	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)	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 Lbrary Snr - Closed</u>	<u>12-P White Lby - Closed</u>	<u>70-PW Lbrary Adm - 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	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%	7%	6.70%	
	DC Plan for New Hires	6/1/2016	10/1/2019	10/1/2019	
	Act 88	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	

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

Employees covered by benefit terms:

At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

	Primary Government	Component Unit PWPL
Inactive employees or beneficiaries currently receiving benefits	121	13
Inactive employees entitled to but not yet receiving benefits	14	1
Active employees	98	14
Total	<u>233</u>	<u>28</u>

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, 2019:

Division	Employer ¹	Employee
Primary Government:		
01 - Public Works	\$97,021	6.00%
02 - Police Clerical	\$8,829	6.00%
10 - Union	\$41,484	6.00%
11 - PW Supervisor	\$39,385	6.00%
15 - Senior Mgmt	\$73,895	0.00%
16 - Middle Mgmt	\$17,631	5.00%
91 - PW & Union aft 10/1/12	7.59%	6.00%
Component Unit - Peter White		
Public Library:		
07 - PW Lbry Snr	\$1,636	0.00%
12 - Pwhite Lby	\$5,544	7.00%
70 - PW Lbry Admin	\$2,700	6.70%

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, 2019, 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, 2019 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation: 2.5% Salary Increases: 3.00% in the long-term. Investment rate of return: 7.75%, net of investment expense, including inflation.

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

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.

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	60.0%	5.25%	3.15%
Global Fixed Income	20.0%	1.25%	0.25%
Private Investments	20.0%	7.25%	1.45%
Inflation	n/a		2.50%
Administrative Fee	n/a		0.25%
	<u>100.0%</u>		<u>7.60%</u>

Discount rate:

The discount rate used to measure the total pension liability is 7.60% for 2019. 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 12/31/18	\$ 58,877,182	\$ 33,224,879	\$ 25,652,303
Changes for the Year:			
Service costs	840,544	-	840,544
Interest on total pension liability	4,550,490	-	4,550,490
Changes in benefits	(2,609)	-	(2,609)
Difference between expected and actual experience	323,056	-	323,056
Changes in assumption	1,988,572	-	1,988,572
Employer contributions	-	2,667,614	(2,667,614)
Employee contributions	-	295,696	(295,696)
Net investment income	-	4,435,515	(4,435,515)
Benefit payments, including employee refunds	(3,265,088)	(3,265,088)	-
Administrative expense	-	(75,740)	75,740
Other changes	-	-	-
Net Changes	4,434,965	4,057,997	376,968
Balances as of 12/31/19	\$ 63,312,147	\$ 37,282,876	\$ 26,029,271

**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 12/31/18	\$ 3,491,347	\$ 2,270,978	\$ 1,220,369
Changes for the Year:			
Service costs	38,312	-	38,312
Interest on total pension liability	207,409	-	207,409
Changes in benefits	(119)	-	(119)
Difference between expected and actual experience	14,725	-	14,725
Changes in assumption	90,638	-	90,638
Employer contributions	-	173,752	(173,752)
Employee contributions	-	28,244	(28,244)
Net investment income	-	309,695	(309,695)
Benefit payments, including employee refunds	(215,515)	(215,515)	-
Administrative expense	-	(5,317)	5,317
Other changes	-	-	-
Net Changes	135,450	290,859	(155,409)
Balances as of 12/31/19	<u>\$ 3,626,797</u>	<u>\$ 2,561,837</u>	<u>\$ 1,064,960</u>
Net Pension Liability (NPL):			
MERS - Primary Government	\$ 26,029,271		
Fire-Police - Primary Government	12,036,555	(See Note M)	
NPL reported in statement of net position	<u>\$ 38,065,826</u>		
Net Pension Liability (NPL):			
MERS - Component Unit - PWPL	\$ 1,064,960		
MERS - Component Unit - BLP	10,463,379	(See Note N)	
NPL reported in statement of net position	<u>\$ 11,528,339</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 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1-percentage point lower (6.60%) or 1% higher (8.60%) than the current rate.

	Primary Government		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.60%	7.60%	8.60%
Net Pension Liability at 12/31/19	\$ 26,029,271	\$ 26,029,271	\$ 26,029,271
Change in Net Pension liability (NPL)	7,727,045	-	(6,540,181)
Calculated NPL	<u>\$ 33,756,316</u>	<u>\$ 26,029,271</u>	<u>\$ 19,489,090</u>

	Component Unit - Peter White Public Library		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.60%	7.60%	8.60%
Net Pension Liability at 12/31/19	\$ 1,064,960	\$ 1,064,960	\$ 1,064,960
Change in Net Pension liability (NPL)	405,570	-	(343,275)
Calculated NPL	<u>\$ 1,470,530</u>	<u>\$ 1,064,960</u>	<u>\$ 721,685</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, 2020, the employer recognized pension expense/(benefit) of \$864,608 (\$774,919 for the primary government and \$89,689 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	\$ 158,370	\$ (234,252)	\$ -	\$ (8,045)
Differences in assumptions	1,493,881	(2,452)	67,978	-
(Excess) Deficit Investment Returns	278,909	(9,394)	8,955	-
Subtotal	<u>1,931,160</u>	<u>(246,098)</u>	<u>76,933</u>	<u>(8,045)</u>
Contributions subsequent to the measurement date*	-	-	116,852	-
Total	<u>\$ 1,931,160</u>	<u>\$ (246,098)</u>	<u>\$ 193,785</u>	<u>\$ (8,045)</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, 2021.

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
2020	\$ 264,058	\$ 2,651
2021	731,580	34,207
2022	1,047,950	57,785
2023	(358,526)	(25,755)
2024	-	-
Thereafter	-	-
Total	<u>\$ 1,685,062</u>	<u>\$ 68,888</u>

Primary Government All Pension Plans		
	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Deferred amounts related to pension:		
Primary government - MERS	\$ 1,931,160	\$ (246,098)
Primary government - Fire-Police (See Note M)	1,836,157	(2,346,067)
Deferred amounts related to pension reported in Statement of Net Position	<u>\$ 3,767,317</u>	<u>\$ (2,592,165)</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	\$ 76,933	\$ (8,045)
Component Unit - Board of Light and Power	1,405,234	(770,614)
Deferred amounts related to pension reported in Statement of Net Position	<u>\$ 1,482,167</u>	<u>\$ (778,659)</u>
Contributions subsequent to the measurement date		
Component Unit - Peter White Public Library	\$ 116,852	
Component Unit - Board of Light and Power	1,420,081	
Contributions subsequent to measurement date reported in Statement of Net Position	<u>\$ 1,536,933</u>	

Payable to Pension Plan:

At September 30, 2020, the City and component unit – Peter White Public Library reported a payable of \$0 and \$50,000, respectively, for the outstanding amount of the contributions to the pension plan required for the year ended September 30, 2020.

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, 2020 was \$3,690,235; the City's total payroll was \$12,126,950.

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, 2019, the latest actuarial valuation date:

Group	
Retirees and beneficiaries currently receiving benefits	68
Vested terminated members	4
Active employees:	
Fire	26
Police	32
TOTAL	<u>130</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 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.

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

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, 2020 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 18 years for police and 18 years for fire.

During the year ended September 30, 2020, September 30, 2019, and September 30, 2018, contributions totaling \$1,778,792; \$1,626,480, and \$1,560,811, 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 6.75% 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	\$ 3,505,607
Wells Fargo/Dodge & Cox Intermediate Bond CIT F	\$ 3,499,227
Wells Fargo/Federated Total Return Bond CIT F	\$ 3,500,558
Wells Fargo/Blackrock S&P Midcap Index CIT F	\$ 3,132,938
Wells Fargo/Blackrock S&P 500 Index CIT F	\$ 4,758,024

Mutual Funds - Corporate Bonds:

Metropolitan West Total Return Bond Fund Class I #512	\$ 3,509,277
---	--------------

Net Pension Liability of the City (Under GASB 67):

The components of the net pension liability of the City at December 31, 2019, the most recent actuarial, is as follows:

	2019
Total pension liability	\$49,568,703
Plan fiduciary net position	37,532,148
City's net pension liability	<u>\$ 12,036,555</u>

Plan fiduciary net position as a percentage of the total pension liability	75.7%
---	-------

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of December 31, 2019, with a measurement date of September 30, 2020, 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, 2019 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.

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

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 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 2.41%; 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
Changes in Net Pension Liability	(a)	(b)	(a)-(b)
Balances at 09/30/19	\$ 48,819,235	\$ 34,771,029	\$ 14,048,206
Changes for the Year:			
Service costs	1,042,143	-	1,042,143
Interest on total pension liability	3,243,320	-	3,243,320
Changes in benefits	-	-	-
Difference between expected and actual experience	(953,751)	-	(953,751)
Changes in assumption	-	-	-
Employer contributions	-	1,778,792	(1,778,792)
Employee contributions	-	224,770	(224,770)
Net investment income	-	3,359,107	(3,359,107)
Benefit payments, including employee refunds	(2,582,244)	(2,582,244)	-
Administrative expense	-	(19,306)	19,306
Other changes	-	-	-
Net Changes	749,468	2,761,119	(2,011,651)
Balances as of 09/30/20	\$ 49,568,703	\$ 37,532,148	\$ 12,036,555

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 501,764	\$ (1,116,576)
Differences in assumptions	844,671	(96,159)
(Excess) Deficit Investment Returns	489,722	(1,133,332)
Total	<u>\$ 1,836,157</u>	<u>\$ (2,346,067)</u>

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

Plan Year Ended September 30,	Amount
2021	\$ (27,162)
2022	63,593
2023	(156,177)
2024	(390,164)
2025	-
Thereafter	-
Total	<u>\$ (509,910)</u>

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 09/30/20	\$ 12,036,555	\$ 12,036,555	\$ 12,036,555
Change in Net Pension Liability (NPL)	6,561,974	-	(5,414,448)
Calculated NPL	<u>\$ 18,598,529</u>	<u>\$ 12,036,555</u>	<u>\$ 6,622,107</u>

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.

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, 2019, measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	102
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>27</u>
Total inactive and active plan members	<u>134</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, 2020, contributions made by the Board totaled \$2,208,917.

Net Pension Liability

The Board's Net Pension Liability was measured as of December 31, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

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

Actuarial Assumptions

The total pension liability in the December 31, 2019 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 3.00 percent in the long term.

Investment rate of return:

7.35 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 2013-2018.

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	60.00%	5.25%	3.15%
Global Fixed Income	20.00%	1.25%	0.25%
Private Investments	20.00%	7.25%	1.45%
Inflation			2.50%
Administrative fee			0.25%
	<u>100.00%</u>		<u>7.60%</u>

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

Discount Rate

The discount rate used to measure the total pension liability is 7.60 percent for 2019. 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.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2018	\$41,706,218	\$28,336,959	\$13,369,259
Changes for the Year:			
Service Cost	216,007	-	216,007
Interest on Total Pension Liability	3,215,292	-	3,215,292
Changes in benefits	-	-	-
Difference between expected and actual experience	(642,954)	-	(642,954)
Changes in assumptions	1,344,399	-	1,344,399
Employer Contributions	-	3,152,985	(3,152,985)
Employee Contributions	-	104,553	(104,553)
Net investment income	-	3,847,402	(3,847,402)
Benefit payments, including employee refunds	(3,246,137)	(3,246,137)	-
Administrative expense	-	(66,316)	66,316
Other changes	-	-	-
Net changes	886,607	3,792,487	(2,905,880)
Balances as of December 31, 2019	<u>\$42,592,825</u>	<u>\$32,129,446</u>	<u>\$10,463,379</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 7.60 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 (6.60 percent) or one percentage point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Net Pension Liability at December 31, 2019	\$ 14,708,811	\$ 10,463,379	\$ 6,826,590

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, 2020, the Board recognized pension expense of \$1,709,888. 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	\$ -	\$ (437,849)
Differences in assumptions	896,266	-
Excess/Deficit in investment returns	508,968	(332,765)
Subtotal	1,405,234	(770,614)
Contributions subsequent to the measurement date*	1,420,081	-
Total	<u>\$ 2,825,315</u>	<u>\$ (770,614)</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 9/30/21.

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	Amount
December 31,	
2020	\$ 208,367
2021	361,366
2022	381,415
2023	(316,528)
Thereafter	-
Total	<u>\$ 634,620</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.

At September 30, 2020 there were 19 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 \$136,167 during the current year and employees contributed \$41,770. 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, 2020, combined contributions by the Board totaled \$485,237 and combined contributions by the employees totaled \$197,128.

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.

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 \$10,051 during the current year and employee contributed \$2,319. The employees under the plan are immediately vested. At September 30, 2020, there was 1 plan member.

NOTE O – DEFINED CONTRIBUTION PENSION PLAN (continued):

Full-time employees hired on or after October 1, 2019 are enrolled in a separate Defined contribution Plan. Plan members are required to contribute 5% of covered earnings and the Library is required to contribute 12% of covered earnings. In accordance with these requirements, the Library contributed \$2,390 during the current year and employee contributed \$996. The employees covered under this plan are vested after three years of service. At September 30, 2020, there was 1 plan member.

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 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:

City of Marquette:

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.

The liabilities for accumulated, unpaid vacation, sick and benefit leave at September 30, 2020 are as follows:

	Benefit Leave and Vacation	Sick	Total
PRIMARY GOVERNMENT:			
Current portion	\$ 473,585	\$ 230,642	\$ 704,227
Long-term portion	1,494,087	101,574	1,595,661
TOTAL	<u>\$ 1,967,672</u>	<u>\$ 332,216</u>	<u>\$ 2,299,888</u>
COMPONENT UNITS:			
Current portion	\$ 734,931	\$ 595,019	\$ 1,329,950
Long-term portion	67,318	-	67,318
TOTAL	<u>\$ 802,249</u>	<u>\$ 595,019</u>	<u>\$ 1,397,268</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, 2020, by the City is \$3,054,614.

Summary financial information as of and for the fiscal year ended June 30, 2020, the latest available report, is as follows:

Total Assets	\$ 18,460,076
Deferred Outflows of Resources	148,260
Total Liabilities	8,294,563
Deferred Inflows of Resources	131,727
Total Net Position	10,182,046
Total Operating Revenues	3,803,185
Total Operating Expenses	3,854,521
Total Nonoperating Revenues (Expenses)	227,972
Change in Net Position	176,636

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.

Benefits Provided:

	Valuation Period Ending September 30, 2020					
	Public Works	City Hall	Supervisory	Police	Fire	Department Heads
Eligibility Requirements						
Hired prior to:	Sept. 25, 2012	Sept. 25, 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, 2020 valuation:

	Public Works	City Hall	Supervisory	Police	Fire	Department Heads	Middle Management	Total
Retirees	8	2	3	7	3	20	9	52
Active Employees	26	13	7	23	16	4	6	95
Total	34	15	10	30	19	24	15	147

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):

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.

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, 2020.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2020. 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:	7.35%
20-year Aa Municipal bond rate:	2.14%
Mortality	2010 Headcount weighted Public General and Public Safety Employees and Healthy Retirees with MP-2020 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	60.0%	5.25%
Global fixed income	20.0%	1.25%
Private assets	20.0%	7.25%

The sum of each target allocation times its long-term expected rate is 7.35%.

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):**Discount Rate:**

The discount rate used to measure the total OPEB liability was 3.14%. 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 6 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 2032 – 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 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, 2019 was 4.63%.

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, 2019	\$ 7,353,651	\$ 494,736	\$ 6,858,915
Changes during the year:			
Service cost (beginning of year)	71,444	-	71,444
Interest	336,366	-	336,366
Experience (gains)/losses	(58,676)	-	(58,676)
Change in actuarial assumptions	1,088,300	-	1,088,300
Contributions to OPEB trust	-	180,473	(180,473)
Contributions/benefit paid from general operating funds	-	320,257	(320,257)
Net investment income	-	54,035	(54,035)
Benefit payments	(320,257)	(320,257)	-
Administrative expenses	-	(1,335)	1,335
Other changes	-	-	-
Total changes	1,117,177	233,173	884,004
Balance at September 30, 2020	\$ 8,470,828	\$ 727,909	\$ 7,742,919

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):**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, 2.14%	Current Discount Rate, 3.14%	1% Increase, 4.14%
<u>Discount</u>			
Total OPEB Liability	\$ 9,505,659	\$ 8,470,828	\$ 7,614,594
Plan Fiduciary Net Position	727,909	727,909	727,909
Net OPEB Liability	<u>\$ 8,777,750</u>	<u>\$ 7,742,919</u>	<u>\$ 6,886,685</u>
	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
<u>Trend</u>			
Total OPEB Liability	\$ 7,934,274	\$ 8,470,828	\$ 9,164,077
Plan Fiduciary Net Position	727,909	727,909	727,909
Net OPEB Liability	<u>\$ 7,206,365</u>	<u>\$ 7,742,919</u>	<u>\$ 8,436,168</u>

Actuarially Determined Contribution

Actuarially Determined Contribution for the Fiscal Year Ending September 30, 2020 are as follows:

Service Cost (End of Year)	\$ 71,443
Unfunded Actuarial Accrued Liability (UAAL)	\$ 6,795,417
Amortization Factor, 30 Years	16.2347
Amortization of UAAL	\$ 418,573
Interest to End of Year	\$ 22,687
Actuarially Determined Contributions (ADC)	\$ 512,704

OPEB Expense – GASB 75

Below are the components of the Total OPEB Expense under GASB 75 for 2020.

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of September 30, 2020 is \$727,909.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	\$ -	\$ (214,116)
Changes of Assumptions	1,181,826	(449,900)
Investment Earnings (Gains)/Losses	14,829	-
TOTAL	<u>\$ 1,196,655</u>	<u>\$ (664,016)</u>

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):

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

<u>Year Ended September 30,</u>	<u>Amount Recognized</u>
2021	\$ 105,396
2022	105,396
2023	256,914
2024	64,933
2025	-
Thereafter	-
	<u><u>\$ 532,639</u></u>

**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, 2020 and 2019, the Board contributed \$1,047,539 and \$1,190,487, respectively, to the plan representing current premiums, and an additional \$300,000 and \$2,100,000, respectively, to the RHFV.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (October 1, 2019):

	Active Employees	Retirees & Spouses	Total
Covered participants	64	149	213

Net OPEB liability: The total OPEB liability as of October 1, 2019, valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Salary increases:	3.50%
Discount rate:	6.60%
Inflation:	2.50%
Investment rate of return, net of inflation:	6.60%
Municipal bond index:	2.14%
Healthcare cost trend rates:	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
US Fixed Income	60.00%		3.15%
Global Fixed Income	20.00%	1.25%	0.25%
Private Investments	20.00%	7.25%	1.45%
Inflation			2.50%
Administrative Fee			0.25%
	<u>100.00%</u>		<u>7.60%</u>

The Board has chosen for the Plan an asset mix intended to meet or exceed a long-term rate of return of 6.60 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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 6.60 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 6.60 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	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2019	\$ 19,953,175	\$ 10,360,226	\$ 9,592,949
Changes for the year:			
Service cost	213,893	-	213,893
Interest on Total Pension Liability	1,042,100	-	1,042,100
Changes in benefits	(2,585,154)	-	(2,585,154)
Difference between expected and actual experience	(652,672)	-	(652,672)
Changes in assumptions	(501,268)	-	(501,268)
Employer contributions	-	1,347,539	(1,347,539)
Participant contributions	-	15,711	(15,711)
Projected investment income	-	693,034	(693,034)
Difference between expected and actual earnings	-	(21,729)	21,729
Benefit payments, including employee refunds	(1,063,250)	(1,063,250)	-
Administrative expense	-	(19,423)	19,423
Other changes	-	-	-
Net changes	(3,546,351)	951,882	(4,498,233)
Balances at September 30, 2020	\$ 16,406,824	\$ 11,312,108	\$ 5,094,716

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 6.60 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 (5.60 percent) or one percentage point higher (7.60 percent) than the current rate:

	1% Decrease (5.60%)	Current Discount Rate (6.60%)	1% Increase (7.60%)
Total OPEB liability	\$ 18,464,238	\$ 16,406,824	\$ 14,710,118
Fiduciary net position	11,312,108	11,312,108	11,312,108
Net OPEB Liability	\$ 7,152,130	\$ 5,094,716	\$ 3,398,010
Plan fiduciary position as a percentage of the total OPEB liability	61.3%	68.9%	76.9%

**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 4.50 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 (3.50 percent) or one percentage point higher (5.50 percent) than the current rate:

	1% Decrease (3.50%)	Current Healthcare Cost Trend Rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	\$ 14,471,479	\$ 16,406,824	\$ 18,782,477
Fiduciary net position	11,312,108	11,312,108	11,312,108
Net OPEB Liability	<u>\$ 3,159,371</u>	<u>\$ 5,094,716</u>	<u>\$ 7,470,369</u>
Plan fiduciary position as a percentage of the total OPEB liability	<u>78.2%</u>	<u>68.9%</u>	<u>60.2%</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2020, the Board recognized OPEB expense of \$415,041.

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	\$ -	\$ (499,102)
Differences in assumptions	-	(383,323)
Excess/Deficit in investment returns	268,849	-
Total	<u>\$ 268,849</u>	<u>\$ (882,425)</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	Total
2021	\$ (153,570)	\$ (117,945)	\$ 104,174	\$ (167,341)
2022	(153,570)	(117,945)	104,174	(167,341)
2023	(153,570)	(117,945)	56,156	(215,359)
2024	(38,392)	(29,488)	4,345	(63,535)
Total	<u>\$ (499,102)</u>	<u>\$ (383,323)</u>	<u>\$ 268,849</u>	<u>\$ (613,576)</u>

NOTE V – SINGLE AUDIT:

The City is the recipient of various reimbursement-based federal grants. During the current year, the City's audited financial statements reported a total of \$474,957 in federal revenue; however, reimbursements for some of the grants were not received until more than 60 days after the fiscal year end and as such are not included in federal revenue under the modified accrual basis of accounting. The City's federal expenditures for the year were more than the Single Audit threshold of \$750,000. The City, therefore, is required to have an audit in accordance with the Uniform Guidance for the fiscal year ended September 30, 2020.

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, 2020. The projects include street and infrastructure improvements, sidewalk extension and improvements, and park/land improvements. At year end, the City's total construction in progress expenditures in the governmental and business-type funds totaled \$6,840,178.

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, 2020, 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 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, 2020, the City abated \$68,911 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, 2020, the City abated \$1,185,336 under this program.

NOTE Z – NEW GASB STANDARDS:

Management of the City has reviewed the following pronouncements released by the Governmental Accounting Standards Board (GASB) that are effective in the current fiscal year for applicability. Pronouncements deemed applicable to the City by management are described below in *Recently Issued and Adopted Accounting Pronouncements*; pronouncements not applicable are described in *Other Recently Issued Accounting Pronouncements*.

Recently Issued and Adopted Accounting Pronouncements

In response to the COVID-19 pandemic GASB issued Statement No. 95 which postponed the effective date for various upcoming standards. Although the City had the option to adopt the standards according to their original effective dates the City opted to postpone the implementation of various standards.

Other Recently Issued Accounting Pronouncements

None.

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

Originally effective for fiscal years beginning after December 15, 2018; postponed by GASB 95 to fiscal years beginning after December 15, 2019 (City's fiscal year 2021)

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

Originally effective for fiscal years beginning after December 15, 2019; postponed by GASB 95 to fiscal years beginning after June 15, 2021 (City's fiscal year 2022)

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

Originally effective for fiscal years beginning after December 15, 2019; postponed by GASB 95 to fiscal years beginning after December 15, 2020 (City's fiscal year 2022)

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

Originally effective for fiscal years beginning after December 15, 2018; postponed by GASB 95 to fiscal years beginning after December 15, 2019 (City's fiscal year 2021)

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

Originally effective for fiscal years beginning after December 15, 2020; postponed by GASB 95 to fiscal years beginning after December 15, 2021 (City's fiscal year 2023)

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.

NOTE AA – UPCOMING STANDARDS (continued):

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

GASB 92: Omnibus 2020

Originally effective for fiscal years beginning after June 15, 2020; postponed by GASB 95 to fiscal years beginning after June 15, 2021 (City's fiscal year 2022)

This Statement enhances comparability of accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan

NOTE AA – UPCOMING STANDARDS (continued):

- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

GASB 93: Replacement of Interbank Offered Rates

Originally effective for fiscal years beginning after June 15, 2019; postponed by GASB 95 to fiscal years beginning after June 15, 2020 (City's fiscal year 2021)

Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing the fallback provisions related to the reference rate.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedge item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedge expected transactions is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended.

NOTE AA – UPCOMING STANDARDS (continued):

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

GASB 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Effective for fiscal years beginning after June 15, 2022 (City's fiscal year 2023)

The requirements of this Statement will improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

Under this Statement, a PPP is defined as an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Under this Statement a PPP meets the definition of a service concession arrangement (SCA) if: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB 95: Postponement of the Effective Dates of Certain Authoritative Guidance

Effective for fiscal years beginning after June 15, 2018 until below GASBs implemented (beginning with City's fiscal year 2020)

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*

NOTE AA – UPCOMING STANDARDS (continued):

- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB 96: Subscription-Based Information Technology Arrangements

Effective for fiscal years beginning after June 15, 2022 (City's fiscal year 2023)

The requirements of this Statement will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) for government end users (governments) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

GASB 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32

Effective for fiscal years beginning after June 15, 2021 (City's fiscal year 2022)

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

NOTE AA – UPCOMING STANDARDS (continued):

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

NOTE AB – COVID-19 PANDEMIC:

In March 2020 the World Health Organization (WHO) and Centers for Disease Control (CDC) declared COVID-19 a worldwide pandemic. In reaction to the pandemic the Governor along with the Michigan Department of Health and Human Services (MDHHS) has issued various orders and directives to help reduce the spread of the virus. For the City, the pandemic has resulted in City Hall being closed to the public to reduce the potential exposure of its employees. Additionally, the City has furloughed employees and incorporated remote working where possible and staggered shifts were possible to reduce potential exposure for its employees.

In response to the pandemic the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to help alleviate the burdens the pandemic placed on State governments as well as local municipalities. As a result, the City received federal aid in the form of the First Responder Hazard Pay Premiums Program (FRHPPP) and Public safety and Public Health Payroll Reimbursement Program (PSPHPR) through the Michigan Department of Treasury. The federal government keeps monitor the impact of the pandemic and has subsequently passed a bill to provide additional funding to States, which will partially be distributed to local units of government. It is unknown what amounts may be made available to local units of government in the future.

