

CITY OF MARQUETTE, MICHIGAN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended September 30, 2021

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CITY COMMISSION
Jenna Smith, Mayor

Jenn Hill
Evan Bonsall
Sally Davis
Jessica Hanley
Cody Mayer
Frederick Stonehouse

CITY MANAGER
Karen Kovacs

PREPARED BY
Financial Services Department

CHIEF FINANCIAL OFFICER
Mary Schlicht

CITY OF MARQUETTE, MICHIGAN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2021

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.....	164
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	165
Non-Major Special Revenue Funds:	
Combining Balance Sheet.....	166
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	167
Public Art Fund:	
Comparative Balance Sheet.....	168
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	169

Continued --

Sanitation Fund:	
Comparative Balance Sheet.....	170
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	171
Local Development Finance Authority Fund:	
Comparative Balance Sheet.....	172
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	173
Public Education Government (PEG) Fund:	
Comparative Balance Sheet.....	174
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	175
Drug Forfeiture Fund:	
Comparative Balance Sheet.....	176
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	177
MSHDA Downtown Rental Fund:	
Comparative Balance Sheet.....	178
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	179
Road Maintenance Fund:	
Comparative Balance Sheet.....	180
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	181
Road Safety Improvement Fund:	
Comparative Balance Sheet.....	182
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	183
Criminal Justice Training Fund:	
Comparative Balance Sheet.....	184
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	185
Senior Services Fund:	
Comparative Balance Sheet.....	186
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	187
Lakeview Arena Fund:	
Comparative Balance Sheet.....	188
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	189
Non-Major Debt Service Funds:	
Combining Balance Sheet.....	190
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balance.....	191
High Street - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	192
2011 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	193
2012 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	194

Continued --

2013 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	195
2003 Founders Landing - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	196
2014 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	197
2015 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	198
2016 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	199
2017 Capital Improvements - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	200
2018 Capital Improvements & MTF - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	201
2019 Capital Improvements & MTF - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	202
2020 Capital Improvements & MTF - Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual.....	203
Cemetery Fund - Permanent Fund:	
Comparative Balance Sheet.....	204
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	205
SECTION 5 - ENTERPRISE FUNDS:	
Major Enterprise Funds:	
Water Supply Fund:	
Comparative Statement of Net Position.....	208
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	209
Sewage Disposal Fund:	
Comparative Statement of Net Position.....	210
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	211
Stormwater Utility Fund:	
Comparative Statement of Net Position.....	212
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	213
Non-Major Enterprise Funds:	
Combining Statement of Net Position.....	214
Combining Schedule of Revenues, Expenses and Changes in Net Position.....	215
Combining Statement of Cash Flows.....	216
Tourist Park Fund:	
Comparative Statement of Net Position.....	217
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	218

Continued --

Lakeshore and Lighthouse Park Fund:	
Comparative Statement of Net Position.....	219
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	220
Fuel System Fund:	
Comparative Statement of Net Position.....	221
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	222
Marinas Fund:	
Comparative Statement of Net Position.....	223
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	224
SECTION 6 - INTERNAL SERVICE FUNDS:	
Combining Statement of Net Position.....	226
Combining Statement of Revenues, Expenses and Changes in Net Position.....	227
Combining Statement of Cash Flows.....	228
Technology Services Fund:	
Comparative Statement of Net Position.....	229
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	230
Municipal Service Center Fund:	
Comparative Statement of Net Position.....	231
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	232
Motor Vehicle Equipment Fund:	
Comparative Statement of Net Position.....	233
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	234
Energy Enhancements Fund:	
Comparative Statement of Net Position.....	235
Schedule of Revenues, Expenses and Changes in	
Net Position - Budget and Actual.....	236
SECTION 7 - FIDUCIARY FUNDS:	
Fire - Police Retirement System Pension Trust Fund:	
Comparative Statement of Plan Net Position.....	238
Custodial Fund:	
Comparative Statement of Fiduciary Net Position.....	239
SECTION 8 - CAPITAL ASSET SCHEDULES:	
Schedule of Capital Assets Used in the Operation of Governmental	
Funds - By Source.....	242
Schedule of Changes in Capital Assets Used in the Operation of Governmental	
Funds - By Function and Activity.....	243
Schedule of Capital Assets Used in the Operation of Governmental Funds -	
By Function and Activity.....	244
SECTION 9 - LONG-TERM DEBT SCHEDULES:	
Schedule of Bonds and Notes Payable - Enterprise Funds.....	246
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

Continued --

Brownfield Redevelopment Authority:	
Statement of Net Position.....	253
Statement of Activities.....	254
Governmental Funds Comparative Balance Sheet.....	255
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	256
Governmental Funds Comparative 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
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

Continued --

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.....	295
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March 18, 2022

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



Ladies and Gentlemen:

This Annual Comprehensive 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 Annual Comprehensive Financial Report is published to fulfill that requirement for the fiscal year ended September 30, 2021.

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, 2021. Their independent auditor’s report is located at the front of the financial section of this Annual Comprehensive 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 Annual Comprehensive 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 21,000 (20,629 residents as reported by the U.S. Census Bureau in 2020, versus 21,355 residents 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 cancellation 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 2021 INITIATIVES

The major themes which guided projects and initiatives for FY 2021 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
- Budget Stabilization
- Debt Management
- Pursuit of non-local revenue sources
- COVID-19

The following major capital improvements were accomplished in FY 2021:

- ✓ Stormwater Drainage Improvements - \$1,521,757
- ✓ Water System Improvements - \$1,423,403
- ✓ Sewer System Improvements - \$1,435,243
- ✓ Street/Road Reconstruction & Improvements - \$1,890,381

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.

During this fiscal year, the City Commission revisited the General Fund Unrestricted Fund Balance Policy, as the General Fund had exceeded its 180-day benchmark in the previous fiscal year. Following this policy will be a guiding source over this and upcoming fiscal years to maintain adequate resources to appropriately fund City services.

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This is the 35th 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 Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive 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,



Karen Kovacs
City Manager



Mary S. Schlicht
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Marquette
Michigan**

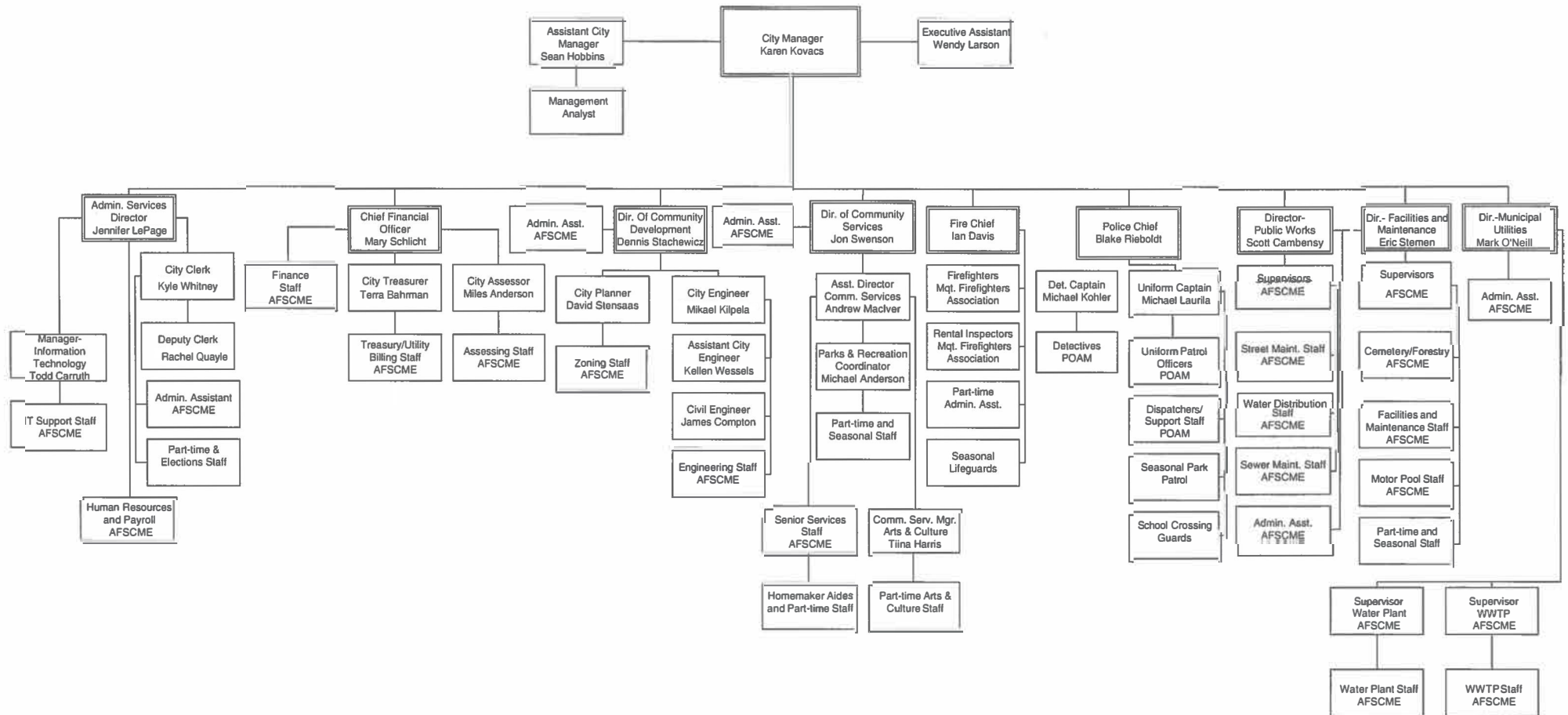
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Marquette



CITY OF MARQUETTE, MICHIGAN
ADMINISTRATIVE STAFF

CITY MANAGER

Karen Kovacs

ASSISTANT CITY MANAGER

Sean Hobbins

EXECUTIVE ASSISTANT

Wendy Larson

CITY ATTORNEY

Suzanne Larsen

CHIEF FINANCIAL OFFICER

Mary Schlicht

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 Morin

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, 2021, 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, 86 percent, and 68 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, 86 percent, and 68 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

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, 2021, 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.

Change in Accounting Principle

As described in Note Z to the financial statements, in 2021 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which provides guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

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 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, 2020, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. We did not audit the financial statements of the Board of Light and Power, which represent 87 percent, 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. The individual major fund financial statements and the individual non-major fund financial statements for the year ended September 30, 2020, 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 2020 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 2020 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 18, 2022, 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 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 18, 2022

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, 2021. 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 \$4,973,723 as a result of this fiscal year's operations. Net position of our business-type activities increased by \$2,285,017 or 6.79%, and net position of our governmental activities increased by \$2,688,706 or 7.68%.
- During the year, the City had expenses for governmental activities that were \$16,109,644 more than the \$12,917,925 generated in program revenues.
- The City's business-type activities had expenses that were \$2,417,946 less than the \$16,175,578 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, lakeshore and 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, 2021 and 2020.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 34,369,750	\$ 32,711,371	\$ 11,992,525	\$ 9,518,245	\$ 46,362,275	\$ 42,229,616
Capital assets, net	95,526,709	96,943,456	64,036,666	63,033,348	159,563,375	159,976,804
Total Assets	<u>129,896,459</u>	<u>129,654,827</u>	<u>76,029,191</u>	<u>72,551,593</u>	<u>205,925,650</u>	<u>202,206,420</u>
Deferred outflows of resources	<u>3,236,010</u>	<u>4,106,816</u>	<u>757,805</u>	<u>781,626</u>	<u>3,993,815</u>	<u>4,888,442</u>
Current liabilities	7,158,540	6,254,136	5,949,268	4,937,815	13,107,808	11,191,951
Noncurrent liabilities	72,386,737	81,899,581	34,599,091	34,679,045	106,985,828	116,578,626
Total Liabilities	<u>79,545,277</u>	<u>88,153,717</u>	<u>40,548,359</u>	<u>39,616,860</u>	<u>120,093,636</u>	<u>127,770,577</u>
Deferred inflows of resources	<u>15,887,539</u>	<u>10,596,979</u>	<u>292,973</u>	<u>55,712</u>	<u>16,180,512</u>	<u>10,652,691</u>
Net Position:						
Net investment in capital assets	53,359,482	54,164,067	34,952,221	32,535,469	88,311,703	86,699,536
Restricted	937,104	886,004	2,349,695	320,602	3,286,799	1,206,606
Unrestricted	(16,596,933)	(20,039,124)	(1,356,252)	804,576	(17,953,185)	(19,234,548)
Total Net Position	<u>\$ 37,699,653</u>	<u>\$ 35,010,947</u>	<u>\$ 35,945,664</u>	<u>\$ 33,660,647</u>	<u>\$ 73,645,317</u>	<u>\$ 68,671,594</u>

Net position of the City's governmental activities stood at \$37,699,653. *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 \$(16,596,933).

The \$(16,596,933) 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 \$35,945,664. 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 2021 and 2020.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 6,162,107	\$ 5,461,528	\$ 15,812,427	\$ 16,047,608	\$ 21,974,534	\$ 21,509,136
Operating grants and contributions	4,794,822	4,809,117	-	-	4,794,822	4,809,117
Capital grants and contributions	1,960,996	87,448	363,151	541,900	2,324,147	629,348
General revenues:						
Property taxes	14,447,693	14,337,502	-	-	14,447,693	14,337,502
Unrestricted State sources	3,306,827	3,016,816	-	-	3,306,827	3,016,816
Investment earnings	26,851	172,771	14,612	27,215	41,463	199,986
Sale of capital assets	260,426	13,620	-	-	260,426	13,620
Miscellaneous	491,305	418,908	117,707	72,823	609,012	491,731
Total Revenues	<u>31,451,027</u>	<u>28,317,710</u>	<u>16,307,897</u>	<u>16,689,546</u>	<u>47,758,924</u>	<u>45,007,256</u>
Program Expenses:						
General government	5,202,213	6,076,249	-	-	5,202,213	6,076,249
Public health and safety	8,490,968	8,910,951	-	-	8,490,968	8,910,951
Public works	4,242,062	4,785,208	285,254	323,404	4,527,316	5,108,612
Highways and streets	3,289,477	3,614,699	-	-	3,289,477	3,614,699
Social services	698,272	733,323	-	-	698,272	733,323
Sanitation services	2,659,886	2,190,637	-	-	2,659,886	2,190,637
Community services	1,426,698	1,478,958	1,008,301	914,792	2,434,999	2,393,750
Interest on long-term debt	591,032	784,210	-	-	591,032	784,210
Depreciation - unallocated	2,426,961	2,466,539	-	-	2,426,961	2,466,539
Water supply	-	-	4,849,387	5,122,980	4,849,387	5,122,980
Sewage disposal	-	-	5,984,739	5,859,101	5,984,739	5,859,101
Stormwater utility	-	-	1,629,951	1,731,442	1,629,951	1,731,442
Total Expenses	<u>29,027,569</u>	<u>31,040,774</u>	<u>13,757,632</u>	<u>13,951,719</u>	<u>42,785,201</u>	<u>44,992,493</u>
Excess (deficiency) before transfers	2,423,458	(2,723,064)	2,550,265	2,737,827	4,973,723	14,763
Transfers	<u>265,248</u>	<u>165,981</u>	<u>(265,248)</u>	<u>(165,981)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	2,688,706	(2,557,083)	2,285,017	2,571,846	4,973,723	14,763
Net position, beginning	<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, Ending	<u>\$ 37,699,653</u>	<u>\$ 35,010,947</u>	<u>\$ 35,945,664</u>	<u>\$ 33,660,647</u>	<u>\$ 73,645,317</u>	<u>\$ 68,671,594</u>

The City's total revenues were \$47,758,924. The total cost of all programs and services was \$42,785,201 leaving an increase in net position of \$4,973,723. 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 2021 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 \$382,000 to \$390,000 per year. It should be noted that before implementation of CVTRS in 2011, there were no mandates to qualify and the City was receiving approximately \$500,000 per year.

Other Revenue Sources:

- Service/Use/Sales/Rental fees: These revenues are based upon a Fee Schedule adopted by the City Commission each year during the budget process and are dependent upon the amount of services requested and provided.
- Fines and Forfeits: This revenue source is comprised of Civil Infraction fines and parking tickets.
- Sale of Capital Assets: Revenues in this classification are variable from year to year based on the availability of surplus assets the City may sell. During fiscal year 2021, two parcels of City-owned land were sold for development.
- 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	\$ 5,202,213	\$ 3,859,915
Public health and safety	8,490,968	8,089,997
Public works	4,242,062	1,034,989
Highways and streets	3,289,477	(728,863)
Sanitation	2,659,886	(67,479)
Community services	1,426,698	716,173

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, Lakeshore and 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 fiscal year 2019 and have continued through fiscal year 2021. 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 and continued through fiscal year 2021.

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 2021. 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.

Lakeshore and Lighthouse Park Fund: The City 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. In addition to this location, the City has also recently purchased another property along the lakeshore that it intends to refurbish into rental income generating.

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 \$16,863,225, an increase of \$871,383 from the beginning of the year. The reasons for this increase are discussed below.

General Fund Budgetary Highlights

The General Fund originally budgeted for a \$369,360 use of fund balance. During the year, adjustments were implemented that resulted in a gain of \$97,243 to the General Fund's fund balance. Following are the main components of this \$466,603 swing:

- \$ 895,405 for two City surplus land sales helped offset the <\$783,712> in unmet revenue projections.
- \$ 295,053 for savings to personnel services due to COVID related furloughs.
- \$ 90,000 for savings for capital outlay purchase either surrendered or deferred to future years.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021 the City had \$159,563,375 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)

	2021			Totals 2020
	Governmental Activities	Business-type Activities	Totals	
Land and construction in progress	\$ 17,696,235	\$ 2,716,159	\$ 20,412,394	\$ 20,568,262
Land improvements	1,455,815	2,656,325	4,112,140	4,302,418
Buildings and improvements	15,941,383	7,392,324	23,333,707	24,268,381
Furniture and equipment	3,128,984	1,088,647	4,217,631	3,867,198
Infrastructure	57,304,292	50,183,211	107,487,503	106,970,545
Totals	<u>\$ 95,526,709</u>	<u>\$ 64,036,666</u>	<u>\$ 159,563,375</u>	<u>\$ 159,976,804</u>

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

Debt

At year-end, the City had \$74,892,954 in bonds, notes and capital lease obligations outstanding as depicted in Table 5 below, which shows total bonded debt as of September 30, 2021.

Table 5
Outstanding Debt at Year-End

	2021			Totals 2020
	Governmental Activities	Business-type Activities	Totals	
General obligation bonds	\$ 17,508,307	\$ 29,651,816	\$ 47,160,123	\$ 46,361,191
Revenue bonds	-	-	-	-
Contracts and notes payable	24,658,920	1,782,324	26,441,244	27,236,679
Totals	<u>\$ 42,167,227</u>	<u>\$ 31,434,140</u>	<u>\$ 73,601,367</u>	<u>\$ 73,597,870</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 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.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials considered many factors when setting the fiscal year 2022 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 \$390,000. 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. At the end of fiscal year 2020, the General Fund had accumulated a balance that exceeded its 180-day benchmark, an amount identified in the General Fund Unrestricted Fund Balance Policy that would initiate an appropriate triage in which to begin spending down that balance. This policy played a factor in the 2021 budget and will continue to do so in the upcoming fiscal year budgets.

Expenditures and inflation in the post-pandemic world are increasing at a rate that exceeds the constrained increases projected in revenues. As the costs to provide City services continue to increase, the City is facing the decision of if and when to increase the property tax millage, which has not been increased in over a decade. With these increased revenues, the City is intending to maintain current services and to reduce its need to incur debt needed to support infrastructure needs.

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

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.

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, 2021

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 17,029,907	\$ 5,407,634	\$ 22,437,541	\$ 55,150,548
Investments	6,045,527	-	6,045,527	11,661,790
Receivables (net)	6,858,372	1,670,551	8,528,923	3,951,144
Inventory	450,301	265,043	715,344	2,055,123
Prepaid expenses and other assets	442,466	97,052	539,518	613,475
TOTAL CURRENT ASSETS	30,826,573	7,440,280	38,266,853	73,432,080
Non-current Assets:				
Restricted assets	229,195	680,040	909,235	11,902,252
Investment in UPPPA	-	-	-	4,916,993
Investment in joint venture	3,313,982	3,872,205	7,186,187	-
Capital assets:				
Land and construction in progress	17,696,235	2,716,159	20,412,394	628,467
Other capital assets, net of depreciation	77,830,474	61,320,507	139,150,981	103,503,645
Total Capital Assets	95,526,709	64,036,666	159,563,375	104,132,112
TOTAL NON-CURRENT ASSETS	99,069,886	68,588,911	167,658,797	120,951,357
TOTAL ASSETS	129,896,459	76,029,191	205,925,650	194,383,437
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	87,267	200,368	287,635	-
Deferred amounts related to pension	3,148,743	514,615	3,663,358	1,531,236
Employer contributions subsequent to measurement date	-	-	-	1,530,497
Deferred amounts related to OPEB	-	42,822	42,822	164,675
Receivables for developer obligations	-	-	-	72,624,141
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,236,010	757,805	3,993,815	75,850,549
LIABILITIES				
Current Liabilities:				
Cash overdraft	-	-	-	-
Accounts payable	1,933,086	1,667,088	3,600,174	2,521,365
Accrued wages payable	577,565	106,644	684,209	-
Accrued liabilities	434,554	369,292	803,846	411,826
Compensated absences	682,673	-	682,673	1,291,502
Customer deposits payable	76,053	15,315	91,368	1,876,706
Due to primary government	-	-	-	5,687
Grants received in advance	-	-	-	12,000
Current portion of bonds payable	2,109,943	3,790,929	5,900,872	1,289,000
Current portion of contracts and notes payable	598,686	-	598,686	-
Current maturities on revenue bonds	-	-	-	2,760,000
Other current liabilities	745,980	-	745,980	3,861,315
TOTAL CURRENT LIABILITIES	7,158,540	5,949,268	13,107,808	14,029,401
Non-current Liabilities:				
Compensated absences	1,125,396	352,320	1,477,716	64,624
Other post-employment benefits (OPEB)	5,022,568	287,720	5,310,288	2,592,896
Net pension liability	26,692,908	4,823,885	31,516,793	9,116,066
Bonds payable	15,485,631	26,061,255	41,546,886	98,485,822
Long-term contracts and notes payable	24,060,234	3,073,911	27,134,145	39,426,210
Other	-	-	-	95,684
TOTAL NON-CURRENT LIABILITIES	72,386,737	34,599,091	106,985,828	149,781,302
TOTAL LIABILITIES	79,545,277	40,548,359	120,093,636	163,810,703
DEFERRED INFLOWS OF RESOURCES				
Taxes levied for a subsequent period	8,142,376	-	8,142,376	5,479,566
Special assessments	-	4,682	4,682	-
Deferred amounts related to OPEB	1,135,408	107,864	1,243,272	2,343,743
Deferred amounts related to pension	6,609,755	180,427	6,790,182	2,056,545
TOTAL DEFERRED INFLOWS OF RESOURCES	15,887,539	292,973	16,180,512	9,879,854
NET POSITION				
Net investment in capital assets	53,359,482	34,952,221	88,311,703	33,494,640
Restricted for:				
Debt services	-	-	-	-
Capital outlay	-	2,349,695	2,349,695	-
Nonexpendable	937,104	-	937,104	-
Other activities:				
Board of Light and Power	-	-	-	9,845,656
Brownfield Redevelopment Authority	-	-	-	-
Non-major component units	-	-	-	1,846,313
Unrestricted	(16,596,933)	(1,356,252)	(17,953,185)	51,356,820
TOTAL NET POSITION	\$ 37,699,653	\$ 35,945,664	\$ 73,645,317	\$ 96,543,429

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	\$ 5,202,213	\$ 1,328,181	\$ 14,117	\$ -	\$ (3,859,915)	\$ -	\$ (3,859,915)	\$ -
Public health and safety	8,490,968	202,535	181,322	17,114	(8,089,997)	-	(8,089,997)	-
Public works	4,242,062	1,415,191	-	1,791,882	(1,034,989)	-	(1,034,989)	-
Highway and streets	3,289,477	-	4,018,340	-	728,863	-	728,863	-
Social services	698,272	-	511,353	-	(186,919)	-	(186,919)	-
Sanitation services	2,659,886	2,727,365	-	-	67,479	-	67,479	-
Community services	1,426,698	488,835	69,690	152,000	(716,173)	-	(716,173)	-
Interest on long-term debt	591,032	-	-	-	(591,032)	-	(591,032)	-
Depreciation - unallocated	2,426,961	-	-	-	(2,426,961)	-	(2,426,961)	-
Total Governmental Activities	29,027,569	6,162,107	4,794,822	1,960,996	(16,109,644)	-	(16,109,644)	-
Business-Type Activities:								
Water supply	4,849,387	5,372,627	-	10,373	-	533,613	533,613	-
Sewage disposal	5,984,739	7,353,821	-	-	-	1,369,082	1,369,082	-
Stormwater utility	1,629,951	1,767,105	-	-	-	137,154	137,154	-
Public works	285,254	287,610	-	-	-	2,356	2,356	-
Community services	1,008,301	1,031,264	-	352,778	-	375,741	375,741	-
Total Business-Type Activities	13,757,632	15,812,427	-	363,151	-	2,417,946	2,417,946	-
TOTAL PRIMARY GOVERNMENT	\$ 42,785,201	\$ 21,974,534	\$ 4,794,822	\$ 2,324,147	(16,109,644)	2,417,946	(13,691,698)	-
Component Units:								
Board of Light and Power	\$ 29,702,894	\$ 38,838,945	\$ -	\$ 160,842	-	-	-	9,296,893
Brownfield Redevelopment Authority	15,606,500	-	22,500	-	-	-	-	(15,584,000)
Non-Major Component Units	3,565,477	478,083	1,069,833	-	-	-	-	(2,017,561)
TOTAL COMPONENT UNITS	\$ 48,874,871	\$ 39,317,028	\$ 1,092,333	\$ 160,842	-	-	-	(8,304,668)
General Revenues:								
Taxes:								
Taxes					10,859,716	-	10,859,716	16,941,846
Payment in lieu of taxes					3,587,977	-	3,587,977	-
Unrestricted State sources					3,306,827	-	3,306,827	-
Interest and investment earnings					26,851	14,612	41,463	1,062,269
Gain on sale of capital assets					260,426	-	260,426	48,085
Miscellaneous					491,305	117,707	609,012	112,995
Transfers					265,248	(265,248)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					18,798,350	(132,929)	18,665,421	18,165,195
CHANGE IN NET POSITION					2,688,706	2,285,017	4,973,723	9,860,527
Net position, beginning of year					35,010,947	33,660,647	68,671,594	86,682,902
NET POSITION, END OF YEAR					\$ 37,699,653	\$ 35,945,664	\$ 73,645,317	\$ 96,543,429

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2021

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Construction Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 8,968,326	\$ 180,885	\$ 563,245	\$ -	\$ 5,847,084	\$ 15,559,540
Investments	5,497,936	-	-	-	547,591	6,045,527
Taxes receivable, net	486,455	-	-	-	32,698	519,153
Accounts receivable	536,761	-	-	-	242,327	779,088
Due from other authorities	2,123,292	-	-	2,276,581	-	4,399,873
Due from other funds	-	-	-	-	-	-
Due from other governments	689,031	346,306	119,943	-	2,291	1,157,571
Inventories	450,301	-	-	-	-	450,301
Prepaid expenditures	307,502	-	-	-	27,175	334,677
TOTAL ASSETS	19,059,604	527,191	683,188	2,276,581	6,699,166	29,245,730
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 19,059,604	\$ 527,191	\$ 683,188	\$ 2,276,581	\$ 6,699,166	\$ 29,245,730
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ 352,744	\$ -	\$ 352,744
Accounts payable	318,422	91,177	313,277	905,862	217,233	1,845,971
Accrued wages payable	466,628	11,621	13,880	-	44,579	536,708
Accrued compensated absences	679,033	-	-	-	3,640	682,673
Due to other funds	-	-	-	-	-	-
Due to other governments	312	-	-	-	-	312
Due to other authorities	36,000	-	-	-	-	36,000
Customer deposits payable	39,741	-	-	-	-	39,741
Unearned revenue	745,980	-	-	-	-	745,980
TOTAL LIABILITIES	2,286,116	102,798	327,157	1,258,606	265,452	4,240,129
DEFERRED INFLOWS OR RESOURCES						
Taxes levied for a subsequent period	7,047,122	-	-	-	1,095,254	8,142,376
Special assessments	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,047,122	-	-	-	1,095,254	8,142,376
FUND BALANCE						
Non-spendable	757,803	-	-	-	964,279	1,722,082
Restricted	2,315	424,393	356,031	-	3,384,005	4,166,744
Assigned	76,802	-	-	1,017,975	990,176	2,084,953
Unassigned	8,889,446	-	-	-	-	8,889,446
TOTAL FUND BALANCE	9,726,366	424,393	356,031	1,017,975	5,338,460	16,863,225
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 19,059,604	\$ 527,191	\$ 683,188	\$ 2,276,581	\$ 6,699,166	\$ 29,245,730

CITY OF MARQUETTE, MICHIGAN

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

September 30, 2021

Total Fund Balances for Governmental Funds

\$ 16,863,225

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).