Beginning in December 2020, the vaccine began being administered to individuals around the nation including in the State of Michigan and locally in the City of Marquette. MDHHS has an initial operational goal of vaccinating 70% of people age 16 years of age and older, or about 5.6 million people, for COVID-19 by the end of 2021.

It is unknown the total impact of the COVID-19 pandemic will have on the City's activities in fiscal year 2021. The details are unfolding day by day. For additional details on State of Michigan's response please refer to: <https://www.michigan.gov/coronavirus/>.

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)

	2020	2019	2018	2017	2016	2015
Change in total pension liability						
Service cost	\$ 840,544	\$ 825,143	\$ 791,722	\$ 771,441	\$ 738,493	\$ 800,374
Interest	4,550,490	4,395,359	4,333,875	4,130,063	3,841,488	3,719,179
Change in benefit terms	(2,609)	-	9,569	(8,853)	-	-
Differences between expected and actual experience	323,056	(52,849)	(1,166,996)	408,568	(229,603)	-
Changes in assumptions	1,988,572	-	-	-	3,096,299	-
Benefit payments, including refunds of member contributions	(3,265,088)	(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	4,434,965	2,107,311	1,059,105	2,647,928	5,031,943	2,148,831
Total pension liability, beginning of year	58,877,182	56,769,871	55,710,766	53,062,838	48,030,895	45,882,064
Total pension liability, end of year (a)	63,312,147	58,877,182	56,769,871	55,710,766	53,062,838	48,030,895
Change in plan fiduciary net position						
Contributions – employer	2,667,614	2,453,865	2,455,778	3,272,268	1,796,218	1,685,684
Contributions – member	295,696	277,569	259,468	303,659	223,767	242,337
Net investment income	4,435,515	(1,360,225)	4,004,150	3,095,445	(420,230)	1,782,826
Benefit payments, including refunds of member contributions	(3,265,088)	(3,060,342)	(2,909,065)	(2,653,291)	(2,414,733)	(2,402,573)
Administrative expense	(75,740)	(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	4,057,997	(1,755,285)	3,746,909	3,956,781	(2,120,825)	1,240,548
Plan fiduciary net position, beginning of year	33,224,879	34,980,164	31,233,255	27,276,474	29,397,299	28,156,751
Plan fiduciary net position, end of year (b)	37,282,876	33,224,879	34,980,164	31,233,255	27,276,474	29,397,299
Net pension liability, end of year (a)-(b)	\$ 26,029,271	\$ 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	58.89%	56.43%	61.62%	56.06%	51.40%	61.20%
Covered payroll	\$ 5,661,513	\$ 6,229,970	\$ 6,037,621	\$ 5,897,647	\$ 5,732,327	\$ 5,555,438
Net pension liability as a percentage of covered payroll	459.76%	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%
9/30/2020	\$ 2,664,228	\$ 2,861,940	(197,712)	5,796,720	49.37%

**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)

	2020	2019	2018	2017	2016	2015
Change in total pension liability						
Service cost	\$ 38,312	\$ 37,610	\$ 48,532	\$ 47,489	\$ 36,106	\$ 40,728
Interest	207,409	200,339	265,662	254,241	187,817	232,437
Change in benefit terms	(119)	-	587	(545)	-	-
Differences between expected and actual experience	14,725	(2,409)	(71,536)	25,151	(11,226)	-
Changes in assumptions	90,638	-	-	-	151,384	-
Benefit payments, including refunds of member contributions	(215,515)	(191,797)	(181,797)	(178,595)	(131,851)	(127,594)
Other	-	-	-	-	-	(236)
Net change in total pension liability	135,450	43,743	61,448	147,741	232,230	145,335
Total pension liability, beginning of year	3,491,347	3,447,604	3,386,156	3,238,415	3,006,185	2,860,850
Total pension liability, end of year (a)	3,626,797	3,491,347	3,447,604	3,386,156	3,238,415	3,006,185
Change in plan fiduciary net position						
Contributions – employer	173,752	111,800	105,420	114,790	91,549	86,041
Contributions – member	28,244	25,376	27,289	25,132	24,237	23,982
Net investment income	309,695	(94,393)	287,973	227,136	(31,166)	134,124
Benefit payments, including refunds of member contributions	(215,515)	(191,797)	(181,797)	(178,595)	(131,851)	(127,594)
Administrative expense	(5,317)	(4,700)	(4,562)	(4,489)	(4,534)	(4,565)
Other	-	-	-	-	-	(9,984)
Net change in plan fiduciary net position	290,859	(153,714)	234,323	183,974	(51,765)	102,004
Plan fiduciary net position, beginning of year	2,270,978	2,424,692	2,190,369	2,006,395	2,058,160	1,956,156
Plan fiduciary net position, end of year (b)	2,561,837	2,270,978	2,424,692	2,190,369	2,006,395	2,058,160
Net pension liability, end of year (a)-(b)	\$ 1,064,960	\$ 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	70.64%	65.05%	70.33%	64.69%	61.96%	68.46%
Covered payroll	\$ 389,790	\$ 256,766	\$ 212,190	\$ 189,316	\$ 264,754	\$ 282,696
Net pension liability as a percentage of covered payroll	273.21%	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%
9/30/2020	126,120	183,704	(57,584)	519,592	35.36%

**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)

	2020	2019	2018	2017	2016	2015	2014
Change in total pension liability							
Service cost	\$ 1,042,143	\$ 980,498	\$ 922,981	\$ 902,641	\$ 935,088	\$ 1,363,210	\$ 1,205,537
Interest	3,243,320	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	(953,751)	230,811	(849,687)	1,606,199	(53,654)	-	-
Changes in assumptions	-	-	2,025,918	(426,851)	-	-	-
Benefit payments, including refunds of member contributions	(2,582,244)	(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	749,468	1,918,809	2,691,250	2,713,316	1,239,600	2,583,704	1,491,876
Total pension liability, beginning of year	48,819,235	46,900,426	44,209,176	41,495,860	40,256,260	37,672,556	36,180,680
Total pension liability, end of year (a)	49,568,703	48,819,235	46,900,426	44,209,176	41,495,860	40,256,260	37,672,556
Change in plan fiduciary net position							
Contributions - employer	1,778,792	1,626,480	1,560,811	1,489,696	1,465,489	1,347,814	1,586,190
Contributions - members	224,770	216,333	207,809	197,431	170,668	167,220	212,560
Net investment income	3,359,107	1,452,584	2,301,235	3,448,273	2,630,375	(272,058)	2,549,798
Benefit payments, including refunds of member contributions	(2,582,244)	(2,410,032)	(2,449,187)	(2,227,030)	(2,408,213)	(1,828,055)	(2,317,636)
Administrative expense	(19,306)	(19,179)	(20,179)	(19,482)	(14,327)	(9,084)	(22,430)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	2,761,119	866,186	1,600,489	2,888,888	1,843,992	(594,163)	2,008,482
Plan fiduciary net position, beginning of year	34,771,029	33,904,843	32,304,354	29,415,466	27,571,474	28,165,637	26,157,155
Plan fiduciary net position, end of year (b)	37,532,148	34,771,029	33,904,843	32,304,354	29,415,466	27,571,474	28,165,637
City's net pension liability, end of year (a)-(b)	<u>\$ 12,036,555</u>	<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	75.72%	71.22%	72.29%	73.07%	70.89%	68.49%	74.76%
Covered payroll	\$ 3,690,235	\$ 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	326.17%	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%
9/30/2020	1,778,792	1,778,792	-	3,963,876	44.88%

**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)

	2020	2019	2018	2017	2016	2015
Change in total pension liability						
Service cost	\$ 216,007	\$ 243,983	\$ 263,927	\$ 263,370	\$ 253,706	\$ 275,493
Interest	3,215,292	3,202,985	3,194,331	3,153,469	3,013,119	2,981,383
Change in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(642,954)	(27,628)	(147,591)	161,831	433,467	-
Changes in assumptions	1,344,399	-	-	-	2,151,921	-
Benefit payments, including refunds of member contributions	(3,246,137)	(3,256,943)	(3,128,036)	(3,008,305)	(2,914,389)	(2,808,219)
Other	-	-	-	-	1	1
Net change in total pension liability	886,607	162,397	182,631	570,365	2,937,825	448,658
Total pension liability, beginning of year	41,706,218	41,543,821	41,361,190	40,790,825	37,853,000	37,404,342
Total pension liability, end of year	42,592,825	41,706,218	41,543,821	41,361,190	40,790,825	37,853,000
Change in plan fiduciary net position						
Contributions – employer	3,152,985	4,366,887	4,605,575	2,874,280	2,541,239	2,071,376
Contributions – member	104,553	105,447	116,706	165,913	132,551	165,536
Net investment income	3,847,402	(1,175,116)	3,218,342	2,413,771	(324,962)	1,316,039
Benefit payments, including refunds of member contributions	(3,246,137)	(3,256,943)	(3,128,036)	(3,008,305)	(2,914,389)	(2,808,219)
Administrative expense	(66,316)	(56,324)	(50,670)	(47,663)	(47,681)	(48,283)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	3,792,487	(16,049)	4,761,917	2,397,996	(613,242)	696,449
Plan fiduciary net position, beginning of year	28,336,959	28,353,008	23,591,091	21,193,095	21,806,337	21,109,888
Plan fiduciary net position, end of year	32,129,446	28,336,959	28,353,008	23,591,091	21,193,095	21,806,337
Net pension liability, end of year	\$ 10,463,379	\$ 13,369,259	\$ 13,190,813	\$ 17,770,099	\$ 19,597,730	\$ 16,046,663
Plan fiduciary net position as a percentage of the total pension liability	75.43%	67.94%	68.25%	57.04%	51.96%	57.61%
Covered payroll	\$ 2,453,014	\$ 3,191,125	\$ 3,351,949	\$ 3,140,861	\$ 3,096,739	\$ 2,861,350
Net pension liability as a percentage of covered payroll	426.55%	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%
9/30/2020	1,696,824	3,152,985	(1,456,161)	2,453,014	128.54%

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	7.75%	7.75%	4.00%
9/30/2020	7.35%	7.35%	6.60%

City of Marquette Michigan
Required Supplementary Information

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

(Ultimately ten years will be displayed)

	2020	2019	2018
Change in total OPEB liability			
Service cost	\$ 71,444	\$ 62,583	\$ 102,520
Interest	336,366	316,299	266,247
Change in benefit terms		-	-
Differences between expected and actual experience	(58,676)	(276,093)	(34,706)
Changes in assumptions	1,088,300	621,649	(1,080,597)
Benefit payments, including refunds of member contributions	(320,257)	(309,059)	(320,638)
Other	-	-	-
Net change in total OPEB liability	<u>1,117,177</u>	<u>415,379</u>	<u>(1,067,174)</u>
Total OPEB liability, beginning of year	<u>7,353,651</u>	<u>6,938,272</u>	<u>8,005,446</u>
Total OPEB liability, end of year (a)	<u>8,470,828</u>	<u>7,353,651</u>	<u>6,938,272</u>
Change in plan fiduciary net position			
Contributions to OPEB trust	180,473	118,098	363,761
Contributions/benefits paid from general operation fund	320,257	309,059	320,638
Net investment income	54,035	12,517	1,527
Benefit payments, including refunds of member contributions	(320,257)	(309,059)	(320,638)
Administrative expense	(1,335)	(862)	(305)
Other	-	-	-
Net change in plan fiduciary net position	<u>233,173</u>	<u>129,753</u>	<u>364,983</u>
Plan fiduciary net position, beginning of year	<u>494,736</u>	<u>364,983</u>	<u>-</u>
Plan fiduciary net position, end of year (b)	<u>727,909</u>	<u>494,736</u>	<u>364,983</u>
Net OPEB liability, end of year (a)-(b)	<u><u>\$ 7,742,919</u></u>	<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	 8.59%	 6.73%	 5.26%
 Covered payroll	 \$ 5,796,720	 \$ 5,887,794	 \$ 6,037,621
 Net OPEB liability as a percentage of covered payroll	 133.57%	 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%
9/30/2020	320,257	500,730	(180,473)	5,796,720	8.64%

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)

	2020	2019	2018
Change in total OPEB liability			
Service cost	\$ 213,893	\$ 224,487	\$ 216,372
Interest	1,042,100	1,301,180	1,283,786
Change in benefit terms	(2,585,154)	-	-
Differences between expected and actual experience	(652,672)	-	-
Changes in assumptions	(501,268)	-	-
Benefit payments, including refunds of member contributions	(1,063,250)	(1,190,487)	(1,306,364)
Other	-	-	-
Net change in total OPEB liability	<u>(3,546,351)</u>	<u>335,180</u>	<u>193,794</u>
Total OPEB liability, beginning of year	<u>19,953,175</u>	<u>19,617,995</u>	<u>19,424,201</u>
Total OPEB liability, end of year (a)	<u>16,406,824</u>	<u>19,953,175</u>	<u>19,617,995</u>
Change in plan fiduciary net position			
Contributions – employer	1,347,539	3,290,487	4,306,364
Contributions – member	15,711	-	-
Net investment income	671,305	350,782	184,882
Benefit payments, including refunds of member contributions	(1,063,250)	(1,190,487)	(1,306,364)
Administrative expense	(19,423)	(17,378)	(15,234)
Other	-	-	-
Net change in plan fiduciary net position	<u>951,882</u>	<u>2,433,404</u>	<u>3,169,648</u>
Plan fiduciary net position, beginning of year	<u>10,360,226</u>	<u>7,926,822</u>	<u>4,757,174</u>
Plan fiduciary net position, end of year (b)	<u>11,312,108</u>	<u>10,360,226</u>	<u>7,926,822</u>
Net OPEB liability, end of year (a)-(b)	<u>\$ 5,094,716</u>	<u>\$ 9,592,949</u>	<u>\$ 11,691,173</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 68.95%	 51.92%	 40.41%
 Covered payroll	 \$ 6,055,138	 \$ 5,512,678	 \$ 5,313,424
 Net OPEB liability as a percentage of covered payroll	 84.14%	 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%
9/30/2020	680,949	1,363,250	(682,301)	6,055,138	22.51%

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, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 8,839,543	\$ 10,101,997
Investments	5,490,024	5,380,300
Receivables:		
Taxes:		
Current	1,331,456	525,163
Delinquent, net	47,231	18,066
Accounts	269,050	284,871
Special assessment	-	-
Due from other authorities	1,487,159	1,417,552
Due from other funds	-	1,051,597
Due from other governments	601,655	572,347
Inventories	511,572	320,719
Prepaid expenditures	302,227	402,714
TOTAL ASSETS	18,879,917	20,075,326
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 18,879,917	\$ 20,075,326
LIABILITIES		
Accounts payable	\$ 416,022	\$ 272,305
Accrued wages payable	437,040	298,431
Accrued compensated absences	701,645	684,690
Due to other governmental units	264	230
Due to other authorities	765,155	91,618
Customer deposits payable	37,036	27,600
TOTAL LIABILITIES	2,357,162	1,374,874
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	6,893,632	7,229,459
Special assessments	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	6,893,632	7,229,459
FUND BALANCE		
Non-spendable	813,799	723,433
Restricted	7,095	33,512
Assigned	63,781	1,012,771
Unassigned	8,744,448	9,701,277
TOTAL FUND BALANCE	9,629,123	11,470,993
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 18,879,917	\$ 20,075,326

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Property Taxes:				
Real property taxes	\$ 8,756,370	\$ 8,591,694	\$ (164,676)	\$ 8,527,568
Personal property taxes	663,900	701,203	37,303	708,616
Interest and penalty	25,000	20,431	(4,569)	5,613
Administrative collection fees	321,300	330,292	8,992	315,916
Total Property Taxes	9,766,570	9,643,620	(122,950)	9,557,713
Industrial Facilities Tax Act	13,340	67,341	54,001	12,623
Payments in Lieu of Taxes:				
MSHDA	-	24,453	24,453	-
Board of Light and Power	2,709,925	2,149,937	(559,988)	2,568,346
Public Housing Authority	-	-	-	-
Sault Tribe Housing Authority	-	3,000	3,000	-
Marquette Area Wastewater Treatment Facility	347,310	347,316	6	310,044
Grandview	-	11,732	11,732	9,874
Water Supply Fund	650,810	650,808	(2)	635,340
Sewage Disposal Fund	519,005	519,000	(5)	497,580
Total Payment in Lieu of Taxes	4,227,050	3,706,246	(520,804)	4,021,184
Federal and State Grants:				
UPSET	17,500	21,100	3,600	18,243
OJP - Bullet Proof Vests Program	-	-	-	-
USDT - CRLGG Cares Act	-	395,857	395,857	-
USDT - FRHPPP Cares Act	-	58,000	58,000	-
DNR - Snowmobile Grant	2,000	2,000	-	1,942
PI Bandshell Benches	-	-	-	12,750
MI Strategic Fund - Bach Festival Grant	-	-	-	640
MDNR - Father Marquette Park	-	140,000	140,000	-
MDEQ - SAW Grant	-	-	-	-
NOAA - Land Development Code	-	-	-	-
FEMA - Portable Radios	180,135	-	(180,135)	-
State Grant - Rec Authority	300,000	-	(300,000)	-
Council for Arts and Culture - State	22,000	12,750	(9,250)	22,500
Total Federal and State Grants	521,635	629,707	108,072	56,075
State-Shared Revenues:				
Fire protection - State facility	200,000	917,709	717,709	427,297
Sales and use tax	2,202,005	2,099,107	(102,898)	2,134,267
Liquor licenses	23,000	28,049	5,049	40,100
Total State-Shared Revenues	2,425,005	3,044,865	619,860	2,601,664

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, 2020

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

	2020			2019
	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	1,296	296	2,802
Total Intergovernmental Revenues	11,000	11,296	296	12,802
Licenses and Permits:				
Business licenses and permits	12,500	23,780	11,280	12,587
Non-business licenses and permits	35,115	62,219	27,104	49,077
Total Licenses and Permits	47,615	85,999	38,384	61,664
Charges for Services:				
Fees	334,605	325,000	(9,605)	356,839
Cemetery foundations and grave openings	48,545	42,555	(5,990)	52,900
Services to other funds	2,002,545	1,987,067	(15,478)	2,088,713
Total Charges for Services	2,385,695	2,354,622	(31,073)	2,498,452
Sales	34,605	40,881	6,276	55,248
Use and Admission Fees:				
Community Center use	24,500	12,097	(12,403)	26,282
Ballfields	16,100	1,775	(14,325)	14,351
Skiing use/passes	-	-	-	-
Parking fees	-	-	-	-
Art center and theater	-	-	-	-
Total use and Admission Fees	40,600	13,872	(26,728)	40,633
Fines and Forfeits	136,650	136,438	(212)	117,468
Rentals:				
Land and building rental	35,500	21,253	(14,247)	31,307
Parking rentals - lots	5,500	5,152	(348)	5,352
Equipment rent	41,000	34,333	(6,667)	38,828
Total Rentals	82,000	60,738	(21,262)	75,487

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, 2020
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2019

	2020			2019
	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	-	13,620	13,620	895,523
Contributions from Private Sources	338,000	108,824	(229,176)	80,545
Investment Income	200,000	162,161	(37,839)	392,541
Reimbursements	49,000	269,601	220,601	81,130
Other revenues	656,393	60,244	(596,149)	93,786
TOTAL REVENUES	20,935,158	20,410,075	(525,083)	20,654,538
EXPENDITURES:				
GENERAL GOVERNMENT:				
Central Administration:				
Personnel services	2,385,440	2,239,903	145,537	2,188,763
Supplies and contractual	935,745	850,545	85,200	626,733
Other services and charges	81,500	78,172	3,328	67,453
Capital outlay	-	-	-	-
Total Central Administration	3,402,685	3,168,620	234,065	2,882,949
Community Development:				
Personnel services	1,668,875	1,566,256	102,619	1,541,986
Supplies and contractual	258,005	215,398	42,607	231,094
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Total Community Development	1,926,880	1,781,654	145,226	1,773,080
Other General Government:				
Insurance and Bonds:				
Bond issuance costs	11,000	10,911	89	-
Other services and charges	84,950	84,925	25	82,873
Total Other General Government	95,950	95,836	114	82,873
TOTAL GENERAL GOVERNMENT	5,425,515	5,046,110	379,405	4,738,902

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
PUBLIC HEALTH AND SAFETY:				
Police Department:				
Personnel services	\$ 4,617,640	\$ 4,482,092	\$ 135,548	\$ 4,360,355
Supplies and contractual	539,240	701,059	(161,819)	684,272
Other services and charges	7,000	3,164	3,836	5,751
Capital outlay	-	-	-	-
Total Police Department	5,163,880	5,186,315	(22,435)	5,050,378
Fire Department:				
Personnel services	2,997,595	2,922,715	74,880	2,801,901
Supplies and contractual	741,618	518,151	223,467	381,076
Other services and charges	15,450	10,177	5,273	8,440
Capital outlay	-	4,768	(4,768)	17,328
Total Fire Department	3,754,663	3,455,811	298,852	3,208,745
Waterfront Safety:				
Personnel services	115,970	61,739	54,231	93,953
Supplies and contractual	18,850	18,366	484	19,589
Other services and charges	-	-	-	-
Capital outlay	-	-	-	10,382
Total Waterfront Safety	134,820	80,105	54,715	123,924
TOTAL PUBLIC HEALTH AND SAFETY	9,053,363	8,722,231	331,132	8,383,047
PUBLIC WORKS:				
Public Works Maintenance:				
Personnel services	2,378,535	2,265,157	113,378	2,090,043
Supplies and contractual	1,487,325	1,365,083	122,242	1,245,018
Other services and charges	-	-	-	-
Capital outlay	195,524	294,021	(98,497)	425,215
Total Public Works Maintenance	4,061,384	3,924,261	137,123	3,760,276
City Hall and Grounds:				
Personnel services	47,725	28,604	19,121	34,561
Supplies and contractual	255,137	198,738	56,399	198,464
Other services and charges	-	-	-	-
Capital outlay	15,000	-	15,000	15,226
Total City Hall and Grounds	317,862	227,342	90,520	248,251
Cemetery:				
Personnel services	138,350	112,787	25,563	142,101
Supplies and contractual	113,240	105,083	8,157	106,227
Other services and charges	-	-	-	-
Capital outlay	-	-	-	61,644
Total Cemetery	251,590	217,870	33,720	309,972
TOTAL PUBLIC WORKS	4,630,836	4,369,473	261,363	4,318,499

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, 2020

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

	2020			2019
	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	-	22,000
Capital outlay	-	-	-	-
Total Promotional Services	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Parks and Recreation Administration:				
Personnel services	311,380	298,628	12,752	283,771
Supplies and contractual	52,260	32,628	19,632	89,444
Other services and charges	-	-	-	-
Capital outlay	607,553	34,192	573,361	8,947
Total Parks and Recreation Administration	<u>971,193</u>	<u>365,448</u>	<u>605,745</u>	<u>382,162</u>
Arts and Cultural:				
Personnel services	162,410	153,306	9,104	142,733
Supplies and contractual	71,010	60,853	10,157	74,826
Other services and charges	3,500	3,755	(255)	12,825
Capital outlay	25,011	25,011	-	-
Total Arts and Cultural	<u>261,931</u>	<u>242,925</u>	<u>19,006</u>	<u>230,384</u>
TOTAL COMMUNITY SERVICES	<u>1,255,124</u>	<u>630,373</u>	<u>624,751</u>	<u>634,546</u>
TOTAL EXPENDITURES	<u>20,364,838</u>	<u>18,768,187</u>	<u>1,596,651</u>	<u>18,074,994</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>570,320</u>	<u>1,641,888</u>	<u>1,071,568</u>	<u>2,579,544</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	\$ 2,076,473	\$ 400,000	\$ (1,676,473)	\$ -
Premium on bond issuance	-	56,429	56,429	-
Transfers in:				
Cemetery Trust Fund	20,000	10,449	(9,551)	43,116
MSHDA Downtown Rental Fund	-	46,586	46,586	-
Local Development Finance Authority Fund	-	80,000	80,000	-
Transfers (out):				
Major Street and Trunkline Fund	(238,045)	(851,152)	(613,107)	(88,008)
Local Street Fund	(1,239,555)	(1,318,748)	(79,193)	(1,557,648)
Public Art Fund	(31,365)	(31,365)	-	(30,630)
Water Supply Fund	-	(207,937)	(207,937)	-
Lighthouse Park Fund	-	(67,620)	(67,620)	(20,681)
Lakeview Arena Fund	(231,465)	(231,465)	-	(615,379)
Energy Enhancements Fund	(562,548)	(562,548)	-	(1,086,141)
2007 Street Projects Debt Service Fund	-	-	-	-
2004 Spring Street Debt Service Fund	-	-	-	(82,873)
2003 Founders Landing Debt Service Fund	-	(268,909)	(268,909)	(1,164,211)
Forestland Debt Service Fund	-	-	-	(194,159)
High Street Debt Service Fund	(405)	(403)	2	(404)
2008 Street Projects Debt Service Fund	-	-	-	-
2009 Capital Improvements Debt Service Fund	-	-	-	(2,488)
2012 Capital Improvements Debt Service Fund	(930)	(929)	1	(936)
2014 Capital Improvements Debt Service Fund	(37,800)	(37,797)	3	(37,962)
2016 Capital Improvements Debt Service Fund	(146,365)	(317,711)	(171,346)	(315,692)
2017 Capital Improvements Debt Service Fund	(49,965)	(49,964)	1	(47,802)
2018 Capital Improvements Debt Service Fund	(128,350)	(128,350)	-	(131,654)
2019 Capital Improvements Debt Service Fund	-	(2,324)	(2,324)	-
Cemetery Trust Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(570,320)	(3,483,758)	(2,913,438)	(5,333,552)
CHANGES IN FUND BALANCE	-	(1,841,870)	(1,841,870)	(2,754,008)
Fund balance, beginning of year	11,470,993	11,470,993	-	14,225,001
FUND BALANCE, END OF YEAR	\$ 11,470,993	\$ 9,629,123	\$ (1,841,870)	\$ 11,470,993

CITY OF MARQUETTE, MICHIGAN
MAJOR STREET AND TRUNKLINE FUND
COMPARATIVE BALANCE SHEET
September 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 602,601	\$ 171,939
Accounts receivable	-	-
Due from State	154,297	148,957
Prepaid expenditures	-	524,298
TOTAL ASSETS	756,898	845,194
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 756,898	\$ 845,194
LIABILITIES		
Accounts payable	\$ 499,301	\$ 240,106
Accrued wages payable	9,045	7,094
Due to other funds	-	579,303
TOTAL LIABILITIES	508,346	826,503
DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCE		
Non-spendable	-	524,298
Restricted	248,552	(505,607)
TOTAL FUND BALANCE	248,552	18,691
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 756,898	\$ 845,194

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 2,047,965	\$ 2,035,382	\$ (12,583)	\$ 1,872,749
Charges for services	-	-	-	-
Reimbursements	-	63,441	63,441	303,953
Investment income	1,500	1,661	161	1,732
Other revenues	-	-	-	-
TOTAL REVENUES	2,049,465	2,100,484	51,019	2,178,434
EXPENDITURES:				
Highways, Streets and Bridges:				
Routine maintenance	688,720	541,139	147,581	671,216
Winter maintenance	759,660	683,913	75,747	896,845
State trunkline	55,725	46,770	8,955	48,601
Administration	130,000	129,996	4	129,996
Total Highways, Streets and Bridges	1,634,105	1,401,818	232,287	1,746,658
Capital Outlay:				
Construction	2,351,295	2,700,663	(349,368)	422,363
Total Capital Outlay	2,351,295	2,700,663	(349,368)	422,363
Debt Service:				
Bond issuance costs	-	45,286	(45,286)	-
TOTAL EXPENDITURES	3,985,400	4,147,767	(162,367)	2,169,021
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,935,935)	(2,047,283)	(111,348)	9,413
OTHER FINANCING SOURCES (USES):				
Bond issuance	2,339,625	1,640,000	(699,625)	-
Premium on bond issuance	-	233,282	233,282	-
Transfers in	238,045	851,152	613,107	88,008
Transfers (out)	(641,735)	(447,290)	194,445	(539,389)
TOTAL OTHER FINANCING SOURCES (USES)	1,935,935	2,277,144	341,209	(451,381)
CHANGES IN FUND BALANCE	-	229,861	229,861	(441,968)
Fund balance, beginning of year	18,691	18,691	-	460,659
FUND BALANCE, END OF YEAR	\$ 18,691	\$ 248,552	\$ 229,861	\$ 18,691

CITY OF MARQUETTE, MICHIGAN

LOCAL STREET FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 761,509	\$ 321,842
Accounts receivable	-	-
Due from State	52,941	51,472
Prepaid expenditures	<u>-</u>	<u>290,721</u>
TOTAL ASSETS	<u>814,450</u>	<u>664,035</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 814,450</u></u>	<u><u>\$ 664,035</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ -
Accounts payable	249,638	165,569
Accrued wages payable	7,573	8,259
Due to other funds	<u>-</u>	<u>472,294</u>
TOTAL LIABILITIES	<u>257,211</u>	<u>646,122</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	-	290,721
Restricted	<u>557,239</u>	<u>(272,808)</u>
TOTAL FUND BALANCE	<u>557,239</u>	<u>17,913</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 814,450</u></u>	<u><u>\$ 664,035</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 839,410	\$ 894,382	\$ 54,972	\$ 861,644
Reimbursements	-	13,000	13,000	-
Investment income	1,000	852	(148)	1,152
TOTAL REVENUES	840,410	908,234	67,824	862,796
EXPENDITURES:				
Highways, Streets and Bridges:				
Routine maintenance	638,160	570,390	67,770	545,587
Winter maintenance	806,445	792,762	13,683	808,225
Administration	42,000	42,000	-	42,000
Total Highways, Streets and Bridges	1,486,605	1,405,152	81,453	1,395,812
Capital Outlay:				
Construction	818,366	821,476	(3,110)	414,999
Total Capital Outlay	818,366	821,476	(3,110)	414,999
Debt Service:				
Bond issuance costs	31,500	31,242	258	-
TOTAL EXPENDITURES	2,336,471	2,257,870	78,601	1,810,811
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,496,061)	(1,349,636)	146,425	(948,015)
OTHER FINANCING SOURCES (USES):				
Bond issuance	919,940	1,125,000	205,060	-
Premium on bond issuance	-	160,982	160,982	-
Transfers in	1,280,411	1,318,748	38,337	1,557,648
Transfers (out)	(704,290)	(715,768)	(11,478)	(591,720)
TOTAL OTHER FINANCING SOURCES (USES)	1,496,061	1,888,962	392,901	965,928
CHANGES IN FUND BALANCE	-	539,326	539,326	17,913
Fund balance, beginning of year	17,913	17,913	-	-
FUND BALANCE, END OF YEAR	\$ 17,913	\$ 557,239	\$ 539,326	\$ 17,913

CITY OF MARQUETTE, MICHIGAN

CONSTRUCTION FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 574,487	\$ 620,674
Due from other authorities	490,799	440,850
Prepaid expenditures	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,065,286</u>	<u>1,061,524</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,065,286</u></u>	<u><u>\$ 1,061,524</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ -
Accounts payable	48,706	38,773
Accrued wages payable	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>48,706</u>	<u>38,773</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	-	-
Assigned	<u>1,016,580</u>	<u>1,022,751</u>
TOTAL FUND BALANCE	<u>1,016,580</u>	<u>1,022,751</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 1,065,286</u></u>	<u><u>\$ 1,061,524</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ 1,811	\$ 1,811	\$ 4,516
Sale of capital assets	-	-	-	-
Reimbursements	56,315	54,523	(1,792)	903,851
Other revenues	-	-	-	-
TOTAL REVENUES	56,315	56,334	19	908,367
EXPENDITURES:				
Capital Outlay:				
Construction	56,315	62,505	(6,190)	784,766
Public Works:				
Other supplies and charges	-	-	-	1,127,261
Total Capital Outlay	<u>56,315</u>	<u>62,505</u>	<u>(6,190)</u>	<u>1,912,027</u>
TOTAL EXPENDITURES	56,315	62,505	(6,190)	1,912,027
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(6,171)	(6,171)	(1,003,660)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	(6,171)	(6,171)	(1,003,660)
Fund balance, beginning of year	1,022,751	1,022,751	-	2,026,411
FUND BALANCE, END OF YEAR	\$ 1,022,751	\$ 1,016,580	\$ (6,171)	\$ 1,022,751

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.

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.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

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.

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.

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.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

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.

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 DEBT SERVICE FUND: This fund was established in 2018 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2018. These bonds, totaling \$6,440,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, sidewalk extensions and improvements, Picnic Rocks parking lot & Shiras Park repairs, Presque Isle Band Shell gravel road upgrade and Eagle Drive paving.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

2019 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2019 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2019. These bonds, totaling \$4,565,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, and Presque Isle Marina dock improvements.

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, 2020

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
ASSETS				
Cash and cash equivalents	\$ 4,378,315	\$ -	\$ 340,352	\$ 4,718,667
Investments	-	-	545,652	545,652
Taxes receivable	59,683	-	-	59,683
Accounts receivable	298,739	-	-	298,739
Due from other authorities	-	-	-	-
Due from other funds	-	-	-	-
Due from State	1,791	-	-	1,791
Prepaid expenditures	26,784	-	-	26,784
TOTAL ASSETS	4,765,312	-	886,004	5,651,316
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,765,312	\$ -	\$ 886,004	\$ 5,651,316
LIABILITIES				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	165,007	-	-	165,007
Accrued wages payable	34,712	-	-	34,712
Accrued compensated absences	2,582	-	-	2,582
TOTAL LIABILITIES	202,301	-	-	202,301
DEFERRED INFLOWS OR RESOURCES	908,667	-	-	908,667
FUND BALANCE				
Non-spendable	26,784	-	886,004	912,788
Restricted	2,878,097	-	-	2,878,097
Assigned	749,463	-	-	749,463
TOTAL FUND BALANCE	3,654,344	-	886,004	4,540,348
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 4,765,312	\$ -	\$ 886,004	\$ 5,651,316

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, 2020

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
REVENUES:				
Taxes and penalties	\$ 987,635	\$ -	\$ -	\$ 987,635
State sources	42,658	-	-	42,658
Charge for services	2,127,554	-	20,175	2,147,729
Use and admission fees	404,382	-	-	404,382
Rentals	69,213	-	-	69,213
Licenses and permits	-	-	-	-
Fines and forfeiture	-	-	-	-
Sales of assets	-	-	-	-
Reimbursements	4,225	-	-	4,225
Investment income	6,285	-	10,449	16,734
Payment in lieu of taxes	-	-	-	-
Private contribution	721,965	-	-	721,965
Intergovernmental revenues	388,675	-	-	388,675
Special assessments	-	-	-	-
Other revenues	6,376	-	-	6,376
TOTAL REVENUES	4,758,968	-	30,624	4,789,592
EXPENDITURES:				
Current operations:				
General government	690,566	-	-	690,566
Public health and safety	4,035	-	-	4,035
Public works	-	-	-	-
Social services	709,284	-	-	709,284
Sanitation services	1,967,031	-	-	1,967,031
Community services	660,218	-	-	660,218
Capital outlay	190,414	-	-	190,414
Debt service:				
Professional services	4,568	-	-	4,568
Principal payments	-	1,737,981	-	1,737,981
Interest and fiscal charges	-	558,281	-	558,281
TOTAL EXPENDITURES	4,226,116	2,296,262	-	6,522,378
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	532,852	(2,296,262)	30,624	(1,732,786)
OTHER FINANCING SOURCES (USES):				
Bond issuance	175,000	-	-	175,000
Premium on bond issuance	27,679	-	-	27,679
Transfers in	262,830	2,296,262	-	2,559,092
Transfers (out)	(971,501)	-	(10,449)	(981,950)
TOTAL OTHER FINANCING SOURCES (USES)	(505,992)	2,296,262	(10,449)	1,779,821
CHANGES IN FUND BALANCE	26,860	-	20,175	47,035
Fund balance, beginning of year	3,627,484	-	865,829	4,493,313
FUND BALANCE, END OF YEAR	\$ 3,654,344	\$ -	\$ 886,004	\$ 4,540,348

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

September 30, 2020

	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	\$ 85,571	\$ 600,695	\$ 763,946	\$ 5,205	\$ 15,360	\$ -	\$ 1,170,708	\$ 851,680	\$ 767	\$ 833,728	\$ 50,655	\$ 4,378,315
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	46,263	-	-	-	-	-	-	13,420	-	59,683
Accounts receivable	-	168,440	95,370	5,644	-	-	-	-	-	10,623	18,662	298,739
Due from other authorities	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from State	-	-	-	-	-	-	-	-	1,791	-	-	1,791
Prepaid expenditures	-	-	-	230	-	-	-	-	-	5,830	20,724	26,784
TOTAL ASSETS	85,571	769,135	905,579	11,079	15,360	-	1,170,708	851,680	2,558	863,601	90,041	4,765,312
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 85,571	\$ 769,135	\$ 905,579	\$ 11,079	\$ 15,360	\$ -	\$ 1,170,708	\$ 851,680	\$ 2,558	\$ 863,601	\$ 90,041	\$ 4,765,312
LIABILITIES												
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	4,102	133,506	-	-	-	-	-	-	-	6,026	21,373	165,007
Accrued wages payable	-	2,461	-	-	-	-	-	-	-	21,715	10,536	34,712
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	2,582	2,582
TOTAL LIABILITIES	4,102	135,967	-	-	-	-	-	-	-	27,741	34,491	202,301
DEFERRED INFLOWS OR RESOURCES												
Taxes levied for a subsequent period	-	-	747,625	-	-	-	-	-	-	161,042	-	908,667
FUND BALANCE												
Non-spendable	-	-	-	230	-	-	-	-	-	5,830	20,724	26,784
Restricted	-	-	157,954	10,849	15,360	-	1,170,708	851,680	2,558	668,988	-	2,878,097
Assigned	81,469	633,168	-	-	-	-	-	-	-	-	34,826	749,463
TOTAL FUND BALANCE	81,469	633,168	157,954	11,079	15,360	-	1,170,708	851,680	2,558	674,818	55,550	3,654,344
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 85,571	\$ 769,135	\$ 905,579	\$ 11,079	\$ 15,360	\$ -	\$ 1,170,708	\$ 851,680	\$ 2,558	\$ 863,601	\$ 90,041	\$ 4,765,312

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, 2020

	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	\$ -	\$ -	\$ 765,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,957	\$ -	\$ 987,635
State sources	-	-	-	-	-	-	-	-	4,090	38,568	-	42,658
Charge for services	-	2,103,628	-	22,541	-	-	-	-	-	-	1,385	2,127,554
Use and admission fees	-	-	-	-	-	-	-	-	-	-	404,382	404,382
Rentals	-	-	-	-	-	-	-	-	-	-	69,213	69,213
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-	-	-	-	-
Sales of assets	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	4,225	4,225
Investment income	120	734	286	17	20	-	2,443	1,285	1	1,041	338	6,285
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-
Private contribution	-	-	-	-	-	-	500,000	200,000	-	21,965	-	721,965
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	388,675	-	388,675
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	3,759	-	-	-	-	-	-	-	2,352	265	6,376
TOTAL REVENUES	120	2,108,121	765,964	22,558	20	-	502,443	201,285	4,091	674,558	479,808	4,758,968
EXPENDITURES:												
Current operations:												
General government	-	-	684,026	6,540	-	-	-	-	-	-	-	690,566
Public health and safety	-	-	-	-	-	-	-	-	4,035	-	-	4,035
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-	709,284	-	709,284
Sanitation services	-	1,967,031	-	-	-	-	-	-	-	-	-	1,967,031
Community services	3,450	-	-	-	-	-	-	-	-	-	656,768	660,218
Capital outlay	7,202	-	-	-	-	-	96,846	42,985	-	-	43,381	190,414
Debt service:												
Professional services	-	-	-	-	-	-	-	-	-	-	4,568	4,568
Principal payments	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	10,652	1,967,031	684,026	6,540	-	-	96,846	42,985	4,035	709,284	704,717	4,226,116
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,532)	141,090	81,938	16,018	20	-	405,597	158,300	56	(34,726)	(224,909)	532,852
OTHER FINANCING SOURCES (USES):												
Bond issuance	-	-	-	-	-	-	-	-	-	-	175,000	175,000
Premium on bond issuance	-	-	-	-	-	-	-	-	-	-	27,679	27,679
Transfers in	31,365	-	-	-	-	-	-	-	-	-	231,465	262,830
Transfers (out)	-	-	(80,000)	(15,000)	-	(46,586)	(482,821)	(78,196)	-	-	(268,898)	(971,501)
TOTAL OTHER FINANCING SOURCES (USES)	31,365	-	(80,000)	(15,000)	-	(46,586)	(482,821)	(78,196)	-	-	165,246	(505,992)
CHANGES IN FUND BALANCE	20,833	141,090	1,938	1,018	20	(46,586)	(77,224)	80,104	56	(34,726)	(59,663)	26,860
Fund balance, beginning 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
FUND BALANCE, END OF YEAR	\$ 81,469	\$ 633,168	\$ 157,954	\$ 11,079	\$ 15,360	\$ -	\$ 1,170,708	\$ 851,680	\$ 2,558	\$ 674,818	\$ 55,550	\$ 3,654,344

CITY OF MARQUETTE, MICHIGAN

PUBLIC ART FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 85,571	\$ 60,636
Accounts receivable	-	-
Due from other funds	-	-
TOTAL ASSETS	85,571	60,636
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 85,571	\$ 60,636
LIABILITIES		
Accounts payable	\$ 4,102	\$ -
Accrued wages payable	-	-
TOTAL LIABILITIES	4,102	-
DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCE		
Assigned	81,469	60,636
TOTAL FUND BALANCE	81,469	60,636
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 85,571	\$ 60,636

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment income	-	120	120	98
Other revenues	-	-	-	-
TOTAL REVENUES	-	120	120	98
EXPENDITURES:				
Community Services:				
Personnel services	-	-	-	-
Supplies and contractual	2,500	3,450	(950)	92
Total Community Services	2,500	3,450	(950)	92
Capital outlay	28,865	7,202	21,663	-
TOTAL EXPENDITURES	31,365	10,652	20,713	92
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,365)	(10,532)	20,833	6
OTHER FINANCING SOURCES (USES):				
Transfers in	31,365	31,365	-	30,630
TOTAL OTHER FINANCING SOURCES (USES)	31,365	31,365	-	30,630
CHANGES IN FUND BALANCE	-	20,833	20,833	30,636
Fund balance, beginning of year	60,636	60,636	-	30,000
FUND BALANCE, END OF YEAR	\$ 60,636	\$ 81,469	\$ 20,833	\$ 60,636

CITY OF MARQUETTE, MICHIGAN

SANITATION FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 600,695	\$ 449,702
Accounts receivable	168,440	193,627
Due from other funds	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>769,135</u>	<u>643,329</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 769,135</u></u>	<u><u>\$ 643,329</u></u>
LIABILITIES		
Accounts payable	\$ 133,506	\$ 146,761
Accrued wages payable	<u>2,461</u>	<u>4,490</u>
TOTAL LIABILITIES	<u>135,967</u>	<u>151,251</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Assigned	<u>633,168</u>	<u>492,078</u>
TOTAL FUND BALANCE	<u>633,168</u>	<u>492,078</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 769,135</u></u>	<u><u>\$ 643,329</u></u>

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ -
Charges for services	2,336,670	2,103,628	(233,042)	1,772,813
Investment income	800	734	(66)	859
Other revenues	5,500	3,759	(1,741)	8,188
TOTAL REVENUES	<u>2,342,970</u>	<u>2,108,121</u>	<u>(234,849)</u>	<u>1,781,860</u>
EXPENDITURES:				
Sanitation Services:				
Personnel services	196,065	206,982	(10,917)	193,708
Supplies and contractual	2,146,905	1,760,049	386,856	1,615,569
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	<u>2,342,970</u>	<u>1,967,031</u>	<u>375,939</u>	<u>1,809,277</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>141,090</u>	<u>141,090</u>	<u>(27,417)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>141,090</u>	<u>141,090</u>	<u>(27,417)</u>
Fund balance, beginning of year	492,078	492,078	-	519,495
FUND BALANCE, END OF YEAR	<u>\$ 492,078</u>	<u>\$ 633,168</u>	<u>\$ 141,090</u>	<u>\$ 492,078</u>

CITY OF MARQUETTE, MICHIGAN

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 763,946	\$ 572,651
Taxes receivable	46,263	45,745
Accounts receivable	<u>95,370</u>	<u>95,370</u>
TOTAL ASSETS	<u>905,579</u>	<u>713,766</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 905,579</u></u>	<u><u>\$ 713,766</u></u>
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued wages payable	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	<u>747,625</u>	<u>557,750</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>747,625</u>	<u>557,750</u>
FUND BALANCE		
Restricted	<u>157,954</u>	<u>156,016</u>
TOTAL FUND BALANCE	<u>157,954</u>	<u>156,016</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 905,579</u></u>	<u><u>\$ 713,766</u></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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Taxes and penalties	\$ 764,205	\$ 765,678	\$ 1,473	\$ 532,667
Investment income	-	286	286	223
Other revenues	-	-	-	4,676
TOTAL REVENUES	<u>764,205</u>	<u>765,964</u>	<u>1,759</u>	<u>537,566</u>
EXPENDITURES:				
General Government:				
Supplies and contractual	<u>684,205</u>	<u>684,026</u>	<u>179</u>	<u>530,545</u>
TOTAL EXPENDITURES	<u>684,205</u>	<u>684,026</u>	<u>179</u>	<u>530,545</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>80,000</u>	<u>81,938</u>	<u>1,938</u>	<u>7,021</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>1,938</u>	<u>1,938</u>	<u>7,021</u>
Fund balance, beginning of year	<u>156,016</u>	<u>156,016</u>	<u>-</u>	<u>148,995</u>
FUND BALANCE, END OF YEAR	<u>\$ 156,016</u>	<u>\$ 157,954</u>	<u>\$ 1,938</u>	<u>\$ 156,016</u>

CITY OF MARQUETTE, MICHIGAN

PUBLIC EDUCATION GOVERNMENT (PEG) FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 5,205	\$ 37,797
Accounts receivable	5,644	5,543
Prepaid expenditures	<u>230</u>	<u>230</u>
TOTAL ASSETS	<u>11,079</u>	<u>43,570</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 11,079</u></u>	<u><u>\$ 43,570</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ -
Accounts payable	<u>-</u>	<u>33,509</u>
TOTAL LIABILITIES	<u>-</u>	<u>33,509</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	230	230
Restricted	<u>10,849</u>	<u>9,831</u>
TOTAL FUND BALANCE	<u>11,079</u>	<u>10,061</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 11,079</u></u>	<u><u>\$ 43,570</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Charges for services	\$ 23,200	\$ 22,541	\$ (659)	\$ 22,670
Investment income	-	17	17	-
Other revenues	-	-	-	-
TOTAL REVENUES	23,200	22,558	(642)	22,670
EXPENDITURES:				
General Government:				
Supplies and contractual	23,200	6,540	16,660	12,561
Other supplies and charges	-	-	-	-
Total Sanitation Services	23,200	6,540	16,660	12,561
Capital outlay	-	-	-	100,535
TOTAL EXPENDITURES	23,200	6,540	16,660	113,096
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	16,018	16,018	(90,426)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	100,000
Transfers (out)	-	(15,000)	(15,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(15,000)	(15,000)	100,000
CHANGES IN FUND BALANCE	-	1,018	1,018	9,574
Fund balance, beginning of year	10,061	10,061	-	487
FUND BALANCE, END OF YEAR	\$ 10,061	\$ 11,079	\$ 1,018	\$ 10,061

CITY OF MARQUETTE, MICHIGAN

DRUG FORFEITURE FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 15,360	\$ 15,340
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>15,360</u>	<u>15,340</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 15,360</u></u>	<u><u>\$ 15,340</u></u>
LIABILITIES		
Cash overdraft	\$ -	\$ -
Accounts payable	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	<u>15,360</u>	<u>15,340</u>
TOTAL FUND BALANCE	<u>15,360</u>	<u>15,340</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 15,360</u></u>	<u><u>\$ 15,340</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Fines and forfeiture	\$ 500	\$ -	\$ (500)	\$ -
Investment income	5	20	15	31
Other revenues	-	-	-	-
TOTAL REVENUES	505	20	(485)	31
EXPENDITURES:				
Public Health and Safety:				
Supplies and contractual	505	-	505	-
Other supplies and charges	-	-	-	-
Total Public Health and Safety	505	-	505	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	505	-	505	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	20	20	31
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	20	20	31
Fund balance, beginning of year	15,340	15,340	-	15,309
FUND BALANCE, END OF YEAR	\$ 15,340	\$ 15,360	\$ 20	\$ 15,340

CITY OF MARQUETTE, MICHIGAN

MSHDA DOWNTOWN RENTAL FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 46,586
Accounts receivable	-	-
Due from State	-	-
	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>-</u>	<u>46,586</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ 46,586</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	-	46,586
	<u>-</u>	<u>46,586</u>
TOTAL FUND BALANCE	<u>-</u>	<u>46,586</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ -</u>	<u>\$ 46,586</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ 14	\$ -	\$ (14)	\$ 86
TOTAL REVENUES	14	-	(14)	86
EXPENDITURES:				
Community Development:				
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14	-	(14)	86
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(46,600)	(46,586)	14	-
TOTAL OTHER FINANCING SOURCES (USES)	(46,600)	(46,586)	14	-
CHANGES IN FUND BALANCE	(46,586)	(46,586)	-	86
Fund balance, beginning of year	46,586	46,586	-	46,500
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ 46,586

CITY OF MARQUETTE, MICHIGAN

ROAD MAINTENANCE FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,170,708	\$ 1,247,932
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,170,708</u>	<u>1,247,932</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,170,708</u></u>	<u><u>\$ 1,247,932</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>1,170,708</u>	<u>1,247,932</u>
TOTAL FUND BALANCE	<u>1,170,708</u>	<u>1,247,932</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 1,170,708</u></u>	<u><u>\$ 1,247,932</u></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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ 2,000	\$ 2,443	\$ 443	\$ 4,713
Private contribution	500,000	500,000	-	500,000
Other revenues	-	-	-	-
TOTAL REVENUES	502,000	502,443	443	504,713
EXPENDITURES:				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	290,430	-	290,430	-
Total Public Works	290,430	-	290,430	-
Capital outlay	-	96,846	(96,846)	278,235
TOTAL EXPENDITURES	290,430	96,846	193,584	278,235
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	211,570	405,597	194,027	226,478
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(211,570)	(482,821)	(271,251)	(212,733)
TOTAL OTHER FINANCING SOURCES (USES)	(211,570)	(482,821)	(271,251)	(212,733)
CHANGES IN FUND BALANCE	-	(77,224)	(77,224)	13,745
Fund balance, beginning of year	1,247,932	1,247,932	-	1,234,187
FUND BALANCE, END OF YEAR	\$ 1,247,932	\$ 1,170,708	\$ (77,224)	\$ 1,247,932

CITY OF MARQUETTE, MICHIGAN
ROAD SAFETY IMPROVEMENT FUND
COMPARATIVE BALANCE SHEET
September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 851,680	\$ 771,576
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>851,680</u>	<u>771,576</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 851,680</u></u>	<u><u>\$ 771,576</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>851,680</u>	<u>771,576</u>
TOTAL FUND BALANCE	<u>851,680</u>	<u>771,576</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 851,680</u></u>	<u><u>\$ 771,576</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ 300	\$ 1,285	\$ 985	\$ 1,817
Private contribution	200,000	200,000	-	200,000
Other revenues	-	-	-	-
TOTAL REVENUES	200,300	201,285	985	201,817
EXPENDITURES:				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	176,790	-	176,790	-
Total Public Works	176,790	-	176,790	-
Capital outlay	-	42,985	(42,985)	49,130
TOTAL EXPENDITURES	176,790	42,985	133,805	49,130
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,510	158,300	134,790	152,687
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(23,510)	(78,196)	(54,686)	(23,637)
TOTAL OTHER FINANCING SOURCES (USES)	(23,510)	(78,196)	(54,686)	(23,637)
CHANGES IN FUND BALANCE	-	80,104	80,104	129,050
Fund balance, beginning of year	771,576	771,576	-	642,526
FUND BALANCE, END OF YEAR	\$ 771,576	\$ 851,680	\$ 80,104	\$ 771,576