98,840,691

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	\$ 1,933,587
Restricted assets	229,195
Current liabilities	<u>(127,972)</u>

2,034,810

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	19,468,787
Net pension liability - Fire/Police Retirement System	7,224,121
Deferred (outflows) of resources related to net pension liability	(3,148,743)
Employer contributions subsequent to measurement date	-
Deferred inflows of resources related to net pension liability	<u>6,609,755</u>

(30,153,920)

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	5,022,568
Deferred (outflows) related to other post-employment benefits	-
Deferred inflows related to other post-employment benefits	<u>1,135,408</u>

(6,157,976)

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	\$ 2,109,943
Current portion of notes and contracts payable	598,686
Accrued interest on bonds	434,554
Compensated absences	1,125,396
Bonds payable	15,398,364
Long-term contracts and notes payable	<u>24,060,234</u>

(43,727,177)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 37,699,653

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2021

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Construction Fund	Other Governmental Funds	Total
REVENUES:						
Taxes and penalties	\$ 9,813,529	\$ -	\$ -	\$ -	\$ 1,219,455	\$ 11,032,984
State sources	3,457,229	2,297,589	1,020,751	-	80,839	6,856,408
Federal sources	133,070	-	-	-	-	133,070
Charges for services	2,461,499	-	-	-	2,547,271	5,008,770
Sales	64,116	-	-	-	-	64,116
Use and admission fees	12,075	-	-	-	326,128	338,203
Rentals	69,600	-	-	-	40,627	110,227
Licenses and permits	102,900	-	-	-	-	102,900
Fines and forfeiture	144,836	-	-	-	-	144,836
Sales of assets	895,405	-	-	-	-	895,405
Reimbursements	107,936	3,205	193,134	1,791,882	3,459	2,099,616
Investment income	17,595	230	139	1,395	10,075	29,434
Payment in lieu of taxes	3,587,977	-	-	-	-	3,587,977
Private contribution	176,491	-	-	-	736,307	912,798
Intergovernmental revenues	10,000	-	-	-	398,331	408,331
Special assessments	-	-	-	-	-	-
Other revenues	85,475	-	-	-	16,088	101,563
TOTAL REVENUES	21,139,733	2,301,024	1,214,024	1,793,277	5,378,580	31,826,638
EXPENDITURES:						
Current operations:						
General government	4,832,372	-	-	-	1,005,559	5,837,931
Public health and safety	9,035,935	-	-	-	4,134	9,040,069
Public works	4,055,835	-	-	6,100	-	4,061,935
Highways and streets	-	1,060,187	1,150,200	-	-	2,210,387
Social services	-	-	-	-	738,871	738,871
Sanitation services	-	-	-	-	2,342,953	2,342,953
Community services	875,566	-	-	-	615,386	1,490,952
Capital outlay	-	848,781	1,041,600	1,785,782	120,072	3,796,235
Debt Service:						
Professional services	-	18,603	19,520	-	-	38,123
Principal payments	-	-	-	-	1,819,699	1,819,699
Interest and fiscal changes	-	-	-	-	615,032	615,032
TOTAL EXPENDITURES	18,799,708	1,927,571	2,211,320	1,791,882	7,261,706	31,992,187
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,340,025	373,453	(997,296)	1,395	(1,883,126)	(165,549)
OTHER FINANCING SOURCES (USES):						
Bond issuance	-	820,000	820,000	-	-	1,640,000
Refunding bonds	4,650	332,200	573,300	-	-	910,150
Premium on bond issuance	-	138,978	138,977	-	-	277,955
Premium on refunded bond issuance	572	37,136	64,310	-	-	102,018
Payment to refunded bond escrow agent	(5,192)	(368,140)	(635,487)	-	-	(1,008,819)
Transfers in	51,588	-	572,367	-	3,281,887	3,905,842
Transfers (out)	(2,294,400)	(1,157,786)	(737,379)	-	(600,649)	(4,790,214)
TOTAL OTHER FINANCING SOURCES (USES)	(2,242,782)	(197,612)	796,088	-	2,681,238	1,036,932
CHANGES IN FUND BALANCE	97,243	175,841	(201,208)	1,395	798,112	871,383
Fund balance, beginning of year	9,629,123	248,552	557,239	1,016,580	4,540,348	15,991,842
FUND BALANCE, END OF YEAR	\$ 9,726,366	\$ 424,393	\$ 356,031	\$ 1,017,975	\$ 5,338,460	\$ 16,863,225

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 871,383

*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 \$2,950,728

Capital outlays	\$ 5,258,940	
Contributed capital	-	
Basis of disposed asset	(634,979)	
Depreciation expense	<u>(5,781,340)</u>	(1,157,379)

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. (2,550,150)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,828,518

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. (232,063)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditures is reported when due. 24,000

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 governmental funds.

Other post-employment benefits (OPEB)	\$ 661,638	
Pension liability expense	879,058	
Pension liability expense - Fire/Police Retirement	1,098,180	
Compensated absences	<u>117,443</u>	2,756,319

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

Change in net position	\$ (1,765,939)	
Capital outlays	(911,457)	
Capital contribution	-	
Basis of disposed asset	-	
Depreciation expense	2,950,728	
Other post-employment benefits (OPEB)	(16,117)	
Pension liability expense	(92,931)	
Compensated absences	<u>(16,206)</u>	148,078

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,688,706

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP	Final Budget
			Basis	Positive
				(Negative)
REVENUES:				
Taxes	\$ 13,510,360	\$ 13,510,360	\$ 13,401,506	\$ (108,854)
Federal grants	234,590	234,590	133,070	(101,520)
State grants and shared revenue	3,688,160	3,688,160	3,457,229	(230,931)
Intergovernmental revenues	11,000	11,000	10,000	(1,000)
Licenses and permits	65,890	65,890	102,900	37,010
Charges for services	2,510,010	2,510,010	2,461,499	(48,511)
Fines and forfeits	106,790	106,790	144,836	38,046
Interest and rentals	276,350	276,350	87,195	(189,155)
Other revenues	624,890	624,890	1,341,498	716,608
TOTAL REVENUES	21,028,040	21,028,040	21,139,733	111,693
EXPENDITURES:				
General government	4,992,470	4,992,470	4,832,372	160,098
Public health and safety	9,081,330	9,081,330	9,035,935	45,395
Public works	4,533,670	4,533,670	4,055,835	477,835
Community services	1,223,680	1,223,680	875,566	348,114
TOTAL EXPENDITURES	19,831,150	19,831,150	18,799,708	1,031,442
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,196,890	1,196,890	2,340,025	1,143,135
OTHER FINANCING SOURCES (USES):				
Bond issuance	1,642,470	1,642,470	-	(1,642,470)
Refunding bonds	-	-	4,650	4,650
Premium on bond issuance	-	-	-	-
Premium on refunded bond issuance	-	-	572	572
Payment to refunded bond escrow agent	-	-	(5,192)	(5,192)
Transfers in	20,000	20,000	51,588	31,588
Transfers (out)	(3,228,720)	(3,228,720)	(2,294,400)	934,320
TOTAL OTHER FINANCING SOURCES (USES)	(1,566,250)	(1,566,250)	(2,242,782)	(676,532)
CHANGES IN FUND BALANCE	(369,360)	(369,360)	97,243	466,603
Fund balance, beginning of year	9,629,123	9,629,123	9,629,123	-
FUND BALANCE, END OF YEAR	\$ 9,259,763	\$ 9,259,763	\$ 9,726,366	\$ 466,603

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, 2021

	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	2,155,060	2,155,060	2,297,589	142,529	945,000	945,000	1,020,751	75,751
Reimbursements	-	-	3,205	3,205	-	-	193,134	193,134
Investment income	1,000	1,000	230	(770)	1,000	1,000	139	(861)
Other revenues	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,156,060	2,156,060	2,301,024	144,964	946,000	946,000	1,214,024	268,024
EXPENDITURES:								
Highways, Streets and Bridges	2,383,620	2,383,620	1,927,571	456,049	2,590,370	2,590,370	2,211,320	379,050
TOTAL EXPENDITURES	2,383,620	2,383,620	1,927,571	456,049	2,590,370	2,590,370	2,211,320	379,050
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(227,560)	(227,560)	373,453	601,013	(1,644,370)	(1,644,370)	(997,296)	647,074
OTHER FINANCING SOURCES (USES):								
Bond issuance	708,660	820,000	820,000	-	1,047,300	820,000	820,000	-
Refunding bonds	-	332,200	332,200	-	-	573,300	573,300	-
Premium on bond issuance	-	-	138,978	138,978	-	-	138,977	138,977
Premium on refunded bond issuance	-	-	37,136	37,136	-	-	64,310	64,310
Payment to refunded bond escrow agent	-	(443,540)	(368,140)	75,400	-	(346,000)	(635,487)	(289,487)
Transfers in	248,900	248,900	-	(248,900)	1,327,070	1,327,070	572,367	(754,703)
Transfers (out)	(730,000)	(730,000)	(1,157,786)	(427,786)	(730,000)	(730,000)	(737,379)	(7,379)
TOTAL OTHER FINANCING SOURCES (USES)	227,560	227,560	(197,612)	(425,172)	1,644,370	1,644,370	796,088	(848,282)
CHANGES IN FUND BALANCE	-	-	175,841	175,841	-	-	(201,208)	(201,208)
Fund balance, beginning of year	248,552	248,552	248,552	-	557,239	557,239	557,239	-
FUND BALANCE, END OF YEAR	\$ 248,552	\$ 248,552	\$ 424,393	\$ 175,841	\$ 557,239	\$ 557,239	\$ 356,031	\$ (201,208)

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

September 30, 2021

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds	
				Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 1,084,701	\$ 1,873,460	\$ 1,056,995	\$ 1,392,478	\$ 5,407,634
Accounts receivable	677,249	889,139	70,218	19,792	1,656,398
Special assessments receivable	2,341	2,341	-	-	4,682
Due from other governments	-	-	-	152	152
Due from local units	-	-	-	9,319	9,319
Due from other authorities	-	-	-	-	-
Inventory	-	194,171	-	70,872	265,043
Prepaid expense	44,440	46,189	157	6,266	97,052
TOTAL CURRENT ASSETS	1,808,731	3,005,300	1,127,370	1,498,879	7,440,280
Non-current Assets:					
Restricted Assets:					
Replacement and maintenance fund	-	-	-	40,000	40,000
OPEB reserve	168,722	118,998	-	-	287,720
Compensated absences reserve	249,158	72,153	29,343	1,666	352,320
Total Restricted Assets	417,880	191,151	29,343	41,666	680,040
Investment in joint venture	-	3,872,205	-	-	3,872,205
Land and other non-depreciable assets	946,950	841,517	900,774	26,918	2,716,159
Other capital assets, net of depreciation	24,075,803	20,333,999	12,629,713	4,280,992	61,320,507
TOTAL NON-CURRENT ASSETS	25,440,633	25,238,872	13,559,830	4,349,576	68,588,911
TOTAL ASSETS	27,249,364	28,244,172	14,687,200	5,848,455	76,029,191
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	99,837	59,362	41,169	-	200,368
Deferred outflows related to pension	386,854	127,761	-	-	514,615
Deferred outflows related to OPEB	25,111	17,711	-	-	42,822
TOTAL DEFERRED OUTFLOWS OF RESOURCES	511,802	204,834	41,169	-	757,805
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	-	-	-	-
Accounts payable	124,097	1,216,168	214,828	111,995	1,667,088
Accrued wages payable	61,284	27,272	8,241	9,847	106,644
Customer deposits payable	-	-	-	15,315	15,315
Accrued interest payable	114,882	125,899	105,765	22,746	369,292
Current portion of long-term debt	1,171,690	1,417,918	1,031,321	170,000	3,790,929
TOTAL CURRENT LIABILITIES	1,471,953	2,787,257	1,360,155	329,903	5,949,268
Non-current Liabilities:					
Compensated absences	249,158	72,153	29,343	1,666	352,320
Other post employment benefits (OPEB)	168,722	118,998	-	-	287,720
Net pension liability	2,978,724	1,845,161	-	-	4,823,885
Long term payable to other authorities	-	1,291,587	-	-	1,291,587
Bonds payable	8,109,129	8,800,669	7,732,826	1,418,631	26,061,255
Loan payable	694,840	1,087,484	-	-	1,782,324
Leases payable	-	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	12,200,573	13,216,052	7,762,169	1,420,297	34,599,091
TOTAL LIABILITIES	13,672,526	16,003,309	9,122,324	1,750,200	40,548,359
DEFERRED INFLOWS OF RESOURCES					
Special assessment	2,341	2,341	-	-	4,682
Deferred inflows related to pension	165,389	15,038	-	-	180,427
Deferred inflows related to OPEB	63,252	44,612	-	-	107,864
TOTAL DEFERRED INFLOWS OF RESOURCES	230,982	61,991	-	-	292,973
NET POSITION					
Net investment in capital assets	15,398,729	11,105,783	5,496,495	2,951,214	34,952,221
Restricted for:					
Debt service	-	-	-	-	-
Fuel system reserve	-	-	-	-	-
Capital outlay	251,798	1,176,976	688,986	231,935	2,349,695
Unrestricted	(1,792,869)	100,947	(579,436)	915,106	(1,356,252)
TOTAL NET POSITION	\$ 13,857,658	\$ 12,383,706	\$ 5,606,045	\$ 4,098,255	\$ 35,945,664

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2021

	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	\$ 5,276,589	\$ -	\$ -	\$ -	\$ -
Sewage disposal	-	7,310,721	-	-	-
Charges for services	8,477	8,477	1,764,586	22,754	6,868
Other operating revenue	87,561	34,623	2,519	1,296,120	3,986,450
TOTAL OPERATING REVENUES	5,372,627	7,353,821	1,767,105	15,812,427	3,993,318
OPERATING EXPENSES:					
Personnel services	1,423,927	531,793	217,868	192,270	1,098,872
Supplies and contractual	1,000,987	3,421,610	192,714	828,921	2,309,668
Capital outlay	-	-	-	-	-
Provision for depreciation	1,479,277	1,159,148	984,185	225,145	2,950,728
Other supplies and charges	663,576	553,020	663	-	-
TOTAL OPERATING EXPENSES	4,567,767	5,665,571	1,395,430	12,875,104	6,359,268
OPERATING INCOME (LOSS)	804,860	1,688,250	371,675	2,937,323	(2,365,950)
NON-OPERATING REVENUES (EXPENSES):					
Investment income	7,048	3,430	1,189	2,945	5,126
Interest expense	(257,975)	(294,140)	(202,517)	(47,219)	(713,390)
Gain (Loss) on sale of capital asset	-	-	-	-	18,650
Contributions from other authorities	-	-	-	-	140,005
Operating (loss) from Marquette Area Wastewater Treatment Facility	-	117,707	-	-	-
Bond issuance expense	(23,645)	(25,028)	(32,004)	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(274,572)	(198,031)	(233,332)	(44,274)	(549,609)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	530,288	1,490,219	138,343	28,264	(2,915,559)
Federal grant - capital grant	5,373	-	-	352,778	-
State grant - capital grant	5,000	-	-	-	5,000
Contributed capital	-	-	-	-	-
Transfers in	-	-	-	24,702	1,149,620
Transfers (out)	(147,267)	(120,335)	-	(22,348)	-
CHANGE IN NET POSITION	393,394	1,369,884	138,343	383,396	(1,765,939)
Net position, beginning of year	13,464,264	11,013,822	5,467,702	3,714,859	22,335,903
NET POSITION, END OF YEAR	\$ 13,857,658	\$ 12,383,706	\$ 5,606,045	\$ 4,098,255	\$ 20,569,964

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2021

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds	
				Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from fees and charges for services	\$ 5,363,156	\$ 7,424,565	\$ 1,763,861	\$ 11,891	\$ 14,563,473
Other operating revenues	82,347	34,623	2,519	1,299,242	1,418,731
Cash payments to employees for services	(1,644,016)	(596,087)	(223,608)	(192,838)	(2,656,549)
Cash payments to suppliers for goods and services	(1,669,958)	(3,498,244)	(229,416)	(807,288)	(6,204,906)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,131,529	3,364,857	1,313,356	311,007	7,120,749
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	-	-	-	-	(301,590)
Transfers in	-	-	-	24,702	1,149,620
Transfers (out)	(147,267)	(120,335)	-	(22,348)	(289,950)
Contributions from other authorities	-	-	-	-	140,005
State and Federal grants	-	-	-	352,778	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(147,267)	(120,335)	-	355,132	988,035
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	(1,457,494)	(2,089,684)	(1,316,595)	(165,000)	(5,028,773)
Interest paid on long-term debt	(336,539)	(393,885)	(285,211)	(58,633)	(1,074,268)
Proceeds from issuance of bonds	1,423,200	1,834,100	1,852,550	-	5,109,850
Premium on issuance of bonds	219,987	265,558	290,103	-	775,648
Proceeds from capital lease	-	-	-	-	-
Cash payments for bond issuance expenses	(23,645)	(25,028)	(32,004)	-	(80,677)
Cash payments for capital assets	(1,423,403)	(1,435,243)	(1,521,757)	(470,671)	(911,457)
Proceeds from sale of capital assets	-	-	-	-	18,650
State and Federal grants	10,373	-	-	-	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,587,521)	(1,844,182)	(1,012,914)	(694,304)	(2,066,632)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	7,048	3,430	1,189	2,945	14,612
(Increase) decrease in restricted assets:					
Replacement maintenance reserve	-	-	-	-	523,767
OPEB reserve	77,291	54,514	-	-	131,805
Compensated absences reserve	(8,313)	6,544	2,752	(481)	16,206
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	76,026	64,488	3,941	2,464	146,919
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	472,767	1,464,828	304,383	(25,701)	813,202
Cash and cash equivalents, beginning of year	611,934	408,632	752,612	1,418,179	3,191,357
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,084,701	\$ 1,873,460	\$ 1,056,995	\$ 1,392,478	\$ 5,407,634
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Gain on investment from Marquette Wastewater Treatment Facility	\$ -	\$ 117,707	\$ -	\$ -	\$ 117,707
TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	\$ -	\$ 117,707	\$ -	\$ -	\$ 117,707
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income	\$ 804,860	\$ 1,688,250	\$ 371,675	\$ 72,538	\$ 2,937,323
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,479,277	1,159,148	984,185	225,145	3,847,755
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	73,794	119,501	(725)	(6,227)	186,343
(Increase) decrease in special assessments receivable	-	-	-	-	2,504
(Increase) decrease in due from other governments	-	-	-	(2,054)	853,380
(Increase) decrease in inventory	-	858	-	(36,440)	(35,582)
(Increase) decrease in prepaid expenses	4,636	(1,468)	(6)	(335)	2,827
Increase (decrease) in accounts payable	(10,031)	476,996	(36,033)	58,408	489,340
Increase (decrease) in accrued wages payable	8,480	13,092	(2,988)	(1,049)	17,535
Increase (decrease) in customer deposits payable	-	-	-	540	540
Increase (decrease) in compensated absences	8,313	(6,544)	(2,752)	481	(502)
Increase (decrease) in net pension liability	(214,655)	(55,165)	-	-	(269,820)
Increase (decrease) in other post-employment benefits (OPEB)	(22,227)	(15,677)	-	-	(37,904)
Increase (decrease) in deferred inflows - special assessments	(918)	(14,134)	-	-	(15,052)
NET ADJUSTMENTS	1,326,669	1,676,607	941,681	238,469	4,183,426
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,131,529	\$ 3,364,857	\$ 1,313,356	\$ 311,007	\$ 7,120,749

CITY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2021

	Pension Trust Fund Fund	Custodial Funds	
	Fire-Police Pension Trust Fund	Agency Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,213,489	\$ 1,408,213	\$ 2,621,702
Investments			
Domestic Corporation Bonds	4,126,746	-	4,126,746
Common, Pooled Fund	38,800,532	-	38,800,532
Taxes receivable	-	1,297,167	1,297,167
Accrued interest receivable	64	-	64
TOTAL ASSETS	44,140,831	2,705,380	46,846,211
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
LIABILITIES			
Accounts payable	210	478,291	478,501
Accrued wages payable	-	690,891	690,891
Due to State	-	185,281	185,281
Due to other governments	-	644,762	644,762
Due to local units	-	481,595	481,595
Other liabilities	-	224,560	224,560
TOTAL LIABILITIES	210	2,705,380	2,705,590
DEFERRED INFLOWS OF RESOURCES	-	-	-
NET POSITION			
Restricted for:			
Pensions	44,140,621	-	44,140,621
Individuals, organizations, and other governments	-	-	-
TOTAL NET POSITION	\$ 44,140,621	\$ -	\$ 44,140,621

CITY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended September 30, 2021

	Pension Trust Fund	Custodial Funds	
	Fire-Police Pension Trust Fund	Agency Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 1,742,470	\$ -	\$ 1,742,470
Employee	232,295	-	232,295
Total Contributions	1,974,765	-	1,974,765
Investment Income:			
Net appreciation (depreciation) in fair value of investments	7,442,863	-	7,442,863
Interest and dividends	(39,762)	-	(39,762)
Net Investment Income	7,403,101	-	7,403,101
Other Additions:			
Collections for individuals, organizations, and other governments	-	571,469	571,469
Property tax collections for other governments	-	24,010,043	24,010,043
Total Other Additions	-	24,581,512	24,581,512
TOTAL ADDITIONS	9,377,866	24,581,512	33,959,378
DEDUCTIONS			
Benefits and annuity withdrawals	2,749,365	-	2,749,365
Administrative expenses	20,028	-	20,028
Payments to individuals, organizations, and other governments	-	571,469	571,469
Payments of property tax collections for other governments	-	24,010,043	24,010,043
TOTAL DEDUCTIONS	2,769,393	24,581,512	27,350,905
CHANGE IN NET POSITION	6,608,473	-	6,608,473
Net position, beginning of year	37,532,148	-	37,532,148
NET POSITION, END OF YEAR	\$ 44,140,621	\$ -	\$ 44,140,621

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF NET POSITION

September 30, 2021

	Board of Light and Power	Brownfield Redevelopment Authority	Non-Major Component Units	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 43,892,176	\$ 8,250,548	\$ 3,007,824	\$ 55,150,548
Investments	11,661,790	-	-	11,661,790
Receivables (net)	3,737,898	38,058	175,188	3,951,144
Inventory	2,055,123	-	-	2,055,123
Prepaid expenses and other assets	499,545	87,179	26,751	613,475
TOTAL CURRENT ASSETS	61,846,532	8,375,785	3,209,763	73,432,080
Non-current Assets:				
Restricted assets	9,845,656	-	2,056,596	11,902,252
Investment in UPPPA	4,916,993	-	-	4,916,993
Capital assets:				
Land and construction in progress	291,276	-	337,191	628,467
Other capital assets, net of depreciation	92,849,616	835,369	9,818,660	103,503,645
Total Capital Assets	93,140,892	835,369	10,155,851	104,132,112
TOTAL NON-CURRENT ASSETS	107,903,541	835,369	12,212,447	120,951,357
TOTAL ASSETS	169,750,073	9,211,154	15,422,210	194,383,437
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	-	-	-	-
Deferred outflows related to pension	1,339,914	-	191,322	1,531,236
Deferred outflows related to OPEB	164,675	-	-	164,675
Employer contributions subsequent to measurement date	1,472,315	-	58,182	1,530,497
Receivables for developer obligations	-	72,624,141	-	72,624,141
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	2,976,904	72,624,141	249,504	75,850,549
LIABILITIES				
Current Liabilities:				
Accounts payable	2,417,859	77,921	25,585	2,521,365
Accrued liabilities	289,059	2,144	120,623	411,826
Compensated absences	1,257,846	-	33,656	1,291,502
Customer deposits payable	1,876,706	-	-	1,876,706
Due to primary government	-	-	5,687	5,687
Grants received in advance	-	-	12,000	12,000
Current portion of bonds payable	-	945,000	344,000	1,289,000
Current maturities on revenue bonds	2,760,000	-	-	2,760,000
Other current liabilities	3,270,734	590,581	-	3,861,315
TOTAL CURRENT LIABILITIES	11,872,204	1,615,646	541,551	14,029,401
Non-current Liabilities:				
Compensated absences	-	-	64,624	64,624
Net pension liability	8,207,168	-	908,898	9,116,066
Net OPEB liability	2,592,896	-	-	2,592,896
Bonds payable	62,774,928	31,662,350	4,048,544	98,485,822
Long-term contract and notes payable	-	39,426,210	-	39,426,210
Other	95,684	-	-	95,684
TOTAL NON-CURRENT LIABILITIES	73,670,676	71,088,560	5,022,066	149,781,302
TOTAL LIABILITIES	85,542,880	72,704,206	5,563,617	163,810,703
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	2,343,743	-	-	2,343,743
Deferred inflows related to pension	1,961,127	-	95,418	2,056,545
Taxes levied for subsequent period	-	3,891,053	1,588,513	5,479,566
TOTAL DEFERRED INFLOWS OF RESOURCES	4,304,870	3,891,053	1,683,931	9,879,854
NET POSITION				
Net investment in capital assets	27,605,964	125,369	5,763,307	33,494,640
Restricted for:				
Debt Services	-	-	-	-
Capital Assets	-	-	-	-
Perpetual Care	-	-	-	-
Other activities	9,845,656	-	1,846,313	11,691,969
Unrestricted	45,427,607	5,114,667	814,546	51,356,820
TOTAL NET POSITION	\$ 82,879,227	\$ 5,240,036	\$ 8,424,166	\$ 96,543,429

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2021

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	\$ 29,702,894	\$ 38,838,945	\$ -	\$ 160,842	\$ 9,296,893	\$ -	\$ -	\$ 9,296,893
Brownfield Redevelopment Authority	15,606,500	-	22,500	-	-	(15,584,000)	-	(15,584,000)
Non-Major Component Units	3,565,477	478,083	1,069,833	-	-	-	(2,017,561)	(2,017,561)
TOTAL COMPONENT UNITS	\$ 48,874,871	\$ 39,317,028	\$ 1,092,333	\$ 160,842	9,296,893	(15,584,000)	(2,017,561)	(8,304,668)
General Revenues:								
Property taxes					-	14,771,027	2,170,819	16,941,846
Interest and investment earnings					755,863	8,465	297,941	1,062,269
Gain on sale of capital assets					48,085	-	-	48,085
Amortization of bond premium					-	-	-	-
Miscellaneous					-	-	112,995	112,995
TOTAL GENERAL REVENUES					803,948	14,779,492	2,581,755	18,165,195
CHANGE IN NET POSITION					10,100,841	(804,508)	564,194	9,860,527
Net position, beginning of year					72,778,386	6,044,544	7,859,972	86,682,902
NET POSITION, END OF YEAR	\$ 82,879,227	\$ 5,240,036	\$ 8,424,166	\$ 96,543,429				

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, 2020. 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, 2021, the Development Fund distributed \$72,543 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, 2020, the latest available report, is as follows:

Total Assets	\$ 5,389,316
Deferred Outflows of Resources	117,389
Total Liabilities	1,221,990
Deferred Inflows of Resources	155,036
Total Net Position	4,129,679
Total Operating Revenues	2,018,842
Total Operating Expenses	2,743,504
Total Non-Operating Revenues (Expenses)	424,278
Capital Grant Contributions	-
Net Increase (Decrease) in Net Position	(300,384)

(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** accounts for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds.