CITY OF MARQUETTE, MICHIGAN

CRIMINAL JUSTICE TRAINING FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 767	\$ 150
Due from State	<u>1,791</u>	<u>2,952</u>
TOTAL ASSETS	<u>2,558</u>	<u>3,102</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 2,558</u></u>	<u><u>\$ 3,102</u></u>
LIABILITIES		
Accounts payable	<u>\$ -</u>	<u>\$ 600</u>
TOTAL LIABILITIES	<u>-</u>	<u>600</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	<u>2,558</u>	<u>2,502</u>
TOTAL FUND BALANCE	<u>2,558</u>	<u>2,502</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 2,558</u></u>	<u><u>\$ 3,102</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 6,400	\$ 4,090	\$ (2,310)	\$ 5,564
Investment income	-	1	1	2
Other revenues	-	-	-	-
TOTAL REVENUES	6,400	4,091	(2,309)	5,566
EXPENDITURES:				
Public Health and Safety:				
Supplies and contractual	6,400	4,035	2,365	6,400
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	6,400	4,035	2,365	6,400
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	56	56	(834)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	56	56	(834)
Fund balance, beginning of year	2,502	2,502	-	3,336
FUND BALANCE, END OF YEAR	\$ 2,502	\$ 2,558	\$ 56	\$ 2,502

CITY OF MARQUETTE, MICHIGAN

SENIOR SERVICES FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 833,728	\$ 879,789
Taxes receivable	13,420	11,196
Accounts receivable	10,623	-
Prepaid expenditures	<u>5,830</u>	<u>8,529</u>
TOTAL ASSETS	<u>863,601</u>	<u>899,514</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 863,601</u></u>	<u><u>\$ 899,514</u></u>
LIABILITIES		
Accounts payable	\$ 6,026	\$ 5,827
Accrued wages payable	<u>21,715</u>	<u>15,740</u>
TOTAL LIABILITIES	<u>27,741</u>	<u>21,567</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	<u>161,042</u>	<u>168,403</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>161,042</u>	<u>168,403</u>
FUND BALANCE		
Non-spendable	5,830	8,529
Restricted	<u>668,988</u>	<u>701,015</u>
TOTAL FUND BALANCE	<u>674,818</u>	<u>709,544</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 863,601</u></u>	<u><u>\$ 899,514</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Property Taxes:				
Real property tax	\$ 211,220	\$ 207,396	\$ (3,824)	\$ 204,430
Personal property tax	13,800	12,513	(1,287)	14,667
Interest and penalty on taxes	400	478	78	84
Administrative collection fees	-	-	-	-
Total Property Taxes	<u>225,420</u>	<u>220,387</u>	<u>(5,033)</u>	<u>219,181</u>
Industrial Facilities Tax	<u>310</u>	<u>1,570</u>	<u>1,260</u>	<u>296</u>
State sources	71,265	38,568	(32,697)	80,657
Investment income	275	1,041	766	1,576
Private contribution	30,500	21,965	(8,535)	35,011
Intergovernmental revenues	381,700	388,675	6,975	381,230
Other revenues	24,380	2,352	(22,028)	737
TOTAL REVENUES	<u>733,850</u>	<u>674,558</u>	<u>(59,292)</u>	<u>718,688</u>
EXPENDITURES:				
Social Services:				
State Home Care Service:				
Personnel services	73,330	54,998	18,332	95,757
Supplies and contractual	9,600	10,101	(501)	9,589
Other supplies and charges	-	-	-	-
Total State Home Care Service	<u>82,930</u>	<u>65,099</u>	<u>17,831</u>	<u>105,346</u>
MCCOA - Allocation to Senior Services:				
Personnel services	545,770	552,836	(7,066)	480,522
Supplies and contractual	86,150	73,772	12,378	78,689
Other supplies and charges	19,000	17,577	1,423	15,418
Total MCCOA - allocation to Senior Services	<u>650,920</u>	<u>644,185</u>	<u>6,735</u>	<u>574,629</u>
TOTAL EXPENDITURES	<u>733,850</u>	<u>709,284</u>	<u>24,566</u>	<u>679,975</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(34,726)</u>	<u>(34,726)</u>	<u>38,713</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>(34,726)</u>	<u>(34,726)</u>	<u>38,713</u>
Fund balance, beginning of year	<u>709,544</u>	<u>709,544</u>	<u>-</u>	<u>670,831</u>
FUND BALANCE, END OF YEAR	<u>\$ 709,544</u>	<u>\$ 674,818</u>	<u>\$ (34,726)</u>	<u>\$ 709,544</u>

CITY OF MARQUETTE, MICHIGAN

LAKEVIEW ARENA FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 50,655	\$ 135,546
Accounts receivable	18,662	7,054
Prepaid expenditures	<u>20,724</u>	<u>19,473</u>
TOTAL ASSETS	<u>90,041</u>	<u>162,073</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 90,041</u></u>	<u><u>\$ 162,073</u></u>
LIABILITIES		
Accounts payable	\$ 21,373	\$ 32,779
Accrued wages payable	10,536	12,021
Accrued compensated absences	<u>2,582</u>	<u>2,060</u>
TOTAL LIABILITIES	<u>34,491</u>	<u>46,860</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	20,724	19,473
Assigned	<u>34,826</u>	<u>95,740</u>
TOTAL FUND BALANCE	<u>55,550</u>	<u>115,213</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 90,041</u></u>	<u><u>\$ 162,073</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ -
Charges for services	3,900	1,385	(2,515)	8,014
Use and admission fees:				
Ice arena use	399,000	390,220	(8,780)	342,500
Arena events	32,000	14,162	(17,838)	34,411
Total use and admission fees	431,000	404,382	(26,618)	376,911
Rentals	72,000	69,213	(2,787)	65,372
Sale of assets	-	-	-	-
Reimbursements	95,810	4,225	(91,585)	8,747
Investment income	1,970	338	(1,632)	565
Other revenues	156,515	265	(156,250)	250
TOTAL REVENUES	761,195	479,808	(281,387)	459,859
EXPENDITURES:				
Community Services:				
Personnel services	199,055	168,690	30,365	197,965
Supplies and contractual	459,615	488,078	(28,463)	529,363
Other supplies and charges	5,000	-	5,000	-
Total Community Services	663,670	656,768	6,902	727,328
Capital outlay	260,000	43,381	216,619	14,010
TOTAL EXPENDITURES	923,670	700,149	223,521	741,338
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(162,475)	(220,341)	(57,866)	(281,479)
OTHER FINANCING SOURCES (USES):				
Bond issuance	200,000	175,000	(25,000)	-
Premium on bond issuance	-	27,679	27,679	-
Bond issuance expense	-	(4,568)	(4,568)	-
Transfers in	231,465	231,465	-	615,379
Transfers (out)	(268,990)	(268,898)	92	(412,532)
TOTAL OTHER FINANCING SOURCES (USES)	162,475	160,678	(1,797)	202,847
CHANGES IN FUND BALANCE	-	(59,663)	(59,663)	(78,632)
Fund balance, beginning of year	115,213	115,213	-	193,845
FUND BALANCE, END OF YEAR	\$ 115,213	\$ 55,550	\$ (59,663)	\$ 115,213

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

September 30, 2020

	High Street 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	2019 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, 2020

	High Street 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	2019 Capital Improve- ments Fund	Total
REVENUES:															
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURES:															
Debt Service:															
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments	11,141	-	-	70,000	79,920	68,200	265,000	77,400	68,800	402,210	490,310	-	205,000	-	1,737,981
Interest and fiscal changes	1,740	-	-	23,245	23,276	19,296	3,909	35,991	11,968	126,068	212,504	-	82,750	17,534	558,281
TOTAL EXPENDITURES	12,881	-	-	93,245	103,196	87,496	268,909	113,391	80,768	528,278	702,814	-	287,750	17,534	2,296,262
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,881)	-	-	(93,245)	(103,196)	(87,496)	(268,909)	(113,391)	(80,768)	(528,278)	(702,814)	-	(287,750)	(17,534)	(2,296,262)
OTHER FINANCING SOURCES (USES):															
Transfers in	12,881	-	-	93,245	103,196	87,496	268,909	113,391	80,768	528,278	702,814	-	287,750	17,534	2,296,262
TOTAL OTHER FINANCING SOURCES (USES)	12,881	-	-	93,245	103,196	87,496	268,909	113,391	80,768	528,278	702,814	-	287,750	17,534	2,296,262
CHANGES IN FUND BALANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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, 2020

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

	2020			2019
	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	11,010	11,141	(131)	11,006
Interest and fiscal charges	1,830	1,740	90	1,919
TOTAL EXPENDITURES	<u>12,840</u>	<u>12,881</u>	<u>(41)</u>	<u>12,925</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,840)</u>	<u>(12,881)</u>	<u>41</u>	<u>(12,925)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	405	403	(2)	404
Local Street Fund	12,435	12,478	43	12,521
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,840</u>	<u>12,881</u>	<u>41</u>	<u>12,925</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

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, 2020

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

	2020			2019
	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	-	-	-	82,873
TOTAL EXPENDITURES	-	-	-	82,873
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(82,873)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	-	-	-	82,873
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	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, 2020

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

	2020			2019
	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
Interest and fiscal charges	-	-	-	11,300
TOTAL EXPENDITURES	-	-	-	262,390
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(262,390)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	-	-	-	2,488
Major Street and Trunkline Fund	-	-	-	113,164
Local Street Fund	-	-	-	50,363
Lakeview Arena Fund	-	-	-	96,375
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	262,390
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

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, 2020

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

	2020			2019
	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	70,000	70,000	-	68,000
Interest and fiscal charges	23,250	23,245	5	25,315
TOTAL EXPENDITURES	93,250	93,245	5	93,315
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(93,250)	(93,245)	(5)	(93,315)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	34,970	34,967	(3)	34,993
Local Street Fund	58,280	58,278	(2)	58,322
TOTAL OTHER FINANCING SOURCES (USES)	93,250	93,245	(5)	93,315
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

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, 2020

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

	2020			2019
	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	79,920	79,920	-	78,255
Interest and fiscal charges	23,280	23,276	4	25,649
TOTAL EXPENDITURES	103,200	103,196	4	103,904
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(103,200)	(103,196)	(4)	(103,904)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	930	929	(1)	936
Major Street and Trunkline Fund	36,880	36,878	(2)	37,131
Local Street Fund	65,390	65,389	(1)	65,837
TOTAL OTHER FINANCING SOURCES (USES)	103,200	103,196	(4)	103,904
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, 2020

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

	2020			2019
	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	68,200	68,200	-	66,650
Interest and fiscal charges	19,300	19,296	4	21,285
TOTAL EXPENDITURES	87,500	87,496	4	87,935
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(87,500)	(87,496)	(4)	(87,935)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	53,630	53,627	(3)	53,896
Local Street Fund	33,870	33,869	(1)	34,039
TOTAL OTHER FINANCING SOURCES (USES)	87,500	87,496	(4)	87,935
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

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, 2020

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

	2020			2019
	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	265,000	265,000	-	1,100,000
Interest and fiscal charges	3,910	3,909	1	64,210
TOTAL EXPENDITURES	268,910	268,909	1	1,164,210
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(268,910)	(268,909)	(1)	(1,164,210)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	268,910	268,909	(1)	1,164,210
TOTAL OTHER FINANCING SOURCES (USES)	268,910	268,909	(1)	1,164,210
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

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, 2020

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

	2020			2019
	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	77,400	77,400	-	75,600
Interest and fiscal charges	36,000	35,991	9	38,286
TOTAL EXPENDITURES	113,400	113,391	9	113,886
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(113,400)	(113,391)	(9)	(113,886)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	37,800	37,797	(3)	37,962
Major Street and Trunkline Fund	25,200	25,198	(2)	25,308
Local Street Fund	47,250	47,246	(4)	47,453
Lakeview Arena Fund	3,150	3,150	-	3,163
TOTAL OTHER FINANCING SOURCES (USES)	113,400	113,391	(9)	113,886
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, 2020

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

	2020			2019
	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	-	68,800
Interest and fiscal charges	11,970	11,968	2	13,344
TOTAL EXPENDITURES	80,770	80,768	2	82,144
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(80,770)	(80,768)	(2)	(82,144)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	20,195	20,192	(3)	20,536
Local Street Fund	60,575	60,576	1	61,608
TOTAL OTHER FINANCING SOURCES (USES)	80,770	80,768	(2)	82,144
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, 2020

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

	2020			2019
	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	402,210	402,210	-	387,664
Interest and fiscal charges	126,070	126,068	2	137,698
TOTAL EXPENDITURES	528,280	528,278	2	525,362
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(528,280)	(528,278)	(2)	(525,362)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	146,365	317,711	171,346	315,692
Major Street and Trunkline Fund	177,590	71,074	(106,516)	70,701
Local Street Fund	204,325	139,493	(64,832)	138,969
TOTAL OTHER FINANCING SOURCES (USES)	528,280	528,278	(2)	525,362
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

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, 2020

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

	2020			2019
	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	490,310	490,310	-	232,500
Interest and fiscal charges	212,505	212,504	1	217,154
TOTAL EXPENDITURES	702,815	702,814	1	449,654
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(702,815)	(702,814)	(1)	(449,654)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	49,965	49,964	(1)	47,802
Major Street and Trunkline Fund	196,820	196,822	2	87,056
Local Street Fund	106,715	106,713	(2)	57,966
Road Maintenance Fund	211,570	211,572	2	212,733
Road Safety Fund	23,510	23,508	(2)	23,637
Lakeview Arena Fund	114,235	114,235	-	20,460
TOTAL OTHER FINANCING SOURCES (USES)	702,815	702,814	(1)	449,654
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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Sale of capital assets	-	-	-	480,790
Other	-	-	-	-
TOTAL REVENUES	-	-	-	480,790
EXPENDITURES:				
Debt Service:				
Professional services	-	-	-	3,580
Principal payments	-	-	-	2,640,000
Interest and fiscal charges	-	-	-	180,349
TOTAL EXPENDITURES	-	-	-	2,823,929
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(2,343,139)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	-	-	-	194,159
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	194,159
CHANGES IN FUND BALANCE	-	-	-	(2,148,980)
Fund balance, beginning of year	-	-	-	2,148,980
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

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, 2020

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

	2020			2019
	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	205,000	205,000	-	225,000
Interest and fiscal charges	82,750	82,750	-	67,901
TOTAL EXPENDITURES	287,750	287,750	-	292,901
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(287,750)	(287,750)	-	(292,901)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	128,350	128,350	-	131,654
Major Street and Trunkline Fund	96,450	96,450	-	96,605
Local Street Fund	62,950	62,950	-	64,642
TOTAL OTHER FINANCING SOURCES (USES)	287,750	287,750	-	292,901
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

2019 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2020

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

	2020			2019
	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	-	-	-	-
Interest and fiscal charges	17,540	17,534	6	-
TOTAL EXPENDITURES	17,540	17,534	6	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,540)	(17,534)	(6)	-
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	2,340	2,324	(16)	-
Major Street and Trunkline Fund	9,220	9,225	5	-
Local Street Fund	5,980	5,985	5	-
TOTAL OTHER FINANCING SOURCES (USES)	17,540	17,534	(6)	-
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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 340,352	\$ 330,139
Investments	545,652	535,690
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 886,004</u></u>	<u><u>\$ 865,829</u></u>
 FUND BALANCE		
Non-spendable	<u><u>\$ 886,004</u></u>	<u><u>\$ 865,829</u></u>

CITY OF MARQUETTE, MICHIGAN

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2020

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

	2020	2019
REVENUES:		
Charges for services	\$ 20,175	\$ 44,701
Investment income	10,449	43,116
	<u>30,624</u>	<u>87,817</u>
TOTAL REVENUES	<u>30,624</u>	<u>87,817</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers (out)	(10,449)	(43,116)
	<u>(10,449)</u>	<u>(43,116)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,449)</u>	<u>(43,116)</u>
CHANGES IN FUND BALANCE	20,175	44,701
Fund balance, beginning of year	865,829	821,128
	<u>865,829</u>	<u>821,128</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 886,004</u></u>	<u><u>\$ 865,829</u></u>

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, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 611,934	\$ -
Accounts receivable	751,043	1,131,665
Special assessments receivable	2,341	2,341
Due from other governments	-	9,224
Inventory	-	-
Prepaid expense	49,076	755,653
TOTAL CURRENT ASSETS	1,414,394	1,898,883
Non-current Assets		
Restricted Assets:		
OPEB Reserve	246,013	217,926
Compensated absences reserve	240,845	271,311
Total Restricted Assets	486,858	489,237
Land and other non-depreciable assets	17,725	17,725
Construction in progress	685,451	-
Other capital assets, net of depreciation	24,375,451	24,720,054
TOTAL NON-CURRENT ASSETS	25,565,485	25,227,016
TOTAL ASSETS	26,979,879	27,125,899
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	123,722	147,607
Deferred outflows related to pension	331,274	457,684
Deferred outflows related to OPEB	38,021	16,077
TOTAL DEFERRED OUTFLOWS OF RESOURCES	493,017	621,368
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	1,527,391
Accounts payable	134,128	125,801
Accrued wages payable	52,804	37,257
Customer deposits payable	-	-
Accrued interest payable	124,745	119,256
Current portion of long-term debt	1,022,059	887,867
TOTAL CURRENT LIABILITIES	1,333,736	2,697,572
Non-current Liabilities:		
Compensated absences	240,845	271,311
Other post-employment benefits (OPEB)	246,013	217,926
Net pension liability	3,303,188	3,246,618
Bonds payable	7,413,290	7,106,054
Loan payable	759,840	819,840
Unamortized bond premium	687,363	583,105
TOTAL NON-CURRENT LIABILITIES	12,650,539	12,244,854
TOTAL LIABILITIES	13,984,275	14,942,426
DEFERRED INFLOWS OF RESOURCES		
Special assessments	3,259	3,259
Deferred inflows related to pension	-	66,695
Deferred inflows related to OPEB	21,098	28,492
TOTAL DEFERRED INFLOWS OF RESOURCES	24,357	98,446
NET POSITION		
Net investment in capital assets	15,319,797	15,488,520
Restricted for:		
Capital outlay	-	-
Unrestricted	(1,855,533)	(2,782,125)
TOTAL NET POSITION	\$ 13,464,264	\$ 12,706,395

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 3,356,275	\$ 3,715,269	\$ 358,994	\$ 3,493,161
Public authorities	101,000	106,945	5,945	91,431
Non-tax customers	1,260,570	1,299,122	38,552	1,273,742
City departments	44,900	69,625	24,725	154,849
Charges for services	25,000	21,513	(3,487)	29,862
Rentals	-	-	-	-
Reimbursements	-	45,950	45,950	3,676
Other revenues	201,295	87,686	(113,609)	65,599
TOTAL OPERATING REVENUES	4,989,040	5,346,110	357,070	5,112,320
OPERATING EXPENSES:				
Personnel services	1,600,810	1,631,801	(30,991)	1,809,646
Supplies and contractual	1,129,527	1,056,471	73,056	1,210,370
Capital outlay	-	-	-	-
Provision for depreciation	1,300,000	1,470,508	(170,508)	1,394,559
Other supplies and charges	650,810	650,808	2	635,340
TOTAL OPERATING EXPENSES	4,681,147	4,809,588	(128,441)	5,049,915
OPERATING INCOME (LOSS)	307,893	536,522	228,629	62,405
NON-OPERATING REVENUES (EXPENSES):				
Investment income	8,300	14,492	6,192	21,049
Interest expense	(310,350)	(283,021)	27,329	(252,569)
Bond issuance expense	(750)	(30,371)	(29,621)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(302,800)	(298,900)	3,900	(231,520)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	5,093	237,622	232,529	(169,115)
Federal grant - capital grant	-	-	-	4,224
State grant - capital grant	5,000	-	(5,000)	5,000
Transfers in	1,202,048	1,176,405	(25,643)	-
Transfers (out)	(1,212,141)	(656,158)	555,983	(1,372,707)
CHANGE IN NET POSITION	-	757,869	757,869	(1,532,598)
Net position, beginning of year, as restated	12,706,395	12,706,395	-	14,238,993
NET POSITION, END OF YEAR	\$ 12,706,395	\$ 13,464,264	\$ 757,869	\$ 12,706,395

CITY OF MARQUETTE, MICHIGAN

SEWAGE DISPOSAL FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 408,632	\$ -
Accounts receivable	1,008,640	1,524,771
Special assessments receivable	2,341	8,575
Due from State	-	-
Inventory	195,029	194,690
Prepaid expense	44,721	880,098
TOTAL CURRENT ASSETS	1,659,363	2,608,134
Non-current Assets		
Restricted Assets:		
OPEB Reserve	173,512	153,702
Compensated absences reserve	78,697	75,498
Total Restricted Assets	<u>252,209</u>	<u>229,200</u>
Investment in Wastewater Facility	3,330,361	3,203,378
Land and other non-depreciable assets	20,594	20,594
Construction in progress	583,473	33,766
Other capital assets, net of depreciation	<u>20,295,355</u>	<u>20,077,993</u>
TOTAL NON-CURRENT ASSETS	24,481,992	23,564,931
TOTAL ASSETS	26,141,355	26,173,065
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	72,694	86,025
Deferred outflows related to pension	140,943	188,510
Deferred outflows related to OPEB	<u>26,816</u>	<u>11,339</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	240,453	285,874
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	1,734,618
Accounts payable	739,172	1,348,802
Accrued wages payable	14,180	10,686
Customer deposits payable	-	-
Accrued interest payable	141,288	126,572
Current portion of long-term debt	<u>1,206,959</u>	<u>1,015,641</u>
TOTAL CURRENT LIABILITIES	2,101,599	4,236,319
Non-current Liabilities:		
Compensated absences	78,697	75,498
Other post-employment benefits (OPEB)	173,512	153,702
Net pension liability	1,928,546	1,911,021
Long term payable to other authorities	867,450	813,290
Bonds payable	8,100,714	7,202,322
Loan payable	1,357,484	1,627,484
Unamortized bond premium	<u>728,629</u>	<u>552,991</u>
TOTAL NON-CURRENT LIABILITIES	13,235,032	12,336,308
TOTAL LIABILITIES	15,336,631	16,572,627
DEFERRED INFLOWS OF RESOURCES		
Special assessments	16,475	16,163
Deferred inflows related to pension	-	29,066
Deferred inflows related to OPEB	<u>14,880</u>	<u>20,095</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	31,355	65,324
NET POSITION		
Net investment in capital assets	9,578,330	9,819,940
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>1,435,492</u>	<u>1,048</u>
TOTAL NET POSITION	\$ 11,013,822	\$ 9,820,988

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, 2020

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

	2020		2019	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 4,301,670	\$ 5,398,840	\$ 1,097,170	\$ 5,099,495
Public authorities	133,800	152,782	18,982	122,749
Non-tax customers	1,651,540	1,728,044	76,504	1,700,081
City departments	57,980	48,016	(9,964)	122,009
Charges for services	9,100	9,922	822	9,462
Rentals	1,000	1,000	-	1,000
Reimbursements	-	68,926	68,926	3,788
Other revenues	129,125	4,648	(124,477)	25,058
TOTAL OPERATING REVENUES	6,284,215	7,412,178	1,127,963	7,083,642
OPERATING EXPENSES:				
Personnel services	679,945	568,439	111,506	667,178
Supplies and contractual	3,535,075	3,282,349	252,726	3,608,367
Capital outlay	-	-	-	-
Provision for depreciation	1,100,000	1,122,133	(22,133)	1,002,584
Other supplies and charges	519,005	519,000	5	497,580
TOTAL OPERATING EXPENSES	5,834,025	5,491,921	342,104	5,775,709
OPERATING INCOME (LOSS)	450,190	1,920,257	1,470,067	1,307,933
NON-OPERATING REVENUES (EXPENSES):				
Investment income	3,645	2,573	(1,072)	4,170
Interest expense	(337,800)	(324,411)	13,389	(291,754)
Operating (loss) from Marquette Area				
Wastewater Treatment Facility	-	72,823	72,823	(9,242)
Bond issuance expense	(520)	(42,769)	(42,249)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(334,675)	(291,784)	42,891	(296,826)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	115,515	1,628,473	1,512,958	1,011,107
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	59,874
Transfers in	-	-	-	-
Transfers (out)	(115,515)	(435,639)	(320,124)	(573,026)
CHANGE IN NET POSITION	-	1,192,834	1,192,834	497,955
Net position, beginning of year, as restated	9,820,988	9,820,988	-	9,323,033
NET POSITION, END OF YEAR	\$ 9,820,988	\$ 11,013,822	\$ 1,192,834	\$ 9,820,988

CITY OF MARQUETTE, MICHIGAN

STORMWATER UTILITY FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 752,612	\$ -
Accounts receivable	69,493	61,450
Due from other governments	-	-
Inventory	-	-
Prepaid expense	151	810,879
TOTAL CURRENT ASSETS	822,256	872,329
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	32,095	28,340
Total Restricted Assets	32,095	28,340
Construction in progress	1,056,632	10,609
Other capital assets, net of depreciation	11,936,283	11,200,170
TOTAL NON-CURRENT ASSETS	13,025,010	11,239,119
TOTAL ASSETS	13,847,266	12,111,448
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	48,156	55,142
TOTAL DEFERRED OUTFLOWS OF RESOURCES	48,156	55,142
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	362,910
Accounts payable	250,861	167,309
Accrued wages payable	11,229	11,531
Accrued interest payable	109,743	89,367
Current portion of long-term debt	861,521	654,102
TOTAL CURRENT LIABILITIES	1,233,354	1,285,219
Non-current Liabilities:		
Compensated absences	32,095	28,340
Bonds payable	6,429,277	5,054,668
Unamortized bond premium	732,994	468,671
TOTAL NON-CURRENT LIABILITIES	7,194,366	5,551,679
TOTAL LIABILITIES	8,427,720	6,836,898
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net investment in capital assets	5,017,279	5,088,480
Restricted for:		
Capital outlay	-	-
Unrestricted	450,423	241,212
TOTAL NET POSITION	\$ 5,467,702	\$ 5,329,692

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 820,000	\$ 982,386	\$ 162,386	\$ 793,455
Public authorities	48,000	54,620	6,620	47,216
Non-tax customers	231,000	271,824	40,824	229,533
City departments	410,000	505,753	95,753	380,619
Reimbursements	-	348,092	348,092	90,700
Other revenues	500	1,467	967	2,180
TOTAL OPERATING REVENUES	1,509,500	2,164,142	654,642	1,543,703
OPERATING EXPENSES:				
Routine Maintenance and Administration:				
Personnel services	265,480	269,884	(4,404)	275,639
Supplies and contractual	279,840	247,662	32,178	274,899
Capital outlay	-	-	-	-
Provision for depreciation	750,000	948,280	(198,280)	831,006
Other supplies and charges	-	-	-	-
TOTAL OPERATING EXPENSES	1,295,320	1,465,826	(170,506)	1,381,544
OPERATING INCOME (LOSS)	214,180	698,316	484,136	162,159
NON-OPERATING REVENUES (EXPENSES):				
Investment income	1,540	2,067	527	2,718
Interest expense	(215,720)	(211,101)	4,619	(181,084)
Bond issuance expense	-	(54,515)	(54,515)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(214,180)	(263,549)	(49,369)	(178,366)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	-	434,767	434,767	(16,207)
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	85,393
Transfers in	-	-	-	350,000
Transfers (out)	-	(296,757)	(296,757)	-
CHANGE IN NET POSITION	-	138,010	138,010	419,186
Net position, beginning of year, as restated	5,329,692	5,329,692	-	4,910,506
NET POSITION, END OF YEAR	\$ 5,329,692	\$ 5,467,702	\$ 138,010	\$ 5,329,692

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2020

	Tourist Park Fund	Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 657,312	\$ 197,193	\$ 36,583	\$ 527,091	\$ 1,418,179
Due from State	-	-	-	-	-
Accounts receivable	-	-	12,757	808	13,565
Due from local units	-	-	7,417	-	7,417
Inventory	-	-	26,577	7,855	34,432
Prepaid expense	727	-	-	5,204	5,931
TOTAL CURRENT ASSETS	658,039	197,193	83,334	540,958	1,479,524
Non-current Assets:					
Restricted Assets:					
Replacement Maintenance Fund	-	-	-	40,000	40,000
Compensated absences reserve	1,185	-	-	-	1,185
Total Restricted Assets	1,185	-	-	40,000	41,185
Other capital assets, net of depreciation	296,923	671,307	246,948	2,847,206	4,062,384
Construction in progress	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	298,108	671,307	246,948	2,887,206	4,103,569
TOTAL ASSETS	956,147	868,500	330,282	3,428,164	5,583,093
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	-	-	-	-
Accounts payable	26,401	-	11,853	15,333	53,587
Accrued wages payable	5,884	-	-	5,012	10,896
Customer deposits payable	-	-	-	14,775	14,775
Accrued interest payable	-	12,347	-	12,521	24,868
Current portion of long-term debt	-	95,000	-	70,000	165,000
TOTAL CURRENT LIABILITIES	32,285	107,347	11,853	117,641	269,126
Non-current Liabilities:					
Compensated absences	1,185	-	-	-	1,185
Bonds payable	-	750,000	-	847,923	1,597,923
TOTAL NON-CURRENT LIABILITIES	1,185	750,000	-	847,923	1,599,108
TOTAL LIABILITIES	33,470	857,347	11,853	965,564	1,868,234
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
NET POSITION					
Net investment in capital assets	296,923	146,909	246,948	1,929,283	2,620,063
Restricted for:					
Capital outlay	-	320,602	-	-	320,602
Unrestricted	625,754	(456,358)	71,481	533,317	774,194
TOTAL NET POSITION	\$ 922,677	\$ 11,153	\$ 318,429	\$ 2,462,600	\$ 3,714,859

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, 2020

	Tourist Park Fund	Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 1,667	\$ 4,380	\$ -	\$ 4,706	\$ 10,753
Sales	27,609	-	304,680	102,939	435,228
Use and admission fees	362,528	-	-	42,482	405,010
Rentals	-	-	-	237,976	237,976
Fines and forfeiture	-	-	-	300	300
Reimbursements	302	-	-	-	302
Other revenues	-	-	33,815	1,794	35,609
TOTAL OPERATING REVENUES	392,106	4,380	338,495	390,197	1,125,178
OPERATING EXPENSES:					
Community Services:					
Personnel services	107,017	143	325	82,588	190,073
Supplies and contractual	234,483	1,099	307,645	225,904	769,131
Capital outlay	-	-	-	-	-
Provision for depreciation	-	35,332	15,434	149,624	200,390
Other supplies and charges	-	-	-	2,783	2,783
TOTAL OPERATING EXPENSES	341,500	36,574	323,404	460,899	1,162,377
OPERATING INCOME (LOSS)	50,606	(32,194)	15,091	(70,702)	(37,199)
NON-OPERATING REVENUES (EXPENSES):					
Investment income	967	801	73	6,242	8,083
Interest expense	-	(31,182)	-	(26,628)	(57,810)
Bond issuance expense	-	-	-	(18,009)	(18,009)
TOTAL NON-OPERATING REVENUES (EXPENSES)	967	(30,381)	73	(38,395)	(67,736)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	51,573	(62,575)	15,164	(109,097)	(104,935)
State grant - capital grant	-	-	-	541,900	541,900
Contributed capital	-	-	-	-	-
Transfers in	-	67,620	-	-	67,620
Transfers (out)	(8,456)	-	-	(12,996)	(21,452)
CHANGE IN NET POSITION	43,117	5,045	15,164	419,807	483,133
Net position, beginning of year	879,560	6,108	303,265	2,042,793	3,231,726
NET POSITION, END OF YEAR	\$ 922,677	\$ 11,153	\$ 318,429	\$ 2,462,600	\$ 3,714,859

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2020

	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	\$ 1,667	\$ 6,380	\$ -	\$ 4,886	\$ 12,933
Other operating revenues	390,439	-	334,494	385,917	1,110,850
Cash payments to employees for services	(106,111)	(286)	(325)	(80,529)	(187,251)
Cash payments to suppliers for goods and services	(257,118)	(78,215)	(307,520)	(422,577)	(1,065,430)
NET CASH PROVIDED BY OPERATING ACTIVITIES	28,877	(72,121)	26,649	(112,303)	(128,898)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	-	-	-	-	-
Transfers in	-	67,620	-	-	67,620
Transfers (out)	(8,456)	-	-	(12,996)	(21,452)
State and Federal grants	-	-	-	-	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(8,456)	67,620	-	(12,996)	46,168
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on bonds	-	(90,000)	-	-	(90,000)
Interest paid on bonds	-	(32,289)	-	(14,107)	(46,396)
Proceeds from issuance of bonds	-	-	-	825,000	825,000
Premium on issuance of bonds	-	-	-	92,923	92,923
Cash payments for bond issuance expenses	-	-	-	(18,009)	(18,009)
Cash payments for capital assets	(296,923)	-	-	(1,181,089)	(1,478,012)
State and Federal grants	-	-	-	541,900	541,900
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(296,923)	(122,289)	-	246,618	(172,594)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	967	801	73	6,242	8,083
(Increase) decrease in restricted assets:					
Replacement maintenance reserve	-	-	-	-	-
Compensated absences reserve	(242)	-	-	-	(242)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	725	801	73	6,242	7,841
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(275,777)	(125,989)	26,722	127,561	(247,483)
Cash and cash equivalents, beginning of year	933,089	323,182	9,861	399,530	1,665,662
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 657,312	\$ 197,193	\$ 36,583	\$ 527,091	\$ 1,418,179
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	\$ 50,606	\$ (32,194)	\$ 15,091	\$ (70,702)	\$ (37,199)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	-	35,332	15,434	149,624	200,390
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	426	426
(Increase) decrease in accounts receivable	-	2,000	(2,186)	(198)	(384)
(Increase) decrease in due from local units	-	-	(1,815)	-	(1,815)
(Increase) decrease in inventory	-	-	6,725	4,301	11,026
(Increase) decrease in prepaid expenses	31	-	-	901,638	901,669
Increase (decrease) in accounts payable	(22,666)	(77,116)	(6,600)	(1,099,829)	(1,206,211)
Increase (decrease) in accrued wages payable	664	(143)	-	2,059	2,580
Increase (decrease) in customer deposits payable	-	-	-	378	378
Increase (decrease) in compensated absences	242	-	-	-	242
NET ADJUSTMENTS	(21,729)	(39,927)	11,558	(41,601)	(91,699)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 28,877	\$ (72,121)	\$ 26,649	\$ (112,303)	\$ (128,898)

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - TOURIST PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 657,312	\$ 933,089
Accounts receivable	-	-
Due from local units	-	-
Inventory	-	-
Prepaid expense	<u>727</u>	<u>758</u>
TOTAL CURRENT ASSETS	<u>658,039</u>	<u>933,847</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	<u>1,185</u>	<u>943</u>
Total Restricted Assets	<u>1,185</u>	<u>943</u>
Other capital assets, net of depreciation	<u>296,923</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>298,108</u>	<u>943</u>
TOTAL ASSETS	<u>956,147</u>	<u>934,790</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	26,401	49,067
Accrued wages payable	<u>5,884</u>	<u>5,220</u>
TOTAL CURRENT LIABILITIES	<u>32,285</u>	<u>54,287</u>
Non-current Liabilities:		
Compensated absences	<u>1,185</u>	<u>943</u>
TOTAL NON-CURRENT LIABILITIES	<u>1,185</u>	<u>943</u>
TOTAL LIABILITIES	<u>33,470</u>	<u>55,230</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	296,923	-
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>625,754</u>	<u>879,560</u>
TOTAL NET POSITION	<u><u>\$ 922,677</u></u>	<u><u>\$ 879,560</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 18,500	\$ 1,667	\$ (16,833)	\$ 19,180
Sales	25,000	27,609	2,609	27,828
Use and admission fees	320,000	362,528	42,528	333,492
Reimbursements	2,410	302	(2,108)	534
Other revenues	8,455	-	(8,455)	-
TOTAL OPERATING REVENUES	374,365	392,106	17,741	381,034
OPERATING EXPENSES:				
Community Services:				
Personnel services	117,355	107,017	10,338	107,486
Supplies and contractual	248,805	234,483	14,322	199,984
Other supplies and charges	-	-	-	-
Capital outlay	-	-	-	978
Provision for depreciation	-	-	-	-
TOTAL OPERATING EXPENSES	366,160	341,500	24,660	308,448
OPERATING INCOME (LOSS)	8,205	50,606	42,401	72,586
NON-OPERATING REVENUES (EXPENSES):				
Investment income	250	967	717	1,886
TOTAL NON-OPERATING REVENUES (EXPENSES)	250	967	717	1,886
INCOME (LOSS) BEFORE TRANSFERS	8,455	51,573	43,118	74,472
Transfers in (out)	(8,455)	(8,456)	(1)	(16,327)
CHANGE IN NET POSITION	-	43,117	43,117	58,145
Net position, beginning of year	879,560	879,560	-	821,415
NET POSITION, END OF YEAR	\$ 879,560	\$ 922,677	\$ 43,117	\$ 879,560

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - LIGHTHOUSE PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 197,193	\$ 323,182
Accounts receivable	-	2,000
Due from local units	-	-
Inventory	-	-
Prepaid expense	-	-
	<u>197,193</u>	<u>325,182</u>
TOTAL CURRENT ASSETS	<u>197,193</u>	<u>325,182</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>
Other capital assets, net of depreciation	671,307	706,639
Construction in progress	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>671,307</u>	<u>706,639</u>
TOTAL ASSETS	<u>868,500</u>	<u>1,031,821</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	-	77,116
Accrued wages payable	-	143
Accrued interest payable	12,347	13,454
Current portion of long-term debt	<u>95,000</u>	<u>90,000</u>
TOTAL CURRENT LIABILITIES	<u>107,347</u>	<u>180,713</u>
Non-current Liabilities:		
Bonds payable	<u>750,000</u>	<u>845,000</u>
TOTAL NON-CURRENT LIABILITIES	<u>750,000</u>	<u>845,000</u>
TOTAL LIABILITIES	<u>857,347</u>	<u>1,025,713</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	146,909	100,000
Restricted for:		
Capital outlay	320,602	328,361
Unrestricted	<u>(456,358)</u>	<u>(422,253)</u>
TOTAL NET POSITION	<u>\$ 11,153</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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 1,820	\$ 4,380	\$ 2,560	\$ 10,967
TOTAL OPERATING REVENUES	1,820	4,380	2,560	10,967
OPERATING EXPENSES:				
Community Services:				
Personnel services	-	143	(143)	821
Supplies and contractual	43,000	1,099	41,901	807
Capital outlay	-	-	-	-
Provision for depreciation	-	35,332	(35,332)	-
TOTAL OPERATING EXPENSES	43,000	36,574	6,426	1,628
OPERATING INCOME (LOSS)	(41,180)	(32,194)	8,986	9,339
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	801	801	2,375
Interest expense	(32,290)	(31,182)	1,108	(32,395)
Bond issuance expense	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(32,290)	(30,381)	1,909	(30,020)
INCOME (LOSS) BEFORE TRANSFERS	(73,470)	(62,575)	10,895	(20,681)
Transfers in	-	67,620	67,620	20,681
CHANGE IN NET POSITION	(73,470)	5,045	78,515	-
Net position, beginning of year	6,108	6,108	-	6,108
NET POSITION, END OF YEAR	\$ (67,362)	\$ 11,153	\$ 78,515	\$ 6,108

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - FUEL SYSTEM FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 36,583	\$ 9,861
Accounts receivable	12,757	10,571
Due from local units	7,417	5,602
Inventory	26,577	33,302
Prepaid expense	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>83,334</u>	<u>59,336</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>246,948</u>	<u>262,382</u>
TOTAL NON-CURRENT ASSETS	<u>246,948</u>	<u>262,382</u>
TOTAL ASSETS	<u>330,282</u>	<u>321,718</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	<u>-</u>	<u>-</u>
Accounts payable	11,853	18,453
Accrued wages payable	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>11,853</u>	<u>18,453</u>
Non-current Liabilities:		
Compensated absences	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>11,853</u>	<u>18,453</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	246,948	262,382
Restricted for:		
Capital outlay	<u>-</u>	<u>-</u>
Unrestricted	<u>71,481</u>	<u>40,883</u>
TOTAL NET POSITION	<u><u>\$ 318,429</u></u>	<u><u>\$ 303,265</u></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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	315,000	304,680	(10,320)	365,083
Use and admission fees	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	43,935	33,815	(10,120)	35,390
TOTAL OPERATING REVENUES	358,935	338,495	(20,440)	400,473
OPERATING EXPENSES:				
Public Works:				
Personnel services	1,405	325	1,080	325
Supplies and contractual	344,080	307,645	36,435	379,449
Other supplies and charges	-	-	-	-
Capital outlay	-	-	-	-
Provision for depreciation	13,500	15,434	(1,934)	15,435
TOTAL OPERATING EXPENSES	358,985	323,404	35,581	395,209
OPERATING INCOME (LOSS)	(50)	15,091	15,141	5,264
NON-OPERATING REVENUES (EXPENSES):				
Contributed capital	-	-	-	-
Investment income	50	73	23	68
TOTAL NON-OPERATING REVENUES (EXPENSES)	50	73	23	68
CHANGE IN NET POSITION	-	15,164	15,164	5,332
Net position, beginning of year	303,265	303,265	-	297,933
NET POSITION, END OF YEAR	\$ 303,265	\$ 318,429	\$ 15,164	\$ 303,265

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - MARINAS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 527,091	\$ 399,530
Due from State	-	426
Accounts receivable	808	610
Inventory	7,855	12,156
Prepaid expense	5,204	906,842
TOTAL CURRENT ASSETS	540,958	1,319,564
Non-current Assets		
Restricted Assets:		
Bond Reserve Fund	-	-
Bond and Interest Redemption Fund	-	-
Replacement Maintenance Fund	40,000	40,000
Total Restricted Assets	40,000	40,000
Other capital assets, net of depreciation	2,847,206	1,550,917
Construction in progress	-	264,824
TOTAL NON-CURRENT ASSETS	2,887,206	1,855,741
TOTAL ASSETS	3,428,164	3,175,305
DEFERRED OUTFLOWS OF RESOURCES	-	-
LIABILITIES		
Current Liabilities:		
Accounts payable	15,333	1,115,162
Accrued wages payable	5,012	2,953
Customer deposits payable	14,775	14,397
Accrued interest payable	12,521	-
Current portion of long-term debt	70,000	-
TOTAL CURRENT LIABILITIES	117,641	1,132,512
Non-current Liabilities:		
Bonds payable	755,000	-
Unamortized bond premium	92,923	-
TOTAL NON-CURRENT LIABILITIES	847,923	-
TOTAL LIABILITIES	965,564	1,132,512
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net investment in capital assets	1,929,283	1,815,741
Restricted for:		
Capital outlay	-	-
Unrestricted	533,317	227,052
TOTAL NET POSITION	\$ 2,462,600	\$ 2,042,793

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, 2020

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

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 4,345	\$ 4,706	\$ 361	\$ 4,163
Sales	75,200	102,939	27,739	91,570
Use and admission fees	38,400	42,482	4,082	47,491
Rentals	259,450	237,976	(21,474)	217,685
Fines and forfeiture	1,500	300	(1,200)	920
Reimbursements	-	-	-	557
Other revenues	14,095	1,794	(12,301)	2,128
TOTAL OPERATING REVENUES	392,990	390,197	(2,793)	364,514
OPERATING EXPENSES:				
Community Services:				
Personnel services	104,630	82,588	22,042	86,398
Supplies and contractual	216,595	225,904	(9,309)	219,358
Capital outlay	-	-	-	-
Provision for depreciation	177,000	149,624	27,376	169,340
Other supplies and charges	58,805	2,783	56,022	-
TOTAL OPERATING EXPENSES	557,030	460,899	96,131	475,096
OPERATING INCOME (LOSS)	(164,040)	(70,702)	93,338	(110,582)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	35	6,242	6,207	10,994
Interest expense	(15,000)	(26,628)	(11,628)	-
Bond issuance expense	(20,000)	(18,009)	1,991	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(34,965)	(38,395)	(3,430)	10,994
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(199,005)	(109,097)	89,908	(99,588)
Federal grant - capital grant	-	-	-	-
State grant - capital grant	212,000	541,900	329,900	-
Transfers in	-	-	-	-
Transfers (out)	(12,995)	(12,996)	(1)	(25,093)
CHANGE IN NET POSITION	-	419,807	419,807	(124,681)
Net position, beginning of year	2,042,793	2,042,793	-	2,167,474
NET POSITION, END OF YEAR	\$ 2,042,793	\$ 2,462,600	\$ 419,807	\$ 2,042,793

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, 2020

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 704,870	\$ -	\$ 217,365	\$ 87,674	\$ 1,009,909
Due from State	-	-	-	-	-
Accounts receivable	907	-	4,284	-	5,191
Due from local units	-	-	-	-	-
Due from other authorities	-	853,380	-	-	853,380
Inventory	-	-	-	-	-
Prepaid expense	16,665	16,859	63,256	-	96,780
TOTAL CURRENT ASSETS	722,442	870,239	284,905	87,674	1,965,260
Non-current Assets:					
Restricted Assets:					
Equipment reserve	-	-	523,767	-	523,767
OPEB reserve	22,809	11,404	144,187	-	178,400
Compensated absences reserve	14,814	-	108,239	-	123,053
Total Restricted Assets	37,623	11,404	776,193	-	825,220
Land and other non-depreciable assets	-	2,519,888	-	-	2,519,888
Other capital assets, net of depreciation	-	14,898,875	2,380,912	27,529,830	44,809,617
TOTAL NON-CURRENT ASSETS	37,623	17,430,167	3,157,105	27,529,830	48,154,725
TOTAL ASSETS	760,065	18,300,406	3,442,010	27,617,504	50,119,985
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	29,344	1,742	126,555	-	157,641
Deferred outflows related to OPEB	3,525	1,763	22,284	-	27,572
TOTAL DEFERRED OUTFLOWS OF RESOURCES	32,869	3,505	148,839	-	185,213
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	301,590	-	-	301,590
Accounts payable	10,662	15,504	78,454	-	104,620
Accrued wages payable	9,777	1,536	25,790	-	37,103
Current portion of long-term debt	-	-	-	460,435	460,435
Accrued interest payable	-	-	-	-	-
TOTAL CURRENT LIABILITIES	20,439	318,630	104,244	460,435	903,748
Non-current Liabilities:					
Compensated absences	14,814	-	108,239	-	123,053
Other post employment benefits (OPEB)	22,809	11,404	144,187	-	178,400
Net pension liability	339,667	127,218	1,608,040	-	2,074,925
Lease payable	-	-	-	24,658,920	24,658,920
TOTAL NON-CURRENT LIABILITIES	377,290	138,622	1,860,466	24,658,920	27,035,298
TOTAL LIABILITIES	397,729	457,252	1,964,710	25,119,355	27,939,046
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	2,452	12,498	-	-	14,950
Deferred inflows related to OPEB	1,956	978	12,365	-	15,299
TOTAL DEFERRED INFLOWS OF RESOURCES	4,408	13,476	12,365	-	30,249
NET POSITION					
Net investment in capital assets	-	17,418,763	2,380,912	2,410,475	22,210,150
Restricted for:					
Capital outlay	-	-	-	-	-
Unrestricted	390,797	414,420	(767,138)	87,674	125,753
TOTAL NET POSITION	\$ 390,797	\$ 17,833,183	\$ 1,613,774	\$ 2,498,149	\$ 22,335,903

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2020

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 4,055	\$ -	\$ -	\$ -	\$ 4,055
Sales	-	-	-	-	-
Rentals	845,988	634,272	2,941,745	-	4,422,005
Reimbursements	840	-	1,304	20,000	22,144
Other revenues	1,800	-	15,329	-	17,129
TOTAL OPERATING REVENUES	852,683	634,272	2,958,378	20,000	4,465,333
OPERATING EXPENSES:					
Administrative and General:					
Personnel services	257,802	48,957	959,481	-	1,266,240
Supplies and contractual	540,529	376,785	1,618,466	-	2,535,780
Provision for depreciation	-	931,180	403,110	410,893	1,745,183
Other supplies and charges	-	-	-	-	-
Total Administrative and General	798,331	1,356,922	2,981,057	410,893	5,547,203
Capital outlay	-	-	-	-	-
TOTAL OPERATING EXPENSES	798,331	1,356,922	2,981,057	410,893	5,547,203
OPERATING INCOME (LOSS)	54,352	(722,650)	(22,679)	(390,893)	(1,081,870)
NON-OPERATING REVENUES (EXPENSES):					
Investment income	1,004	14	2,834	115	3,967
Interest expense	-	-	-	(724,806)	(724,806)
Gain (Loss) on sale of capital asset	-	430	1,850	-	2,280
Contributions from other authorities	-	-	-	134,395	134,395
Bond issuance expense	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,004	444	4,684	(590,296)	(584,164)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	55,356	(722,206)	(17,995)	(981,189)	(1,666,034)
Transfers in	15,000	-	-	1,507,184	1,522,184
Transfers (out)	-	-	-	-	-
CHANGE IN NET POSITION	70,356	(722,206)	(17,995)	525,995	(143,850)
Net position, beginning of year	320,441	18,555,389	1,631,769	1,972,154	22,479,753
NET POSITION, END OF YEAR	\$ 390,797	\$ 17,833,183	\$ 1,613,774	\$ 2,498,149	\$ 22,335,903

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2020

	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	\$ 7,406	\$ -	\$ -	\$ -	\$ 7,406
Other operating revenues	848,628	638,671	2,958,463	20,000	4,465,762
Cash payments to employees for services	(248,991)	(45,816)	(898,084)	-	(1,192,891)
Cash payments to suppliers for goods and services	(539,578)	(393,717)	(1,592,686)	-	(2,525,981)
NET CASH PROVIDED BY OPERATING ACTIVITIES	67,465	199,138	467,693	20,000	754,296
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	-	(198,280)	-	-	(198,280)
Transfers in	15,000	-	-	1,507,184	1,522,184
Transfers (out)	-	-	-	-	-
Contributions from other authorities	-	-	-	134,395	134,395
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	15,000	(198,280)	-	1,641,579	1,458,299
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	-	-	-	(401,981)	(401,981)
Interest paid on long-term debt	-	-	-	(724,806)	(724,806)
Proceeds from issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Cash payments for bond issuance expenses	-	-	-	-	-
Cash payments for capital assets	-	-	(496,474)	(589,570)	(1,086,044)
Proceeds from sale of capital assets	-	430	1,850	-	2,280
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	430	(494,624)	(1,716,357)	(2,210,551)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	1,004	14	2,834	115	3,967
(Increase) decrease in restricted assets:					
Equipment reserve	-	-	(2,487)	-	(2,487)
OPEB reserve	(2,604)	(1,302)	(16,462)	-	(20,368)
Compensated absences reserve	(3,219)	-	(6,049)	-	(9,268)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(4,819)	(1,288)	(22,164)	115	(28,156)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	77,646	-	(49,095)	(54,663)	(26,112)
Cash and cash equivalents, beginning of year	627,224	-	266,460	142,337	1,036,021
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 704,870	\$ -	\$ 217,365	\$ 87,674	\$ 1,009,909
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income	\$ 54,352	\$ (722,650)	\$ (22,679)	\$ (390,893)	\$ (1,081,870)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	-	931,180	403,110	410,893	1,745,183
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	-	-
(Increase) decrease in accounts receivable	3,351	4,399	85	-	7,835
(Increase) decrease in due from local units	-	-	-	-	-
(Increase) decrease in inventory	-	-	-	-	-
(Increase) decrease in prepaid expenses	1,355	(1,069)	5,978	-	6,264
Increase (decrease) in accounts payable	(404)	(15,863)	19,802	-	3,535
Increase (decrease) in accrued wages payable	2,951	(217)	8,347	-	11,081
Increase (decrease) in customer deposits payable	-	-	-	-	-
Increase (decrease) in compensated absences	3,219	-	6,049	-	9,268
Increase (decrease) in net pension liability	2,757	3,416	47,735	-	53,908
Increase (decrease) in other post-employment benefits (OPEB)	(116)	(58)	(734)	-	(908)
NET ADJUSTMENTS	13,113	921,788	490,372	410,893	1,836,166
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 67,465	\$ 199,138	\$ 467,693	\$ 20,000	\$ 754,296