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

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 18, 2022, 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	\$ 22,437,541	\$ 55,150,548	\$ 2,621,702	\$ 80,209,791
Investments	6,045,527	11,661,790	42,927,278	60,634,595
	<u>28,483,068</u>	<u>66,812,338</u>	<u>45,548,980</u>	<u>140,844,386</u>
Restricted:				
Cash and cash equivalents	909,235	11,902,252	-	12,811,487
Investments	-	-	-	-
	<u>909,235</u>	<u>11,902,252</u>	<u>-</u>	<u>12,811,487</u>
TOTALS	<u>\$ 29,392,303</u>	<u>\$ 78,714,590</u>	<u>\$ 45,548,980</u>	<u>\$ 153,655,873</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 \$93,021,278 and the bank balance was \$97,534,425. The bank balance is categorized as follows:

Amount insured by the FDIC or uncollateralized with securities held by the City in its name	\$ 49,597,420
Amount collateralized with securities held by the pledging financial institutions trust department in the City's name:	
Collateralized and uninsured	<u>47,937,005</u>
	<u>\$ 97,534,425</u>

NOTE B – DEPOSITS AND INVESTMENTS (Continued):Investments

As of September 30, 2021, 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*	\$ 343,531	\$ 343,531	\$ -	\$ -
Investment type 1**	700,000	700,000	-	-
Fixed income securities***	5,001,996	5,001,996	-	-
Restricted Investments:				
Investment type 1*	-	-	-	-
TOTAL INVESTMENTS	\$ 6,045,527	\$ 6,045,527	\$ -	\$ -
COMPONENT UNITS:				
Fixed income securities*	\$ 5,126,306	\$ 5,126,306	\$ -	\$ -
Fixed income securities**	6,535,484	6,535,484	-	-
Fixed income securities***	-	-	-	-
TOTAL INVESTMENTS	\$11,661,790	\$11,661,790	\$ -	\$ -
FIDUCIARY FUNDS:				
Investment type 1*	\$42,927,278	\$42,927,278	\$ -	\$ -
TOTAL INVESTMENTS	\$42,927,278	\$42,927,278	\$ -	\$ -

* 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	\$ 417,880	\$ 191,151	\$ 29,343	\$ 41,666	\$ 33,252	\$ 7,819	\$ 188,124	\$ 909,235	\$ 11,902,252
Investments	-	-	-	-	-	-	-	-	-
TOTALS	\$ 417,880	\$ 191,151	\$ 29,343	\$ 41,666	\$ 33,252	\$ 7,819	\$ 188,124	\$ 909,235	\$ 11,902,252

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, 2021 by the City is \$3,872,205, 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, 2021, of the Facility, in the aggregate, is as follows:

Assets	\$ 17,116,135
Deferred outflows of resources	207,810
Liabilities	9,658,640
Deferred inflows of resources	228,566
Equity	7,436,739
Operating Revenues	1,996,904
Operating Expenses	2,530,640
Non-operating Revenues	1,687,552
Non-operating Expenses	(250,580)
Increase in net position	903,236
City's share of net gain (loss)	758,718

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,	
2022	\$ 1,298,999
2023	1,197,386
2024	1,564,766
2025	1,626,790
2026	1,648,926
2027 - 2031	9,707,829
2032 - 2036	12,238,828
2037 - 2041	2,666,249
Total minimum lease payment	31,949,773
Less amount representing interest	(7,290,853)
Present value of minimum lease payments	<u>\$ 24,658,920</u>
Asset	
Building improvements, net of depreciation	<u>\$ 25,886,258</u>

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, 2021:

	Balance September 30, 2020	Additions	Deductions	Balance September 30, 2021	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
2007 High Street Bonds	\$ 96,063	\$ -	\$ (11,276)	\$ 84,787	\$ 11,479
2011 Capital Improvement Bonds	570,000	-	(496,000)	74,000	74,000
2012 Capital Improvement Bonds	735,930	-	(651,015)	84,915	84,915
Add: deferred amounts on 2012 bonds	34,730	-	(17,365)	17,365	
2013 Capital Improvement Bonds					
Street Bonds Portion	620,000	-	(69,750)	550,250	71,300
Refunding Portion - 2003 Founder's Landing Bonds	-	-	-	-	-
2014 Capital Improvement Bonds	932,400	-	(79,200)	853,200	82,800
Add: deferred amounts on 2014 bonds	60,230	-	(6,024)	54,206	
2015 Capital Improvement Bonds	440,237	-	(69,107)	371,130	70,707
Add: deferred amounts on 2015 bonds	14,803	-	(2,468)	12,335	
2016 Capital Improvement Bonds					
Street Bonds Portion	939,550	-	(68,800)	870,750	70,950
Add: deferred amount on 2016 bonds	108,084	-	(9,826)	98,258	
Refunding Portion - 2006 & 2008 Street Bonds	1,689,904	-	(345,456)	1,344,448	360,352
Add: deferred amount on 2006 & 2008 refundings	210,527	-	(26,316)	184,211	
2017 Capital Improvement Bonds					
Street Bonds Portion	3,685,000	-	(245,000)	3,440,000	255,000
Add: deferred amount on 2017 bonds	368,658	-	(30,722)	337,936	
Refunding Portion - 2009 Capital Imp. Bonds	1,137,290	-	(265,860)	871,430	284,850
Add: deferred amount on 2009 refunding	90,422	-	(22,606)	67,816	
2018 Capital Improvement Bonds	630,000	-	(70,000)	560,000	70,000
Add: deferred amounts on 2018 bonds	44,630	-	(5,579)	39,051	
2018 Michigan Transportation Fund Bonds	1,345,000	-	(150,000)	1,195,000	155,000
Add: deferred amounts on 2018 MTF bonds	88,204	-	(11,025)	77,179	
2019 Capital Improvement Bonds	1,025,000	-	(85,000)	940,000	90,000
Add: deferred amounts on 2019 bonds	115,818	-	(11,582)	104,236	
2020 Capital Improvement Bonds	440,000	-	(40,000)	400,000	40,000
Add: deferred amounts on 2020 bonds	68,554	-	(6,855)	61,699	
2020 Michigan Transportation Fund Bonds	1,875,000	-	(165,000)	1,710,000	160,000
Add: deferred amounts on 2020 MTF bonds	294,000	-	(29,400)	264,600	
2021 Capital Improvements Bonds					
Capital Improvement Portion	-	1,640,000	-	1,640,000	80,000
Add: deferred amount on 2021 bonds	-	277,954	-	277,954	
Refunding Portion					
2011 Street Improvement Bonds	-	394,000	-	394,000	72,000
Add: deferred amount on 2011 refunding	-	38,537	-	38,537	
2012 Capital Improvement Bonds	-	516,150	-	516,150	76,590
Add: deferred amount on 2012 refunding	-	60,131	-	60,131	
Capital lease [see footnote "Leases"]	25,119,355	-	(460,435)	24,658,920	598,686
Accrued Compensated Absences	1,947,066	249,959	(388,956)	1,808,069	682,673
TOTAL GOVERNMENTAL ACTIVITIES	\$ 44,726,455	\$ 3,176,731	\$ (3,840,623)	\$ 44,062,563	\$ 3,391,302

NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2020	Additions	Deductions	Balance September 30, 2021	Due Within One Year
BUSINESS-TYPE ACTIVITIES:					
<u>WATER SUPPLY FUND:</u>					
State Drinking Water Revolving Fund Loan - 2009	\$ 265,058	\$ -	\$ (25,000)	\$ 240,058	\$ 25,000
State Drinking Water Revolving Fund Loan - 2011	343,908	-	(25,000)	318,908	25,000
State Drinking Water Revolving Fund Loan - 2015	215,875	-	(15,000)	200,875	15,000
2007 High Street Bonds	150,098	-	(17,619)	132,479	17,935
2011 Capital Improvements Bonds	156,750	-	(136,400)	20,350	20,350
2012 Capital Improvements Bonds	413,270	-	(365,585)	47,685	47,685
Add: deferred amounts	19,501	-	(19,501)	-	-
2013 Capital Improvements Bonds	500,000	-	(56,250)	443,750	57,500
2014 Capital Improvements Bonds	440,300	-	(37,400)	402,900	39,100
Add: deferred amounts	26,676	-	(2,667)	24,009	-
2015 Capital Improvements Bonds	678,947	-	(106,625)	572,322	109,075
Add: deferred amounts	20,494	-	(3,416)	17,078	-
2016 Capital Improvement Bonds	-	-	-	-	-
Capital Improvement Portion	371,450	-	(27,200)	344,250	28,050
Add: deferred amounts	42,730	-	(3,885)	38,845	-
Refunding Portion - 2008 Street Bonds	953,420	-	(102,505)	850,915	106,210
Add: deferred amounts - 2008 Refunding, net	55,479	-	(6,934)	48,545	-
2017 Capital Improvement Bonds	-	-	-	-	-
Capital Improvement Portion	1,474,000	-	(98,000)	1,376,000	102,000
Add: deferred amounts	147,462	-	(12,289)	135,173	-
Refunding Portion - 2009 Capital Imp. Bonds	962,115	-	(224,910)	737,205	240,975
Add: deferred amounts - 2009 Refunding, net	9,139	-	(2,285)	6,854	-
2018 Capital Improvement Bonds	1,005,000	-	(110,000)	895,000	115,000
Add: deferred amounts	71,203	-	(8,900)	62,303	-
2019 Capital Improvements Bonds	620,000	-	(55,000)	565,000	55,000
Add: deferred amounts	69,585	-	(6,958)	62,627	-
2020 Capital Improvements Bonds	645,000	-	(55,000)	590,000	55,000
Add: deferred amounts	101,372	-	(10,137)	91,235	-
2021 Capital Improvement Bonds	-	-	-	-	-
Capital Improvement Portion	-	1,025,000	-	1,025,000	50,000
Add: deferred amounts	-	173,722	-	173,722	-
Refunding Portion	-	-	-	-	-
2011 Street Improvement Bonds	-	108,350	-	108,350	19,800
Add: deferred amounts	-	10,584	-	10,584	-
2012 Capital Improvement Bonds	-	289,850	-	289,850	43,010
Add: deferred amounts	-	52,747	(8,791)	43,956	-
Accrued Compensated Absences	240,845	89,041	(80,728)	249,158	99,663
TOTAL WATER SUPPLY FUND	9,999,677	1,749,294	(1,623,985)	10,124,986	1,271,353
<u>SEWAGE DISPOSAL FUND:</u>					
State Act 94 Clean Water Assistance Loan	815,000	-	(200,000)	615,000	200,000
State Revolving Fund Loan -2009	385,699	-	(35,000)	350,699	35,000
State Revolving Fund Loan -2011	426,785	-	(35,000)	391,785	35,000
2011 Capital Improvements Bonds	441,750	-	(384,400)	57,350	57,350
2012 Capital Improvements Bonds	718,250	-	(635,375)	82,875	82,875
Add: deferred amounts	33,893	-	(33,893)	-	-
2013 Capital Improvements Bonds	560,000	-	(63,000)	497,000	64,400
2014 Capital Improvements Bonds	1,217,300	-	(103,400)	1,113,900	108,100
Add: deferred amounts	73,750	-	(7,375)	66,375	-
2015 Capital Improvements Bonds	227,507	-	(35,785)	191,722	36,585
Add: deferred amounts	6,801	-	(1,133)	5,668	-
2016 Capital Improvement Bonds	-	-	-	-	-
Capital Improvement Portion	371,450	-	(27,200)	344,250	28,050
Add: deferred amounts	42,730	-	(3,885)	38,845	-
Refunding Portion - 2008 Street Bonds	870,816	-	(93,624)	777,192	97,008
Add: deferred amounts - 2008 Refunding, net	63,420	-	(7,927)	55,493	-
2017 Capital Improvement Bonds	-	-	-	-	-
Capital Improvement Portion	1,105,500	-	(73,500)	1,032,000	76,500
Add: deferred amounts	110,599	-	(9,216)	101,383	-
Refunding Portion - 2009 Capital Imp. Bonds	485,100	-	(113,400)	371,700	121,500
Add: deferred amounts - 2009 Refunding, net	4,608	-	(1,152)	3,456	-
2018 Capital Improvement Bonds	1,205,000	-	(130,000)	1,075,000	135,000
Add: deferred amounts	85,545	-	(10,693)	74,852	-
2019 Capital Improvements Bonds	1,200,000	-	(105,000)	1,095,000	105,000
Add: deferred amounts	134,650	-	(13,465)	121,185	-
2020 Capital Improvements Bonds	635,000	-	(55,000)	580,000	55,000
Add: deferred amounts	99,939	-	(9,994)	89,945	-
2021 Capital Improvement Bonds	-	-	-	-	-
Capital Improvement Portion	-	1,025,000	-	1,025,000	50,000
Add: deferred amounts	-	173,722	-	173,722	-
Refunding Portion	-	-	-	-	-
2011 Street Improvement Bonds	-	305,350	-	305,350	55,800
Add: deferred amounts	-	29,819	-	29,819	-
2012 Capital Improvement Bonds	-	503,750	-	503,750	74,750
Add: deferred amounts	-	91,672	(15,279)	76,393	-
Accrued Compensated Absences	78,697	9,885	(16,429)	72,153	28,861
TOTAL SEWAGE DISPOSAL FUND	11,399,789	2,139,198	(2,220,125)	11,318,862	1,446,779

NOTE F – LONG-TERM DEBT (Continued):

STORMWATER UTILITY FUND:

2007 High Street Bonds	\$ 54,035	\$ -	\$ (6,343)	\$ 47,692	\$ 6,458
2011 Capital Improvements Bonds	256,500	-	(223,200)	33,300	33,300
2012 Capital Improvements Bonds	342,550	-	(303,025)	39,525	39,525
Add: deferred amounts	16,164	-	(16,164)	-	-
2013 Capital Improvements Bonds	320,000	-	(36,000)	284,000	36,800
2015 Capital Improvements Bonds	53,309	-	(8,483)	44,826	8,633
Add: deferred amounts	1,474	-	(245)	1,229	-
2016 Capital Improvement Bonds					
Capital Improvement Portion	502,550	-	(36,800)	465,750	37,950
Add: deferred amounts	57,811	-	(5,256)	52,555	-
Refunding Portion - 2006 & 2008 Street Bonds	1,205,860	-	(293,415)	912,445	306,430
Add: deferred amounts - 2006 & 2008 Refunding, net	113,326	-	(14,166)	99,160	-
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,105,500	-	(73,500)	1,032,000	76,500
Add: deferred amounts	110,598	-	(9,216)	101,382	-
Refunding Portion - 2009 Capital Imp. Bonds	110,495	-	(25,830)	84,665	27,675
Add: deferred amounts - 2009 Refunding, net	1,052	-	(262)	790	-
2018 MTF Bonds	1,105,000	-	(120,000)	985,000	125,000
Add: deferred amounts	72,833	-	(9,104)	63,729	-
2019 Capital Improvements Bonds	895,000	-	(70,000)	825,000	80,000
Add: deferred amounts	101,797	-	(10,180)	91,617	-
2020 Capital Improvements Bonds	1,340,000	-	(120,000)	1,220,000	115,000
Add: deferred amounts	209,783	-	(20,978)	188,805	-
2021 Capital Improvement Bonds					
Capital Improvement Portion	-	1,435,000	-	1,435,000	70,000
Add: deferred amounts	-	243,210	-	243,210	-
Refunding Portion					
2011 Street Improvement Bonds	-	177,300	-	177,300	32,400
Add: deferred amounts	-	17,314	-	17,314	-
2012 Capital Improvement Bonds	-	240,250	-	240,250	35,650
Add: deferred amounts	-	43,721	(7,287)	36,434	-
Accrued Compensated Absences	32,095	10,871	(13,623)	29,343	11,737
TOTAL STORMWATER UTILITY FUND	8,007,732	2,167,666	(1,423,077)	8,752,321	1,043,058

TOURIST PARK FUND:

Accrued Compensated Absences	1,185	481	-	1,666	666
TOTAL TOURIST PARK FUND	1,185	481	-	1,666	666

LAKESHORE AND LIGHTHOUSE PARK FUND:

2018 Building Authority Bonds	845,000	-	(95,000)	750,000	95,000
TOTAL LAKESHORE AND LIGHTHOUSE PARK FUND	845,000	-	(95,000)	750,000	95,000

MARINAS FUND:

2019 Capital Improvement Bonds	825,000	-	(70,000)	755,000	75,000
Add: deferred amounts	92,923	-	(9,292)	83,631	-
TOTAL MARINAS FUND	917,923	-	(79,292)	838,631	75,000

TOTAL BUSINESS-TYPE ACTIVITIES	\$ 31,171,306	\$ 6,056,639	\$ (5,441,479)	\$ 31,786,466	\$ 3,931,856
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NOTE F – LONG-TERM DEBT (Continued):

	Balance September 30, 2020	Additions	Deductions	Balance September 30, 2021	Due Within One Year
COMPONENT UNITS:					
Board of Light & Power:					
2016 Electric Utility Revenue Bonds	\$ 61,865,000	\$ -	\$ (2,630,000)	\$ 59,235,000	\$ 2,760,000
Add: deferred amounts	7,141,161	-	(841,233)	6,299,928	
Compensated Absences	1,296,577	-	(38,731)	1,257,846	1,257,846
Peter White Public Library:					
2017 Library Improvement Bonds	3,420,000	-	(220,000)	3,200,000	220,000
Add: deferred amounts	311,506	-	(23,962)	287,544	
Compensated Absences	67,318	-	(2,694)	64,624	-
Downtown Development Authority:					
2011 Tax Increment Bonds	750,000	-	(750,000)	-	-
2021 Refunding & TIF Bonds	-	1,040,000	(135,000)	905,000	124,000
Compensated Absences	33,373	283	-	33,656	
Brownfield Redevelopment Authority:					
2010 Capital Improvement Bonds	650,000	-	(45,000)	605,000	50,000
2010 Recovery Zone Facility Bonds	295,000	-	(20,000)	275,000	20,000
2013 Capital Improvement Bonds	140,000	-	(35,000)	105,000	35,000
2016 Tax Increment Bonds	17,195,000	-	(50,000)	17,145,000	90,000
Add: deferred amounts	1,745,902	-	(109,119)	1,636,783	
2017 Capital Improvement Bonds	690,000	-	(45,000)	645,000	45,000
Add: deferred amounts	69,102	-	(5,759)	63,343	
2017 Tax Increment Bonds	12,185,000	-	(625,000)	11,560,000	635,000
2018 Capital Improvement Bonds	600,000	-	(65,000)	535,000	70,000
Add: deferred amounts	42,541	-	(5,317)	37,224	
TOTAL COMPONENT UNITS	\$ 108,497,480	\$ 1,040,283	\$ (5,646,815)	\$ 103,890,948	\$ 5,306,846

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, \$123,053 of internal service funds compensated absences is included in the above amounts. In the governmental activities, compensated absences are generally liquidated by the general fund.

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

State 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%.

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.

NOTE F – LONG-TERM DEBT (Continued):

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.

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.

NOTE F – LONG-TERM DEBT (Continued):

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, 2021, \$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.

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.

NOTE F – LONG-TERM DEBT (Continued):

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, 2021, \$575,000 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.

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.

NOTE F – LONG-TERM DEBT (Continued):

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, 2021, \$475,000 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, 2021, \$3,700,000 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.

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, 2021, \$2,150,000 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 \$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.

NOTE F – LONG-TERM DEBT (Continued):

2018 Capital Improvement Bonds – On July 31, 2018, the City issued \$3,450,000, 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.

2021 Capital Improvement Bonds – On September 1, 2021, the City issued \$7,660,000 in General Obligation Capital Improvement Bonds, Series 2021 with interest rates ranging from 3.0% to 5.0% 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; and Lakeshore Boulevard Relocation, and to refund the 2011 and 2012 Capital Improvement Bonds.

The refunding portion of the 2011 Capital Improvement Bonds net proceeds of \$1,081,344, were paid to the refund bond escrow agent. As a result, the 2011 issue bonds maturing 2023 through 2026 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, 2021, \$1,060,000 of the bonds outstanding are considered defeased.

The refunding portion of the 2012 Capital Improvement Bonds net proceeds of \$1,730,575, were paid to the refund bond escrow agent. As a result, the 2012 issue bonds maturing 2023 through 2027 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, 2021, \$1,705,000 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 \$266,144. 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 \$192,112.

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.

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.

NOTE F – LONG-TERM DEBT (Continued):

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.

2021 Tax Increment and Tax Increment Refunding Bonds - DDA – On May 26, 2021, the Downtown Development Authority issued \$1,040,000 in Tax Increment and Tax Increment Refunding Bonds, Series 2021 with interest rate of 2.45% for the purpose of paying all or part of the costs of public improvements in the Downtown Development Area in the City as described in the Development Plan and Tax Increment Financing Plan #3, and to refund the 2011 Tax Increment Bonds.

The refunding portion of the 2011 Tax Increment Bonds net proceeds of \$774,016, were paid to the refund bond escrow agent. As a result, the 2011 issue bonds maturing 2021 through 2026 are considered defeased and the liability for those bonds has been removed from the Governmental 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, 2021, \$625,000 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 \$12,040. This transaction was undertaken to reduce the total debt service payments and accordingly resulted in an economic gain of \$24,953.

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

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

NOTE F – LONG-TERM DEBT (Continued):

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 Capital Improvement Bonds	2021 Refunding 2011 & 2012 Bonds
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	\$ 80,000	\$ 148,590
2023	11,881	-	-	74,400	84,600	72,307	75,250	145,248	265,000	286,960	75,000	155,000	90,000	40,000	170,000	83,200	155,920
2024	11,883	-	-	75,950	86,400	73,907	79,550	155,040	275,000	299,620	75,000	165,000	100,000	40,000	175,000	86,400	162,915
2025	12,086	-	-	79,050	90,000	75,507	81,700	159,936	287,500	-	80,000	170,000	100,000	40,000	180,000	89,600	170,245
2026	12,289	-	-	80,600	93,600	78,702	86,000	168,096	300,000	-	85,000	180,000	105,000	45,000	190,000	94,400	177,575
2027	12,491	-	-	83,700	97,200	-	88,150	172,992	310,000	-	85,000	185,000	105,000	45,000	195,000	97,600	94,905
2028	12,879	-	-	85,250	102,600	-	92,450	182,784	322,500	-	90,000	185,000	115,000	50,000	205,000	104,000	-
2029	-	-	-	-	106,200	-	94,600	-	335,000	-	-	-	115,000	50,000	215,000	108,800	-
2030	-	-	-	-	109,800	-	98,900	-	350,000	-	-	-	120,000	50,000	220,000	113,600	-
2031	-	-	-	-	-	-	103,200	-	362,500	-	-	-	-	-	-	120,000	-
2032	-	-	-	-	-	-	-	-	377,500	-	-	-	-	-	-	124,800	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,000	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132,800	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,000	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140,800	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Interest	84,788 6,377	74,000 1,480	84,915 1,274	550,250 58,734	853,200 156,054	371,130 27,432	870,750 186,942	1,344,448 173,632	3,440,000 810,600	871,430 52,877	560,000 93,200	1,195,000 196,250	940,000 174,100	400,000 83,800	1,710,000 360,000	1,640,000 511,824	910,150 116,742
	\$ 91,165	\$ 75,480	\$ 86,189	\$ 608,984	\$ 1,009,254	\$ 398,562	\$ 1,057,692	\$ 1,518,080	\$ 4,250,600	\$ 924,307	\$ 653,200	\$ 1,391,250	\$ 1,114,100	\$ 483,800	\$ 2,070,000	\$ 2,151,624	\$ 1,026,892

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

WATER SUPPLY FUND																		
Year Ending September 30,	State Drinking Water Revolving Fund Loan	State DWRFF 2011 Loan	State DWRFF 2015 Loan	2007 High Street Bonds	2011 Capital Improvement Bonds	2012 Capital Improvement Bonds	2013 Capital Improvement Bonds	2014 Capital Improvement Bonds	2015 Capital Improvement Bonds	2016 Capital Improvement Bonds	2016 Refunding 2008 Bonds	2017 Capital Improvement Bonds	2017 Refunding 2009 Bonds	2018 Capital Improvement Bonds	2019 Capital Improvement Bonds	2020 Capital Improvement Bonds	2021 Capital Improvement Bonds	2021 Refunding 2011 & 2012 Bonds
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	\$ 50,000	\$ 62,810
2023	25,000	25,000	15,000	18,251	-	-	60,000	39,950	111,525	29,750	109,915	106,000	242,760	120,000	55,000	60,000	52,000	65,780
2024	25,000	30,000	15,000	18,568	-	-	61,250	40,800	113,975	31,450	117,325	110,000	253,470	120,000	60,000	60,000	54,000	69,135
2025	30,000	30,000	15,000	18,885	-	-	63,750	42,500	116,425	32,300	121,030	115,000	-	125,000	60,000	60,000	56,000	72,105
2026	30,000	30,000	20,000	19,201	-	-	65,000	44,200	121,322	34,000	127,205	120,000	-	130,000	60,000	65,000	59,000	75,075
2027	30,000	30,000	20,000	19,518	-	-	67,500	45,900	-	34,850	130,910	124,000	-	140,000	65,000	70,000	61,000	53,295
2028	30,000	30,000	20,000	20,121	-	-	68,750	48,450	-	36,550	138,320	129,000	-	145,000	65,000	70,000	65,000	-
2029	30,000	30,000	20,000	-	-	-	-	50,150	-	37,400	-	134,000	-	-	70,000	75,000	68,000	-
2030	15,058	30,000	20,000	-	-	-	-	51,850	-	39,100	-	140,000	-	-	75,000	75,000	71,000	-
2031	-	30,000	20,000	-	-	-	-	-	-	40,800	-	145,000	-	-	-	-	75,000	-
2032	-	28,908	20,875	-	-	-	-	-	-	-	-	151,000	-	-	-	-	78,000	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,000	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,000	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,000	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,000	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	240,058	318,908	200,875	132,479	20,350	47,685	443,750	402,900	572,322	344,250	850,915	1,376,000	737,205	895,000	565,000	590,000	1,025,000	398,200
Interest	34,136	46,573	15,526	9,964	407	715	47,365	61,000	42,008	81,082	145,336	351,760	59,476	148,800	104,700	124,200	319,890	53,123
	\$ 274,194	\$ 365,481	\$ 216,401	\$ 142,443	\$ 20,757	\$ 48,400	\$ 491,115	\$ 463,900	\$ 614,330	\$ 425,332	\$ 996,251	\$ 1,727,760	\$ 796,681	\$ 1,043,800	\$ 669,700	\$ 714,200	\$ 1,344,890	\$ 451,323

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 Capital Improvements Bonds	2021 Refunding 2011 & 2012 Bonds
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	\$ 50,000	\$ 130,550
2023	205,000	35,000	35,000	-	-	67,200	110,450	37,385	29,750	100,392	79,500	122,400	140,000	110,000	55,000	52,000	136,900
2024	210,000	40,000	35,000	-	-	68,600	112,800	38,185	31,450	107,160	82,500	127,800	145,000	115,000	60,000	54,000	143,325
2025	-	40,000	40,000	-	-	71,400	117,500	38,985	32,300	110,544	86,250	-	155,000	115,000	60,000	56,000	149,675
2026	-	40,000	40,000	-	-	72,800	122,200	40,582	34,000	116,184	90,000	-	160,000	120,000	65,000	59,000	156,025
2027	-	40,000	40,000	-	-	75,600	126,900	-	34,850	119,568	93,000	-	165,000	125,000	65,000	61,000	92,625
2028	-	40,000	40,000	-	-	77,000	133,950	-	36,550	126,336	96,750	-	175,000	130,000	70,000	65,000	-
2029	-	40,000	40,000	-	-	-	138,650	-	37,400	-	100,500	-	-	135,000	75,000	68,000	-
2030	-	40,699	40,000	-	-	-	143,350	-	39,100	-	105,000	-	-	140,000	75,000	71,000	-
2031	-	-	46,785	-	-	-	-	-	40,800	-	108,750	-	-	-	-	75,000	-
2032	-	-	-	-	-	-	-	-	-	-	113,250	-	-	-	-	78,000	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,000	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,000	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,000	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,000	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Interest	615,000 35,010	350,699 44,778	391,785 60,863	57,350 1,147	82,875 1,243	497,000 53,053	1,113,900 168,648	191,722 13,716	344,250 81,085	777,192 132,744	1,032,000 263,820	371,700 29,988	1,075,000 179,400	1,095,000 202,250	580,000 122,600	1,025,000 319,890	809,100 105,218
	\$ 650,010	\$ 395,477	\$ 452,648	\$ 58,497	\$ 84,118	\$ 550,053	\$ 1,282,548	\$ 205,438	\$ 425,335	\$ 909,936	\$ 1,295,820	\$ 401,688	\$ 1,254,400	\$ 1,297,250	\$ 702,600	\$ 1,344,890	\$ 914,318

NOTE F – LONG-TERM DEBT (Continued):

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 Capital Improvements Bonds	2012 Refunding 2011 & 2012 Bonds
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	\$ 70,000	\$ 68,050
2023	6,571	-	-	38,400	8,783	40,250	89,445	79,500	27,880	130,000	80,000	120,000	72,800	71,400
2024	6,684	-	-	39,200	8,933	42,550	95,475	82,500	29,110	135,000	85,000	125,000	75,600	74,625
2025	6,798	-	-	40,800	9,083	43,700	98,490	86,250	-	140,000	85,000	130,000	78,400	77,975
2026	6,912	-	-	41,600	9,394	46,000	103,515	90,000	-	145,000	90,000	135,000	82,600	81,325
2027	7,026	-	-	43,200	-	47,150	106,530	93,000	-	150,000	95,000	140,000	85,400	44,175
2028	7,244	-	-	44,000	-	49,450	112,560	96,750	-	160,000	100,000	145,000	91,000	-
2029	-	-	-	-	-	50,600	-	100,500	-	-	105,000	150,000	95,200	-
2030	-	-	-	-	-	52,900	-	105,000	-	-	105,000	160,000	99,400	-
2031	-	-	-	-	-	55,200	-	108,750	-	-	-	-	105,000	-
2032	-	-	-	-	-	-	-	113,250	-	-	-	-	109,200	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	112,000	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	116,200	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	119,000	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	123,200	-
Principal	47,692	33,300	39,525	284,000	44,826	465,750	912,445	1,032,000	84,665	985,000	825,000	1,220,000	1,435,000	417,550
Interest	3,586	666	593	30,315	2,569	109,698	129,267	263,820	6,830	162,550	153,375	256,800	447,846	53,667
	\$ 51,278	\$ 33,966	\$ 40,118	\$ 314,315	\$ 47,395	\$ 575,448	\$ 1,041,712	\$ 1,295,820	\$ 91,495	\$ 1,147,550	\$ 978,375	\$ 1,476,800	\$ 1,882,846	\$ 471,217

Year Ending September 30,	LAKESHORE AND LIGHTHOUSE PARK FUND	MARINAS FUND
	2018 Building Authority Bonds	2019 Capital Improvements Bonds
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
2031	-	-
2032	-	-
2033	-	-
2034	-	-
2035	-	-
2036	-	-
2037	-	-
2038	-	-
Principal	750,000	755,000
Interest	113,243	139,525
	\$ 863,243	\$ 894,525

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	2021 DDA Refunding & TIF 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
2022	\$ 2,760,000	\$ 220,000	\$ -	\$ 124,000	\$ 50,000	\$ 20,000	\$ 35,000	\$ 90,000	\$ 45,000	\$ 635,000	\$ 70,000
2023	2,895,000	230,000	-	127,000	50,000	25,000	35,000	105,000	50,000	650,000	70,000
2024	3,040,000	235,000	-	130,000	55,000	25,000	35,000	155,000	50,000	670,000	75,000
2025	3,195,000	250,000	-	133,000	55,000	25,000	-	100,000	55,000	685,000	75,000
2026	3,355,000	245,000	-	137,000	60,000	25,000	-	145,000	55,000	705,000	80,000
2027	3,520,000	255,000	-	125,000	60,000	30,000	-	200,000	60,000	725,000	80,000
2028	3,695,000	265,000	-	129,000	65,000	30,000	-	230,000	60,000	745,000	85,000
2029	3,880,000	275,000	-	-	65,000	30,000	-	290,000	65,000	770,000	-
2030	4,075,000	290,000	-	-	70,000	30,000	-	360,000	65,000	795,000	-
2031	4,280,000	300,000	-	-	75,000	35,000	-	2,055,000	70,000	825,000	-
2032	4,495,000	310,000	-	-	-	-	-	2,250,000	70,000	850,000	-
2033	4,720,000	325,000	-	-	-	-	-	2,390,000	-	880,000	-
2034	4,955,000	-	-	-	-	-	-	2,615,000	-	825,000	-
2035	5,105,000	-	-	-	-	-	-	2,990,000	-	700,000	-
2036	5,265,000	-	-	-	-	-	-	3,170,000	-	1,100,000	-
2037	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-
Principal	59,235,000	3,200,000	-	905,000	605,000	275,000	105,000	17,145,000	645,000	11,560,000	535,000
Interest	22,174,087	786,800	-	89,132	158,875	74,125	3,702	8,491,450	165,800	3,358,461	88,400
	\$ 81,409,087	\$ 3,986,800	\$ -	\$ 994,132	\$ 763,875	\$ 349,125	\$ 108,702	\$ 25,636,450	\$ 810,800	\$ 14,918,461	\$ 623,400

NOTE F – LONG-TERM DEBT (Continued):

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
2022	\$ 2,109,943	\$ 559,768	\$ 3,790,928	\$ 997,431	\$ 4,049,000	\$ 3,980,011
2023	1,784,566	519,144	3,391,937	930,731	4,237,000	3,805,030
2024	1,861,665	449,053	3,530,470	804,891	4,470,000	3,621,620
2025	1,615,624	382,309	3,012,145	675,455	4,573,000	3,428,156
2026	1,696,262	318,756	3,142,140	558,883	4,807,000	3,225,800
2027-2031	5,792,100	713,922	10,199,720	1,223,130	29,059,000	12,634,296
2032-2036	1,039,900	68,366	1,834,883	145,343	43,015,000	4,695,919
2037-2041	-	-	-	-	-	-
	<u>\$ 15,900,060</u>	<u>\$ 3,011,318</u>	<u>\$ 28,902,223</u>	<u>\$ 5,335,864</u>	<u>\$ 94,210,000</u>	<u>\$ 35,390,832</u>

NOTE G – LETTERS OF CREDIT:

As of September 30, 2021, 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 *	12/14/2021

* - 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, 2021.

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:			
Local Street	\$ 149,619	General Fund	\$ 2,294,400
Non-major Governmental	1,435,547		
Internal Service Funds	684,532		
Non-major Business-Type	24,702		
Subtotal	<u>2,294,400</u>	Subtotal	<u>2,294,400</u>
General Fund	51,588	Major Street	1,157,786
Local Street	422,748	Local Street	737,379
Non-major Governmental	1,846,340	Non-major Governmental	425,511
Subtotal	<u>2,320,676</u>	Subtotal	<u>2,320,676</u>
Internal Service Funds	465,088	Non-major Governmental	175,138
		Water Supply	147,267
		Sewage Disposal	120,335
		Non-major Business-Type	22,348
Subtotal	<u>465,088</u>	Subtotal	<u>465,088</u>
TOTAL REPORTING ENTITY	<u>\$5,080,164</u>	TOTAL REPORTING ENTITY	<u>\$ 5,080,164</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, 2020	Additions	Disposals	Balance at September 30, 2021
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	\$ 13,689,765	\$ 47,741	\$ (634,979)	\$ 13,102,527
Construction in progress	4,514,622	2,807,716	(2,728,630)	4,593,708
Total Capital Assets, not being depreciated	<u>18,204,387</u>	<u>2,855,457</u>	<u>(3,363,609)</u>	<u>17,696,235</u>
Capital Assets Being Depreciated				
Land improvements	8,522,291	119,366	-	8,641,657
Buildings	23,586,525	-	-	23,586,525
Building improvements	7,122,277	134,595	-	7,256,872
Furniture and equipment	14,568,855	922,887	(366,100)	15,125,642
Infrastructure	99,645,552	3,695,897	-	103,341,449
Total Capital Assets, being depreciated	<u>153,445,500</u>	<u>4,872,745</u>	<u>(366,100)</u>	<u>157,952,145</u>
Less Accumulated Depreciation:				
Land improvements	(7,040,606)	(145,236)	-	(7,185,842)
Buildings	(7,752,402)	(1,046,822)	-	(8,799,224)
Building improvements	(5,979,962)	(122,828)	-	(6,102,790)
Furniture and equipment	(11,957,195)	(405,563)	366,100	(11,996,658)
Infrastructure	(41,976,266)	(4,060,891)	-	(46,037,157)
Total Accumulated Depreciation	<u>(74,706,431)</u>	<u>(5,781,340)</u>	<u>366,100</u>	<u>(80,121,671)</u>
Governmental Activities Capital Assets, net	<u>\$ 96,943,456</u>	<u>\$ 1,946,862</u>	<u>\$ (3,363,609)</u>	<u>\$ 95,526,709</u>

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

Governmental Activity:	
General Government	\$ 19,641
Public Health and Safety	20,809
Public Works	175,214
Social Services	-
Recreation and Culture	187,987
Depreciation - unallocated	2,426,961
Internal Service Funds charged to above activities	2,950,728
Total Depreciation Expense - Governmental Activities	<u>\$ 5,781,340</u>

NOTE I – CAPITAL ASSETS (Continued):

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

	Balance at September 30, 2020	Additions	Disposals	Balance at September 30, 2021
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Subject to Depreciation:				
Land	\$ 38,319	\$ -	\$ -	\$ 38,319
Construction in progress	2,325,556	2,677,839	(2,325,555)	2,677,840
Total Capital Assets, not being depreciated	2,363,875	2,677,839	(2,325,555)	2,716,159
Capital Assets Subject to Depreciation:				
Land improvements	6,031,421	14,796	-	6,046,217
Building and building improvements	16,433,303	462,198	-	16,895,501
Furniture and equipment	6,205,239	42,959	-	6,248,198
Infrastructure	85,343,579	3,978,836	-	89,322,415
Total Capital Assets, being depreciated	114,013,542	4,498,789	-	118,512,331
Less Accumulated Depreciation:				
Land improvements	(3,210,688)	(179,204)	-	(3,389,892)
Building and building improvements	(9,141,360)	(361,817)	-	(9,503,177)
Furniture and equipment	(4,949,701)	(209,850)	-	(5,159,551)
Infrastructure	(36,042,320)	(3,096,884)	-	(39,139,204)
Total Accumulated Depreciation	(53,344,069)	(3,847,755)	-	(57,191,824)
Business-Type Activities				
Capital Assets, net	<u>\$ 63,033,348</u>	<u>\$ 3,328,873</u>	<u>\$ (2,325,555)</u>	<u>\$ 64,036,666</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	\$ 1,479,277
Sewage Disposal	1,159,148
Stormwater Utility	984,185
Public Works	15,434
Recreation and Culture	209,711
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,847,755</u>

NOTE I – CAPITAL ASSETS (Continued):

A summary of Component Unit's capital assets as of September 30, 2021 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	339,098	-	222,487	-	561,585
Total Capital Assets, not being depreciated	<u>630,374</u>	<u>114,704</u>	<u>222,487</u>	<u>-</u>	<u>967,565</u>
Land improvements	-	117,250	5,219,344	1,285,857	6,622,451
Buildings and improvements	17,951,636	13,019,736	-	-	30,971,372
Furniture and equipment	124,706,317	1,013,636	265,150	-	125,985,103
Total Capital Assets, being depreciated	<u>142,657,953</u>	<u>14,150,622</u>	<u>5,484,494</u>	<u>1,285,857</u>	<u>163,578,926</u>
Less Accumulated Depreciation:					
Land improvements	-	(74,294)	(2,647,221)	(450,488)	(3,172,003)
Buildings and improvements	-	(5,894,711)	-	-	(5,894,711)
Furniture and equipment	-	(1,012,152)	(188,078)	-	(1,200,230)
Unallocated	(50,147,435)	-	-	-	(50,147,435)
Total Accumulated Depreciation	<u>(50,147,435)</u>	<u>(6,981,157)</u>	<u>(2,835,299)</u>	<u>(450,488)</u>	<u>(60,414,379)</u>
Component Units Capital Assets, net	<u>\$ 93,140,892</u>	<u>\$ 7,284,169</u>	<u>\$ 2,871,682</u>	<u>\$ 835,369</u>	<u>\$ 104,132,112</u>

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

Component Units:	
Board of Light and Power	\$4,880,937
Peter White Public Library	139,906
Downtown Development Authority	233,559
Brownfield Redevelopment Authority	112,622
Total Depreciation Expense - Component Units	<u>\$5,367,024</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 \$8,142,376. This amount relates to the 2021 tax levy.
2. The Business-Type Funds have reported deferred inflows of \$4,682. 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 \$5,479,566 which relates to their portion of the 2021 tax levy.

NOTE K – FUND BALANCES – GOVERNMENTAL FUNDS:

As of September 30, 2021, 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, 2021, 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	\$ -	\$ -	\$ -	\$ -	\$ 937,104	\$ 937,104
Loan Receivable	-	-	-	-	-	-
Inventory	450,301	-	-	-	-	450,301
Prepays	307,502	27,175	-	-	-	334,677
Total Non-spendable	<u>\$ 757,803</u>	<u>\$ 27,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 937,104</u>	<u>\$ 1,722,082</u>
Restricted:						
Major Street	\$ -	\$ 424,393	\$ -	\$ -	\$ -	\$ 424,393
Local Street	-	356,031	-	-	-	356,031
Fire Dept. - Lifesaving Equipment	-	-	-	-	-	-
Drug Dog	2,315	-	-	-	-	2,315
Local Development Finance Authority Fund	-	111,917	-	-	-	111,917
Public Education Government (PEG) Fund	-	12,299	-	-	-	12,299
Drug Forfeiture Fund	-	15,386	-	-	-	15,386
MSHDA Downtown Rental Fund	-	-	-	-	-	-
Road Maintenance Fund	-	1,461,258	-	-	-	1,461,258
Road Safety Improvement Fund	-	1,029,855	-	-	-	1,029,855
Criminal Justice Training Fund	-	2,548	-	-	-	2,548
Senior Services Fund	-	670,042	-	-	-	670,042
Lakeview Arena Fund	-	80,700	-	-	-	80,700
Total Restricted	<u>\$ 2,315</u>	<u>\$ 4,164,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,166,744</u>
Committed:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assigned:						
Park Improvements	\$ 16,802	\$ -	\$ -	\$ -	\$ -	\$ 16,802
Capital Outlay	60,000	-	-	1,017,975	-	1,077,975
Public Art Fund	-	112,930	-	-	-	112,930
Sanitation Fund	-	763,159	-	-	-	763,159
Lakeview Arena Fund	-	114,087	-	-	-	114,087
Total Assigned	<u>\$ 76,802</u>	<u>\$ 990,176</u>	<u>\$ -</u>	<u>\$ 1,017,975</u>	<u>\$ -</u>	<u>\$ 2,084,953</u>
Unassigned:	<u>\$ 8,889,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,889,446</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:

2020 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 Lbry Snr - Closed</u>	<u>12-P White Lby - Closed</u>	<u>70-PW Lbry 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, 2020 valuation date, the following employees were covered by the benefit terms:

	Primary Government	Component Unit PWPL
Inactive employees or beneficiaries currently receiving benefits	128	15
Inactive employees entitled to but not yet receiving benefits	11	1
Active employees	93	10
Total	232	26

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, 2020:

Division	Employer ¹	Employee
Primary Government:		
01 - Public Works	\$92,912	6.00%
02 - Police Clerical	\$10,570	6.00%
10 - Union	\$45,138	6.00%
11 - PW Supervisor	\$39,661	6.00%
15 - Senior Mgmt	\$89,537	0.00%
16 - Middle Mgmt	\$20,072	5.00%
91 - PW & Union aft 10/1/12	6.81%	6.00%
Component Unit - Peter White		
Public Library:		
07 - PW Lbry Snr	\$1,962	0.00%
12 - Pwhite Lby	\$5,857	7.00%
70 - PW Lbry Admin	\$3,009	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, 2020, 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, 2020 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: 7.35%, net of investment and administrative 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 a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global Equity	60.0%	7.45%	4.47%	2.50%	2.97%
Global Fixed Income	20.0%	4.90%	0.98%	2.50%	0.48%
Private Investments	20.0%	9.50%	1.90%	2.50%	1.40%
	<u>100.0%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount rate:

The discount rate used to measure the total pension liability is 7.60% for 2020. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. 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 12/31/19	\$ 63,312,147	\$ 37,282,876	\$ 26,029,271
Changes for the Year:			
Service costs	691,166	-	691,166
Interest on total pension liability	4,636,268	-	4,636,268
Changes in benefits	-	-	-
Difference between expected and actual experience	(182,168)	-	(182,168)
Changes in assumption	1,899,801	-	1,899,801
Employer contributions	-	2,741,566	(2,741,566)
Employee contributions	-	277,745	(277,745)
Net investment income	-	4,644,084	(4,644,084)
Benefit payments, including employee refunds	(3,613,388)	(3,613,388)	-
Administrative expense	-	(73,172)	73,172
Other changes	(1,191,444)	(1)	(1,191,443)
Net Changes	2,240,235	3,976,834	(1,736,599)
Balances as of 12/31/20	\$ 65,552,382	\$ 41,259,710	\$ 24,292,672

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 12/31/19	\$ 3,626,797	\$ 2,561,837	\$ 1,064,960
Changes for the Year:			
Service costs	52,368	-	52,368
Interest on total pension liability	211,319	-	211,319
Changes in benefits	-	-	-
Difference between expected and actual experience	57,246	-	57,246
Changes in assumption	151,620	-	151,620
Employer contributions	-	175,399	(175,399)
Employee contributions	-	35,224	(35,224)
Net investment income	-	329,195	(329,195)
Benefit payments, including employee refunds	(270,647)	(270,647)	-
Administrative expense	-	(5,141)	5,141
Other changes	(93,938)	-	(93,938)
Net Changes	107,968	264,030	(156,062)
Balances as of 12/31/20	<u>\$ 3,734,765</u>	<u>\$ 2,825,867</u>	<u>\$ 908,898</u>
Net Pension Liability (NPL):			
MERS - Primary Government	\$ 24,292,672		
Fire-Police - Primary Government	7,224,121	(See Note M)	
NPL reported in statement of net position	<u>\$ 31,516,793</u>		
Net Pension Liability (NPL):			
MERS - Component Unit - PWPL	\$ 908,898		
MERS - Component Unit - BLP	8,207,168	(See Note N)	
NPL reported in statement of net position	<u>\$ 9,116,066</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% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net Pension Liability at 12/31/20	\$ 24,292,671	\$ 24,292,671	\$ 24,292,671
Change in Net Pension liability (NPL)	8,508,970	-	(7,132,646)
Calculated NPL	<u>\$ 32,801,641</u>	<u>\$ 24,292,671</u>	<u>\$ 17,160,025</u>

	Component Unit - Peter White Public Library		
	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net Pension Liability at 12/31/20	\$ 908,898	\$ 908,898	\$ 908,898
Change in Net Pension liability (NPL)	391,205	-	(331,162)
Calculated NPL	<u>\$ 1,300,103</u>	<u>\$ 908,898</u>	<u>\$ 577,736</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, 2021, the employer recognized pension expense/(benefit) of (\$1,148,878) for the primary government and (\$7,679) 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	\$ 299,050	\$ (272,180)	\$ 44,924	\$ -
Differences in assumptions	2,260,820	-	146,398	-
(Excess) Deficit Investment Returns	5,066	(1,195,416)	-	(95,418)
Subtotal	2,564,936	(1,467,596)	191,322	(95,418)
Contributions subsequent to the measurement date*	-	-	58,182	-
Total	<u>\$ 2,564,936</u>	<u>\$ (1,467,596)</u>	<u>\$ 249,504</u>	<u>\$ (95,418)</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, 2022.

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
2021	\$ 936,936	\$ 76,435
2022	1,253,306	100,013
2023	(725,714)	(53,149)
2024	(367,188)	(27,395)
2025	-	-
Thereafter	-	-
Total	<u>\$ 1,097,340</u>	<u>\$ 95,904</u>

Primary Government All Pension Plans		
	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Deferred amounts related to pension:		
Primary government - MERS	\$ 2,564,936	\$ (1,467,596)
Primary government - Fire-Police (See Note M)	1,098,422	(5,322,586)
Deferred amounts related to pension reported in Statement of Net Position	<u>\$ 3,663,358</u>	<u>\$ (6,790,182)</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	\$ 191,322	\$ (95,418)
Component Unit - Board of Light and Power	1,339,914	(1,961,127)
Deferred amounts related to pension reported in Statement of Net Position	<u>\$ 1,531,236</u>	<u>\$ (2,056,545)</u>
Contributions subsequent to the measurement date		
Component Unit - Peter White Public Library	\$ 58,182	
Component Unit - Board of Light and Power	1,472,315	
Contributions subsequent to measurement date reported in Statement of Net Position	<u>\$ 1,530,497</u>	

Payable to Pension Plan:

At September 30, 2021, the City and component unit – Peter White Public Library reported a payable of \$0 and \$0, respectively, for the outstanding amount of the contributions to the pension plan required for the year ended September 30, 2021.

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, 2021 was \$3,895,846; the City's total payroll was \$12,220,698.

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, 2020, the latest actuarial valuation date:

Group	
Retirees and beneficiaries currently receiving benefits	70
Vested terminated members	3
Active employees:	
Fire	27
Police	33
TOTAL	<u>133</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, 2021, September 30, 2020, and September 30, 2019, contributions totaling \$1,742,470; \$1,778,792, and \$1,626,480, 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	\$ 4,162,838
Wells Fargo/Dodge & Cox Intermediate Bond CIT F	\$ 4,136,633
Wells Fargo/Federated Total Return Bond CIT F	\$ 4,142,599
Wells Fargo/Blackrock S&P Midcap Index CIT F	\$ 3,698,431
Wells Fargo/Blackrock S&P 500 Index CIT F	\$ 5,507,813

Mutual Funds - Corporate Bonds:

Metropolitan West Total Return Bond Fund Class I #512	\$ 4,126,746
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Net Pension Liability of the City (Under GASB 67):

The components of the net pension liability of the City at December 31, 2020, the most recent actuarial, is as follows:

	2020
Total pension liability	\$51,364,742
Plan fiduciary net position	44,140,621
City's net pension liability	<u>\$ 7,224,121</u>

Plan fiduciary net position as a percentage of the total pension liability	85.9%
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Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of December 31, 2020, with a measurement date of September 30, 2021, 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, 2020 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 2.19%; and the resulting Single Discount Rate is 6.75%

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

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability
	(a)	(b)	(a)-(b)
Changes in Net Pension Liability			
Balances at 09/30/20	\$ 49,568,703	\$ 37,532,148	\$ 12,036,555
Changes for the Year:			
Service costs	1,038,593	-	1,038,593
Interest on total pension liability	3,288,149	-	3,288,149
Changes in benefits	-	-	-
Difference between expected and actual experience	218,662	-	218,662
Changes in assumption	-	-	-
Employer contributions	-	1,742,470	(1,742,470)
Employee contributions	-	232,295	(232,295)
Net investment income	-	7,403,102	(7,403,102)
Benefit payments, including employee refunds	(2,749,365)	(2,749,365)	-
Administrative expense	-	(20,029)	20,029
Other changes	-	-	-
Net Changes	1,796,039	6,608,473	(4,812,434)
Balances as of 09/30/21	\$ 51,364,742	\$ 44,140,621	\$ 7,224,121

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 321,018	\$ (759,660)
Differences in assumptions	450,922	(13,486)
(Excess) Deficit Investment Returns	326,482	(4,549,440)
Total	<u>\$ 1,098,422</u>	<u>\$ (5,322,586)</u>

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

Plan Year Ended September 30,	Amount
2022	\$ (872,830)
2023	(1,092,600)
2024	(1,326,587)
2025	(936,424)
2026	4,277
Thereafter	-
Total	<u>\$ (4,224,164)</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 09/30/21	\$ 7,224,121	\$ 7,224,121	\$ 7,224,121
Change in Net Pension Liability (NPL)	6,710,186	-	(5,611,979)
Calculated NPL	<u>\$ 13,934,307</u>	<u>\$ 7,224,121</u>	<u>\$ 1,612,142</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, 2020, measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	100
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>26</u>
Total inactive and active plan members	<u>131</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, 2021, contributions made by the Board totaled \$1,968,154.

Net Pension Liability

The Board's Net Pension Liability was measured as of December 31, 2020, 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, 2020 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 2020.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Expected Money-Weighted Rate of Return</u>
Global Equity	60.00%	5.00%	3.00%
Global Fixed Income	20.00%	1.00%	0.20%
Private Investments	20.00%	7.00%	1.40%
Inflation			2.50%
Administrative fee			0.25%
	<u>100.00%</u>		<u>7.35%</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 2020. 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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at December 31, 2019	\$42,592,825	\$32,129,446	\$10,463,379
Changes for the Year:			
Service Cost	216,877	-	216,877
Interest on Total Pension Liability	3,124,561	-	3,124,561
Changes in benefits	-	-	-
Difference between expected and actual experience	(867,330)	-	(867,330)
Changes in assumptions	1,255,356	-	1,255,356
Employer Contributions	-	1,915,918	(1,915,918)
Employee Contributions	-	105,640	(105,640)
Net investment income	-	4,028,178	(4,028,178)
Benefit payments, including employee refunds	(3,177,232)	(3,177,232)	-
Administrative expense	-	(64,061)	64,061
Other changes	-	-	-
Net changes	552,232	2,808,443	(2,256,211)
Balances as of December 31, 2020	<u>\$43,145,057</u>	<u>\$34,937,889</u>	<u>\$8,207,168</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, 2020	\$12,665,992	\$8,207,168	\$4,412,289

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, 2021, the Board recognized pension expense of \$915,542. 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	\$ -	\$ (792,538)
Differences in assumptions	1,285,037	-
Excess/Deficit in investment returns	54,877	(1,168,589)
Subtotal	1,339,914	(1,961,127)
Contributions subsequent to the measurement date*	1,472,315	-
Total	<u>\$ 2,812,229</u>	<u>\$ (1,961,127)</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 9/30/22.

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

Deferred (Inflows) and Deferred Outflows of Resources by Year (To Be Recognized in Future Pension Expenses)	
Plan Year Ended December 31,	Amount
2021	\$ 164,172
2022	184,219
2023	(643,066)
2024	(326,538)
Thereafter	-
Total	<u>\$ (621,213)</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, 2021 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, 2021, combined contributions by the Board totaled \$503,169 and combined contributions by the employees totaled \$203,259.

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 \$10,250 during the current year and employee contributed \$2,365. The employees under the plan are immediately vested. At September 30, 2021, 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 \$16,514 during the current year and employee contributed \$6,881. The employees covered under this plan are vested after three years of service. At September 30, 2021, there was 5 plan members.

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, 2021 are as follows:

	Benefit Leave and Vacation	Sick	Total
PRIMARY GOVERNMENT:			
Current portion	\$ 474,915	\$ 207,758	\$ 682,673
Long-term portion	1,166,079	311,637	1,477,716
TOTAL	<u>\$ 1,640,994</u>	<u>\$ 519,395</u>	<u>\$ 2,160,389</u>
COMPONENT UNITS:			
Current portion	\$ 703,091	\$ 588,411	\$ 1,291,502
Long-term portion	64,624	-	64,624
TOTAL	<u>\$ 767,715</u>	<u>\$ 588,411</u>	<u>\$ 1,356,126</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, 2021, by the City is \$3,313,982.

Summary financial information as of and for the fiscal year ended June 30, 2021, the latest available report, is as follows:

Total Assets	\$ 21,521,578
Deferred Outflows of Resources	220,020
Total Liabilities	10,388,035
Deferred Inflows of Resources	306,958
Total Net Position	11,046,605
Total Operating Revenues	4,656,470
Total Operating Expenses	4,314,218
Total Nonoperating Revenues (Expenses)	522,307
Change in Net Position	864,559

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, 2021					
	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, 2021 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	<u>34</u>	<u>15</u>	<u>10</u>	<u>30</u>	<u>19</u>	<u>24</u>	<u>15</u>	<u>147</u>

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, 2021.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2021. The following actuarial assumptions were used in the measurement:

Annual wage increases:	3.00% (for purposes of allocating liability)
Inflation:	2.50%
Investment rate of return:	7.35%
20-year Aa Municipal bond rate:	2.43%
Mortality	2010 Headcount weighted Public General and Public Safety Employees and Healthy Retirees with MP-2021 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, 2021 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 4.21%. The projection of cash flows used to determine the discount rate assumed that there will be \$120,000 of 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 2037 – 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. The discount rate used as of September 30, 2020 was 3.14%.

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, 2020	\$ 8,470,828	\$ 727,909	\$ 7,742,919
Changes during the year:			
Service cost (beginning of year)	81,352	-	81,352
Interest	263,486	-	263,486
Experience (gains)/losses	(1,167,057)	-	(1,167,057)
Change in actuarial assumptions	(854,124)	-	(854,124)
Contributions to OPEB trust	-	248,955	(248,955)
Contributions/benefit paid from general operating funds	-	321,777	(321,777)
Net investment income	-	187,417	(187,417)
Benefit payments	(321,777)	(321,777)	-
Administrative expenses	-	(1,861)	1,861
Other changes	-	-	-
Total changes	(1,998,120)	434,511	(2,432,631)
Balance at September 30, 2021	\$ 6,472,708	\$ 1,162,420	\$ 5,310,288

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, 3.21%	Current Discount Rate, 4.21%	1% Increase, 5.21%
<u>Discount</u>			
Total OPEB Liability	\$ 7,185,002	\$ 6,472,707	\$ 5,875,434
Plan Fiduciary Net Position	1,162,420	1,162,420	1,162,420
Net OPEB Liability	<u>\$ 6,022,582</u>	<u>\$ 5,310,287</u>	<u>\$ 4,713,014</u>
	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
<u>Trend</u>			
Total OPEB Liability	\$ 6,041,341	\$ 6,472,707	\$ 6,970,379
Plan Fiduciary Net Position	1,162,420	1,162,420	1,162,420
Net OPEB Liability	<u>\$ 4,878,921</u>	<u>\$ 5,310,287</u>	<u>\$ 5,807,959</u>

Actuarially Determined Contribution

Actuarially Determined Contribution for the Fiscal Year Ending September 30, 2021 are as follows:

Service Cost (End of Year)	\$ 81,352
Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,688,354
Amortization Factor, 30 Years	16.2347
Amortization of UAAL	\$ 413,527
Interest to End of Year	\$ 15,540

Actuarially Determined Contributions (ADC) \$ **510,419**
OPEB Expense – GASB 75

Below are the components of the Total OPEB Expense under GASB 75 for 2021.