CITY OF MARQUETTE, MICHIGAN
TECHNOLOGY SERVICES FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2020

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 704,870	\$ 627,224
Accounts receivable	907	4,258
Due from local units	-	-
Inventory	-	-
Prepaid expense	16,665	18,020
TOTAL CURRENT ASSETS	722,442	649,502
Non-current Assets		
Restricted Assets:		
OPEB reserve	22,809	20,205
Compensated absences reserve	14,814	11,595
Total Restricted Assets	37,623	31,800
Other capital assets, net of depreciation	-	-
TOTAL NON-CURRENT ASSETS	37,623	31,800
TOTAL ASSETS	760,065	681,302
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	29,344	36,068
Deferred outflows related to OPEB	3,525	1,491
TOTAL DEFERRED OUTFLOWS OF RESOURCES	32,869	37,559
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	10,662	11,066
Accrued wages payable	9,777	6,826
TOTAL CURRENT LIABILITIES	20,439	17,892
Non-current Liabilities:		
Compensated absences	14,814	11,595
Other post employment benefits (OPEB)	22,809	20,205
Net pension liability	339,667	338,326
TOTAL NON-CURRENT LIABILITIES	377,290	370,126
TOTAL LIABILITIES	397,729	388,018
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	2,452	7,760
Deferred inflows related to OPEB	1,956	2,642
TOTAL DEFERRED INFLOWS OF RESOURCES	4,408	10,402
NET POSITION		
Net investment in capital assets	-	-
Restricted for:		
Capital outlay	-	-
Unrestricted	390,797	320,441
TOTAL NET POSITION	\$ 390,797	\$ 320,441

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, 2020

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2019

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 5,195	\$ 4,055	\$ (1,140)	\$ 4,825
Rentals	846,060	845,988	(72)	878,616
Reimbursements	1,020	840	(180)	1,033
Other revenues	8,925	1,800	(7,125)	887
TOTAL OPERATING REVENUES	861,200	852,683	(8,517)	885,361
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	275,835	257,802	18,033	251,726
Supplies and contractual	565,615	540,529	25,086	490,560
Other supplies and charges	20,000	-	20,000	-
Provision for depreciation	-	-	-	-
Total Administrative and General	861,450	798,331	63,119	742,286
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	861,450	798,331	63,119	742,286
OPERATING INCOME (LOSS)	(250)	54,352	54,602	143,075
NON-OPERATING REVENUES (EXPENSES):				
Investment income	250	1,004	754	1,506
TOTAL NON-OPERATING REVENUES (EXPENSES)	250	1,004	754	1,506
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	-	55,356	55,356	144,581
Transfers in	-	15,000	15,000	(100,000)
CHANGE IN NET POSITION	-	70,356	70,356	44,581
Net position, beginning of year	320,441	320,441	-	275,860
NET POSITION, END OF YEAR	\$ 320,441	\$ 390,797	\$ 70,356	\$ 320,441

CITY OF MARQUETTE, MICHIGAN
MUNICIPAL SERVICE CENTER FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2020

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable	-	4,399
Due from other authorities	853,380	853,380
Inventory	-	-
Prepaid expense	16,859	15,790
TOTAL CURRENT ASSETS	<u>870,239</u>	<u>873,569</u>
Non-current Assets		
Restricted Assets:		
OPEB reserve	11,404	10,102
Compensated absences reserve	-	-
Total Restricted Assets	<u>11,404</u>	<u>10,102</u>
Land and other non-depreciable assets	2,519,888	2,519,888
Other capital assets, net of depreciation	14,898,875	15,830,055
TOTAL NON-CURRENT ASSETS	<u>17,430,167</u>	<u>18,360,045</u>
TOTAL ASSETS	<u>18,300,406</u>	<u>19,233,614</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	1,742	897
Deferred outflows related to OPEB	1,763	745
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,505</u>	<u>1,642</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	301,590	499,870
Accounts payable	15,504	31,367
Accrued wages payable	1,536	1,753
TOTAL CURRENT LIABILITIES	<u>318,630</u>	<u>532,990</u>
Non-current Liabilities:		
Compensated absences	-	-
Other post employment benefits (OPEB)	11,404	10,102
Net pension liability	127,218	125,557
TOTAL NON-CURRENT LIABILITIES	<u>138,622</u>	<u>135,659</u>
TOTAL LIABILITIES	<u>457,252</u>	<u>668,649</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	12,498	9,898
Deferred inflows related to OPEB	978	1,320
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>13,476</u>	<u>11,218</u>
NET POSITION		
Net investment in capital assets	17,418,763	18,349,943
Restricted for:		
Capital outlay	-	-
Unrestricted	414,420	205,446
TOTAL NET POSITION	<u>\$ 17,833,183</u>	<u>\$ 18,555,389</u>

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, 2020

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2019

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Rentals	616,860	634,272	17,412	622,992
Reimbursements	-	-	-	5,677
Other revenues	-	-	-	-
TOTAL OPERATING REVENUES	616,860	634,272	17,412	628,669
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	49,020	48,957	63	61,277
Supplies and contractual	414,930	376,785	38,145	389,222
Provision for depreciation	900,000	931,180	(31,180)	931,180
Total Administrative and General	<u>1,363,950</u>	<u>1,356,922</u>	<u>7,028</u>	<u>1,381,679</u>
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	1,363,950	1,356,922	7,028	1,381,679
OPERATING INCOME (LOSS)	(747,090)	(722,650)	24,440	(753,010)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	14	14	15
Interest expense	-	-	-	-
Gain (loss) on sale of capital asset	-	430	430	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	444	444	15
INCOME (LOSS) BEFORE TRANSFERS	(747,090)	(722,206)	24,884	(752,995)
Transfers In	747,090	-	(747,090)	-
CHANGE IN NET POSITION	-	(722,206)	(722,206)	(752,995)
Net position, beginning of year	18,555,389	18,555,389	-	19,308,384
NET POSITION, END OF YEAR	\$ 18,555,389	\$ 17,833,183	\$ (722,206)	\$ 18,555,389

CITY OF MARQUETTE, MICHIGAN
MOTOR VEHICLE EQUIPMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2020

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 217,365	\$ 266,460
Accounts receivable	4,284	4,369
Due from local units	-	-
Inventory	-	-
Prepaid expense	63,256	69,234
TOTAL CURRENT ASSETS	284,905	340,063
Non-current Assets		
Restricted Assets:		
Equipment reserve	523,767	521,280
OPEB reserve	144,187	127,725
Compensated absences reserve	108,239	102,190
Total Restricted Assets	776,193	751,195
Other capital assets, net of depreciation	2,380,912	2,287,548
TOTAL NON-CURRENT ASSETS	3,157,105	3,038,743
TOTAL ASSETS	3,442,010	3,378,806
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	126,555	184,994
Deferred outflows related to OPEB	22,284	9,423
TOTAL DEFERRED OUTFLOWS OF RESOURCES	148,839	194,417
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	78,454	58,652
Accrued wages payable	25,790	17,443
TOTAL CURRENT LIABILITIES	104,244	76,095
Non-current Liabilities:		
Compensated absences	108,239	102,190
Other post employment benefits (OPEB)	144,187	127,725
Net pension liability	1,608,040	1,584,819
TOTAL NON-CURRENT LIABILITIES	1,860,466	1,814,734
TOTAL LIABILITIES	1,964,710	1,890,829
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	-	33,925
Deferred inflows related to OPEB	12,365	16,700
TOTAL DEFERRED INFLOWS OF RESOURCES	12,365	50,625
NET POSITION		
Net investment in capital assets	2,380,912	2,287,548
Restricted for:		
Capital outlay	-	-
Unrestricted	(767,138)	(655,779)
TOTAL NET POSITION	\$ 1,613,774	\$ 1,631,769

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, 2020

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2019

	2020			2019
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Rentals	3,144,350	2,941,745	(202,605)	3,189,091
Reimbursements	5,000	1,304	(3,696)	36,158
Other revenues	76,865	15,329	(61,536)	5,476
TOTAL OPERATING REVENUES	3,226,215	2,958,378	(267,837)	3,230,725
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	915,315	959,481	(44,166)	956,623
Supplies and contractual	1,917,900	1,618,466	299,434	1,725,456
Other supplies and charges	-	-	-	-
Provision for depreciation	400,000	403,110	(3,110)	379,830
Total Administrative and General	<u>3,233,215</u>	<u>2,981,057</u>	<u>252,158</u>	<u>3,061,909</u>
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	3,233,215	2,981,057	252,158	3,061,909
OPERATING INCOME (LOSS)	(7,000)	(22,679)	(15,679)	168,816
NON-OPERATING REVENUES (EXPENSES):				
Contributed capital	-	-	-	-
Investment income	2,000	2,834	834	2,919
Gain (loss) on sale of capital asset	5,000	1,850	(3,150)	17,162
TOTAL NON-OPERATING REVENUES (EXPENSES)	7,000	4,684	(2,316)	20,081
CHANGE IN NET POSITION	-	(17,995)	(17,995)	188,897
Net position, beginning of year	1,631,769	1,631,769	-	1,442,872
NET POSITION, END OF YEAR	\$ 1,631,769	\$ 1,613,774	\$ (17,995)	\$ 1,631,769

CITY OF MARQUETTE, MICHIGAN

ENERGY ENHANCEMENTS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2020

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 87,674	\$ 142,337
Due from State	-	-
Accounts receivable	-	-
Inventory	-	-
Prepaid expense	-	-
TOTAL CURRENT ASSETS	<u>87,674</u>	<u>142,337</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	27,529,830	-
Construction in progress	<u>-</u>	<u>27,351,153</u>
TOTAL NON-CURRENT ASSETS	<u>27,529,830</u>	<u>27,351,153</u>
TOTAL ASSETS	<u>27,617,504</u>	<u>27,493,490</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	460,435	401,981
Accrued interest payable	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>460,435</u>	<u>401,981</u>
Non-current Liabilities:		
Lease payable	<u>24,658,920</u>	<u>25,119,355</u>
TOTAL NON-CURRENT LIABILITIES	<u>24,658,920</u>	<u>25,119,355</u>
TOTAL LIABILITIES	<u>25,119,355</u>	<u>25,521,336</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	2,410,475	1,904,594
Restricted for:		
Capital outlay	-	74,777
Unrestricted	<u>87,674</u>	<u>(7,217)</u>
TOTAL NET POSITION	<u>\$ 2,498,149</u>	<u>\$ 1,972,154</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, 2020

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2019

	2020			2019
	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	-	20,000	20,000	67,517
Other revenues	-	-	-	-
TOTAL OPERATING REVENUES	-	20,000	20,000	67,517
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	-	-	-	-
Supplies and contractual	-	-	-	-
Provision for depreciation	500,000	410,893	89,107	-
Other supplies and charges	-	-	-	-
Total Administrative and General	<u>500,000</u>	<u>410,893</u>	<u>89,107</u>	<u>-</u>
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	500,000	410,893	89,107	-
OPERATING INCOME (LOSS)	(500,000)	(390,893)	109,107	67,517
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	115	115	42
Interest expense	(1,126,790)	(724,806)	401,984	(1,370,716)
Contributions from other authorities	134,395	134,395	-	259,483
TOTAL NON-OPERATING REVENUES (EXPENSES)	(992,395)	(590,296)	402,099	(1,111,191)
INCOME (LOSS) BEFORE TRANSFERS	(1,492,395)	(981,189)	511,206	(1,043,674)
Transfers in	<u>1,492,395</u>	<u>1,507,184</u>	<u>14,789</u>	<u>3,015,828</u>
CHANGE IN NET POSITION	-	525,995	525,995	1,972,154
Net position, beginning of year	<u>1,972,154</u>	<u>1,972,154</u>	<u>-</u>	<u>-</u>
NET POSITION, END OF YEAR	\$ 1,972,154	\$ 2,498,149	\$ 525,995	\$ 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, 2020 and 2019

	<u>2019</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 955,601	\$ 820,380
Investments		
Domestic Corporation Bonds	3,509,277	3,211,142
Common, Pooled Fund	33,078,095	30,738,143
Accounts receivable	-	-
Accrued interest receivable	<u>135</u>	<u>1,714</u>
TOTAL ASSETS	<u>37,543,108</u>	<u>34,771,379</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts payable	<u>10,960</u>	<u>350</u>
TOTAL LIABILITIES	<u>10,960</u>	<u>350</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net position restricted for pensions	<u>37,532,148</u>	<u>34,771,029</u>
TOTAL NET POSITION	<u><u>\$ 37,532,148</u></u>	<u><u>\$ 34,771,029</u></u>

CITY OF MARQUETTE, MICHIGAN

AGENCY FUND

COMPARATIVE BALANCE SHEET

September 30, 2020 and 2019

	<u>2019</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,579,813	\$ 2,155,406
Accounts receivable	-	-
Taxes receivable - current	4,369,772	1,432,486
Taxes receivable - delinquent personal	<u>87,125</u>	<u>42,088</u>
TOTAL ASSETS	<u><u>\$ 6,036,710</u></u>	<u><u>\$ 3,629,980</u></u>
LIABILITIES		
Accounts payable	218,321	174,178
Accrued wages payable	751,864	1,054,088
Due to State	317,307	347,972
Due to other governments	1,888,559	857,733
Due to local units	2,637,287	940,954
Other liabilities	<u>223,372</u>	<u>255,055</u>
TOTAL LIABILITIES	<u><u>\$ 6,036,710</u></u>	<u><u>\$ 3,629,980</u></u>

CITY OF MARQUETTE, MICHIGAN

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2020 and 2019

	Balance at September 30, 2019	Additions	Deductions	Balance at September 30, 2020
ASSETS				
Cash and cash equivalents	\$ 2,155,406	\$ 42,024,711	\$ 42,600,304	\$ 1,579,813
Accounts receivable	-	29,369	29,369	-
Taxes receivable - current	1,432,486	33,519,800	30,582,514	4,369,772
Taxes receivable - delinquent personal	42,088	59,181	14,144	87,125
TOTAL ASSETS	<u>\$ 3,629,980</u>	<u>\$ 75,633,061</u>	<u>\$ 73,226,331</u>	<u>\$ 6,036,710</u>
LIABILITIES				
Accounts payable	\$ 174,178	\$ 18,233,566	\$ 18,189,423	\$ 218,321
Accrued wages payable	1,054,088	253,103	555,327	751,864
Due to State	347,972	4,155,258	4,185,923	317,307
Due to other governments	857,733	17,435,231	16,404,405	1,888,559
Due to local units	940,954	13,099,945	11,403,612	2,637,287
Other liabilities	255,055	30,136	61,819	223,372
TOTAL LIABILITIES	<u>\$ 3,629,980</u>	<u>\$ 53,207,239</u>	<u>\$ 50,800,509</u>	<u>\$ 6,036,710</u>

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, 2020

	Land and Improvements	Buildings and Improvements	Furniture and Equipment	Other	Totals
Governmental Capital Assets:					
Land	\$ 13,202,353	\$ -	\$ -	\$ -	\$ 13,202,353
Land improvements	8,514,975	-	-	-	8,514,975
Buildings	-	5,838,183	-	-	5,838,183
Building improvements	-	7,133,048	-	-	7,133,048
Furniture and equipment	-	-	1,787,489	-	1,787,489
Infrastructure	-	-	-	70,001,792	70,001,792
Construction in progress	-	-	-	4,204,924	4,204,924
TOTAL	\$ 21,717,328	\$ 12,971,231	\$ 1,787,489	\$ 74,206,716	\$ 110,682,764
Investments in Governmental Capital Assets From:					
General fund	\$ 14,250,870	\$ 5,397,714	\$ 1,092,842	\$ 32,354,710	\$ 53,096,136
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	2,038,297	265,455	41,304,244	47,139,793
TOTAL	\$ 21,717,328	\$ 12,971,231	\$ 1,787,489	\$ 74,206,716	\$ 110,682,764

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, 2020

Function and Activity	Balance September 30, 2019	Additions	Deductions	Transfers	Balance September 30, 2020
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	-	-	-	382,473
City Hall and Grounds	2,777,059	-	-	-	2,777,059
Other City Property	4,887,235	-	-	-	4,887,235
Total General Government	8,180,466	-	-	-	8,180,466
Public Health and Safety:					
Police Department	303,068	-	-	-	303,068
Fire Department	761,228	9,850	(8,722)	-	762,356
Total Public Health and Safety	1,064,296	9,850	(8,722)	-	1,065,424
Highways, Streets and Bridges:					
City Engineer	164,803	-	-	-	164,803
Public Works	10,902,559	20,945	-	-	10,923,504
Infrastructure	68,963,731	962,662	-	75,399	70,001,792
Parking System	2,475,516	-	-	-	2,475,516
Total Highways, Streets and Bridges	82,506,609	983,607	-	75,399	83,565,615
Other:					
Sanitation	14,932	-	-	-	14,932
Recreation	13,519,789	88,450	-	-	13,608,239
Other	43,164	-	-	-	43,164
Total Other	13,577,885	88,450	-	-	13,666,335
TOTAL GOVERNMENTAL CAPITAL ASSETS	105,329,256	1,081,907	(8,722)	75,399	106,477,840
Construction in progress	1,345,791	2,935,510	(978)	(75,399)	4,204,924
GRAND TOTAL	\$ 106,675,047	\$ 4,017,417	\$ (9,700)	\$ -	\$ 110,682,764

CITY OF MARQUETTE, MICHIGAN

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY

September 30, 2020

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	762,356	32,296	14,663	164,005	205,899	345,493	-
Total Public Health and Safety	1,065,424	32,296	14,663	164,005	205,899	648,561	-
Highways, Streets and Bridges:							
City Engineer	164,803	-	-	-	-	164,803	-
Public Works	10,923,504	6,519,976	3,607,753	542,795	232,580	20,400	-
Infrastructure	70,001,792	-	-	-	-	-	70,001,792
Parking System	2,475,516	753,874	70,131	1,320,171	235,396	95,944	-
Total Highways, Streets and Bridges	83,565,615	7,273,850	3,677,884	1,862,966	467,976	281,147	70,001,792
Other:							
Sanitation	14,932	14,932	-	-	-	-	-
Recreation	13,608,239	861,005	4,440,797	2,361,461	5,324,000	620,976	-
Other	43,164	-	-	-	17,916	25,248	-
Total Other	13,666,335	875,937	4,440,797	2,361,461	5,341,916	646,224	-
TOTAL GOVERNMENTAL CAPITAL ASSETS ASSOCIATED TO FUNCTIONS	106,477,840	\$ 13,202,353	\$ 8,514,975	\$ 5,838,183	\$ 7,133,048	\$ 1,787,489	\$ 70,001,792
Construction in progress	4,204,924						
GRAND TOTAL	<u>\$ 110,682,764</u>						

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, 2020

WATER SUPPLY FUND															LIGHTHOUSE PARK FUND	MARINAS FUND	
Maturities Year Ending September 30,	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	2019 Capital Improvements Bonds	2020 Capital Improvements Bonds	2018 Building Authority Bonds	2019 Capital Improvements Bonds	
2021	\$ 25,000	\$ 25,000	\$ 15,000	\$ 17,619	\$ 19,800	\$ 46,750	\$ 56,250	\$ 37,400	\$ 106,625	\$ 129,705	\$ 322,910	\$ 110,000	\$ 55,000	\$ 55,000	\$ 95,000	\$ 70,000	
2022	25,000	25,000	15,000	17,935	20,350	47,685	57,500	39,100	109,075	134,260	342,975	115,000	55,000	55,000	95,000	75,000	
2023	25,000	25,000	15,000	18,251	21,450	49,555	60,000	39,950	111,525	139,665	348,760	120,000	55,000	60,000	100,000	75,000	
2024	25,000	30,000	15,000	18,568	22,550	50,490	61,250	40,800	113,975	148,775	363,470	120,000	60,000	60,000	105,000	75,000	
2025	30,000	30,000	15,000	18,885	23,100	52,360	63,750	42,500	116,425	153,330	315,000	125,000	60,000	60,000	105,000	80,000	
2026	30,000	30,000	20,000	19,201	24,200	54,230	65,000	44,200	121,322	161,205	320,000	130,000	60,000	65,000	110,000	85,000	
2027	30,000	30,000	20,000	19,518	25,300	55,165	67,500	45,900	-	165,760	124,000	140,000	65,000	70,000	115,000	85,000	
2028	30,000	30,000	20,000	20,121	-	57,035	68,750	48,450	-	174,870	129,000	145,000	65,000	70,000	120,000	90,000	
2029	30,000	30,000	20,000	-	-	-	-	50,150	-	37,400	134,000	-	70,000	75,000	-	95,000	
2030	15,058	30,000	20,000	-	-	-	-	51,850	-	39,100	140,000	-	75,000	75,000	-	95,000	
2031	-	30,000	20,000	-	-	-	-	-	-	40,800	145,000	-	-	-	-	-	
2032	-	28,908	20,875	-	-	-	-	-	-	-	151,000	-	-	-	-	-	
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	\$ 265,058	\$ 343,908	\$ 215,875	\$ 150,098	\$ 156,750	\$ 413,270	\$ 500,000	\$ 440,300	\$ 678,947	\$ 1,324,870	\$ 2,436,115	\$ 1,005,000	\$ 620,000	\$ 645,000	\$ 845,000	\$ 825,000	
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%	3.0 - 4.0%	4.00%	2.65 - 3.81%	3.0 - 4.0%	
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	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	11/12/2019	6/23/2020	7/31/2018	11/12/2019	
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	\$ 620,000	\$ 645,000	\$ 1,035,000	\$ 825,000	

SEWAGE DISPOSAL FUND												STORMWATER UTILITY FUND											
Maturities Year Ending September 30,	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	2019 Capital Improvements Bonds	2020 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	2019 Capital Improvements Bonds	2020 Capital Improvements Bonds
2021	\$ 200,000	\$ 35,000	\$ 35,000	\$ 55,800	\$ 81,250	\$ 63,000	\$ 103,400	\$ 35,785	\$ 120,824	\$ 186,900	\$ 130,000	\$ 105,000	\$ 55,000	\$ 6,343	\$ 32,400	\$ 38,750	\$ 36,000	\$ 8,483	\$ 330,215	\$ 99,330	\$ 120,000	\$ 70,000	\$ 120,000
2022	200,000	35,000	35,000	57,350	82,875	64,400	108,100	36,585	125,058	198,000	135,000	105,000	55,000	6,457	33,300	39,525	36,800	8,633	344,380	104,175	125,000	80,000	115,000
2023	205,000	35,000	35,000	60,450	86,125	67,200	110,450	37,385	130,142	201,900	140,000	110,000	55,000	6,571	35,100	41,075	38,400	8,783	129,695	107,380	130,000	80,000	120,000
2024	210,000	40,000	35,000	63,550	87,750	68,600	112,800	38,185	138,610	210,300	145,000	115,000	60,000	6,684	36,900	41,850	39,200	8,933	138,025	111,610	135,000	85,000	125,000
2025	-	40,000	40,000	65,100	91,000	71,400	117,500	38,985	142,844	86,250	155,000	115,000	60,000	6,798	37,800	43,400	40,800	9,083	142,190	86,250	140,000	85,000	130,000
2026	-	40,000	40,000	68,200	94,250	72,800	122,200	40,582	150,184	90,000	160,000	120,000	65,000	6,912	39,600	44,950	41,600	9,394	149,515	90,000	145,000	90,000	135,000
2027	-	40,000	40,000	71,300	95,875	75,600	126,900	-	154,418	93,000	165,000	125,000	65,000	7,026	41,400	45,725	43,200	-	153,680	93,000	150,000	95,000	140,000
2028	-	40,000	40,000	-	99,125	77,000	133,950	-	162,886	96,750	175,000	130,000	70,000	7,244	-	47,275	44,000	-	162,010	96,750	160,000	100,000	145,000
2029	-	40,000	40,000	-	-	-	138,650	-	37,400	100,500	-	135,000	75,000	-	-	-	-	-	50,600	100,500	-	105,000	150,000
2030	-	40,699	40,000	-	-	-	143,350	-	39,100	105,000	-	140,000	75,000	-	-	-	-	-	52,900	105,000	-	105,000	160,000
2031	-	-	46,785	-	-	-	-	-	40,800	108,750	-	-	-	-	-	-	-	-	55,200	108,750	-	-	-
2032	-	-	-	-	-	-	-	-	-	113,250	-	-	-	-	-	-	-	-	-	113,250	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$ 815,000	\$ 385,699	\$ 426,785	\$ 441,750	\$ 718,250	\$ 560,000	\$ 1,217,300	\$ 227,507	\$ 1,242,266	\$ 1,590,600	\$ 1,205,000	\$ 1,200,000	\$ 635,000	\$ 54,035	\$ 256,500	\$ 342,550	\$ 320,000	\$ 53,309	\$ 1,708,410	\$ 1,215,995	\$ 1,105,000	\$ 895,000	\$ 1,340,000
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%	3.0 - 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%	3.0 - 4.0%	4.00%
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	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	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	11/12/2019	6/23/2020	3/29/2007	9/22/2012	8/7/2012	9/13/2013	9/17/2015	11/3/2016	8/23/2017	7/31/2018	11/12/2019	6/23/2020
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	\$ 1,200,000	\$ 635,000	\$ 123,234	\$ 484,200	\$ 583,575	\$ 555,200	\$ 78,809	\$ 1,579,945	\$ 1,465,325	\$ 1,350,000	\$ 895,000	\$ 1,340,000