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of September 30, 2021 is \$1,162,420.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	\$ -	\$ (1,018,780)
Changes of Assumptions	42,822	(140,473)
Investment Earnings (Gains)/Losses	-	(84,019)
TOTAL	<u>\$ 42,822</u>	<u>\$ (1,243,272)</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>
2022	\$ (405,022)
2023	(253,504)
2024	(445,483)
2025	(96,440)
2026	-
Thereafter	-
	<u><u>\$ (1,200,449)</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, 2021 and 2020, the Board contributed \$743,017 and \$1,047,539, respectively, to the plan representing current premiums, and an additional \$100,000 and \$300,000, 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:	2.43%
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
Total Market Portfolio	45.00%	4.85%	2.16%
Diversified Bond Portfolio	10.00%	0.50%	0.05%
Established Market Portfolio	45.00%	4.20%	1.89%
Inflation			2.50%
Administrative Fee			
	<u>100.00%</u>		<u>6.60%</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, 2021, 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 (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2020	\$ 16,406,824	\$ 11,312,108	\$ 5,094,716
Changes for the year:			
Service cost	221,380	-	221,380
Interest on Total Pension Liability	1,065,143	-	1,065,143
Changes in benefits	-	-	-
Difference between expected and actual experience	(319,293)	-	(319,293)
Changes in assumptions	(547,473)	-	(547,473)
Employer contributions	-	843,017	(843,017)
Participant contributions	-	14,940	(14,940)
Projected investment income	-	749,139	(749,139)
Difference between expected and actual earnings	-	1,337,516	(1,337,516)
Benefit payments, including employee refunds	(757,957)	(757,957)	-
Administrative expense	-	(23,035)	23,035
Other changes	-	-	-
Net changes	(338,200)	2,163,620	(2,501,820)
Balances at September 30, 2021	\$ 16,068,624	\$ 13,475,728	\$ 2,592,896

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	\$ 18,040,420	\$ 16,068,624	\$ 14,435,988
Fiduciary net position	13,475,728	13,475,728	13,475,728
Net OPEB Liability	\$ 4,564,692	\$ 2,592,896	\$ 960,260
Plan fiduciary position as a percentage of the total OPEB liability	74.7%	83.9%	93.3%

**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	\$ 14,058,991	\$ 16,068,624	\$ 18,532,077
Fiduciary net position	13,475,728	13,475,728	13,475,728
Net OPEB Liability	<u>\$ 583,263</u>	<u>\$ 2,592,896</u>	<u>\$ 5,056,349</u>
Plan fiduciary position as a percentage of the total OPEB liability	<u>95.9%</u>	<u>83.9%</u>	<u>72.7%</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2021, the Board recognized OPEB expense of \$78,370.

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	\$ -	\$ (589,697)
Differences in assumptions	-	(684,033)
Excess/Deficit in investment returns	164,675	(1,070,013)
Total	<u>\$ 164,675</u>	<u>\$ (2,343,743)</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
2022	\$ (228,698)	\$ (246,763)	\$ (163,330)	\$ (638,791)
2023	(228,698)	(246,763)	(211,347)	(686,808)
2024	(113,520)	(158,304)	(263,157)	(534,981)
2025	(18,782)	(32,204)	(267,503)	(318,489)
Total	<u>\$ (589,698)</u>	<u>\$ (684,034)</u>	<u>\$ (905,337)</u>	<u>\$ (2,179,069)</u>

NOTE V – SINGLE AUDIT:

The City's audited financial statements report a total amount of federal expenditures that is 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, 2021.

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, 2021. 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 \$7,271,548.

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, 2021, 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, 2021, the City abated \$177,303 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, 2021, the City abated \$1,505,896 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 January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. 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. It 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. This statement was originally effective for periods beginning after December 15, 2018. However, under GASB 95, the effective date was postponed by one year, to periods beginning after December 15, 2019. The City has activities that meet the criteria for GASB 84; therefore, GASB 84 is applicable to the City.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for the comprehensive financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. This statement is effective for periods ending after December 15, 2021. The City issues an Annual Comprehensive Financial Report; therefore, GASB 98 is applicable to the City.

Other Recently Issued Accounting Pronouncements

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*. GASB 90 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. This statement defines when a majority equity interest should be measured using the equity method or measured at fair value. It further establishes when a governmental unit is required report a legally separate organization as a component unit due to ownership of a majority interest in the legally separate organization. This Statement 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. This Statement was originally effective for periods beginning after December 15, 2018. However, under GASB 95, the effective date was postponed by one year, to periods beginning after December 15, 2019. The City does not have equity interests that meet the criteria for GASB 90; therefore, GASB 90 is not applicable to the City.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. GASB 93 will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. 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. 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. This Statement was originally effective for periods beginning after June 15, 2019. However, under GASB 95, the effective

NOTE Z – NEW GASB STANDARDS (Continued):

date was postponed by one year, to periods beginning after June 15, 2020. The City does not have agreements that meet the criteria for GASB 93; therefore, GASB 93 is not applicable to the City.

NOTE AA – UPCOMING STANDARDS:

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

GASB 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.

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).

NOTE AA – UPCOMING STANDARDS (Continued):

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

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

NOTE AA – UPCOMING STANDARDS (Continued):

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*
- 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

NOTE AA – UPCOMING STANDARDS (Continued):

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.

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 an other 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 an other 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.

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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)

	2021	2020	2019	2018	2017	2016	2015
Change in total pension liability							
Service cost	\$ 691,166	\$ 840,544	\$ 825,143	\$ 791,722	\$ 771,441	\$ 738,493	\$ 800,374
Interest	4,636,268	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	(182,168)	323,056	(52,849)	(1,166,996)	408,568	(229,603)	-
Changes in assumptions	1,899,801	1,988,572	-	-	-	3,096,299	-
Benefit payments, including refunds of member contributions	(3,613,388)	(3,265,088)	(3,060,342)	(2,909,065)	(2,653,291)	(2,414,733)	(2,402,573)
Other	(1,191,444)	-	-	-	-	(1)	31,851
Net change in total pension liability	2,240,235	4,434,965	2,107,311	1,059,105	2,647,928	5,031,943	2,148,831
Total pension liability, beginning of year	63,312,147	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)	65,552,382	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	2,741,566	2,667,614	2,453,865	2,455,778	3,272,268	1,796,218	1,685,684
Contributions – member	277,745	295,696	277,569	259,468	303,659	223,767	242,337
Net investment income	4,644,084	4,435,515	(1,360,225)	4,004,150	3,095,445	(420,230)	1,782,826
Benefit payments, including refunds of member contributions	(3,613,388)	(3,265,088)	(3,060,342)	(2,909,065)	(2,653,291)	(2,414,733)	(2,402,573)
Administrative expense	(73,172)	(75,740)	(66,152)	(63,420)	(61,304)	(61,269)	(65,367)
Other	(1)	-	-	(2)	4	(1,244,578)	(2,359)
Net change in plan fiduciary net position	3,976,834	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	37,282,876	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)	41,259,710	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)	\$ 24,292,672	\$ 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	62.94%	58.89%	56.43%	61.62%	56.06%	51.40%	61.20%
Covered payroll	\$ 4,994,831	\$ 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	486.36%	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%
9/30/2021	\$ 3,015,210	\$ 3,139,818	(124,608)	5,298,022	59.26%

**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)

	2021	2020	2019	2018	2017	2016	2015
Change in total pension liability							
Service cost	\$ 52,368	\$ 38,312	\$ 37,610	\$ 48,532	\$ 47,489	\$ 36,106	\$ 40,728
Interest	211,319	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	57,246	14,725	(2,409)	(71,536)	25,151	(11,226)	-
Changes in assumptions	151,620	90,638	-	-	-	151,384	-
Benefit payments, including refunds of member contributions	(270,647)	(215,515)	(191,797)	(181,797)	(178,595)	(131,851)	(127,594)
Other	(93,938)	-	-	-	-	-	(236)
Net change in total pension liability	107,968	135,450	43,743	61,448	147,741	232,230	145,335
Total pension liability, beginning of year	3,626,797	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)	3,734,765	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	175,399	173,752	111,800	105,420	114,790	91,549	86,041
Contributions – member	35,224	28,244	25,376	27,289	25,132	24,237	23,982
Net investment income	329,195	309,695	(94,393)	287,973	227,136	(31,166)	134,124
Benefit payments, including refunds of member contributions	(270,647)	(215,515)	(191,797)	(181,797)	(178,595)	(131,851)	(127,594)
Administrative expense	(5,141)	(5,317)	(4,700)	(4,562)	(4,489)	(4,534)	(4,565)
Other	-	-	-	-	-	-	(9,984)
Net change in plan fiduciary net position	264,030	290,859	(153,714)	234,323	183,974	(51,765)	102,004
Plan fiduciary net position, beginning of year	2,561,837	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)	2,825,867	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)	\$ 908,898	\$ 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	75.66%	70.64%	65.05%	70.33%	64.69%	61.96%	68.46%
Covered payroll	\$ 390,288	\$ 389,790	\$ 256,766	\$ 212,190	\$ 189,316	\$ 264,754	\$ 282,696
Net pension liability as a percentage of covered payroll	232.88%	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%
9/30/2021	112,572	116,729	(4,157)	445,199	26.22%

**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)

	2021	2020	2019	2018	2017	2016	2015	2014
Change in total pension liability								
Service cost	\$ 1,038,593	\$ 1,042,143	\$ 980,498	\$ 922,981	\$ 902,641	\$ 935,088	\$ 1,363,210	\$ 1,205,537
Interest	3,288,149	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	218,662	(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	(2,749,365)	(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	<u>1,796,039</u>	<u>749,468</u>	<u>1,918,809</u>	<u>2,691,250</u>	<u>2,713,316</u>	<u>1,239,600</u>	<u>2,583,704</u>	<u>1,491,876</u>
Total pension liability, beginning of year	<u>49,568,703</u>	<u>48,819,235</u>	<u>46,900,426</u>	<u>44,209,176</u>	<u>41,495,860</u>	<u>40,256,260</u>	<u>37,672,556</u>	<u>36,180,680</u>
Total pension liability, end of year (a)	<u>51,364,742</u>	<u>49,568,703</u>	<u>48,819,235</u>	<u>46,900,426</u>	<u>44,209,176</u>	<u>41,495,860</u>	<u>40,256,260</u>	<u>37,672,556</u>
Change in plan fiduciary net position								
Contributions - employer	1,742,470	1,778,792	1,626,480	1,560,811	1,489,696	1,465,489	1,347,814	1,586,190
Contributions - members	232,295	224,770	216,333	207,809	197,431	170,668	167,220	212,560
Net investment income	7,403,102	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	(2,749,365)	(2,582,244)	(2,410,032)	(2,449,187)	(2,227,030)	(2,408,213)	(1,828,055)	(2,317,636)
Administrative expense	(20,029)	(19,306)	(19,179)	(20,179)	(19,482)	(14,327)	(9,084)	(22,430)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>6,608,473</u>	<u>2,761,119</u>	<u>866,186</u>	<u>1,600,489</u>	<u>2,888,888</u>	<u>1,843,992</u>	<u>(594,163)</u>	<u>2,008,482</u>
Plan fiduciary net position, beginning of year	<u>37,532,148</u>	<u>34,771,029</u>	<u>33,904,843</u>	<u>32,304,354</u>	<u>29,415,466</u>	<u>27,571,474</u>	<u>28,165,637</u>	<u>26,157,155</u>
Plan fiduciary net position, end of year (b)	<u>44,140,621</u>	<u>37,532,148</u>	<u>34,771,029</u>	<u>33,904,843</u>	<u>32,304,354</u>	<u>29,415,466</u>	<u>27,571,474</u>	<u>28,165,637</u>
City's net pension liability, end of year (a)-(b)	<u>\$ 7,224,121</u>	<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	85.94%	75.72%	71.22%	72.29%	73.07%	70.89%	68.49%	74.76%
Covered payroll	\$ 3,895,846	\$ 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	185.43%	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%
9/30/2021	1,742,470	1,742,470	-	4,190,144	41.58%

**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)

	2021	2020	2019	2018	2017	2016	2015
Change in total pension liability							
Service cost	\$ 216,877	\$ 216,007	\$ 243,983	\$ 263,927	\$ 263,370	\$ 253,706	\$ 275,493
Interest	3,124,561	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	(867,330)	(642,954)	(27,628)	(147,591)	161,831	433,467	-
Changes in assumptions	1,255,356	1,344,399	-	-	-	2,151,921	-
Benefit payments, including refunds of member contributions	(3,177,232)	(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	552,232	886,607	162,397	182,631	570,365	2,937,825	448,658
Total pension liability, beginning of year	42,592,825	41,706,218	41,543,821	41,361,190	40,790,825	37,853,000	37,404,342
Total pension liability, end of year	43,145,057	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	1,915,918	3,152,985	4,366,887	4,605,575	2,874,280	2,541,239	2,071,376
Contributions – member	105,640	104,553	105,447	116,706	165,913	132,551	165,536
Net investment income	4,028,178	3,847,402	(1,175,116)	3,218,342	2,413,771	(324,962)	1,316,039
Benefit payments, including refunds of member contributions	(3,177,232)	(3,246,137)	(3,256,943)	(3,128,036)	(3,008,305)	(2,914,389)	(2,808,219)
Administrative expense	(64,061)	(66,316)	(56,324)	(50,670)	(47,663)	(47,681)	(48,283)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	2,808,443	3,792,487	(16,049)	4,761,917	2,397,996	(613,242)	696,449
Plan fiduciary net position, beginning of year	32,129,446	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	34,937,889	32,129,446	28,336,959	28,353,008	23,591,091	21,193,095	21,806,337
Net pension liability, end of year	\$ 8,207,168	\$ 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	80.98%	75.43%	67.94%	68.25%	57.04%	51.96%	57.61%
Covered payroll	\$ 2,426,996	\$ 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	338.16%	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%
9/30/2021	1,757,328	1,915,918	(158,590)	2,426,996	78.94%

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	Defined Benefit Pension Plans		Defined Benefit OPEB Plans	
			City of	Board
	MERS	Police/Fire	Marquette Retiree Medical Plan	of Light and Power
9/30/2015	6.13%	5.80%	N/A	N/A
9/30/2016	(1.74%)	3.90%	N/A	N/A
9/30/2017	11.17%	5.70%	N/A	N/A
9/30/2018	13.07%	6.90%	0.77%	3.02%
9/30/2019	(4.12%)	4.00%	2.70%	3.95%
9/30/2020	13.41%	6.60%	8.31%	6.36%
9/30/2021	12.70%	9.80%	20.68%	18.39%

City of Marquette Michigan
Required Supplementary Information

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

(Ultimately ten years will be displayed)

	2021	2020	2019	2018
Change in total OPEB liability				
Service cost	\$ 81,352	\$ 71,444	\$ 62,583	\$ 102,520
Interest	263,486	336,366	316,299	266,247
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	(1,167,057)	(58,676)	(276,093)	(34,706)
Changes in assumptions	(854,124)	1,088,300	621,649	(1,080,597)
Benefit payments, including refunds of member contributions	(321,777)	(320,257)	(309,059)	(320,638)
Other	-	-	-	-
Net change in total OPEB liability	(1,998,120)	1,117,177	415,379	(1,067,174)
Total OPEB liability, beginning of year	8,470,828	7,353,651	6,938,272	8,005,446
Total OPEB liability, end of year (a)	6,472,708	8,470,828	7,353,651	6,938,272
Change in plan fiduciary net position				
Contributions to OPEB trust	248,955	180,473	118,098	363,761
Contributions/benefits paid from general operation fund	321,777	320,257	309,059	320,638
Net investment income	187,417	54,035	12,517	1,527
Benefit payments, including refunds of member contributions	(321,777)	(320,257)	(309,059)	(320,638)
Administrative expense	(1,861)	(1,335)	(862)	(305)
Other	-	-	-	-
Net change in plan fiduciary net position	434,511	233,173	129,753	364,983
Plan fiduciary net position, beginning of year	727,909	494,736	364,983	-
Plan fiduciary net position, end of year (b)	1,162,420	727,909	494,736	364,983
Net OPEB liability, end of year (a)-(b)	<u>\$ 5,310,288</u>	<u>\$ 7,742,919</u>	<u>\$ 6,858,915</u>	<u>\$ 6,573,289</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 17.96%	 8.59%	 6.73%	 5.26%
 Covered payroll	 \$ 6,050,892	 \$ 5,796,720	 \$ 5,887,794	 \$ 6,037,621
 Net OPEB liability as a percentage of covered payroll	 87.76%	 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%
9/30/2021	510,419	759,374	(248,955)	6,050,892	12.55%

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)

	2021	2020	2019	2018
Change in total OPEB liability				
Service cost	\$ 221,380	\$ 213,893	\$ 224,487	\$ 216,372
Interest	1,065,143	1,042,100	1,301,180	1,283,786
Change in benefit terms	-	(2,585,154)	-	-
Differences between expected and actual experience	(319,293)	(652,672)	-	-
Changes in assumptions	(547,473)	(501,268)	-	-
Benefit payments, including refunds of member contributions	(757,957)	(1,063,250)	(1,190,487)	(1,306,364)
Other	-	-	-	-
Net change in total OPEB liability	(338,200)	(3,546,351)	335,180	193,794
Total OPEB liability, beginning of year	16,406,824	19,953,175	19,617,995	19,424,201
Total OPEB liability, end of year (a)	16,068,624	16,406,824	19,953,175	19,617,995
Change in plan fiduciary net position				
Contributions – employer	843,017	1,347,539	3,290,487	4,306,364
Contributions – member	14,940	15,711	-	-
Net investment income	2,086,655	671,305	350,782	184,882
Benefit payments, including refunds of member contributions	(757,957)	(1,063,250)	(1,190,487)	(1,306,364)
Administrative expense	(23,035)	(19,423)	(17,378)	(15,234)
Other	-	-	-	-
Net change in plan fiduciary net position	2,163,620	951,882	2,433,404	3,169,648
Plan fiduciary net position, beginning of year	11,312,108	10,360,226	7,926,822	4,757,174
Plan fiduciary net position, end of year (b)	13,475,728	11,312,108	10,360,226	7,926,822
Net OPEB liability, end of year (a)-(b)	\$ 2,592,896	\$ 5,094,716	\$ 9,592,949	\$ 11,691,173
 Plan fiduciary net position as a percentage of the total OPEB liability	 83.86%	 68.95%	 51.92%	 40.41%
 Covered payroll	 \$ 5,901,711	 \$ 6,055,138	 \$ 5,512,678	 \$ 5,313,424
 Net OPEB liability as a percentage of covered payroll	 43.93%	 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%
9/30/2021	704,783	857,957	(153,174)	5,901,711	14.54%

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, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 8,968,326	\$ 8,839,543
Investments	5,497,936	5,490,024
Receivables:		
Taxes:		
Current	468,111	1,331,456
Delinquent, net	18,344	47,231
Accounts	536,761	269,050
Special assessment	-	-
Due from other authorities	2,123,292	1,487,159
Due from other funds	-	-
Due from other governments	689,031	601,655
Inventories	450,301	511,572
Prepaid expenditures	307,502	302,227
TOTAL ASSETS	19,059,604	18,879,917
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 19,059,604	\$ 18,879,917
LIABILITIES		
Accounts payable	\$ 318,422	\$ 416,022
Accrued wages payable	466,628	437,040
Accrued compensated absences	679,033	701,645
Due to other governmental units	312	264
Due to other authorities	36,000	765,155
Customer deposits payable	39,741	37,036
Unearned revenue	745,980	-
TOTAL LIABILITIES	2,286,116	2,357,162
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	7,047,122	6,893,632
Special assessments	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,047,122	6,893,632
FUND BALANCE		
Non-spendable	757,803	813,799
Restricted	2,315	7,095
Assigned	76,802	63,781
Unassigned	8,889,446	8,744,448
TOTAL FUND BALANCE	9,726,366	9,629,123
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 19,059,604	\$ 18,879,917

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, 2021

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

	2021		Variance with Final Budget Positive (Negative)	2020
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
REVENUES:				
Property Taxes:				
Real property taxes	\$ 8,409,720	\$ 8,403,366	\$ (6,354)	\$ 8,591,694
Personal property taxes	603,050	838,641	235,591	701,203
Interest and penalty	15,000	27,703	12,703	20,431
Administrative collection fees	282,570	342,550	59,980	330,292
Total Property Taxes	9,310,340	9,612,260	301,920	9,643,620
Industrial Facilities Tax Act	20	173,268	173,248	67,341
Marijuana Tax	-	28,001	28,001	-
Payments in Lieu of Taxes:				
MSHDA	-	31,942	31,942	24,453
Board of Light and Power	2,709,310	2,022,705	(686,605)	2,149,937
Public Housing Authority	-	29,522	29,522	-
Sault Tribe Housing Authority	-	-	-	3,000
Marquette Area Wastewater Treatment Facility	274,090	274,092	2	347,316
Grandview	-	13,120	13,120	11,732
Water Supply Fund	663,580	663,576	(4)	650,808
Sewage Disposal Fund	553,020	553,020	-	519,000
Total Payment in Lieu of Taxes	4,200,000	3,587,977	(612,023)	3,706,246
Federal and State Grants:				
UPSET	17,500	21,293	3,793	21,100
OJP - Bullet Proof Vests Program	15,000	12,114	(2,886)	-
USDT - CRLGG Cares Act	-	-	-	395,857
USDT - FRHPPP Cares Act	-	96,714	96,714	58,000
USDT- CESF Program	-	2,949	2,949	-
DNR - Snowmobile Grant	2,000	2,000	-	2,000
PI Bandshell Benches	-	-	-	-
MDNR - Williams Park	300,000	112,000	(188,000)	-
MDNR - Father Marquette Park	-	-	-	140,000
MDEQ - SAW Grant	-	-	-	-
NOAA - Land Development Code	-	-	-	-
FEMA - Portable Radios	202,090	-	(202,090)	-
State Grant - Rec Authority	-	-	-	-
Council for Arts and Culture - State	14,200	12,190	(2,010)	12,750
Total Federal and State Grants	550,790	259,260	(291,530)	629,707
State-Shared Revenues:				
Fire protection - State facility	900,000	978,875	78,875	917,709
Sales and use tax	2,448,960	2,327,953	(121,007)	2,099,107
Liquor licenses	23,000	24,211	1,211	28,049
Total State-Shared Revenues	3,371,960	3,331,039	(40,921)	3,044,865

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, 2021

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

	2021		Variance with Final Budget Positive (Negative)	2020
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
Intergovernmental Revenues:				
Tribal Revenue Sharing	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Shared Services	1,000	-	(1,000)	1,296
Total Intergovernmental Revenues	<u>11,000</u>	<u>10,000</u>	<u>(1,000)</u>	<u>11,296</u>
Licenses and Permits:				
Business licenses and permits	31,000	30,675	(325)	23,780
Non-business licenses and permits	34,890	72,225	37,335	62,219
Total Licenses and Permits	<u>65,890</u>	<u>102,900</u>	<u>37,010</u>	<u>85,999</u>
Charges for Services:				
Fees	338,710	334,410	(4,300)	325,000
Cemetery foundations and grave openings	48,540	47,905	(635)	42,555
Services to other funds	2,122,760	2,079,184	(43,576)	1,987,067
Total Charges for Services	<u>2,510,010</u>	<u>2,461,499</u>	<u>(48,511)</u>	<u>2,354,622</u>
Sales	<u>35,520</u>	<u>64,116</u>	<u>28,596</u>	<u>40,881</u>
Use and Admission Fees:				
Community Center use	25,000	1,505	(23,495)	12,097
Ballfields	16,100	10,570	(5,530)	1,775
Skiing use/passes	-	-	-	-
Parking fees	-	-	-	-
Art center and theater	-	-	-	-
Total use and Admission Fees	<u>41,100</u>	<u>12,075</u>	<u>(29,025)</u>	<u>13,872</u>
Fines and Forfeits	<u>106,790</u>	<u>144,836</u>	<u>38,046</u>	<u>136,438</u>
Rentals:				
Land and building rental	30,000	33,433	3,433	21,253
Parking rentals - lots	5,350	5,152	(198)	5,152
Equipment rent	41,000	31,015	(9,985)	34,333
Total Rentals	<u>76,350</u>	<u>69,600</u>	<u>(6,750)</u>	<u>60,738</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, 2021

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

	2021		2020	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Special Assessments:				
Interest	\$ -	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Total Special Assessments	-	-	-	-
Sale of Capital Assets	-	895,405	895,405	13,620
Contributions from Private Sources	451,000	176,491	(274,509)	108,824
Investment Income	200,000	17,595	(182,405)	162,161
Reimbursements	26,030	107,936	81,906	269,601
Other revenues	71,240	85,475	14,235	60,244
TOTAL REVENUES	21,028,040	21,139,733	111,693	20,410,075
EXPENDITURES:				
GENERAL GOVERNMENT:				
Central Administration:				
Personnel services	2,226,900	2,143,669	83,231	2,239,903
Supplies and contractual	731,680	751,250	(19,570)	850,545
Other services and charges	45,500	40,176	5,324	78,172
Capital outlay	-	-	-	-
Total Central Administration	3,004,080	2,935,095	68,985	3,168,620
Community Development:				
Personnel services	1,636,950	1,571,623	65,327	1,566,256
Supplies and contractual	255,440	234,103	21,337	215,398
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Total Community Development	1,892,390	1,805,726	86,664	1,781,654
Other General Government:				
Insurance and Bonds:				
Bond issuance costs	5,000	31	4,969	10,911
Other services and charges	91,000	91,520	(520)	84,925
Total Other General Government	96,000	91,551	4,449	95,836
TOTAL GENERAL GOVERNMENT	4,992,470	4,832,372	160,098	5,046,110

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
PUBLIC HEALTH AND SAFETY:				
Police Department:				
Personnel services	\$ 4,686,000	\$ 4,565,990	\$ 120,010	\$ 4,482,092
Supplies and contractual	609,100	767,688	(158,588)	701,059
Other services and charges	10,000	10,940	(940)	3,164
Capital outlay	-	-	-	-
Total Police Department	5,305,100	5,344,618	(39,518)	5,186,315
Fire Department:				
Personnel services	2,971,330	3,149,383	(178,053)	2,922,715
Supplies and contractual	654,080	430,269	223,811	518,151
Other services and charges	15,450	13,528	1,922	10,177
Capital outlay	-	-	-	4,768
Total Fire Department	3,640,860	3,593,180	47,680	3,455,811
Waterfront Safety:				
Personnel services	116,410	79,957	36,453	61,739
Supplies and contractual	18,960	18,180	780	18,366
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Total Waterfront Safety	135,370	98,137	37,233	80,105
TOTAL PUBLIC HEALTH AND SAFETY	9,081,330	9,035,935	45,395	8,722,231
PUBLIC WORKS:				
Public Works Maintenance:				
Personnel services	2,459,860	2,419,918	39,942	2,265,157
Supplies and contractual	1,410,600	1,189,714	220,886	1,365,083
Other services and charges	-	-	-	-
Capital outlay	-	9,521	(9,521)	294,021
Total Public Works Maintenance	3,870,460	3,619,153	251,307	3,924,261
City Hall and Grounds:				
Personnel services	48,870	27,297	21,573	28,604
Supplies and contractual	280,060	200,915	79,145	198,738
Other services and charges	-	-	-	-
Capital outlay	15,000	-	15,000	-
Total City Hall and Grounds	343,930	228,212	115,718	227,342
Cemetery:				
Personnel services	141,560	113,390	28,170	112,787
Supplies and contractual	102,720	95,080	7,640	105,083
Other services and charges	-	-	-	-
Capital outlay	75,000	-	75,000	-
Total Cemetery	319,280	208,470	110,810	217,870
TOTAL PUBLIC WORKS	4,533,670	4,055,835	477,835	4,369,473

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, 2021

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

	2021			2020
	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	323,870	313,766	10,104	298,628
Supplies and contractual	49,250	40,708	8,542	32,628
Other services and charges	-	-	-	-
Capital outlay	600,000	273,487	326,513	34,192
Total Parks and Recreation Administration	<u>973,120</u>	<u>627,961</u>	<u>345,159</u>	<u>365,448</u>
Arts and Cultural:				
Personnel services	158,110	147,857	10,253	153,306
Supplies and contractual	65,950	61,711	4,239	60,853
Other services and charges	4,500	16,037	(11,537)	3,755
Capital outlay	-	-	-	25,011
Total Arts and Cultural	<u>228,560</u>	<u>225,605</u>	<u>2,955</u>	<u>242,925</u>
TOTAL COMMUNITY SERVICES	<u>1,223,680</u>	<u>875,566</u>	<u>348,114</u>	<u>630,373</u>
TOTAL EXPENDITURES	<u>19,831,150</u>	<u>18,799,708</u>	<u>1,031,442</u>	<u>18,768,187</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,196,890</u>	<u>2,340,025</u>	<u>1,143,135</u>	<u>1,641,888</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, 2021

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

	2021		2020	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	\$ 1,642,470	\$ -	\$ (1,642,470)	\$ 400,000
Proceeds from refunding bonds	-	4,650	4,650	-
Premium on bond issuance	-	-	-	56,429
Premium on refunded bond issuance	-	572	572	-
Payment to refunded bond escrow agent	-	(5,192)	(5,192)	-
Transfers in:				
Cemetery Trust Fund	20,000	2,588	(17,412)	10,449
MSHDA Downtown Rental Fund	-	-	-	46,586
Local Development Finance Authority Fund	-	49,000	49,000	80,000
Transfers (out):				
Major Street and Trunkline Fund	(248,900)	-	248,900	(851,152)
Local Street Fund	(1,327,070)	(149,619)	1,177,451	(1,318,748)
Public Art Fund	-	(31,960)	(31,960)	(31,365)
Water Supply Fund	-	-	-	(207,937)
Lakeshore and Lighthouse Park Fund	-	(24,702)	(24,702)	(67,620)
Lakeview Arena Fund	(478,720)	(815,196)	(336,476)	(231,465)
Motor Pool Fund	-	(98,500)	(98,500)	-
Energy Enhancements Fund	(586,040)	(586,032)	8	(562,548)
2003 Founders Landing Debt Service Fund	-	-	-	(268,909)
High Street Debt Service Fund	-	(401)	(401)	(403)
2012 Capital Improvements Debt Service Fund	(1,000)	(1,001)	(1)	(929)
2014 Capital Improvements Debt Service Fund	(37,620)	(37,614)	6	(37,797)
2016 Capital Improvements Debt Service Fund	(315,470)	(315,467)	3	(317,711)
2017 Capital Improvements Debt Service Fund	(50,040)	(50,039)	1	(49,964)
2018 Capital Improvements Debt Service Fund	(135,000)	(135,000)	-	(128,350)
2019 Capital Improvements Debt Service Fund	(14,800)	(14,800)	-	(2,324)
2020 Capital Improvements Debt Service Fund	(34,060)	(34,069)	(9)	-
Cemetery Trust Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,566,250)	(2,242,782)	(676,532)	(3,483,758)
CHANGES IN FUND BALANCE	(369,360)	97,243	466,603	(1,841,870)
Fund balance, beginning of year	9,629,123	9,629,123	-	11,470,993
FUND BALANCE, END OF YEAR	\$ 9,259,763	\$ 9,726,366	\$ 466,603	\$ 9,629,123

CITY OF MARQUETTE, MICHIGAN
MAJOR STREET AND TRUNKLINE FUND
COMPARATIVE BALANCE SHEET
September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 180,885	\$ 602,601
Accounts receivable	-	-
Due from State	346,306	154,297
Prepaid expenditures	-	-
TOTAL ASSETS	<u>527,191</u>	<u>756,898</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 527,191</u></u>	<u><u>\$ 756,898</u></u>
LIABILITIES		
Accounts payable	\$ 91,177	\$ 499,301
Accrued wages payable	11,621	9,045
Due to other funds	-	-
TOTAL LIABILITIES	<u>102,798</u>	<u>508,346</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	-	-
Restricted	424,393	248,552
TOTAL FUND BALANCE	<u>424,393</u>	<u>248,552</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 527,191</u></u>	<u><u>\$ 756,898</u></u>

CITY OF MARQUETTE, MICHIGAN

MAJOR STREET AND TRUNKLINE FUND

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

For the Fiscal Year Ended September 30, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 2,155,060	\$ 2,297,589	\$ 142,529	\$ 2,035,382
Charges for services	-	-	-	-
Reimbursements	-	3,205	3,205	63,441
Investment income	1,000	230	(770)	1,661
Other revenues	-	-	-	-
TOTAL REVENUES	2,156,060	2,301,024	144,964	2,100,484
EXPENDITURES:				
Highways, Streets and Bridges:				
Routine maintenance	703,960	621,644	82,316	541,139
Winter maintenance	768,120	285,920	482,200	683,913
State trunkline	56,060	22,627	33,433	46,770
Administration	130,000	129,996	4	129,996
Total Highways, Streets and Bridges	1,658,140	1,060,187	597,953	1,401,818
Capital Outlay:				
Construction	720,480	848,781	(128,301)	2,700,663
Total Capital Outlay	720,480	848,781	(128,301)	2,700,663
Debt Service:				
Bond issuance costs	5,000	18,603	(13,603)	45,286
TOTAL EXPENDITURES	2,383,620	1,927,571	456,049	4,147,767
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(227,560)	373,453	601,013	(2,047,283)
OTHER FINANCING SOURCES (USES):				
Bond issuance	820,000	820,000	-	1,640,000
Refunding bonds	332,200	332,200	-	-
Premium on bond issuance	-	138,978	138,978	233,282
Premium on refunded bond issuance	-	37,136	37,136	-
Payment to refunded bond escrow agent	(443,540)	(368,140)	75,400	-
Transfers in	248,900	-	(248,900)	851,152
Transfers (out)	(730,000)	(1,157,786)	(427,786)	(447,290)
TOTAL OTHER FINANCING SOURCES (USES)	227,560	(197,612)	(425,172)	2,277,144
CHANGES IN FUND BALANCE	-	175,841	175,841	229,861
Fund balance, beginning of year	248,552	248,552	-	18,691
FUND BALANCE, END OF YEAR	\$ 248,552	\$ 424,393	\$ 175,841	\$ 248,552

CITY OF MARQUETTE, MICHIGAN

LOCAL STREET FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 563,245	\$ 761,509
Accounts receivable	-	-
Due from State	119,943	52,941
Prepaid expenditures	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>683,188</u>	<u>814,450</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 683,188</u></u>	<u><u>\$ 814,450</u></u>
LIABILITIES		
Accounts payable	\$ 313,277	\$ 249,638
Accrued wages payable	13,880	7,573
Due to other funds	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>327,157</u>	<u>257,211</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	-	-
Restricted	<u>356,031</u>	<u>557,239</u>
TOTAL FUND BALANCE	<u>356,031</u>	<u>557,239</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 683,188</u></u>	<u><u>\$ 814,450</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 945,000	\$ 1,020,751	\$ 75,751	\$ 894,382
Reimbursements	-	193,134	193,134	13,000
Investment income	1,000	139	(861)	852
TOTAL REVENUES	946,000	1,214,024	268,024	908,234
EXPENDITURES:				
Highways, Streets and Bridges:				
Routine maintenance	645,100	760,260	(115,160)	570,390
Winter maintenance	759,490	287,976	471,514	792,762
Sidewalks	78,750	59,964	18,786	-
Administration	42,000	42,000	-	42,000
Total Highways, Streets and Bridges	1,525,340	1,150,200	375,140	1,405,152
Capital Outlay:				
Construction	1,060,030	1,041,600	18,430	821,476
Total Capital Outlay	1,060,030	1,041,600	18,430	821,476
Debt Service:				
Bond issuance costs	5,000	19,520	(14,520)	31,242
TOTAL EXPENDITURES	2,590,370	2,211,320	379,050	2,257,870
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,644,370)	(997,296)	647,074	(1,349,636)
OTHER FINANCING SOURCES (USES):				
Bond issuance	820,000	820,000	-	1,125,000
Refunding bonds	573,300	573,300	-	-
Premium on bond issuance	-	138,977	138,977	160,982
Premium on refunding bond issue	-	64,310	64,310	-
Payment to refunded bond escrow agent	(346,000)	(635,487)	(289,487)	-
Transfers in	1,327,070	572,367	(754,703)	1,318,748
Transfers (out)	(730,000)	(737,379)	(7,379)	(715,768)
TOTAL OTHER FINANCING SOURCES (USES)	1,644,370	796,088	(848,282)	1,888,962
CHANGES IN FUND BALANCE	-	(201,208)	(201,208)	539,326
Fund balance, beginning of year	557,239	557,239	-	17,913
FUND BALANCE, END OF YEAR	\$ 557,239	\$ 356,031	\$ (201,208)	\$ 557,239

CITY OF MARQUETTE, MICHIGAN

CONSTRUCTION FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ -	\$ 574,487
Due from other authorities	2,276,581	490,799
Prepaid expenditures	-	-
TOTAL ASSETS	<u>2,276,581</u>	<u>1,065,286</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,276,581</u>	<u>\$ 1,065,286</u>
LIABILITIES		
Cash overdraft	\$ 352,744	\$ -
Accounts payable	905,862	48,706
Accrued wages payable	-	-
TOTAL LIABILITIES	<u>1,258,606</u>	<u>48,706</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-spendable	-	-
Assigned	1,017,975	1,016,580
TOTAL FUND BALANCE	<u>1,017,975</u>	<u>1,016,580</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 2,276,581</u>	<u>\$ 1,065,286</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ 1,395	\$ 1,395	\$ 1,811
Sale of capital assets	-	-	-	-
Reimbursements	1,792,000	1,791,882	(118)	54,523
Other revenues	-	-	-	-
TOTAL REVENUES	<u>1,792,000</u>	<u>1,793,277</u>	<u>1,277</u>	<u>56,334</u>
EXPENDITURES:				
Capital Outlay:				
Construction	1,792,000	1,785,782	6,218	62,505
Public Works:				
Other supplies and charges	-	6,100	(6,100)	-
Total Capital Outlay	<u>1,792,000</u>	<u>1,791,882</u>	<u>118</u>	<u>62,505</u>
TOTAL EXPENDITURES	<u>1,792,000</u>	<u>1,791,882</u>	<u>118</u>	<u>62,505</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>1,395</u>	<u>1,395</u>	<u>(6,171)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>1,395</u>	<u>1,395</u>	<u>(6,171)</u>
Fund balance, beginning of year	<u>1,016,580</u>	<u>1,016,580</u>	<u>-</u>	<u>1,022,751</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,016,580</u>	<u>\$ 1,017,975</u>	<u>\$ 1,395</u>	<u>\$ 1,016,580</u>

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.

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.

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.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

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.

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.

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.

2020 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2020 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2020. These bonds, totaling \$4,935,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, and the Lakeshore Blvd Relocation Project.

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, 2021

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
ASSETS				
Cash and cash equivalents	\$ 5,457,571	\$ -	\$ 389,513	\$ 5,847,084
Investments	-	-	547,591	547,591
Taxes receivable	32,698	-	-	32,698
Accounts receivable	242,327	-	-	242,327
Due from other authorities	-	-	-	-
Due from other funds	-	-	-	-
Due from State	2,291	-	-	2,291
Prepaid expenditures	27,175	-	-	27,175
TOTAL ASSETS	5,762,062	-	937,104	6,699,166
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,762,062	\$ -	\$ 937,104	\$ 6,699,166
LIABILITIES				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	217,233	-	-	217,233
Accrued wages payable	44,579	-	-	44,579
Accrued compensated absences	3,640	-	-	3,640
TOTAL LIABILITIES	265,452	-	-	265,452
DEFERRED INFLOWS OR RESOURCES	1,095,254	-	-	1,095,254
FUND BALANCE				
Non-spendable	27,175	-	937,104	964,279
Restricted	3,384,005	-	-	3,384,005
Assigned	990,176	-	-	990,176
TOTAL FUND BALANCE	4,401,356	-	937,104	5,338,460
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 5,762,062	\$ -	\$ 937,104	\$ 6,699,166

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, 2021

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
REVENUES:				
Taxes and penalties	\$ 1,219,455	\$ -	\$ -	\$ 1,219,455
State sources	80,839	-	-	80,839
Charge for services	2,496,171	-	51,100	2,547,271
Use and admission fees	326,128	-	-	326,128
Rentals	40,627	-	-	40,627
Licenses and permits	-	-	-	-
Fines and forfeiture	-	-	-	-
Sales of assets	-	-	-	-
Reimbursements	3,459	-	-	3,459
Investment income	7,487	-	2,588	10,075
Payment in lieu of taxes	-	-	-	-
Private contribution	736,307	-	-	736,307
Intergovernmental revenues	398,331	-	-	398,331
Special assessments	-	-	-	-
Other revenues	16,088	-	-	16,088
TOTAL REVENUES	5,324,892	-	53,688	5,378,580
EXPENDITURES:				
Current operations:				
General government	1,005,559	-	-	1,005,559
Public health and safety	4,134	-	-	4,134
Public works	-	-	-	-
Social services	738,871	-	-	738,871
Sanitation services	2,342,953	-	-	2,342,953
Community services	615,386	-	-	615,386
Capital outlay	120,072	-	-	120,072
Debt service:				
Professional services	-	-	-	-
Principal payments	-	1,819,699	-	1,819,699
Interest and fiscal charges	-	615,032	-	615,032
TOTAL EXPENDITURES	4,826,975	2,434,731	-	7,261,706
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	497,917	(2,434,731)	53,688	(1,883,126)
OTHER FINANCING SOURCES (USES):				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	847,156	2,434,731	-	3,281,887
Transfers (out)	(598,061)	-	(2,588)	(600,649)
TOTAL OTHER FINANCING SOURCES (USES)	249,095	2,434,731	(2,588)	2,681,238
CHANGES IN FUND BALANCE	747,012	-	51,100	798,112
Fund balance, beginning of year	3,654,344	-	886,004	4,540,348
FUND BALANCE, END OF YEAR	\$ 4,401,356	\$ -	\$ 937,104	\$ 5,338,460

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 2021

	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	\$ 112,930	\$ 715,952	\$ 1,019,418	\$ 6,635	\$ 15,386	\$ -	\$ 1,461,258	\$ 1,029,855	\$ 257	\$ 856,002	\$ 239,878	\$ 5,457,571
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	23,079	-	-	-	-	-	-	9,619	-	32,698
Accounts receivable	-	234,152	-	5,664	-	-	-	-	-	-	2,511	242,327
Due from other authorities	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from State	-	-	-	-	-	-	-	-	2,291	-	-	2,291
Prepaid expenditures	-	-	-	-	-	-	-	-	-	5,858	21,317	27,175
TOTAL ASSETS	112,930	950,104	1,042,497	12,299	15,386	-	1,461,258	1,029,855	2,548	871,479	263,706	5,762,062
DEFERRED OUTFLOWS OR RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 112,930	\$ 950,104	\$ 1,042,497	\$ 12,299	\$ 15,386	\$ -	\$ 1,461,258	\$ 1,029,855	\$ 2,548	\$ 871,479	\$ 263,706	\$ 5,762,062
LIABILITIES												
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	184,282	-	-	-	-	-	-	-	3,945	29,006	217,233
Accrued wages payable	-	2,663	-	-	-	-	-	-	-	26,960	14,956	44,579
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	3,640	3,640
TOTAL LIABILITIES	-	186,945	-	-	-	-	-	-	-	30,905	47,602	265,452
DEFERRED INFLOWS OR RESOURCES												
Taxes levied for a subsequent period	-	-	930,580	-	-	-	-	-	-	164,674	-	1,095,254
FUND BALANCE												
Non-spendable	-	-	-	-	-	-	-	-	-	5,858	21,317	27,175
Restricted	-	-	111,917	12,299	15,386	-	1,461,258	1,029,855	2,548	670,042	80,700	3,384,005
Assigned	112,930	763,159	-	-	-	-	-	-	-	-	114,087	990,176
TOTAL FUND BALANCE	112,930	763,159	111,917	12,299	15,386	-	1,461,258	1,029,855	2,548	675,900	216,104	4,401,356
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 112,930	\$ 950,104	\$ 1,042,497	\$ 12,299	\$ 15,386	\$ -	\$ 1,461,258	\$ 1,029,855	\$ 2,548	\$ 871,479	\$ 263,706	\$ 5,762,062

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, 2021

	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	\$ -	\$ -	\$ 1,004,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,268	\$ -	\$ 1,219,455
State sources	-	-	-	-	-	-	-	-	4,124	76,715	-	80,839
Charge for services	-	2,467,997	-	22,277	-	-	-	-	-	-	5,897	2,496,171
Use and admission fees	-	-	-	-	-	-	-	-	-	-	326,128	326,128
Rentals	-	-	-	-	-	-	-	-	-	-	40,627	40,627
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-	-	-	-	-
Sales of assets	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	3,459	3,459
Investment income	201	1,095	358	22	26	-	2,446	1,719	-	1,294	326	7,487
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-
Private contribution	-	-	-	-	-	-	500,000	200,000	-	36,307	-	736,307
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	398,331	-	398,331
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	3,852	198	-	-	-	-	-	-	12,038	-	16,088
TOTAL REVENUES	201	2,472,944	1,004,743	22,299	26	-	502,446	201,719	4,124	739,953	376,437	5,324,892
EXPENDITURES:												
Current operations:												
General government	-	-	1,001,780	3,779	-	-	-	-	-	-	-	1,005,559
Public health and safety	-	-	-	-	-	-	-	-	4,134	-	-	4,134
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-	738,871	-	738,871
Sanitation services	-	2,342,953	-	-	-	-	-	-	-	-	-	2,342,953
Community services	700	-	-	-	-	-	-	-	-	-	614,686	615,386
Capital outlay	-	-	-	-	-	-	-	-	-	-	120,072	120,072
Debt service:												
Professional services	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	700	2,342,953	1,001,780	3,779	-	-	-	-	4,134	738,871	734,758	4,826,975
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(499)	129,991	2,963	18,520	26	-	502,446	201,719	(10)	1,082	(358,321)	497,917
OTHER FINANCING SOURCES (USES):												
Bond issuance	-	-	-	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	31,960	-	-	-	-	-	-	-	-	-	815,196	847,156
Transfers (out)	-	-	(49,000)	(17,300)	-	-	(211,896)	(23,544)	-	-	(296,321)	(598,061)
TOTAL OTHER FINANCING SOURCES (USES)	31,960	-	(49,000)	(17,300)	-	-	(211,896)	(23,544)	-	-	518,875	249,095
CHANGES IN FUND BALANCE	31,461	129,991	(46,037)	1,220	26	-	290,550	178,175	(10)	1,082	160,554	747,012
Fund balance, beginning 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
FUND BALANCE, END OF YEAR	\$ 112,930	\$ 763,159	\$ 111,917	\$ 12,299	\$ 15,386	\$ -	\$ 1,461,258	\$ 1,029,855	\$ 2,548	\$ 675,900	\$ 216,104	\$ 4,401,356

CITY OF MARQUETTE, MICHIGAN

PUBLIC ART FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 112,930	\$ 85,571
Accounts receivable	-	-
Due from other funds	-	-
TOTAL ASSETS	112,930	85,571
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 112,930	\$ 85,571
LIABILITIES		
Accounts payable	\$ -	\$ 4,102
Accrued wages payable	-	-
TOTAL LIABILITIES	-	4,102
DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCE		
Assigned	112,930	81,469
TOTAL FUND BALANCE	112,930	81,469
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 112,930	\$ 85,571

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment income	-	201	201	120
Other revenues	-	-	-	-
TOTAL REVENUES	-	201	201	120
EXPENDITURES:				
Community Services:				
Personnel services	-	-	-	-
Supplies and contractual	27,300	700	26,600	3,450
Total Community Services	27,300	700	26,600	3,450
Capital outlay	4,660	-	4,660	7,202
TOTAL EXPENDITURES	31,960	700	31,260	10,652
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,960)	(499)	31,461	(10,532)
OTHER FINANCING SOURCES (USES):				
Transfers in	31,960	31,960	-	31,365
TOTAL OTHER FINANCING SOURCES (USES)	31,960	31,960	-	31,365
CHANGES IN FUND BALANCE	-	31,461	31,461	20,833
Fund balance, beginning of year	81,469	81,469	-	60,636
FUND BALANCE, END OF YEAR	\$ 81,469	\$ 112,930	\$ 31,461	\$ 81,469

CITY OF MARQUETTE, MICHIGAN

SANITATION FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 715,952	\$ 600,695
Accounts receivable	234,152	168,440
Due from other funds	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>950,104</u>	<u>769,135</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 950,104</u></u>	<u><u>\$ 769,135</u></u>
LIABILITIES		
Accounts payable	\$ 184,282	\$ 133,506
Accrued wages payable	<u>2,663</u>	<u>2,461</u>
TOTAL LIABILITIES	<u>186,945</u>	<u>135,967</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Assigned	<u>763,159</u>	<u>633,168</u>
TOTAL FUND BALANCE	<u>763,159</u>	<u>633,168</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 950,104</u></u>	<u><u>\$ 769,135</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ -
Charges for services	2,451,745	2,467,997	16,252	2,103,628
Investment income	300	1,095	795	734
Other revenues	5,500	3,852	(1,648)	3,759
TOTAL REVENUES	<u>2,457,545</u>	<u>2,472,944</u>	<u>15,399</u>	<u>2,108,121</u>
EXPENDITURES:				
Sanitation Services:				
Personnel services	215,630	241,722	(26,092)	206,982
Supplies and contractual	2,241,915	2,101,231	140,684	1,760,049
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	<u>2,457,545</u>	<u>2,342,953</u>	<u>114,592</u>	<u>1,967,031</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>129,991</u>	<u>129,991</u>	<u>141,090</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>129,991</u>	<u>129,991</u>	<u>141,090</u>
Fund balance, beginning of year	633,168	633,168	-	492,078
FUND BALANCE, END OF YEAR	<u>\$ 633,168</u>	<u>\$ 763,159</u>	<u>\$ 129,991</u>	<u>\$ 633,168</u>

CITY OF MARQUETTE, MICHIGAN

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,019,418	\$ 763,946
Taxes receivable	23,079	46,263
Accounts receivable	<u>-</u>	<u>95,370</u>
TOTAL ASSETS	<u>1,042,497</u>	<u>905,579</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,042,497</u></u>	<u><u>\$ 905,579</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>930,580</u>	<u>747,625</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>930,580</u>	<u>747,625</u>
FUND BALANCE		
Restricted	<u>111,917</u>	<u>157,954</u>
TOTAL FUND BALANCE	<u>111,917</u>	<u>157,954</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 1,042,497</u></u>	<u><u>\$ 905,579</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Taxes and penalties	\$ 1,001,780	\$ 1,004,187	\$ 2,407	\$ 765,678
Investment income	-	358	358	286
Other revenues	49,000	198	(48,802)	-
TOTAL REVENUES	1,050,780	1,004,743	(46,037)	765,964
EXPENDITURES:				
General Government:				
Supplies and contractual	1,001,780	1,001,780	-	684,026
TOTAL EXPENDITURES	1,001,780	1,001,780	-	684,026
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	49,000	2,963	(46,037)	81,938
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(49,000)	(49,000)	-	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	(49,000)	(49,000)	-	(80,000)
CHANGES IN FUND BALANCE	-	(46,037)	(46,037)	1,938
Fund balance, beginning of year	157,954	157,954	-	156,016
FUND BALANCE, END OF YEAR	\$ 157,954	\$ 111,917	\$ (46,037)	\$ 157,954

CITY OF MARQUETTE, MICHIGAN

PUBLIC EDUCATION GOVERNMENT (PEG) FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 6,635	\$ 5,205
Accounts receivable	5,664	5,644
Prepaid expenditures	<u>-</u>	<u>230</u>
TOTAL ASSETS	<u>12,299</u>	<u>11,079</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 12,299</u></u>	<u><u>\$ 11,079</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		
Non-spendable	-	230
Restricted	<u>12,299</u>	<u>10,849</u>
TOTAL FUND BALANCE	<u>12,299</u>	<u>11,079</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 12,299</u></u>	<u><u>\$ 11,079</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Charges for services	\$ 21,100	\$ 22,277	\$ 1,177	\$ 22,541
Investment income	-	22	22	17
Other revenues	-	-	-	-
TOTAL REVENUES	21,100	22,299	1,199	22,558
EXPENDITURES:				
General Government:				
Supplies and contractual	21,100	3,779	17,321	6,540
Other supplies and charges	-	-	-	-
Total Sanitation Services	21,100	3,779	17,321	6,540
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	21,100	3,779	17,321	6,540
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	18,520	18,520	16,018
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	(17,300)	(17,300)	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(17,300)	(17,300)	(15,000)
CHANGES IN FUND BALANCE	-	1,220	1,220	1,018
Fund balance, beginning of year	11,079	11,079	-	10,061
FUND BALANCE, END OF YEAR	\$ 11,079	\$ 12,299	\$ 1,220	\$ 11,079

CITY OF MARQUETTE, MICHIGAN

DRUG FORFEITURE FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 15,386	\$ 15,360
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>15,386</u>	<u>15,360</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 15,386</u></u>	<u><u>\$ 15,360</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>15,386</u>	<u>15,360</u>
TOTAL FUND BALANCE	<u>15,386</u>	<u>15,360</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 15,386</u></u>	<u><u>\$ 15,360</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Fines and forfeiture	\$ 500	\$ -	\$ (500)	\$ -
Investment income	-	26	26	20
Other revenues	-	-	-	-
TOTAL REVENUES	500	26	(474)	20
EXPENDITURES:				
Public Health and Safety:				
Supplies and contractual	500	-	500	-
Other supplies and charges	-	-	-	-
Total Public Health and Safety	500	-	500	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	500	-	500	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	26	26	20
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	26	26	20
Fund balance, beginning of year	15,360	15,360	-	15,340
FUND BALANCE, END OF YEAR	\$ 15,360	\$ 15,386	\$ 26	\$ 15,360

CITY OF MARQUETTE, MICHIGAN

MSHDA DOWNTOWN RENTAL FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable	-	-
Due from State	-	-
	<hr/>	<hr/>
TOTAL ASSETS	-	-
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ -	\$ -
	<hr/>	<hr/>
TOTAL LIABILITIES	-	-
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
FUND BALANCE		
Restricted	-	-
	<hr/>	<hr/>
TOTAL FUND BALANCE	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>
	<hr/>	<hr/>

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Community Development:				
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	-	-	(46,586)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(46,586)
CHANGES IN FUND BALANCE	-	-	-	(46,586)
Fund balance, beginning of year	-	-	-	46,586
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

ROAD MAINTENANCE FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,461,258	\$ 1,170,708
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,461,258</u>	<u>1,170,708</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,461,258</u></u>	<u><u>\$ 1,170,708</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>1,461,258</u>	<u>1,170,708</u>
TOTAL FUND BALANCE	<u>1,461,258</u>	<u>1,170,708</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 1,461,258</u></u>	<u><u>\$ 1,170,708</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ 2,446	\$ 2,446	\$ 2,443
Private contribution	500,000	500,000	-	500,000
Other revenues	-	-	-	-
TOTAL REVENUES	500,000	502,446	2,446	502,443
EXPENDITURES:				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	288,000	-	288,000	-
Total Public Works	288,000	-	288,000	-
Capital outlay	-	-	-	96,846
TOTAL EXPENDITURES	288,000	-	288,000	96,846
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	212,000	502,446	290,446	405,597
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(212,000)	(211,896)	104	(482,821)
TOTAL OTHER FINANCING SOURCES (USES)	(212,000)	(211,896)	104	(482,821)
CHANGES IN FUND BALANCE	-	290,550	290,550	(77,224)
Fund balance, beginning of year	1,170,708	1,170,708	-	1,247,932
FUND BALANCE, END OF YEAR	\$ 1,170,708	\$ 1,461,258	\$ 290,550	\$ 1,170,708

CITY OF MARQUETTE, MICHIGAN
ROAD SAFETY IMPROVEMENT FUND
COMPARATIVE BALANCE SHEET
September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,029,855	\$ 851,680
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,029,855</u>	<u>851,680</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,029,855</u></u>	<u><u>\$ 851,680</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>1,029,855</u>	<u>851,680</u>
TOTAL FUND BALANCE	<u>1,029,855</u>	<u>851,680</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 1,029,855</u></u>	<u><u>\$ 851,680</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ 1,719	\$ 1,719	\$ 1,285
Private contribution	200,000	200,000	-	200,000
Other revenues	-	-	-	-
TOTAL REVENUES	200,000	201,719	1,719	201,285
EXPENDITURES:				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	176,000	-	176,000	-
Total Public Works	176,000	-	176,000	-
Capital outlay	-	-	-	42,985
TOTAL EXPENDITURES	176,000	-	176,000	42,985
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,000	201,719	177,719	158,300
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(24,000)	(23,544)	456	(78,196)
TOTAL OTHER FINANCING SOURCES (USES)	(24,000)	(23,544)	456	(78,196)
CHANGES IN FUND BALANCE	-	178,175	178,175	80,104
Fund balance, beginning of year	851,680	851,680	-	771,576
FUND BALANCE, END OF YEAR	\$ 851,680	\$ 1,029,855	\$ 178,175	\$ 851,680