* 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, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,120,628	\$ 7,824,276
Internally designated assets:		
Customer electric rate stabilization fund	1,100,000	1,100,000
Fuel imbursement fund	3,000,000	3,000,000
Capital projects fund cash and cash equivalents	-	-
Investments - capital projects fund	-	-
Turbine and major generating equipment overhaul fund	4,785,000	3,350,000
Debt service fund	5,400,000	5,400,000
Asset retirement obligation and environmental liability remediation fund	6,000,000	5,028,000
Replacement-risk retention fund	4,550,000	4,550,000
Improvement fund	21,368,880	15,092,364
Future generation fund	-	-
Accrued interest	3,663	50,702
Accounts receivable, net	3,925,060	4,366,186
Accrued interest receivable	-	-
Inventory	1,583,471	1,165,602
Prepaid expenses	356,264	112,977
TOTAL CURRENT ASSETS	59,192,966	51,040,107
Non-current Assets:		
Restricted Assets:		
Unspent 2016A bond proceeds	3,427,595	4,647,546
Bond and interest redemption fund	1,606,109	1,038,401
Bond reserve fund	5,496,652	5,484,486
Customer deposits	1,766,223	1,638,338
Retiree health funding vehicle fund (Net OPEB asset)	-	-
Pinehill landfill fund	-	-
Asset retirement fund	263,832	263,832
Energy optimization fund	474,819	407,151
Accrued interest	24,050	27,985
TOTAL RESTRICTED ASSETS	13,059,280	13,507,739
Investment in UPPPA	4,864,433	4,226,199
Property, plant, and equipment	139,466,311	145,177,519
Accumulated depreciation	(46,219,165)	(49,648,780)
TOTAL NON-CURRENT ASSETS	111,170,859	113,262,677
TOTAL ASSETS	170,363,825	164,302,784
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	1,405,234	2,165,023
Deferred outflows related to OPEB	268,849	351,292
Employer contributions subsequent to measurement	1,420,081	2,365,722
Deferred charge on refunding	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,094,164	4,882,037
LIABILITIES		
Current Liabilities:		
Accounts payable	4,022,032	3,087,780
Accrued liabilities	245,328	556,562
Compensated absences	1,296,577	1,019,058
Customer deposits payable	1,773,799	1,639,923
Other current liabilities	6,324,644	2,434,651
TOTAL CURRENT LIABILITIES	13,662,380	8,737,974
Current Liabilities (payable from restricted assets):		
Current maturities on bonds and capital lease	2,630,000	2,663,101
Revenue bond accrued interest payable	699,928	731,241
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	3,329,928	3,394,342
Non-current Liabilities:		
Net pension liability	10,463,379	13,369,259
Net OPEB liability	5,094,716	9,592,949
Bonds payable	59,235,000	61,865,000
Unamortized bond premium	7,141,161	8,011,909
Reserve for equipment overhaul and landfill postclosure costs	100,000	2,364,181
TOTAL NON-CURRENT LIABILITIES	82,034,256	95,203,298
TOTAL LIABILITIES	99,026,564	107,335,614
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	882,425	-
Deferred inflows related to pension	770,614	67,616
TOTAL DEFERRED INFLOWS OF RESOURCES	1,653,039	67,616
NET POSITION		
Net investment in capital assets	24,240,985	22,988,729
Restricted for:		
Other activities	13,059,280	13,507,739
Unrestricted	35,478,121	25,285,123
TOTAL NET POSITION	\$ 72,778,386	\$ 61,781,591

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, 2020

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

	2020	2019
OPERATING REVENUES:		
Electricity Sales:		
Urban	\$ 23,115,758	\$ 27,306,750
Rural	15,378,813	17,023,400
Sales to Alger-Delta Co-op	215,649	767,606
Sales to Wisconsin Electric Power Company	130,926	185,962
Street lighting	555,989	578,492
Other municipal departments	1,215,414	1,460,389
Rent and other	930,874	1,103,922
TOTAL OPERATING REVENUES	41,543,423	48,426,521
OPERATING EXPENSES:		
Administrative and general	3,897,315	5,334,837
Production	9,107,578	9,491,652
Purchased power	3,468,745	5,790,971
Distribution and transmission	4,066,314	3,593,561
Customer accounting	944,972	740,090
Payment in lieu of property taxes - City of Marquette	2,156,883	2,598,665
Provision for depreciation	5,155,523	4,880,937
TOTAL OPERATING EXPENSES	28,797,330	32,430,713
INCOME/(LOSS) FROM OPERATIONS	12,746,093	15,995,808
NON-OPERATING REVENUES (EXPENSES):		
Investment income	1,245,490	1,194,654
Amortization of bond premium	-	-
Interest on long term debt	(2,028,951)	(2,102,023)
Bond issuance expense	-	-
Gain on sale of treasury note	-	-
Gain (Loss) on disposal of equipment	(751,196)	63,930
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,534,657)	(843,439)
CHANGE IN NET POSITION BEFORE SPECIAL ITEM	11,211,436	15,152,369
Shiras Steam Plant impairment	(261,542)	-
CHANGE IN NET POSITION AFTER SPECIAL ITEM	10,949,894	15,152,369
Capital contributions from customers	46,901	457,494
CHANGE IN NET POSITION	10,996,795	15,609,863
Net position, beginning of year	61,781,591	46,171,728
NET POSITION, END OF YEAR	\$ 72,778,386	\$ 61,781,591

CITY OF MARQUETTE, MICHIGAN

BOARD OF LIGHT AND POWER ELECTRIC UTILITY

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2020

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 42,016,293	\$ 46,809,821
Cash paid to suppliers and employees	<u>(25,705,299)</u>	<u>(31,395,871)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>16,310,994</u>	<u>15,413,950</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(3,822,044)	(4,611,815)
Proceeds from sale of equipment	215,000	63,930
Principal payment on revenue bonds, notes payable and capital lease obligations	(2,663,101)	(1,258,148)
Capital contributions	46,901	457,494
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	<u>(2,926,974)</u>	<u>(2,989,192)</u>
NET CASH (USED) FOR CAPITAL AND FINANCING ACTIVITIES	<u>(9,150,218)</u>	<u>(8,337,731)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	1,033,448	1,195,892
Proceeds from maturities and sales of investment securities	274,658	7,662,463
Purchase of investments	<u>(9,172,530)</u>	<u>(13,596,494)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(7,864,424)</u>	<u>(4,738,139)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(703,648)	2,338,080
Cash and cash equivalents, beginning of year	<u>7,824,276</u>	<u>5,486,196</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 7,120,628</u></u>	<u><u>\$ 7,824,276</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	<u>\$ 12,746,093</u>	<u>\$ 15,995,808</u>
Operating income		
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation	5,155,523	4,880,937
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	441,126	(1,660,019)
(Increase)/Decrease in inventory	(417,869)	(38,351)
(Increase)/Decrease in prepaid expenses	(243,287)	(5,254)
Increase/(Decrease) in accounts payable	934,252	(359,999)
Increase/(Decrease) in accrued wages and related liabilities	(311,234)	105,444
Increase/(Decrease) in accrued sick and vacation	277,519	10,828
Increase in customer deposits, including accrued interest	133,876	108,603
(Decrease) in landfill site postclosure care cost liability	-	(218,000)
Increase/(Decrease) in other post-employment benefits (OPEB), and net pension liability	(4,030,817)	(3,530,521)
Increase in reserve for turbine overhaul and landfill postclosure costs	(2,264,181)	(1,903,270)
Increase/(Decrease) in other current liabilities	<u>3,889,993</u>	<u>2,027,744</u>
NET ADJUSTMENTS	<u>3,564,901</u>	<u>(581,858)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 16,310,994</u></u>	<u><u>\$ 15,413,950</u></u>

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
September 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,881,672
Taxes receivable, net	2,659,892
Accounts receivable, net	-
Due from primary government	-
Other assets	<u>11,020</u>
TOTAL CURRENT ASSETS	<u>8,552,584</u>
Non-current assets:	
Other capital assets, net of depreciation	<u>947,991</u>
TOTAL NON-CURRENT ASSETS	<u>947,991</u>
TOTAL ASSETS	<u>9,500,575</u>
DEFERRED OUTFLOWS OF RESOURCES	
Receivables for developer obligations	<u>65,057,874</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>65,057,874</u>
LIABILITIES	
Current liabilities:	
Accounts payable	24,880
Accrued liabilities	1,990
Accrued interest	602,180
Due to primary government	-
Bonds payable for capital assets- due in one year	80,000
Bonds payable for developer - due in one year	<u>805,000</u>
TOTAL CURRENT LIABILITIES	<u>1,514,050</u>
Non-current liabilities:	
Bonds payable for capital assets - due in more than one year	710,000
Bonds payable for developer - due in more than one year	32,017,545
Long term obligations to developers	<u>30,843,149</u>
TOTAL NON-CURRENT LIABILITIES	<u>63,570,694</u>
TOTAL LIABILITIES	<u>65,084,744</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for a subsequent period	<u>3,429,161</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,429,161</u>
NET POSITION	
Net investment in capital assets	157,991
Restricted	<u>5,886,553</u>
TOTAL NET POSITION	<u><u>\$ 6,044,544</u></u>

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 1,501,995	\$ -	\$ -	\$ (1,501,995)
Interest on long-term debt	1,086,366	-	-	(1,086,366)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 2,588,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,588,361)</u>
	General revenues:			
	Property taxes			4,045,655
	Interest and investment earnings			8,467
	Miscellaneous			<u>-</u>
			Total General Revenues	<u>4,054,122</u>
			CHANGE IN NET POSITION	1,465,761
			Net position, beginning of year	<u>4,578,783</u>
			NET POSITION, END OF YEAR	<u>\$ 6,044,544</u>

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
COMPARATIVE BALANCE SHEET
September 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 5,881,672	\$ 6,165,339
Taxes receivable, net	2,659,892	25,072
Other assets	11,020	2,187
TOTAL ASSETS	8,552,584	6,192,598
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 8,552,584	\$ 6,192,598
LIABILITIES		
Accounts payable	\$ 24,880	\$ 3,132
Accrued salaries and wages	1,990	1,501
Due to primary government	-	-
TOTAL LIABILITIES	26,870	4,633
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	3,429,161	2,669,795
FUND BALANCE		
Restricted	5,095,759	3,513,579
Unassigned	794	4,591
TOTAL FUND BALANCE	5,096,553	3,518,170
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 8,552,584	\$ 6,192,598

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2020

Total Fund Balances for Governmental Funds		\$ 5,096,553
--	--	--------------

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

	1,285,857	
Cost of capital assets		
Accumulated depreciation	<u>(337,866)</u>	947,991

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	65,057,874
---------------------------------------	------------

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

	(80,000)	
Current portion of bonds payable for capital assets		
Current portion of bonds payable for developer	(805,000)	
Accrued interest on bonds	(602,180)	
Bonds payable for capital assets	(710,000)	
Bonds payable for developer	(32,017,545)	
Long term obligations to developers	<u>(30,843,149)</u>	<u>(65,057,874)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,044,544</u>
--	----------------------------

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, 2020
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2019

	2020	2019
REVENUES		
Property taxes	\$ 3,980,634	\$ 2,729,288
Private contribution	-	-
Investment income	8,467	9,621
TOTAL REVENUES	<u>3,989,101</u>	<u>2,738,909</u>
EXPENDITURES		
Current operations:		
General government	40,391	38,983
Economic development:		
Supplies and contractual	949,856	1,844,491
Capital outlay	-	-
Debt service		
Principal retirement	210,000	200,000
Interest and fiscal charges	1,210,471	1,210,016
TOTAL EXPENDITURES	<u>2,410,718</u>	<u>3,293,490</u>
NET REVENUES OVER EXPENDITURES	<u>1,578,383</u>	<u>(554,581)</u>
OTHER FINANCING SOURCES (USES)		
Bond issuance	-	-
Premium on bond issuance	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,578,383	(554,581)
Fund balance, beginning of year	<u>3,518,170</u>	<u>4,072,751</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 5,096,553</u></u>	<u><u>\$ 3,518,170</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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 1,578,383
--	--------------

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.

3,911

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.

120,194

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

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.

(399,126)

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.

65,021

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 1,465,761

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
September 30, 2020

	Downtown Development Authority	Peter White Public Library	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,482,550	\$ 1,385,350	\$ 2,867,900
Taxes receivable, net	136,809	177,969	314,778
Accounts receivable, net	1,749	9,024	10,773
Due from Federal	-	-	-
Other assets	150	14,159	14,309
TOTAL CURRENT ASSETS	1,621,258	1,586,502	3,207,760
Non-current assets:			
Restricted cash and cash equivalents	-	1,734,114	1,734,114
Land and construction in progress	-	114,704	114,704
Other capital assets, net of depreciation	2,844,521	7,355,759	10,200,280
TOTAL NON-CURRENT ASSETS	2,844,521	9,204,577	12,049,098
TOTAL ASSETS	4,465,779	10,791,079	15,256,858
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	-	76,933	76,933
Employer contributions subsequent to measurement date	-	116,852	116,852
Receivables for developer obligations	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	193,785	193,785
LIABILITIES			
Current liabilities:			
Accounts payable	-	100,747	100,747
Accrued liabilities	4,655	112,148	116,803
Accrued interest	2,719	-	2,719
Due to others	-	76,158	76,158
Grants received in advance	64,029	-	64,029
Compensated absences	33,373	-	33,373
Bonds payable - due in one year	125,000	220,000	345,000
TOTAL CURRENT LIABILITIES	229,776	509,053	738,829
Non-current liabilities:			
Compensated absences	-	67,318	67,318
Net pension liability	-	1,064,960	1,064,960
Bonds payable	625,000	3,511,506	4,136,506
TOTAL NON-CURRENT LIABILITIES	625,000	4,643,784	5,268,784
TOTAL LIABILITIES	854,776	5,152,837	6,007,613
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	-	8,045	8,045
Taxes levied for a subsequent period	610,501	964,512	1,575,013
TOTAL DEFERRED INFLOWS OF RESOURCES	610,501	972,557	1,583,058
NET POSITION			
Net investment in capital assets	2,094,521	4,050,463	6,144,984
Restricted	64,029	1,518,536	1,582,565
Unrestricted	841,952	(709,529)	132,423
TOTAL NET POSITION	\$ 3,000,502	\$ 4,859,470	\$ 7,859,972

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

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	\$ 1,490,701	\$ 244,758	\$ 253,346	\$ (992,597)	\$ -	\$ (992,597)
Peter White Public Library	2,173,418	138,862	1,040,874	-	(993,682)	(993,682)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,664,119	\$ 383,620	\$ 1,294,220	(992,597)	(993,682)	(1,986,279)
General revenues:						
Property taxes				831,846	1,312,638	2,144,484
Interest and investment earnings				2,491	93,585	96,076
Gain on the sale of capital assets				-	-	-
Miscellaneous				79,690	36,153	115,843
Total General Revenues				914,027	1,442,376	2,356,403
CHANGE IN NET POSITION				(78,570)	448,694	370,124
Net position, beginning of year				3,079,072	4,410,776	7,489,848
NET POSITION, END OF YEAR				\$ 3,000,502	\$ 4,859,470	\$ 7,859,972

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

September 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,482,550
Taxes receivable, net	136,809
Accounts receivable, net	1,749
Due from Federal government	-
Due from primary government	-
Other assets	<u>150</u>
TOTAL CURRENT ASSETS	<u>1,621,258</u>
Non-current assets:	
Land and construction in progress	-
Other capital assets, net of depreciation	<u>2,844,521</u>
TOTAL NON-CURRENT ASSETS	<u>2,844,521</u>
TOTAL ASSETS	<u>4,465,779</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
Current liabilities:	
Accounts payable	-
Accrued liabilities	4,655
Accrued interest	2,719
Grants received in advance	64,029
Compensated absences	33,373
Bonds payable - due in one year	<u>125,000</u>
TOTAL CURRENT LIABILITIES	<u>229,776</u>
Non-current liabilities:	
Bonds payable - due in more than one year	<u>625,000</u>
TOTAL NON-CURRENT LIABILITIES	<u>625,000</u>
TOTAL LIABILITIES	<u>854,776</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for a subsequent period	<u>610,501</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>610,501</u>
NET POSITION	
Net investment in capital assets	2,094,521
Restricted	64,029
Unrestricted	<u>841,952</u>
TOTAL NET POSITION	<u><u>\$ 3,000,502</u></u>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2020

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 1,453,462	\$ 244,758	\$ 253,346	\$ (955,358)
Interest on long-term debt	37,239	-	-	(37,239)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,490,701</u>	<u>\$ 244,758</u>	<u>\$ 253,346</u>	<u>(992,597)</u>
General revenues:				
	Property taxes			831,846
	Interest and investment earnings			2,491
	Gain on the sale of capital assets			-
	Miscellaneous			<u>79,690</u>
	Total General Revenues			<u>914,027</u>
	CHANGE IN NET POSITION			<u>(78,570)</u>
	Net position, beginning of year			<u>3,079,072</u>
	NET POSITION, END OF YEAR			<u>\$ 3,000,502</u>

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2020

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 1,482,550	\$ 1,482,550
Taxes receivable, net	136,809	136,809
Accounts receivable, net	1,749	1,749
Grants receivable, net	-	-
Other assets	150	150
	<u>1,621,258</u>	<u>1,621,258</u>
TOTAL ASSETS	<u>1,621,258</u>	<u>1,621,258</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
	<u>\$ 1,621,258</u>	<u>\$ 1,621,258</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,621,258</u>	<u>\$ 1,621,258</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued salaries and wages	4,655	4,655
Grants received in advance	64,029	64,029
	<u>68,684</u>	<u>68,684</u>
TOTAL LIABILITIES	<u>68,684</u>	<u>68,684</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	610,501	610,501
	<u>610,501</u>	<u>610,501</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>610,501</u>	<u>610,501</u>
FUND BALANCE		
Restricted	-	-
Unassigned	942,073	942,073
	<u>942,073</u>	<u>942,073</u>
TOTAL FUND BALANCE	<u>942,073</u>	<u>942,073</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,621,258</u>	<u>\$ 1,621,258</u>

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, 2020

Total Fund Balances for Governmental Funds \$ 942,073

*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	5,446,261	
Accumulated depreciation	<u>(2,601,740)</u>	2,844,521

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	(125,000)
Bonds payable	(625,000)
Compensated absences	(33,373)
Accrued interest on bonds	<u>(2,719)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,000,502</u>
--	----------------------------

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, 2020

	General Fund	Total Governmental Funds
REVENUES		
Property taxes	\$ 831,846	\$ 831,846
Federal sources	-	-
State sources	253,346	253,346
Intergovernmental revenues	-	-
Charges for services	160,907	160,907
Rentals	83,851	83,851
Investment income	2,491	2,491
Other	79,690	79,690
	<hr/>	<hr/>
TOTAL REVENUES	1,412,131	1,412,131
	<hr/>	<hr/>
EXPENDITURES		
Current operations:		
General government	1,217,503	1,217,503
Capital outlay	25,690	25,690
Debt service		
Principal retirement	115,000	115,000
Interest and fiscal charges	37,656	37,656
	<hr/>	<hr/>
TOTAL EXPENDITURES	1,395,849	1,395,849
	<hr/>	<hr/>
NET REVENUES OVER EXPENDITURES	16,282	16,282
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	-	-
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	16,282	16,282
	<hr/>	<hr/>
Fund balance, beginning of year	925,791	925,791
	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 942,073	\$ 942,073
	<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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	16,282
--	----	--------

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	\$	21,975	
Depreciation expense		(228,411)	
Net book value of disposals		<u>-</u>	(206,436)

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.

417

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>(3,833)</u>	
----------------------	--	----------------	--

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

	\$	<u>(78,570)</u>	
--	----	-----------------	--

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government
	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,385,350
Taxes receivable, net	177,969
Accounts receivable, net	9,024
Prepaid expenses	14,159
Non-current assets:	
Restricted cash and cash equivalents	1,734,114
Land and construction in progress	114,704
Other capital assets, net of depreciation	7,355,759
TOTAL ASSETS	10,791,079
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	76,933
Employer contributions subsequent to measurement date	116,852
TOTAL DEFERRED OUTFLOWS OF RESOURCES	193,785
LIABILITIES	
Current liabilities:	
Accounts payable	100,747
Accrued liabilities	112,148
Due to others	76,158
Bonds payable - due in one year	220,000
Non-current liabilities:	
Bonds payable	3,511,506
Compensated absences	67,318
Net pension liability	1,064,960
TOTAL LIABILITIES	5,152,837
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	8,045
Taxes levied for a subsequent period	964,512
TOTAL DEFERRED INFLOWS OF RESOURCES	972,557
NET POSITION	
Net investment in capital assets	4,050,463
Restricted for:	
Capital outlay	-
Debt services	234,506
Other activities	1,284,030
Unrestricted	(709,529)
TOTAL NET POSITION	\$ 4,859,470

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2020

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	\$ 2,055,218	\$ 138,862	\$ 1,040,874	\$ (875,482)
Interest on long-term debt	118,200	-	-	(118,200)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,173,418	\$ 138,862	\$ 1,040,874	(993,682)
General revenues:				
				1,312,638
Property taxes				93,585
Interest and investment earnings				-
Gain/(loss) on sale of fixed assets				36,153
Miscellaneous				
			Total General Revenues	1,442,376
			CHANGE IN NET POSITION	448,694
			Net position, beginning of year	4,410,776
			NET POSITION, END OF YEAR	\$ 4,859,470

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2020

	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	\$ 1,013,195	\$ 6,706	\$ 464,243	\$ 68,819	\$ 1,552,963
Investments	372,155	841,550	-	352,796	1,566,501
Taxes receivable, net	132,285	-	45,684	-	177,969
Accounts receivable, net	9,024	-	-	-	9,024
Prepaid expenditures	14,159	-	-	-	14,159
TOTAL ASSETS	1,540,818	848,256	509,927	421,615	3,320,616
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,540,818	\$ 848,256	\$ 509,927	\$ 421,615	\$ 3,320,616
LIABILITIES					
Accounts payable	\$ 99,766	\$ -	\$ 981	\$ -	\$ 100,747
Accrued salaries and wages	53,048	-	-	-	53,048
Due to other funds	75,041	-	1,117	-	76,158
TOTAL LIABILITIES	227,855	-	2,098	-	229,953
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for a subsequent period	691,189	-	273,323	-	964,512
TOTAL DEFERRED INFLOWS OF RESOURCES	691,189	-	273,323	-	964,512
FUND BALANCE					
Non-spendable	14,159	-	-	-	14,159
Restricted for:					
Capital outlay	-	-	-	-	-
Debt retirement	-	-	234,506	-	234,506
Endowments	-	848,256	-	421,615	1,269,871
Unassigned	607,615	-	-	-	607,615
TOTAL FUND BALANCE	621,774	848,256	234,506	421,615	2,126,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,540,818	\$ 848,256	\$ 509,927	\$ 421,615	\$ 3,320,616

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, 2020

Total Fund Balances for Governmental Funds		\$ 2,126,151
--	--	--------------

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

	14,249,342	
Cost of capital assets		
Accumulated depreciation	<u>(6,778,879)</u>	7,470,463

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.

	(1,064,960)	
Net pension liability		
Deferred (outflows) of resources related to net pension liability	76,933	
Employer contributions subsequent to measurement date	116,852	
Deferred inflows of resources related to net pension liability	<u>(8,045)</u>	(879,220)

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

	(220,000)	
Bonds payable - due in one year		
Bonds payable - due in more than one year	(3,200,000)	
Premium on bond	(311,506)	
Accrued interest on debt	(59,100)	
Compensated absences	<u>(67,318)</u>	<u>(3,857,924)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 4,859,470</u>
--	--	----------------------------

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, 2020

	General Fund	Carroll Paul Memorial Trust Fund	1997 Library Improvement Debt Fund	Peter White Public Library Development Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 954,737	\$ -	\$ 357,901	\$ -	\$ 1,312,638
State sources	69,174	-	-	-	69,174
Local sources	595,962	-	-	-	595,962
Charges for services	26,203	-	-	-	26,203
Fine and forfeiture	80,792	-	-	-	80,792
Rentals	31,867	-	-	-	31,867
Contributions from private sources	186,949	-	-	188,789	375,738
Investment income	17,522	39,703	-	36,360	93,585
Other revenues	12,191	-	-	-	12,191
TOTAL REVENUES	1,975,397	39,703	357,901	225,149	2,598,150
EXPENDITURES					
Recreation and Culture:					
Personnel services	1,389,241	-	-	-	1,389,241
Supplies	66,798	-	-	-	66,798
Other services and charges	386,467	-	520	124,886	511,873
Capital outlay	149,493	-	-	-	149,493
Debt service:					
Principal retirement	-	-	215,000	-	215,000
Interest and fiscal charges	-	-	120,350	-	120,350
TOTAL EXPENDITURES	1,991,999	-	335,870	124,886	2,452,755
NET REVENUES OVER EXPENDITURES	(16,602)	39,703	22,031	100,263	145,395
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of fixed assets	-	-	-	-	-
Transfers in	30,000	-	-	-	30,000
Transfers (out)	-	(30,000)	-	-	(30,000)
TOTAL OTHER FINANCING SOURCES (USES)	30,000	(30,000)	-	-	-
NET CHANGE IN FUND BALANCE	13,398	9,703	22,031	100,263	145,395
Fund balance, beginning of year	608,376	838,553	212,475	321,352	1,980,756
FUND BALANCE, END OF YEAR	\$ 621,774	\$ 848,256	\$ 234,506	\$ 421,615	\$ 2,126,151

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	145,395
--	----	---------

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	\$	50,000	
Depreciation expense		(127,643)	
Net book value of disposals		<u>-</u>	(77,643)

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.

215,000

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.

2,150

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

(4,185)

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

144,015

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 448,694

CITY OF MARQUETTE, MICHIGAN

STATISTICAL SECTION

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

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.