CITY OF MARQUETTE, MICHIGAN

CRIMINAL JUSTICE TRAINING FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 257	\$ 767
Due from State	<u>2,291</u>	<u>1,791</u>
TOTAL ASSETS	<u>2,548</u>	<u>2,558</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 2,548</u></u>	<u><u>\$ 2,558</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>2,548</u>	<u>2,558</u>
TOTAL FUND BALANCE	<u>2,548</u>	<u>2,558</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 2,548</u></u>	<u><u>\$ 2,558</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 6,400	\$ 4,124	\$ (2,276)	\$ 4,090
Investment income	-	-	-	1
Other revenues	-	-	-	-
TOTAL REVENUES	6,400	4,124	(2,276)	4,091
EXPENDITURES:				
Public Health and Safety:				
Supplies and contractual	6,400	4,134	2,266	4,035
Other supplies and charges	-	-	-	-
TOTAL EXPENDITURES	6,400	4,134	2,266	4,035
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(10)	(10)	56
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGES IN FUND BALANCE	-	(10)	(10)	56
Fund balance, beginning of year	2,558	2,558	-	2,502
FUND BALANCE, END OF YEAR	\$ 2,558	\$ 2,548	\$ (10)	\$ 2,558

CITY OF MARQUETTE, MICHIGAN

SENIOR SERVICES FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 856,002	\$ 833,728
Taxes receivable	9,619	13,420
Accounts receivable	-	10,623
Prepaid expenditures	<u>5,858</u>	<u>5,830</u>
TOTAL ASSETS	<u>871,479</u>	<u>863,601</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 871,479</u></u>	<u><u>\$ 863,601</u></u>
LIABILITIES		
Accounts payable	\$ 3,945	\$ 6,026
Accrued wages payable	<u>26,960</u>	<u>21,715</u>
TOTAL LIABILITIES	<u>30,905</u>	<u>27,741</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	<u>164,674</u>	<u>161,042</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>164,674</u>	<u>161,042</u>
FUND BALANCE		
Non-spendable	5,858	5,830
Restricted	<u>670,042</u>	<u>668,988</u>
TOTAL FUND BALANCE	<u>675,900</u>	<u>674,818</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 871,479</u></u>	<u><u>\$ 863,601</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Property Taxes:				
Real property tax	\$ 205,020	\$ 203,478	\$ (1,542)	\$ 207,396
Personal property tax	11,780	7,259	(4,521)	12,513
Interest and penalty on taxes	200	496	296	478
Administrative collection fees	-	-	-	-
Total Property Taxes	<u>217,000</u>	<u>211,233</u>	<u>(5,767)</u>	<u>220,387</u>
Industrial Facilities Tax	<u>-</u>	<u>4,035</u>	<u>4,035</u>	<u>1,570</u>
State sources	71,260	76,715	5,455	38,568
Investment income	300	1,294	994	1,041
Private contribution	30,500	36,307	5,807	21,965
Intergovernmental revenues	391,000	398,331	7,331	388,675
Other revenues	500	12,038	11,538	2,352
TOTAL REVENUES	<u>710,560</u>	<u>739,953</u>	<u>29,393</u>	<u>674,558</u>
EXPENDITURES:				
Social Services:				
State Home Care Service:				
Personnel services	81,030	101,374	(20,344)	54,998
Supplies and contractual	9,660	15,015	(5,355)	10,101
Other supplies and charges	-	-	-	-
Total State Home Care Service	<u>90,690</u>	<u>116,389</u>	<u>(25,699)</u>	<u>65,099</u>
MCCOA - Allocation to Senior Services:				
Personnel services	578,860	537,148	41,712	552,836
Supplies and contractual	86,700	73,563	13,137	73,772
Other supplies and charges	19,000	11,771	7,229	17,577
Total MCCOA - allocation to Senior Services	<u>684,560</u>	<u>622,482</u>	<u>62,078</u>	<u>644,185</u>
TOTAL EXPENDITURES	<u>775,250</u>	<u>738,871</u>	<u>36,379</u>	<u>709,284</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(64,690)</u>	<u>1,082</u>	<u>65,772</u>	<u>(34,726)</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>(64,690)</u>	<u>1,082</u>	<u>65,772</u>	<u>(34,726)</u>
Fund balance, beginning of year	<u>674,818</u>	<u>674,818</u>	<u>-</u>	<u>709,544</u>
FUND BALANCE, END OF YEAR	<u>\$ 610,128</u>	<u>\$ 675,900</u>	<u>\$ 65,772</u>	<u>\$ 674,818</u>

CITY OF MARQUETTE, MICHIGAN

LAKEVIEW ARENA FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 239,878	\$ 50,655
Accounts receivable	2,511	18,662
Prepaid expenditures	21,317	20,724
TOTAL ASSETS	263,706	90,041
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 263,706	\$ 90,041
LIABILITIES		
Accounts payable	\$ 29,006	\$ 21,373
Accrued wages payable	14,956	10,536
Accrued compensated absences	3,640	2,582
TOTAL LIABILITIES	47,602	34,491
DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCE		
Non-spendable	21,317	20,724
Restricted	80,700	-
Assigned	114,087	34,826
TOTAL FUND BALANCE	216,104	55,550
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 263,706	\$ 90,041

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ -
Charges for services	3,900	5,897	1,997	1,385
Use and admission fees:				
Ice arena use	402,000	318,698	(83,302)	390,220
Arena events	32,000	7,430	(24,570)	14,162
Total use and admission fees	434,000	326,128	(107,872)	404,382
Rentals	72,000	40,627	(31,373)	69,213
Sale of assets	-	-	-	-
Reimbursements	14,000	3,459	(10,541)	4,225
Investment income	2,000	326	(1,674)	338
Other revenues	-	-	-	265
TOTAL REVENUES	525,900	376,437	(149,463)	479,808
EXPENDITURES:				
Community Services:				
Personnel services	207,020	155,409	51,611	168,690
Supplies and contractual	463,460	459,277	4,183	488,078
Other supplies and charges	5,000	-	5,000	-
Total Community Services	675,480	614,686	60,794	656,768
Capital outlay	-	120,072	(120,072)	43,381
TOTAL EXPENDITURES	675,480	734,758	(59,278)	700,149
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(149,580)	(358,321)	(208,741)	(220,341)
OTHER FINANCING SOURCES (USES):				
Bond issuance	-	-	-	175,000
Premium on bond issuance	-	-	-	27,679
Bond issuance expense	-	-	-	(4,568)
Transfers in	446,420	815,196	368,776	231,465
Transfers (out)	(296,840)	(296,321)	519	(268,898)
TOTAL OTHER FINANCING SOURCES (USES)	149,580	518,875	369,295	160,678
CHANGES IN FUND BALANCE	-	160,554	160,554	(59,663)
Fund balance, beginning of year	55,550	55,550	-	115,213
FUND BALANCE, END OF YEAR	\$ 55,550	\$ 216,104	\$ 160,554	\$ 55,550

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

September 30, 2021

	High Street 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	2018 Capital Improve- ments Fund	2019 Capital Improve- ments Fund	2020 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>
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>
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>

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, 2021

	High Street 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	2018 Capital Improve- ments Fund	2019 Capital Improve- ments Fund	2020 Capital Improve- ments Fund	Total
REVENUES:													
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURES:													
Debt Service:													
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments	11,276	72,000	83,250	69,750	-	79,200	69,107	414,256	510,860	220,000	85,000	205,000	1,819,699
Interest and fiscal changes	1,559	28,231	27,926	17,261	-	33,642	10,576	111,696	192,892	75,950	36,075	79,224	615,032
TOTAL EXPENDITURES	12,835	100,231	111,176	87,011	-	112,842	79,683	525,952	703,752	295,950	121,075	284,224	2,434,731
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,835)	(100,231)	(111,176)	(87,011)	-	(112,842)	(79,683)	(525,952)	(703,752)	(295,950)	(121,075)	(284,224)	(2,434,731)
OTHER FINANCING SOURCES (USES):													
Transfers in	12,835	100,231	111,176	87,011	-	112,842	79,683	525,952	703,752	295,950	121,075	284,224	2,434,731
TOTAL OTHER FINANCING SOURCES (USES)	12,835	100,231	111,176	87,011	-	112,842	79,683	525,952	703,752	295,950	121,075	284,224	2,434,731
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, 2021

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

	2021			2020
	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	11,150	11,276	(126)	11,141
Interest and fiscal charges	1,700	1,559	141	1,740
TOTAL EXPENDITURES	12,850	12,835	15	12,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,850)	(12,835)	(15)	(12,881)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	400	401	1	403
Local Street Fund	12,450	12,434	(16)	12,478
TOTAL OTHER FINANCING SOURCES (USES)	12,850	12,835	(15)	12,881
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, 2021

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

	2021			2020
	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	72,000	72,000	-	70,000
Interest and fiscal charges	28,230	28,231	(1)	23,245
TOTAL EXPENDITURES	100,230	100,231	(1)	93,245
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(100,230)	(100,231)	1	(93,245)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	42,030	37,587	(4,443)	34,967
Local Street Fund	58,200	62,644	4,444	58,278
TOTAL OTHER FINANCING SOURCES (USES)	100,230	100,231	1	93,245
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

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, 2021

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

	2021			2020
	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	83,250	83,250	-	79,920
Interest and fiscal charges	27,930	27,926	4	23,276
TOTAL EXPENDITURES	111,180	111,176	4	103,196
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(111,180)	(111,176)	(4)	(103,196)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	1,000	1,001	1	929
Major Street and Trunkline Fund	39,740	39,730	(10)	36,878
Local Street Fund	70,440	70,445	5	65,389
TOTAL OTHER FINANCING SOURCES (USES)	111,180	111,176	(4)	103,196
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, 2021

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

	2021			2020
	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	69,750	69,750	-	68,200
Interest and fiscal charges	17,270	17,261	9	19,296
TOTAL EXPENDITURES	<u>87,020</u>	<u>87,011</u>	<u>9</u>	<u>87,496</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(87,020)</u>	<u>(87,011)</u>	<u>(9)</u>	<u>(87,496)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	53,330	53,329	(1)	53,627
Local Street Fund	33,690	33,682	(8)	33,869
TOTAL OTHER FINANCING SOURCES (USES)	<u>87,020</u>	<u>87,011</u>	<u>(9)</u>	<u>87,496</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2003 FOUNDERS LANDING - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2021

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

	2021			2020
	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
Interest and fiscal charges	-	-	-	3,909
TOTAL EXPENDITURES	-	-	-	268,909
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(268,909)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	-	-	-	268,909
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	268,909
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, 2021

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

	2021			2020
	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	79,200	79,200	-	77,400
Interest and fiscal charges	33,660	33,642	18	35,991
TOTAL EXPENDITURES	<u>112,860</u>	<u>112,842</u>	<u>18</u>	<u>113,391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(112,860)</u>	<u>(112,842)</u>	<u>(18)</u>	<u>(113,391)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	37,620	37,614	(6)	37,797
Major Street and Trunkline Fund	25,080	25,076	(4)	25,198
Local Street Fund	47,020	47,017	(3)	47,246
Lakeview Arena Fund	3,140	3,135	(5)	3,150
TOTAL OTHER FINANCING SOURCES (USES)	<u>112,860</u>	<u>112,842</u>	<u>(18)</u>	<u>113,391</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

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, 2021

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

	2021			2020
	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	69,630	69,107	523	68,800
Interest and fiscal charges	10,610	10,576	34	11,968
TOTAL EXPENDITURES	80,240	79,683	557	80,768
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(80,240)	(79,683)	(557)	(80,768)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
Major Street and Trunkline Fund	20,290	20,291	1	20,192
Local Street Fund	59,950	59,392	(558)	60,576
TOTAL OTHER FINANCING SOURCES (USES)	80,240	79,683	(557)	80,768
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, 2021

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

	2021			2020
	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	414,260	414,256	4	402,210
Interest and fiscal charges	111,700	111,696	4	126,068
TOTAL EXPENDITURES	<u>525,960</u>	<u>525,952</u>	<u>8</u>	<u>528,278</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(525,960)</u>	<u>(525,952)</u>	<u>(8)</u>	<u>(528,278)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	315,470	315,467	(3)	317,711
Major Street and Trunkline Fund	70,990	70,991	1	71,074
Local Street Fund	139,500	139,494	(6)	139,493
TOTAL OTHER FINANCING SOURCES (USES)	<u>525,960</u>	<u>525,952</u>	<u>(8)</u>	<u>528,278</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MARQUETTE, MICHIGAN

2017 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2021

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

	2021			2020
	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	510,880	510,860	20	490,310
Interest and fiscal charges	192,900	192,892	8	212,504
TOTAL EXPENDITURES	703,780	703,752	28	702,814
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(703,780)	(703,752)	(28)	(702,814)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	50,040	50,039	(1)	49,964
Major Street and Trunkline Fund	197,070	197,064	(6)	196,822
Local Street Fund	106,860	106,850	(10)	106,713
Road Maintenance Fund	211,900	211,896	(4)	211,572
Road Safety Fund	23,550	23,544	(6)	23,508
Lakeview Arena Fund	114,360	114,359	(1)	114,235
TOTAL OTHER FINANCING SOURCES (USES)	703,780	703,752	(28)	702,814
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
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, 2021

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

	2021			2020
	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	220,000	220,000	-	205,000
Interest and fiscal charges	75,950	75,950	-	82,750
TOTAL EXPENDITURES	295,950	295,950	-	287,750
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(295,950)	(295,950)	-	(287,750)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	135,000	135,000	-	128,350
Major Street and Trunkline Fund	94,350	94,350	-	96,450
Local Street Fund	66,600	66,600	-	62,950
TOTAL OTHER FINANCING SOURCES (USES)	295,950	295,950	-	287,750
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, 2021

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

	2021			2020
	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	85,000	85,000	-	-
Interest and fiscal charges	36,080	36,075	5	17,534
TOTAL EXPENDITURES	121,080	121,075	5	17,534
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(121,080)	(121,075)	(5)	(17,534)
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	14,800	14,800	-	2,324
Major Street and Trunkline Fund	63,980	63,975	(5)	9,225
Local Street Fund	42,300	42,300	-	5,985
TOTAL OTHER FINANCING SOURCES (USES)	121,080	121,075	(5)	17,534
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

2020 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, 2021

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

	2021			2020
	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	-	-
Interest and fiscal charges	79,230	79,224	6	-
TOTAL EXPENDITURES	284,230	284,224	6	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(284,230)	(284,224)	(6)	-
OTHER FINANCING SOURCES (USES):				
Transfer in:				
General Fund	34,060	34,069	9	-
Major Street and Trunkline Fund	132,650	132,644	(6)	-
Local Street Fund	96,530	96,522	(8)	-
Lakeview Arena Fund	20,990	20,989	(1)	-
TOTAL OTHER FINANCING SOURCES (USES)	284,230	284,224	(6)	-
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF MARQUETTE, MICHIGAN

CEMETERY FUND

COMPARATIVE BALANCE SHEET

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 389,513	\$ 340,352
Investments	547,591	545,652
Accounts receivable	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 937,104</u>	<u>\$ 886,004</u>
 FUND BALANCE		
Non-spendable	<u>\$ 937,104</u>	<u>\$ 886,004</u>

CITY OF MARQUETTE, MICHIGAN

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2021

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

	2021	2020
REVENUES:		
Charges for services	\$ 51,100	\$ 20,175
Investment income	2,588	10,449
TOTAL REVENUES	53,688	30,624
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers (out)	(2,588)	(10,449)
TOTAL OTHER FINANCING SOURCES (USES)	(2,588)	(10,449)
CHANGES IN FUND BALANCE	51,100	20,175
Fund balance, beginning of year	886,004	865,829
FUND BALANCE, END OF YEAR	\$ 937,104	\$ 886,004

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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, Lakeshore and 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.

LAKESHORE and LIGHTHOUSE PARK FUND: To account for the revenue generated through rental of the Lakeshore property, 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, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,084,701	\$ 611,934
Accounts receivable	677,249	751,043
Special assessments receivable	2,341	2,341
Due from other governments	-	-
Inventory	-	-
Prepaid expense	44,440	49,076
TOTAL CURRENT ASSETS	1,808,731	1,414,394
Non-current Assets		
Restricted Assets:		
OPEB Reserve	168,722	246,013
Compensated absences reserve	249,158	240,845
Total Restricted Assets	417,880	486,858
Land and other non-depreciable assets	17,725	17,725
Construction in progress	929,225	685,451
Other capital assets, net of depreciation	24,075,803	24,375,451
TOTAL NON-CURRENT ASSETS	25,440,633	25,565,485
TOTAL ASSETS	27,249,364	26,979,879
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	99,837	123,722
Deferred outflows related to pension	386,854	331,274
Deferred outflows related to OPEB	25,111	38,021
TOTAL DEFERRED OUTFLOWS OF RESOURCES	511,802	493,017
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	124,097	134,128
Accrued wages payable	61,284	52,804
Customer deposits payable	-	-
Accrued interest payable	114,882	124,745
Current portion of long-term debt	1,171,690	1,022,059
TOTAL CURRENT LIABILITIES	1,471,953	1,333,736
Non-current Liabilities:		
Compensated absences	249,158	240,845
Other post-employment benefits (OPEB)	168,722	246,013
Net pension liability	2,978,724	3,303,188
Bonds payable	7,294,365	7,413,290
Loan payable	694,840	759,840
Unamortized bond premium	814,764	687,363
TOTAL NON-CURRENT LIABILITIES	12,200,573	12,650,539
TOTAL LIABILITIES	13,672,526	13,984,275
DEFERRED INFLOWS OF RESOURCES		
Special assessments	2,341	3,259
Deferred inflows related to pension	165,389	-
Deferred inflows related to OPEB	63,252	21,098
TOTAL DEFERRED INFLOWS OF RESOURCES	230,982	24,357
NET POSITION		
Net investment in capital assets	15,398,729	15,319,797
Restricted for:		
Capital outlay	251,798	-
Unrestricted	(1,792,869)	(1,855,533)
TOTAL NET POSITION	\$ 13,857,658	\$ 13,464,264

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 3,435,350	\$ 3,795,031	\$ 359,681	\$ 3,715,269
Public authorities	101,000	111,272	10,272	106,945
Non-tax customers	1,260,000	1,215,330	(44,670)	1,299,122
City departments	50,000	154,956	104,956	69,625
Charges for services	25,000	8,477	(16,523)	21,513
Rentals	-	-	-	-
Reimbursements	-	5,214	5,214	45,950
Other revenues	73,000	82,347	9,347	87,686
TOTAL OPERATING REVENUES	4,944,350	5,372,627	428,277	5,346,110
OPERATING EXPENSES:				
Personnel services	1,750,220	1,423,927	326,293	1,631,801
Supplies and contractual	1,092,170	1,000,987	91,183	1,056,471
Capital outlay	-	-	-	-
Provision for depreciation	1,400,000	1,479,277	(79,277)	1,470,508
Other supplies and charges	663,580	663,576	4	650,808
TOTAL OPERATING EXPENSES	4,905,970	4,567,767	338,203	4,809,588
OPERATING INCOME (LOSS)	38,380	804,860	766,480	536,522
NON-OPERATING REVENUES (EXPENSES):				
Investment income	8,000	7,048	(952)	14,492
Interest expense	(336,540)	(257,975)	78,565	(283,021)
Bond issuance expense	(33,650)	(23,645)	10,005	(30,371)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(362,190)	(274,572)	87,618	(298,900)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(323,810)	530,288	854,098	237,622
Federal grant - capital grant	-	5,373	5,373	-
State grant - capital grant	5,000	5,000	-	-
Transfers in	-	-	-	1,176,405
Transfers (out)	(147,270)	(147,267)	3	(656,158)
CHANGE IN NET POSITION	(466,080)	393,394	859,474	757,869
Net position, beginning of year	13,464,264	13,464,264	-	12,706,395
NET POSITION, END OF YEAR	\$ 12,998,184	\$ 13,857,658	\$ 859,474	\$ 13,464,264

CITY OF MARQUETTE, MICHIGAN

SEWAGE DISPOSAL FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,873,460	\$ 408,632
Accounts receivable	889,139	1,008,640
Special assessments receivable	2,341	2,341
Due from State	-	-
Inventory	194,171	195,029
Prepaid expense	46,189	44,721
TOTAL CURRENT ASSETS	3,005,300	1,659,363
Non-current Assets		
Restricted Assets:		
OPEB Reserve	118,998	173,512
Compensated absences reserve	72,153	78,697
Total Restricted Assets	<u>191,151</u>	<u>252,209</u>
Investment in Wastewater Facility	3,872,205	3,330,361
Land and other non-depreciable assets	20,594	20,594
Construction in progress	820,923	583,473
Other capital assets, net of depreciation	<u>20,333,999</u>	<u>20,295,355</u>
TOTAL NON-CURRENT ASSETS	25,238,872	24,481,992
TOTAL ASSETS	28,244,172	26,141,355
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	59,362	72,694
Deferred outflows related to pension	127,761	140,943
Deferred outflows related to OPEB	<u>17,711</u>	<u>26,816</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	204,834	240,453
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	1,216,168	739,172
Accrued wages payable	27,272	14,180
Customer deposits payable	-	-
Accrued interest payable	125,899	141,288
Current portion of long-term debt	<u>1,417,918</u>	<u>1,206,959</u>
TOTAL CURRENT LIABILITIES	2,787,257	2,101,599
Non-current Liabilities:		
Compensated absences	72,153	78,697
Other post-employment benefits (OPEB)	118,998	173,512
Net pension liability	1,845,161	1,928,546
Long term payable to other authorities	1,291,587	867,450
Bonds payable	7,904,171	8,100,714
Loan payable	1,087,484	1,357,484
Unamortized bond premium	<u>896,498</u>	<u>728,629</u>
TOTAL NON-CURRENT LIABILITIES	13,216,052	13,235,032
TOTAL LIABILITIES	16,003,309	15,336,631
DEFERRED INFLOWS OF RESOURCES		
Special assessments	2,341	16,475
Deferred inflows related to pension	15,038	-
Deferred inflows related to OPEB	<u>44,612</u>	<u>14,880</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	61,991	31,355
NET POSITION		
Net investment in capital assets	11,105,783	9,578,330
Restricted for:		
Capital outlay	1,176,976	-
Unrestricted	<u>100,947</u>	<u>1,435,492</u>
TOTAL NET POSITION	\$ 12,383,706	\$ 11,013,822

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, 2021

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

	2021		Variance with Final Budget Positive (Negative)	2020
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 4,400,000	\$ 5,426,258	\$ 1,026,258	\$ 5,398,840
Public authorities	150,000	151,871	1,871	152,782
Non-tax customers	1,783,000	1,602,252	(180,748)	1,728,044
City departments	50,000	130,340	80,340	48,016
Charges for services	9,000	8,477	(523)	9,922
Rentals	1,000	1,000	-	1,000
Reimbursements	-	5,879	5,879	68,926
Other revenues	7,000	27,744	20,744	4,648
TOTAL OPERATING REVENUES	6,400,000	7,353,821	953,821	7,412,178
OPERATING EXPENSES:				
Personnel services	698,260	531,793	166,467	568,439
Supplies and contractual	3,872,180	3,421,610	450,570	3,282,349
Capital outlay	-	-	-	-
Provision for depreciation	1,100,000	1,159,148	(59,148)	1,122,133
Other supplies and charges	553,020	553,020	-	519,000
TOTAL OPERATING EXPENSES	6,223,460	5,665,571	557,889	5,491,921
OPERATING INCOME (LOSS)	176,540	1,688,250	1,511,710	1,920,257
NON-OPERATING REVENUES (EXPENSES):				
Investment income	3,000	3,430	430	2,573
Interest expense	(369,500)	(294,140)	75,360	(324,411)
Operating (loss) from Marquette Area				
Wastewater Treatment Facility	-	117,707	117,707	72,823
Bond issuance expense	(10,000)	(25,028)	(15,028)	(42,769)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(376,500)	(198,031)	178,469	(291,784)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(199,960)	1,490,219	1,690,179	1,628,473
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(120,340)	(120,335)	5	(435,639)
CHANGE IN NET POSITION	(320,300)	1,369,884	1,690,184	1,192,834
Net position, beginning of year	11,013,822	11,013,822	-	9,820,988
NET POSITION, END OF YEAR	\$ 10,693,522	\$ 12,383,706	\$ 1,690,184	\$ 11,013,822

CITY OF MARQUETTE, MICHIGAN

STORMWATER UTILITY FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,056,995	\$ 752,612
Accounts receivable	70,218	69,493
Due from other governments	-	-
Inventory	-	-
Prepaid expense	157	151
TOTAL CURRENT ASSETS	<u>1,127,370</u>	<u>822,256</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	29,343	32,095
Total Restricted Assets	<u>29,343</u>	<u>32,095</u>
Construction in progress	900,774	1,056,632
Other capital assets, net of depreciation	<u>12,629,713</u>	<u>11,936,283</u>
TOTAL NON-CURRENT ASSETS	<u>13,559,830</u>	<u>13,025,010</u>
TOTAL ASSETS	<u>14,687,200</u>	<u>13,847,266</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	<u>41,169</u>	<u>48,156</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>41,169</u>	<u>48,156</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	214,828	250,861
Accrued wages payable	8,241	11,229
Accrued interest payable	105,765	109,743
Current portion of long-term debt	<u>1,031,321</u>	<u>861,521</u>
TOTAL CURRENT LIABILITIES	<u>1,360,155</u>	<u>1,233,354</u>
Non-current Liabilities:		
Compensated absences	29,343	32,095
Bonds payable	6,795,432	6,429,277
Unamortized bond premium	<u>937,394</u>	<u>732,994</u>
TOTAL NON-CURRENT LIABILITIES	<u>7,762,169</u>	<u>7,194,366</u>
TOTAL LIABILITIES	<u>9,122,324</u>	<u>8,427,720</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	5,496,495	5,017,279
Restricted for:		
Capital outlay	688,986	-
Unrestricted	<u>(579,436)</u>	<u>450,423</u>
TOTAL NET POSITION	<u>\$ 5,606,045</u>	<u>\$ 5,467,702</u>

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 820,000	\$ 931,521	\$ 111,521	\$ 982,386
Public authorities	48,000	56,051	8,051	54,620
Non-tax customers	231,000	271,085	40,085	271,824
City departments	410,000	505,929	95,929	505,753
Reimbursements	-	719	719	348,092
Other revenues	500	1,800	1,300	1,467
TOTAL OPERATING REVENUES	1,509,500	1,767,105	257,605	2,164,142
OPERATING EXPENSES:				
Routine Maintenance and Administration:				
Personnel services	268,930	217,868	51,062	269,884
Supplies and contractual	470,320	192,714	277,606	247,662
Capital outlay	-	-	-	-
Provision for depreciation	850,000	984,185	(134,185)	948,280
Other supplies and charges	-	663	(663)	-
TOTAL OPERATING EXPENSES	1,589,250	1,395,430	193,820	1,465,826
OPERATING INCOME (LOSS)	(79,750)	371,675	451,425	698,316
NON-OPERATING REVENUES (EXPENSES):				
Investment income	2,000	1,189	(811)	2,067
Interest expense	(271,000)	(202,517)	68,483	(211,101)
Bond issuance expense	(10,000)	(32,004)	(22,004)	(54,515)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(279,000)	(233,332)	45,668	(263,549)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(358,750)	138,343	497,093	434,767
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(296,757)
CHANGE IN NET POSITION	(358,750)	138,343	497,093	138,010
Net position, beginning of year	5,467,702	5,467,702	-	5,329,692
NET POSITION, END OF YEAR	\$ 5,108,952	\$ 5,606,045	\$ 497,093	\$ 5,467,702