19 - 20

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									
	2020	2019	2018	2017	2016	2015 *	2014	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 54,164,067	\$ 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
Restricted	886,004	940,606	4,126,444	2,861,425	792,364	1,482,626	1,873,995	719,411	1,593,378	4,606,252
Unrestricted	(20,039,124)	(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
Total Governmental Activities										
Net Position / Net Assets	<u>\$ 35,010,947</u>	<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>
Business-Type Activities										
Net investment in capital assets	\$ 32,535,469	\$ 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
Restricted	320,602	328,361	1,705,053	837,004	-	1,661,848	2,714,043	211,294	1,142,971	1,137,437
Unrestricted	804,576	(1,814,623)	(1,309,536)	(309,010)	(524,411)	(2,604,078)	474,848	4,387,928	3,651,627	3,597,011
Total Business-Type Activities										
Net Position / Net Assets	<u>\$ 33,660,647</u>	<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>
Primary Government										
Net investment in capital assets	\$ 86,699,536	\$ 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
Restricted	1,206,606	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
Unrestricted	(19,234,548)	(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
Total Primary Government										
Net Position / Net Assets	<u>\$ 68,671,594</u>	<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>

* 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									
	2020	2019	2018	2017	2016	2015	2014 *	2013	2012	2011
Expenses										
Governmental Activities										
General government	\$ 6,076,249	\$ 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
Public health & Safety	8,910,951	8,880,337	7,984,991	8,373,965	10,154,891	8,058,801	8,866,452	7,287,784	6,588,969	6,366,366
Public works	4,785,208	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
Highway and streets	3,614,699	3,946,829	2,919,733	2,100,708	3,288,402	2,686,985	3,089,215	2,130,526	2,458,441	2,385,994
Social services	733,323	727,878	650,445	673,013	672,878	540,432	642,198	462,412	436,476	492,859
Sanitation	2,190,637	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
Community services / Recreation and culture	1,479,958	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
Interest on long-term debt	784,210	742,496	710,415	659,470	765,649	702,786	887,454	761,123	804,326	834,359
Depreciation - unallocated	2,466,539	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
Total Governmental Activities Expenses	31,040,774	31,900,558	27,285,084	27,870,303	31,147,087	25,996,512	29,652,804	23,619,682	22,760,784	21,731,080
Business-Type Activities										
Water supply	5,122,980	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
Sewage disposal	5,859,101	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
Storm water utility	1,731,442	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
Public works	323,404	-	-	-	-	-	-	-	-	-
Community services / Recreation and culture	914,792	1,212,776	1,084,168	710,244	591,369	586,703	1,075,127	565,480	564,667	652,173
Total Business-Type Activities Expenses	13,951,719	14,145,351	12,887,303	12,723,790	12,747,706	11,962,438	15,572,792	11,593,120	10,701,396	9,926,644
Total Primary Government Expenses	\$ 44,992,493	\$ 46,045,909	\$ 40,172,387	\$ 40,594,093	\$ 43,894,793	\$ 37,958,950	\$ 45,225,596	\$ 35,212,802	\$ 33,462,180	\$ 31,657,724
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 1,258,904	\$ 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
Public health	169,654	237,949	262,901	269,667	184,015	198,196	245,345	128,350	189,761	205,175
Public works	1,341,016	1,433,163	1,252,931	1,220,582	1,179,029	1,278,331	1,295,786	1,063,755	1,421,290	1,446,912
Sanitation	2,156,619	1,500,439	1,714,840	1,941,845	2,667,001	1,973,853	2,048,511	1,478,213	1,249,960	1,377,460
Community services / Recreation and culture	535,335	574,437	632,351	594,120	591,373	546,539	676,196	544,566	532,742	467,299
Operating grants and contributions	4,809,117	4,114,892	4,078,986	3,708,396	4,702,797	2,983,180	2,953,384	934,124	2,493,779	2,274,909
Capital grants and contributions	87,448	1,183,743	4,645,306	19,492,855	6,560,733	731,688	51,348	202,303	135,860	353,012
Total Governmental Activities Program Revenues	10,358,093	10,325,417	13,767,060	28,435,783	17,019,301	8,839,498	8,630,396	5,466,188	7,156,228	7,346,024
Business-Type Activities										
Charges for Services										
Water supply	5,346,110	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
Sewage disposal	7,412,178	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
Storm water utility	2,164,142	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
Public works	338,495	-	-	-	-	-	-	-	-	-
Community services / Recreation and culture	786,683	1,156,988	1,136,865	768,451	691,716	1,220,648	1,025,237	496,962	518,836	562,924
Operating grants and contributions	-	-	-	-	-	-	-	-	69,271	346,411
Capital grants and contributions	541,900	154,491	795,762	267,919	275,033	118,089	729,426	749,985	-	-
Total Business-Type Activities Program Revenues	16,589,508	15,041,902	13,058,685	12,181,355	11,745,032	10,887,431	14,840,808	11,737,312	10,989,757	10,406,295
Total Primary Government Program Revenues	\$ 26,947,601	\$ 25,367,319	\$ 26,825,745	\$ 40,617,138	\$ 28,764,333	\$ 19,726,911	\$ 23,471,204	\$ 17,203,500	\$ 18,145,985	\$ 17,752,319
Net (Expense) Revenue										
Governmental Activities	\$ (20,682,681)	\$ (21,575,141)	\$ (13,518,024)	\$ 565,480	\$ (14,127,786)	\$ (17,157,014)	\$ (21,022,408)	\$ (18,153,494)	\$ (15,604,556)	\$ (14,385,056)
Business-Type Activities	2,637,789	896,551	171,382	(542,435)	(1,002,674)	(1,075,025)	(731,984)	144,192	288,361	479,651
Total Primary Government Net Expense	\$ (18,044,892)	\$ (20,678,590)	\$ (13,346,642)	\$ 23,045	\$ (15,130,460)	\$ (18,232,039)	\$ (21,754,392)	\$ (18,009,302)	\$ (15,316,195)	\$ (13,905,405)
General Revenues and Other Changes in Net Position / Net Assets										
Governmental Activities										
Taxes										
Property taxes	\$ 10,631,256	\$ 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
Payments in lieu of taxes	3,706,246	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
Unrestricted state sources	3,016,816	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
Interest and investment earnings	172,771	409,911	11,095	3,197	252,962	219,202	134,258	(47,473)	251,226	119,309
Gain (loss) on sale of capital assets	13,620	1,376,313	-	-	854,166	7,384	9,539	1,262	(51,757)	61,862
Miscellaneous	418,908	129,076	155,429	319,945	358,389	154,165	352,322	154,680	265,949	112,539
Transfers	165,981	1,616,472	(18,720)	-	(360,000)	-	(166,410)	(50,247)	(35,321)	(106,128)
Total Governmental Activities	18,125,598	20,424,377	17,236,196	16,351,786	17,545,641	16,241,854	20,228,484	16,191,889	14,582,522	13,782,976
Business-Type Activities										
Interest and investment earnings	27,215	43,260	19,755	48,436	21,866	22,907	18,541	7,342	9,934	18,001
Gain on sale of capital assets	-	-	-	-	-	-	-	5,942	-	-
Miscellaneous	72,823	-	-	-	-	-	-	-	16,864	497,871
Extraordinary item - Winter Storm Damage	-	-	-	-	-	-	(362,058)	-	-	-
Transfers	(165,981)	(1,616,472)	18,720	-	360,000	-	166,410	50,247	35,321	106,128
Total Business-Type Activities	(65,943)	(1,573,212)	38,475	48,436	381,866	22,907	(177,107)	63,531	62,119	622,000
Total Primary Government	\$ 18,059,655	\$ 18,851,165	\$ 17,274,671	\$ 16,400,222	\$ 17,927,507	\$ 16,264,761	\$ 20,051,377	\$ 16,255,420	\$ 14,644,641	\$ 14,404,976
Change in Net Position / Net Assets										
Governmental activities	\$ (2,557,083)	\$ (1,150,764)	\$ 3,718,172	\$ 16,917,266	\$ 3,417,855	\$ (915,160)	\$ (793,924)	\$ (1,961,605)	\$ (1,022,034)	\$ (602,080)
Business-type activities	2,571,846	(676,661)	209,857	(493,999)	(620,808)	(1,052,118)	(909,091)	207,723	350,480	1,101,651
Total Primary Government	\$ 14,763	\$ (1,827,425)	\$ 3,928,029	\$ 16,423,267	\$ 2,797,047	\$ (1,967,278)	\$ (1,703,015)	\$ (1,753,882)	\$ (671,554)	\$ 499,571

* 2014 is a 15-month fiscal year

CITY OF MARQUETTE, MICHIGAN
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Reserved	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-spendable*	\$ 813,799	\$ 723,433	\$ 464,596	\$ 470,349	\$ 447,303	\$ 414,088	\$ 529,534	\$ 329,423	\$ 307,355	\$ 496,921
Restricted*	7,095	33,512	44,694	47,996	64,618	177,559	223,793	245,597	240,180	3,159,710
Assigned*	63,781	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
Unassigned*	8,744,448	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
Total General Fund	<u>\$ 9,629,123</u>	<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>
All Other Governmental Funds										
Reserved	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved, reported in:										
Special revenue funds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital projects funds	n/a	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	n/a
Non-spendable*	\$ 912,788	\$ 1,709,080	\$ 846,152	\$ 823,102	\$ 787,786	\$ 761,387	\$ 744,640	\$ 693,924	\$ 669,565	\$ 659,186
Restricted*	3,683,888	2,172,383	3,215,886	3,780,031	1,264,343	675,770	483,532	416,098	343,358	259,636
Assigned*	1,766,043	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
Total All Other Governmental Funds	<u>\$ 6,362,719</u>	<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>

* - 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									
	2020	2019	2018	2017	2016	2015	2014 *	2013	2012	2011
Revenues										
Taxes	\$ 14,404,842	\$ 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
Federal and state sources	6,646,994	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
Fines and penalties	136,438	117,468	200,056	190,549	70,643	118,012	136,239	113,071	158,192	175,456
Charges for services	4,502,351	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
Special assessments	-	-	-	-	-	14,114	14,114	(23,167)	24,903	32,747
Intergovernmental	399,971	394,032	384,429	366,022	343,530	332,069	383,980	291,264	275,607	261,402
Investment income	183,219	453,027	(17,797)	(7,068)	274,997	244,794	136,093	(46,464)	251,125	118,982
Other revenues	1,990,904	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
Total Revenues	28,264,719	29,405,696	30,708,585	32,796,113	37,579,551	24,955,025	29,025,290	21,686,169	22,006,069	21,452,225
Expenditures										
General government	5,736,676	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
Public health and safety	8,726,266	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
Public works	4,369,473	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
Highway and streets	2,806,970	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
Social services and community development	709,284	679,975	631,176	608,234	580,937	532,432	634,993	458,863	435,328	489,211
Sanitation	1,967,031	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
Community services / Recreation and culture	1,290,591	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
Capital outlay	3,775,058	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
Other expenditures	-	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-	-
Debt Service										
Professional and contractual	81,096	3,580	14,234	79,538	320	17,127	31,950	36,242	15,595	345
Principal	1,737,981	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
Interest	558,281	804,410	656,674	597,847	789,199	710,837	795,144	780,142	789,076	813,055
Total Expenditures	31,758,707	34,270,369	31,872,446	35,485,950	36,023,390	24,875,905	29,580,609	23,169,857	21,509,273	21,683,292
Excess of revenues over (under) expenditures	(3,493,988)	(4,864,673)	(1,163,861)	(2,689,837)	1,556,161	79,120	(555,319)	(1,483,688)	496,796	(231,067)
Other Financing Sources (Uses)										
Proceeds from borrowing	3,340,000	-	2,405,000	9,582,578	-	712,237	4,512,900	1,253,745	1,076,000	-
Premium on bond issuance	478,372	-	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	4,866,027	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
Transfers out	(6,222,230)	(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)
Total Other Financing Sources (Uses)	2,462,169	(1,299,356)	2,552,322	5,953,179	(42,607)	1,150,707	2,736,418	1,666,810	1,323,746	158,817
Net change in fund balances	\$ (1,031,819)	\$ (6,164,029)	\$ 1,388,461	\$ 3,263,342	\$ 1,513,554	\$ 1,229,827	\$ 2,181,099	\$ 183,122	\$ 1,820,542	\$ (72,250)
Debt Service as a Percentage of Non-capital Expenditures	8.28%	19.25%	9.81%	8.78%	13.10%	9.42%	7.98%	9.15%	9.46%	9.18%

* 2014 is a 15-month fiscal year

CITY OF MARQUETTE, MICHIGAN

General Governmental Expenditures by Functions ^(A)

Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014 *	2013	2012	2011
General Government	\$ 5,736,676	\$ 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
Public Health and Safety	8,726,266	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
Highways, Streets and Bridges	7,176,443	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
Sanitation	1,967,031	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
Social Services	709,284	679,975	631,176	608,234	580,937	532,432	634,993	458,863	435,328	489,211
Recreation and Culture	1,290,591	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
Capital Outlay	3,712,553	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
Debt Service	81,096	-	13,914	111,540	-	16,557	13,676	13,910	15,250	-
TOTALS	<u>\$ 29,399,940</u>	<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>

^(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

	2020	2019	2018	2017	2016	2015	2014 *	2013	2012	2011
Property Taxes	\$ 10,698,596	\$ 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
Payments in lieu of property taxes	3,706,246	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
State and Federal sources	6,646,994	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
Intergovernmental revenue	399,971	394,032	384,429	366,022	343,530	332,069	383,980	291,264	275,607	261,402
Licenses and permits	85,999	61,664	62,472	80,353	76,971	49,129	47,364	33,492	35,076	37,472
Charges for services	4,482,176	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
Sales	40,881	55,248	29,207	54,986	40,579	34,753	49,080	48,167	18,415	23,379
Use and admission fees	418,254	417,544	457,488	422,654	404,027	397,096	446,695	415,920	445,101	442,141
Fines and forfeits	136,438	117,468	200,056	190,549	70,643	118,012	136,239	113,071	158,192	175,456
Rentals	129,951	140,859	147,409	144,852	142,944	108,235	185,228	122,159	130,515	119,710
Special assessments	-	-	-	-	-	14,114	14,114	(23,167)	24,903	32,747
Sale of assets	13,620	895,523	-	-	8,800	-	9,540	1,262	201,614	61,862
Contribution from private sources	830,789	815,556	819,994	894,559	2,033,273	409,214	208,640	216,197	173,332	403,618
Reimbursements	350,267	393,830	127,856	232,822	168,869	142,552	303,668	148,441	87,621	36,037
Investment income	170,959	405,395	7,825	3,197	249,251	219,921	141,452	(1,313)	234,182	131,691
Other revenue	66,620	107,637	138,926	177,765	274,247	96,122	95,892	54,791	256,903	165,692
TOTAL	\$ 28,177,761	\$ 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

^(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, 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
September 30, 2020	1,072,760,700	1,210,003,200	32,777,400	675,331,400	1,640,209,900	17.273

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, 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
September 30, 2020	14.923	0.350	1.500	0.500	17.273	7.440	7.694	32.407

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	2020			2011		
	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	\$ 142,766,920	1	19.15%			
WE Energies	20,000,000	2	2.68%	\$ 98,027,100	1	16.52%
HJ Larson & Associates, Inc	7,512,263	3	1.01%	2,696,253	8	0.45%
O'Dovero Properties	6,495,408	4	0.87%	2,747,203	7	0.46%
American Transmission Co. LLC	6,170,100	5	0.83%	5,044,800	4	0.85%
Marquette Medical Dental Center	5,971,892	6	0.80%	10,904,993	2	1.84%
Liberty Way Hospitality	5,372,562	7	0.72%			
Tourville, Inc.	4,801,280	8	0.64%	4,110,179	5	0.69%
Veridea Group LLC	4,091,365	9	0.55%			
CHT Brookridge Heights	3,715,097	10	0.50%			
Pioneer Laboratories, Inc.				7,491,544	3	1.26%
Shopko Properties Spe. Real Estate				3,083,895	6	0.52%
IBM Credit LLC				1,986,800	10	0.33%
Tourville North Apartments				2,085,733	9	0.35%
Total	<u>\$ 206,896,887</u>		<u>27.75%</u>	<u>\$ 138,178,500</u>		<u>23.27%</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, 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%
September 30, 2020	13,206,031	12,985,853	98.33%	10,240	12,996,093	98.41%

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			
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
2020	13,961,767	3,602,204	-	96,063	25,119,355	9,758,832	11,321,092	7,975,637	917,923	845,000	73,597,873	9.13%	3,559

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			
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
2020		17,660,034	1.08%	841.15

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, 2020

Governmental Unit	Overlapping Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
DIRECT DEBT			
City of Marquette	\$ 42,779,389	100.00%	\$ 42,779,389
		TOTAL DIRECT DEBT	42,779,389
OVERLAPPING DEBT			
County School District	5,810,000	59.47%	3,455,207
Library Improvements	3,420,000	100.00%	3,420,000
Tax Increment Bonds - DDA	750,000	100.00%	750,000
2010 Capital Improvement - BRFA	650,000	100.00%	650,000
2010 Recovery Zone Facility - BRFA	295,000	100.00%	295,000
2013 Capital Improvement - BRFA	140,000	100.00%	140,000
2016 Tax Increment Bonds - BRFA	17,195,000	100.00%	17,195,000
2017 Tax Increment Bonds - BRFA	690,000	100.00%	690,000
2017 Tax Increment Bonds - BRFA	12,185,000	100.00%	12,185,000
2018 Tax Increment Bonds - BRFA	600,000	100.00%	600,000
		TOTAL OVERLAPPING DEBT	39,380,207
		TOTAL DIRECT AND OVERLAPPING DEBT	\$ 82,159,596

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									
	2020	2019 ^d	2018	2017	2016 ^a	2015	2014	2013	2012	2011
Debt Limit	\$ 104,218,090	\$ 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
Total net debt applicable to limit	<u>76,582,521</u>	<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>
Legal Debt Margin	<u>\$ 27,635,569</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	73.48%	71.50%	94.50%	70.30%	62.43%	22.07%	24.72%	25.23%	25.56%	25.76%

Legal Debt margin Calculation for Fiscal Year 2020:

State Equalized Assessed Value (SEV)	\$ 845,496,950
Add:	
Half of Act 198 Property	45,393,950
Revenue Sharing ^b	143,347,763
LCSA/PPT ^c	<u>7,942,235</u>
Total SEV	<u>\$ 1,042,180,898</u>
Debt limit (10% of total SEV)	104,218,090
Debt applicable to limit:	
Total debt included in	
Governmental Activities	42,779,389
Business-Type Activities	30,818,484
Component units	35,925,000
Less:	
Deferred amounts on bonds	
Governmental Activities	(1,498,660)
Business-Type Activities	(1,997,337)
Debt not subject to limit:	
Michigan transportation bonds	(4,325,000)
TELP capital lease	(25,119,355)
Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>76,582,521</u>
Legal debt margin	<u>\$ 27,635,569</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	
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)	-	-	-
2020	5,360,602	4,809,588	551,014	-	-	-	396,439	460,899	(64,460)	-	-	-

Fiscal Year	Electric Utility Bonds					
	Gross Revenue	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	\$ 29,046,768	\$ 28,029,914	\$ 1,016,854	\$ -	\$ -	-
2012	30,884,443	30,944,182	(59,739)	675,000	352,027	(0.06)
2013	31,827,224	34,351,855	(2,524,631)	765,000	263,000	(2.46)
2014 ^(A)	41,876,891	42,182,318	(305,427)	795,000	232,400	(0.30)
2015	35,047,774	33,338,495	1,709,279	831,768	202,003	1.65
2016	36,963,835	32,419,638	4,544,197	3,890,000	94,842	1.14
2017	47,342,427	31,174,039	16,168,388	745,811	3,504,495	3.80
2018	49,072,107	37,210,120	11,861,987	1,194,741	3,048,416	2.80
2019	48,426,521	32,430,713	15,995,808	1,258,148	2,989,192	3.77
2020	41,543,423	28,797,330	12,746,093	2,663,101	2,926,974	2.28

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.

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
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%
2020	20,995	906,488,333	43,176	28.6	12.8	3,199	4.6%

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	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UP Health System - Marquette	1,878	1	5.65%	2,619	1	7.29%
Northern Michigan University	1,200	2	3.61%	927	3	2.58%
Cliffs Natural Resources	990	3	2.98%	1,586	2	4.42%
Peninsula Medical Center	650	4	1.95%	638	4	1.78%
Marquette Area Public Schools	435	5	1.31%	374	8	1.04%
Michigan Department of Corrections	350	6	1.05%	425	6	1.18%
Meijer	284	7	0.85%			
UP Health System - Bell	258	8	0.78%	385	7	1.07%
County of Marquette	251	9	0.75%	300	9	0.84%
Alger-Marquette County Community Action Board	250	10	0.75%			
AMR Regional Aircraft Maintenance Facility				253	10	0.70%
Westwood Mall Merchants				500	5	1.39%
Total	<u>6,546</u>		<u>19.68%</u>	<u>8,007</u>		<u>22.29%</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,		
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Administration Services	26	28	23	27	27	27	27	28	27	27
Public Health and Safety										
Police Officers	39	38	39	38	37	39	38	39	39	38
Firefighters and Officers	24	26	26	26	26	26	26	26	26	26
Public Works	25	24	39	32	36	36	37	36	28	29
Highway and Streets	15	17	8	8	8	8	8	8	9	12
Social Services	4	2	4	4	4	4	4	4	4	4
Recreation and Culture	6	8	4	3	4	4	4	4	5	6
Storm Water	1	1	1	1	1	1	1	1	1	1
Motor Pool	8	8	8	7	7	7	7	7	8	8
Water	12	13	13	13	13	13	13	13	13	14
Wastewater	7	10	10	10	10	10	9	8	9	9
Library	10	12	13	13	12	13	13	12	13	14
Total	<u>177</u>	<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>

Source: City Human Resources Department

CITY OF MARQUETTE, MICHIGAN
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014 *	2013	2012	2011
Police										
Physical arrests	532	585	518	749	666	903	1,418	1,228	1,398	1,544
Parking violations	3,007	5,080	5,701	5,825	3,438	5,401	7,057	7,348	6,234	7,434
Traffic violations	1,775	2,873	3,802	3,802	4,354	4,299	4,916	2,666	2,963	2,333
Fire										
Emergency responses	2,255	2,258	2,213	1,635	1,323	923	1,030	842	803	783
Fires extinguished	28	18	18	22	21	22	31	34	35	41
Inspections	2,176	2,005	1,364	1,439	1,570	782	1,852	3,256	2,239	1,247
Refuse collection										
Refuse collected (tons per week)	46.0	50.4	50.4	47.2	49.0	47.6	54.8	51.9	49.2	53.7
Recycling (tons per week)	16.0	9.7	11.3	12.5	13.4	14.9	15.0	15.1	15.0	16.1
Other public works										
Street resurfacing (miles)	1.6	1.4	0.9	4.3	2.8	3.0	5.6	2.6	2.9	3.0
Potholes repaired	-	-	-	-	-	-	-	-	-	-
Parks and recreation										
Total Campers	10,938	**	**	27,880	26,715	22,867	18,744	17,014	11,592	11,592
Beach Attendance	14,000	19,213	26,261	20,829	19,285	32,952	16,943	28,687	21,989	35,389
Library										
Volumes in collection	196,588	193,160	214,069	204,467	237,013	243,147	248,447	250,022	246,979	241,924
Total volumes borrowed	188,096	263,621	212,017	237,063	254,758	274,698	353,038	311,041	356,154	362,099
Water										
Consumers	6,140	7,100	6,177	6,177	6,154	6,193	6,178	6,144	6,101	5,911
Water mains breaks	13	-	-	-	-	-	-	-	-	4
Average daily consumption (millions of gallons)	1.98	2.25	2.11	2.09	2.25	2.31	2.62	2.45	2.45	2.35
Wastewater										
Average daily sewage treatment (millions of gallons)	3.22	3.00	3.06	3.06	3.03	3.22	3.19	2.83	2.67	2.77

* 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	2,547	2,524	2,345	2,345	2,345	2,345	2,345
Parks and recreation										
Parks	20	20	20	20	20	19	19	19	19	19
Playfields	12	12	12	12	12	12	12	12	12	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	98.8	98.7	98.7	98.7	98.1	98.1
Wastewater										
Sanitary sewers (miles)	88.8	88.8	88.8	88.8	88.8	88.7	88.7	88.7	88.7	88.3
Storm sewers (miles)	53.2	53.2	53.2	52.9	52.8	52.6	52.6	52.6	52.1	61.7

Source: Various City Departments

This page intentionally left blank.

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, 2020, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated March 25, 2021. 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 25, 2021



City of Marquette, Michigan
Report to Management
For the Year Ended September 30, 2020

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

In planning and performing our audit of 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 the City of Marquette, Michigan (the City), as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management, the Marquette City Commission, and others within the City, and the Michigan Department of Treasury, and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

March 25, 2021



City of Marquette, Michigan
Communication with Those Charged with Governance
For the Year Ended September 30, 2020

March 25, 2021

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

We have audited 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) for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 21, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. Newly adopted GASB standards are disclosed in the notes to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of the accumulated depreciation and depreciation expense is based on historical costs and useful lives of the assets. Depreciation is calculated using the straight-line method. We evaluated the key factors and assumptions used to develop the current years depreciation expense and accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Management's estimate of compensated absences is based on the amount of sick and vacation time outstanding at the end of the year and the various provisions of the appropriate union contracts. The current portion of compensated absences for financial statement purposes is based on the amount of actual sick and vacation time utilized in October and November of the subsequent fiscal year. We evaluated the key factors and assumptions used to develop the total and current portions compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the City's portion of Net Pension Liability (under GASB 67) for the Fire – Police Retirement System is based on an actuarial performed for the City of Marquette Fire – Police Retirement System Defined Benefit Retirement Plan to determine the City's Net Pension Liability. We evaluated the key factors and assumptions used to develop the City's Net Pension Liability, based on information provided by the Gabriel Roeder Smith & Company, in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of Net Pension Liability (under GASB 68) is based on an actuarial performed for the Municipal Employees' Retirement System (MERS) of Michigan to determine its liability. We evaluated the key factors and assumptions used to develop the City's Net Pension Liability, based on information provided by Gabriel Roeder Smith & Company, in determining that it is reasonable in relation to the financial statements taken as a whole. We also evaluated the key factors and assumptions used by the City to allocate the various components of the MERS liability to the various governmental entities included with the City's MERS pension plan.

Management's estimate of Net Other Post Employment Benefit Liability is based on an actuarial performed for the City to determine its liability. We evaluated the key factors and assumptions used to develop the City's Net Other Post Employment Benefit Liability, based on information provided by Watkins Ross, in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of Defined Benefit Retirement Plan – Municipal Employees Retirement System of Michigan in the notes to the financial statements includes significant actuarial assumptions used in calculating the valuation. Gabriel Roeder Smith & Company was the actuarial company hired for preparation of the annual actuarial valuation. The disclosures made in the notes to the financial statements were based on information included their report.

The disclosure of Defined Benefit Retirement Plan – Fire-Police Retirement System in the notes to the financial statements includes significant actuarial assumptions used in calculating the valuation. Gabriel Roeder Smith & Company was the actuarial company hired for preparation of the annual actuarial valuation. The disclosures made in the notes to the financial statements were based on information included their report.

The disclosure of Defined Benefit Retirement Plan – Board of Light and Power – Component Unit in the notes to the financial statements includes significant actuarial assumptions used in calculating the valuation. Gabriel Roeder Smith & Company was the

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

actuarial company hired for preparation of the annual actuarial valuation. The disclosures made in the notes to the financial statements were based on information included their report.

The disclosure of Other Post-Employment Benefits in the notes to the financial statements includes significant actuarial assumptions used in calculating the valuation. The City hired Watkins Ross for the preparation of the bi-annual actuarial valuation. The disclosures made in the notes to the financial statements were based on information included in that report.

The disclosure of Other Post-Employment Benefits Board of Light and Power – Component Unit in the notes to the financial statements includes significant actuarial assumptions used in calculating the valuation. The Board of Light and Power hired an outside firm for the preparation of the actuarial valuation. The disclosures made in the notes to the financial statements were based on information included in that report.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A separate schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 25, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional

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

standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and Section 2 – Required Supplementary Information (as listed in the table of contents), which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the individual major fund individual fund financial statements, combining and individual non-major financial statements, individual fund budgetary schedules, capital assets schedules and long-term debt schedules, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the statistical section, which accompanies the financial statements but are not RSI. Such information has 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 it.

Restriction on Use

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

Very truly yours,

Anderson, Tackman & Company, PLLC
Certified Public Accountants