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2021

	Tourist Park Fund	Lakeshore and Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 800,373	\$ 33,164	\$ 40,419	\$ 518,522	\$ 1,392,478
Due from State	-	-	-	152	152
Accounts receivable	-	-	7,581	12,211	19,792
Due from local units	-	-	9,319	-	9,319
Inventory	-	-	54,333	16,539	70,872
Prepaid expense	754	-	-	5,512	6,266
TOTAL CURRENT ASSETS	801,127	33,164	111,652	552,936	1,498,879
Non-current Assets:					
Restricted Assets:					
Replacement Maintenance Fund	-	-	-	40,000	40,000
Compensated absences reserve	1,666	-	-	-	1,666
Total Restricted Assets	1,666	-	-	40,000	41,666
Other capital assets, net of depreciation	282,077	1,064,932	231,514	2,702,469	4,280,992
Construction in progress	26,918	-	-	-	26,918
TOTAL NON-CURRENT ASSETS	310,661	1,064,932	231,514	2,742,469	4,349,576
TOTAL ASSETS	1,111,788	1,098,096	343,166	3,295,405	5,848,455
DEFERRED OUTFLOWS OF RESOURCES					
	-	-	-	-	-
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	-	-	-	-
Accounts payable	52,651	22,032	22,267	15,045	111,995
Accrued wages payable	5,780	-	-	4,067	9,847
Customer deposits payable	-	-	-	15,315	15,315
Accrued interest payable	-	11,100	-	11,646	22,746
Current portion of long-term debt	-	95,000	-	75,000	170,000
TOTAL CURRENT LIABILITIES	58,431	128,132	22,267	121,073	329,903
Non-current Liabilities:					
Compensated absences	1,666	-	-	-	1,666
Bonds payable	-	655,000	-	763,631	1,418,631
TOTAL NON-CURRENT LIABILITIES	1,666	655,000	-	763,631	1,420,297
TOTAL LIABILITIES	60,097	783,132	22,267	884,704	1,750,200
DEFERRED INFLOWS OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	308,995	546,867	231,514	1,863,838	2,951,214
Restricted for:					
Capital outlay	-	231,935	-	-	231,935
Unrestricted	742,696	(463,838)	89,385	546,863	915,106
TOTAL NET POSITION	\$ 1,051,691	\$ 314,964	\$ 320,899	\$ 2,410,701	\$ 4,098,255

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, 2021

	Tourist Park Fund	Lakeshore and Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 6,136	\$ 9,606	\$ -	\$ 7,012	\$ 22,754
Sales	29,095	-	259,623	139,736	428,454
Use and admission fees	489,245	-	-	45,421	534,666
Rentals	-	-	-	290,464	290,464
Fines and forfeiture	-	-	-	1,240	1,240
Reimbursements	-	-	-	9,320	9,320
Other revenues	-	-	27,987	3,989	31,976
TOTAL OPERATING REVENUES	524,476	9,606	287,610	497,182	1,318,874
OPERATING EXPENSES:					
Community Services:					
Personnel services	107,210	-	340	84,720	192,270
Supplies and contractual	265,880	20,119	269,480	273,442	828,921
Capital outlay	-	-	-	-	-
Provision for depreciation	14,846	35,332	15,434	159,533	225,145
Other supplies and charges	-	-	-	-	-
TOTAL OPERATING EXPENSES	387,936	55,451	285,254	517,695	1,246,336
OPERATING INCOME (LOSS)	136,540	(45,845)	2,356	(20,513)	72,538
NON-OPERATING REVENUES (EXPENSES):					
Investment income	1,283	562	114	986	2,945
Interest expense	-	(28,386)	-	(18,833)	(47,219)
Bond issuance expense	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,283	(27,824)	114	(17,847)	(44,274)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	137,823	(73,669)	2,470	(38,360)	28,264
Federal grant - capital grant	-	352,778	-	-	352,778
State grant - capital grant	-	-	-	-	-
Contributed capital	-	-	-	-	-
Transfers in	-	24,702	-	-	24,702
Transfers (out)	(8,809)	-	-	(13,539)	(22,348)
CHANGE IN NET POSITION	129,014	303,811	2,470	(51,899)	383,396
Net position, beginning of year	922,677	11,153	318,429	2,462,600	3,714,859
NET POSITION, END OF YEAR	\$ 1,051,691	\$ 314,964	\$ 320,899	\$ 2,410,701	\$ 4,098,255

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2021

	Tourist Park Fund	Lakeshore and Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from fees and charges for services	\$ 6,136	\$ 9,606	\$ -	\$ (3,851)	\$ 11,891
Other operating revenues	518,340	-	290,884	490,018	1,299,242
Cash payments to employees for services	(106,833)	-	(340)	(85,665)	(192,838)
Cash payments to suppliers for goods and services	(239,657)	1,913	(286,822)	(282,722)	(807,288)
NET CASH PROVIDED BY OPERATING ACTIVITIES	177,986	11,519	3,722	117,780	311,007
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	-	-	-	-	-
Transfers in	-	24,702	-	-	24,702
Transfers (out)	(8,809)	-	-	(13,539)	(22,348)
State and Federal grants	-	352,778	-	-	352,778
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(8,809)	377,480	-	(13,539)	355,132
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on bonds	-	(95,000)	-	(70,000)	(165,000)
Interest paid on bonds	-	(29,633)	-	(29,000)	(58,633)
Proceeds from issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Cash payments for bond issuance expenses	-	-	-	-	-
Cash payments for capital assets	(26,918)	(428,957)	-	(14,796)	(470,671)
State and Federal grants	-	-	-	-	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(26,918)	(553,590)	-	(113,796)	(694,304)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	1,283	562	114	986	2,945
(Increase) decrease in restricted assets:					
Replacement maintenance reserve	-	-	-	-	-
Compensated absences reserve	(481)	-	-	-	(481)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	802	562	114	986	2,464
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	143,061	(164,029)	3,836	(8,569)	(25,701)
Cash and cash equivalents, beginning of year	657,312	197,193	36,583	527,091	1,418,179
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 800,373	\$ 33,164	\$ 40,419	\$ 518,522	\$ 1,392,478
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	\$ 136,540	\$ (45,845)	\$ 2,356	\$ (20,513)	\$ 72,538
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	14,846	35,332	15,434	159,533	225,145
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	(152)	(152)
(Increase) decrease in accounts receivable	-	-	5,176	(11,403)	(6,227)
(Increase) decrease in due from local units	-	-	(1,902)	-	(1,902)
(Increase) decrease in inventory	-	-	(27,756)	(8,684)	(36,440)
(Increase) decrease in prepaid expenses	(27)	-	-	(308)	(335)
Increase (decrease) in accounts payable	26,250	22,032	10,414	(288)	58,408
Increase (decrease) in accrued wages payable	(104)	-	-	(945)	(1,049)
Increase (decrease) in customer deposits payable	-	-	-	540	540
Increase (decrease) in compensated absences	481	-	-	-	481
NET ADJUSTMENTS	41,446	57,364	1,366	138,293	238,469
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 177,986	\$ 11,519	\$ 3,722	\$ 117,780	\$ 311,007

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - TOURIST PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 800,373	\$ 657,312
Accounts receivable	-	-
Due from local units	-	-
Inventory	-	-
Prepaid expense	<u>754</u>	<u>727</u>
TOTAL CURRENT ASSETS	<u>801,127</u>	<u>658,039</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	<u>1,666</u>	<u>1,185</u>
Total Restricted Assets	<u>1,666</u>	<u>1,185</u>
Other capital assets, net of depreciation	282,077	296,923
Construction in progress	<u>26,918</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>310,661</u>	<u>298,108</u>
TOTAL ASSETS	<u>1,111,788</u>	<u>956,147</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	52,651	26,401
Accrued wages payable	<u>5,780</u>	<u>5,884</u>
TOTAL CURRENT LIABILITIES	<u>58,431</u>	<u>32,285</u>
Non-current Liabilities:		
Compensated absences	<u>1,666</u>	<u>1,185</u>
TOTAL NON-CURRENT LIABILITIES	<u>1,666</u>	<u>1,185</u>
TOTAL LIABILITIES	<u>60,097</u>	<u>33,470</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	308,995	296,923
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>742,696</u>	<u>625,754</u>
TOTAL NET POSITION	<u>\$ 1,051,691</u>	<u>\$ 922,677</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 18,500	\$ 6,136	\$ (12,364)	\$ 1,667
Sales	25,000	29,095	4,095	27,609
Use and admission fees	369,460	489,245	119,785	362,528
Reimbursements	-	-	-	302
Other revenues	-	-	-	-
TOTAL OPERATING REVENUES	412,960	524,476	111,516	392,106
OPERATING EXPENSES:				
Community Services:				
Personnel services	115,150	107,210	7,940	107,017
Supplies and contractual	283,730	265,880	17,850	234,483
Other supplies and charges	5,810	-	5,810	-
Capital outlay	-	-	-	-
Provision for depreciation	-	14,846	(14,846)	-
TOTAL OPERATING EXPENSES	404,690	387,936	16,754	341,500
OPERATING INCOME (LOSS)	8,270	136,540	128,270	50,606
NON-OPERATING REVENUES (EXPENSES):				
Investment income	540	1,283	743	967
TOTAL NON-OPERATING REVENUES (EXPENSES)	540	1,283	743	967
INCOME (LOSS) BEFORE TRANSFERS	8,810	137,823	129,013	51,573
Transfers in (out)	(8,810)	(8,809)	1	(8,456)
CHANGE IN NET POSITION	-	129,014	129,014	43,117
Net position, beginning of year	922,677	922,677	-	879,560
NET POSITION, END OF YEAR	\$ 922,677	\$ 1,051,691	\$ 129,014	\$ 922,677

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - LAKESHORE AND LIGHTHOUSE PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 33,164	\$ 197,193
Accounts receivable	-	-
Due from local units	-	-
Inventory	-	-
Prepaid expense	-	-
TOTAL CURRENT ASSETS	33,164	197,193
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	-	-
Total Restricted Assets	-	-
Other capital assets, net of depreciation	1,064,932	671,307
Construction in progress	-	-
TOTAL NON-CURRENT ASSETS	1,064,932	671,307
TOTAL ASSETS	1,098,096	868,500
DEFERRED OUTFLOWS OF RESOURCES	-	-
LIABILITIES		
Current Liabilities:		
Accounts payable	22,032	-
Accrued wages payable	-	-
Accrued interest payable	11,100	12,347
Current portion of long-term debt	95,000	95,000
TOTAL CURRENT LIABILITIES	128,132	107,347
Non-current Liabilities:		
Bonds payable	655,000	750,000
TOTAL NON-CURRENT LIABILITIES	655,000	750,000
TOTAL LIABILITIES	783,132	857,347
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net investment in capital assets	546,867	146,909
Restricted for:		
Capital outlay	231,935	320,602
Unrestricted	(463,838)	(456,358)
TOTAL NET POSITION	\$ 314,964	\$ 11,153

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - LAKESHORE AND LIGHTHOUSE PARK FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 8,000	\$ 9,606	\$ 1,606	\$ 4,380
TOTAL OPERATING REVENUES	8,000	9,606	1,606	4,380
OPERATING EXPENSES:				
Community Services:				
Personnel services	1,620	-	1,620	143
Supplies and contractual	132,500	20,119	112,381	1,099
Capital outlay	-	-	-	-
Provision for depreciation	36,000	35,332	668	35,332
TOTAL OPERATING EXPENSES	170,120	55,451	114,669	36,574
OPERATING INCOME (LOSS)	(162,120)	(45,845)	116,275	(32,194)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	300	562	262	801
Interest expense	(30,000)	(28,386)	1,614	(31,182)
Bond issuance expense	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(29,700)	(27,824)	1,876	(30,381)
INCOME (LOSS) BEFORE TRANSFERS	(191,820)	(73,669)	118,151	(62,575)
Federal Grant - capital grant	-	352,778	352,778	-
Transfers in	-	24,702	24,702	67,620
CHANGE IN NET POSITION	(191,820)	303,811	495,631	5,045
Net position, beginning of year	11,153	11,153	-	6,108
NET POSITION, END OF YEAR	\$ (180,667)	\$ 314,964	\$ 495,631	\$ 11,153

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - FUEL SYSTEM FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 40,419	\$ 36,583
Accounts receivable	7,581	12,757
Due from local units	9,319	7,417
Inventory	54,333	26,577
Prepaid expense	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>111,652</u>	<u>83,334</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>231,514</u>	<u>246,948</u>
TOTAL NON-CURRENT ASSETS	<u>231,514</u>	<u>246,948</u>
TOTAL ASSETS	<u>343,166</u>	<u>330,282</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	<u>-</u>	<u>-</u>
Accounts payable	22,267	11,853
Accrued wages payable	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>22,267</u>	<u>11,853</u>
Non-current Liabilities:		
Compensated absences	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>22,267</u>	<u>11,853</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	231,514	246,948
Restricted for:		
Capital outlay	<u>-</u>	<u>-</u>
Unrestricted	<u>89,385</u>	<u>71,481</u>
TOTAL NET POSITION	<u><u>\$ 320,899</u></u>	<u><u>\$ 318,429</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	402,000	259,623	(142,377)	304,680
Use and admission fees	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	38,120	27,987	(10,133)	33,815
TOTAL OPERATING REVENUES	440,120	287,610	(152,510)	338,495
OPERATING EXPENSES:				
Public Works:				
Personnel services	1,420	340	1,080	325
Supplies and contractual	414,700	269,480	145,220	307,645
Other supplies and charges	8,500	-	8,500	-
Capital outlay	-	-	-	-
Provision for depreciation	15,500	15,434	66	15,434
TOTAL OPERATING EXPENSES	440,120	285,254	154,866	323,404
OPERATING INCOME (LOSS)	-	2,356	2,356	15,091
NON-OPERATING REVENUES (EXPENSES):				
Contributed capital	-	-	-	-
Investment income	-	114	114	73
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	114	114	73
CHANGE IN NET POSITION	-	2,470	2,470	15,164
Net position, beginning of year	318,429	318,429	-	303,265
NET POSITION, END OF YEAR	\$ 318,429	\$ 320,899	\$ 2,470	\$ 318,429

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - MARINAS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 518,522	\$ 527,091
Due from State	152	-
Accounts receivable	12,211	808
Inventory	16,539	7,855
Prepaid expense	5,512	5,204
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	552,936	540,958
	<hr/>	<hr/>
Non-current Assets		
Restricted Assets:		
Bond Reserve Fund	-	-
Bond and Interest Redemption Fund	-	-
Replacement Maintenance Fund	40,000	40,000
Total Restricted Assets	<hr/> 40,000	<hr/> 40,000
	<hr/>	<hr/>
Other capital assets, net of depreciation	2,702,469	2,847,206
Construction in progress	-	-
	<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS	2,742,469	2,887,206
	<hr/>	<hr/>
TOTAL ASSETS	3,295,405	3,428,164
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities:		
Accounts payable	15,045	15,333
Accrued wages payable	4,067	5,012
Customer deposits payable	15,315	14,775
Accrued interest payable	11,646	12,521
Current portion of long-term debt	75,000	70,000
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	121,073	117,641
	<hr/>	<hr/>
Non-current Liabilities:		
Bonds payable	680,000	755,000
Unamortized bond premium	83,631	92,923
	<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES	763,631	847,923
	<hr/>	<hr/>
TOTAL LIABILITIES	884,704	965,564
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
NET POSITION		
Net investment in capital assets	1,863,838	1,929,283
Restricted for:		
Capital outlay	-	-
Unrestricted	546,863	533,317
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 2,410,701	\$ 2,462,600
	<hr/>	<hr/>

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 4,340	\$ 7,012	\$ 2,672	\$ 4,706
Sales	80,200	139,736	59,536	102,939
Use and admission fees	41,000	45,421	4,421	42,482
Rentals	279,000	290,464	11,464	237,976
Fines and forfeiture	15,000	1,240	(13,760)	300
Reimbursements	-	9,320	9,320	-
Other revenues	181,940	3,989	(177,951)	1,794
TOTAL OPERATING REVENUES	601,480	497,182	(104,298)	390,197
OPERATING EXPENSES:				
Community Services:				
Personnel services	107,000	84,720	22,280	82,588
Supplies and contractual	222,590	273,442	(50,852)	225,904
Capital outlay	-	-	-	-
Provision for depreciation	284,790	159,533	125,257	149,624
Other supplies and charges	-	-	-	2,783
TOTAL OPERATING EXPENSES	614,380	517,695	96,685	460,899
OPERATING INCOME (LOSS)	(12,900)	(20,513)	(7,613)	(70,702)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	3,150	986	(2,164)	6,242
Interest expense	-	(18,833)	(18,833)	(26,628)
Bond issuance expense	-	-	-	(18,009)
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,150	(17,847)	(20,997)	(38,395)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(9,750)	(38,360)	(28,610)	(109,097)
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	541,900
Transfers in	23,290	-	(23,290)	-
Transfers (out)	(13,540)	(13,539)	1	(12,996)
CHANGE IN NET POSITION	-	(51,899)	(51,899)	419,807
Net position, beginning of year	2,462,600	2,462,600	-	2,042,793
NET POSITION, END OF YEAR	\$ 2,462,600	\$ 2,410,701	\$ (51,899)	\$ 2,462,600

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, 2021

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 946,036	\$ 690,174	\$ 99,071	\$ 87,830	\$ 1,823,111
Due from State	-	-	-	-	-
Accounts receivable	2,210	-	477	-	2,687
Due from local units	-	-	-	-	-
Due from other authorities	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expense	23,596	19,693	64,500	-	107,789
TOTAL CURRENT ASSETS	971,842	709,867	164,048	87,830	1,933,587
Non-current Assets:					
Restricted Assets:					
Equipment reserve	-	-	-	-	-
OPEB reserve	15,643	7,819	98,886	-	122,348
Compensated absences reserve	17,609	-	89,238	-	106,847
Total Restricted Assets	33,252	7,819	188,124	-	229,195
Land and other non-depreciable assets	-	2,519,888	-	-	2,519,888
Other capital assets, net of depreciation	-	13,967,696	2,916,392	25,886,258	42,770,346
TOTAL NON-CURRENT ASSETS	33,252	16,495,403	3,104,516	25,886,258	45,519,429
TOTAL ASSETS	1,005,094	17,205,270	3,268,564	25,974,088	47,453,016
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	26,676	2,655	158,364	-	187,695
Deferred outflows related to OPEB	2,328	1,164	14,717	-	18,209
TOTAL DEFERRED OUTFLOWS OF RESOURCES	29,004	3,819	173,081	-	205,904
LIABILITIES					
Current Liabilities:					
Cash overdraft	-	-	-	-	-
Accounts payable	18,735	20,197	48,183	-	87,115
Accrued wages payable	10,179	668	30,010	-	40,857
Current portion of long-term debt	-	-	-	598,686	598,686
Accrued interest payable	-	-	-	-	-
TOTAL CURRENT LIABILITIES	28,914	20,865	78,193	598,686	726,658
Non-current Liabilities:					
Compensated absences	17,609	-	89,238	-	106,847
Other post employment benefits (OPEB)	15,643	7,819	98,886	-	122,348
Net pension liability	332,958	119,217	1,482,279	-	1,934,454
Lease payable	-	-	-	24,060,234	24,060,234
TOTAL NON-CURRENT LIABILITIES	366,210	127,036	1,670,403	24,060,234	26,223,883
TOTAL LIABILITIES	395,124	147,901	1,748,596	24,658,920	26,950,541
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	2,055	16,119	74,370	-	92,544
Deferred inflows related to OPEB	5,865	2,933	37,073	-	45,871
TOTAL DEFERRED INFLOWS OF RESOURCES	7,920	19,052	111,443	-	138,415
NET POSITION					
Net investment in capital assets	-	16,487,584	2,916,392	1,227,338	20,631,314
Restricted for:					
Capital outlay	-	-	-	-	-
Unrestricted	631,054	554,552	(1,334,786)	87,830	(61,350)
TOTAL NET POSITION	\$ 631,054	\$ 17,042,136	\$ 1,581,606	\$ 1,315,168	\$ 20,569,964

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2021

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 6,868	\$ -	\$ -	\$ -	\$ 6,868
Sales	-	-	-	-	-
Rentals	1,021,824	491,832	2,353,569	-	3,867,225
Reimbursements	329	46,273	53,923	-	100,525
Other revenues	1,034	-	17,666	-	18,700
TOTAL OPERATING REVENUES	1,030,055	538,105	2,425,158	-	3,993,318
OPERATING EXPENSES:					
Administrative and General:					
Personnel services	222,756	46,903	829,213	-	1,098,872
Supplies and contractual	585,885	352,226	1,371,557	-	2,309,668
Provision for depreciation	-	931,179	375,977	1,643,572	2,950,728
Other supplies and charges	-	-	-	-	-
Total Administrative and General	808,641	1,330,308	2,576,747	1,643,572	6,359,268
Capital outlay	-	-	-	-	-
TOTAL OPERATING EXPENSES	808,641	1,330,308	2,576,747	1,643,572	6,359,268
OPERATING INCOME (LOSS)	221,414	(792,203)	(151,589)	(1,643,572)	(2,365,950)
NON-OPERATING REVENUES (EXPENSES):					
Investment income	1,543	1,156	2,271	156	5,126
Interest expense	-	-	-	(713,390)	(713,390)
Gain (Loss) on sale of capital asset	-	-	18,650	-	18,650
Contributions from other authorities	-	-	-	140,005	140,005
Bond issuance expense	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,543	1,156	20,921	(573,229)	(549,609)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	222,957	(791,047)	(130,668)	(2,216,801)	(2,915,559)
Transfers in	17,300	-	98,500	1,033,820	1,149,620
Transfers (out)	-	-	-	-	-
CHANGE IN NET POSITION	240,257	(791,047)	(32,168)	(1,182,981)	(1,765,939)
Net position, beginning of year	390,797	17,833,183	1,613,774	2,498,149	22,335,903
NET POSITION, END OF YEAR	\$ 631,054	\$ 17,042,136	\$ 1,581,606	\$ 1,315,168	\$ 20,569,964

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2021

	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	\$ 5,565	\$ -	\$ -	\$ -	\$ 5,565
Other operating revenues	1,023,187	1,391,485	2,428,965	-	4,843,637
Cash payments to employees for services	(226,057)	(54,095)	(940,220)	-	(1,220,372)
Cash payments to suppliers for goods and services	(584,743)	(350,367)	(1,403,072)	-	(2,338,182)
NET CASH PROVIDED BY OPERATING ACTIVITIES	217,952	987,023	85,673	-	1,290,648
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Increase (decrease) in cash overdraft	-	(301,590)	-	-	(301,590)
Transfers in	17,300	-	98,500	1,033,820	1,149,620
Transfers (out)	-	-	-	-	-
Contributions from other authorities	-	-	-	140,005	140,005
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	17,300	(301,590)	98,500	1,173,825	988,035
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	-	-	-	(460,435)	(460,435)
Interest paid on long-term debt	-	-	-	(713,390)	(713,390)
Proceeds from issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Cash payments for bond issuance expenses	-	-	-	-	-
Cash payments for capital assets	-	-	(911,457)	-	(911,457)
Proceeds from sale of capital assets	-	-	18,650	-	18,650
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(892,807)	(1,173,825)	(2,066,632)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	1,543	1,156	2,271	156	5,126
(Increase) decrease in restricted assets:					
Equipment reserve	-	-	523,767	-	523,767
OPEB reserve	7,166	3,585	45,301	-	56,052
Compensated absences reserve	(2,795)	-	19,001	-	16,206
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,914	4,741	590,340	156	601,151
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	241,166	690,174	(118,294)	156	813,202
Cash and cash equivalents, beginning of year	704,870	-	217,365	87,674	1,009,909
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 946,036	\$ 690,174	\$ 99,071	\$ 87,830	\$ 1,823,111
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income	\$ 221,414	\$ (792,203)	\$ (151,589)	\$ (1,643,572)	\$ (2,365,950)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	-	931,179	375,977	1,643,572	2,950,728
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	-	-
(Increase) decrease in accounts receivable	(1,303)	-	3,807	-	2,504
(Increase) decrease in due from local units	-	853,380	-	-	853,380
(Increase) decrease in inventory	-	-	-	-	-
(Increase) decrease in prepaid expenses	(6,931)	(2,834)	(1,244)	-	(11,009)
Increase (decrease) in accounts payable	8,073	4,693	(30,271)	-	(17,505)
Increase (decrease) in accrued wages payable	402	(868)	4,220	-	3,754
Increase (decrease) in customer deposits payable	-	-	-	-	-
Increase (decrease) in compensated absences	2,795	-	(19,001)	-	(16,206)
Increase (decrease) in net pension liability	(4,438)	(5,293)	(83,200)	-	(92,931)
Increase (decrease) in other post-employment benefits (OPEB)	(2,060)	(1,031)	(13,026)	-	(16,117)
NET ADJUSTMENTS	(3,462)	1,779,226	237,262	1,643,572	3,656,598
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 217,952	\$ 987,023	\$ 85,673	\$ -	\$ 1,290,648

CITY OF MARQUETTE, MICHIGAN
TECHNOLOGY SERVICES FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 946,036	\$ 704,870
Accounts receivable	2,210	907
Due from local units	-	-
Inventory	-	-
Prepaid expense	23,596	16,665
	<u>971,842</u>	<u>722,442</u>
TOTAL CURRENT ASSETS	<u>971,842</u>	<u>722,442</u>
Non-current Assets		
Restricted Assets:		
OPEB reserve	15,643	22,809
Compensated absences reserve	17,609	14,814
Total Restricted Assets	<u>33,252</u>	<u>37,623</u>
Other capital assets, net of depreciation	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>33,252</u>	<u>37,623</u>
TOTAL ASSETS	<u>1,005,094</u>	<u>760,065</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	26,676	29,344
Deferred outflows related to OPEB	<u>2,328</u>	<u>3,525</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>29,004</u>	<u>32,869</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	18,735	10,662
Accrued wages payable	<u>10,179</u>	<u>9,777</u>
TOTAL CURRENT LIABILITIES	<u>28,914</u>	<u>20,439</u>
Non-current Liabilities:		
Compensated absences	17,609	14,814
Other post employment benefits (OPEB)	15,643	22,809
Net pension liability	<u>332,958</u>	<u>339,667</u>
TOTAL NON-CURRENT LIABILITIES	<u>366,210</u>	<u>377,290</u>
TOTAL LIABILITIES	<u>395,124</u>	<u>397,729</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	2,055	2,452
Deferred inflows related to OPEB	<u>5,865</u>	<u>1,956</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,920</u>	<u>4,408</u>
NET POSITION		
Net investment in capital assets	-	-
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>631,054</u>	<u>390,797</u>
TOTAL NET POSITION	<u>\$ 631,054</u>	<u>\$ 390,797</u>

CITY OF MARQUETTE, MICHIGAN

TECHNOLOGY SERVICES FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ 5,000	\$ 6,868	\$ 1,868	\$ 4,055
Rentals	1,015,210	1,021,824	6,614	845,988
Reimbursements	1,360	329	(1,031)	840
Other revenues	-	1,034	1,034	1,800
TOTAL OPERATING REVENUES	1,021,570	1,030,055	8,485	852,683
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	289,240	222,756	66,484	257,802
Supplies and contractual	732,580	585,885	146,695	540,529
Other supplies and charges	-	-	-	-
Provision for depreciation	-	-	-	-
Total Administrative and General	1,021,820	808,641	213,179	798,331
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	1,021,820	808,641	213,179	798,331
OPERATING INCOME (LOSS)	(250)	221,414	221,664	54,352
NON-OPERATING REVENUES (EXPENSES):				
Investment income	250	1,543	1,293	1,004
TOTAL NON-OPERATING REVENUES (EXPENSES)	250	1,543	1,293	1,004
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	-	222,957	222,957	55,356
Transfers in	-	17,300	17,300	15,000
CHANGE IN NET POSITION	-	240,257	240,257	70,356
Net position, beginning of year	390,797	390,797	-	320,441
NET POSITION, END OF YEAR	\$ 390,797	\$ 631,054	\$ 240,257	\$ 390,797

CITY OF MARQUETTE, MICHIGAN
MUNICIPAL SERVICE CENTER FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 690,174	\$ -
Accounts receivable	-	-
Due from other authorities	-	853,380
Inventory	-	-
Prepaid expense	19,693	16,859
TOTAL CURRENT ASSETS	<u>709,867</u>	<u>870,239</u>
Non-current Assets		
Restricted Assets:		
OPEB reserve	7,819	11,404
Compensated absences reserve	-	-
Total Restricted Assets	<u>7,819</u>	<u>11,404</u>
Land and other non-depreciable assets	2,519,888	2,519,888
Other capital assets, net of depreciation	<u>13,967,696</u>	<u>14,898,875</u>
TOTAL NON-CURRENT ASSETS	<u>16,495,403</u>	<u>17,430,167</u>
TOTAL ASSETS	<u>17,205,270</u>	<u>18,300,406</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	2,655	1,742
Deferred outflows related to OPEB	<u>1,164</u>	<u>1,763</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,819</u>	<u>3,505</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	301,590
Accounts payable	20,197	15,504
Accrued wages payable	<u>668</u>	<u>1,536</u>
TOTAL CURRENT LIABILITIES	<u>20,865</u>	<u>318,630</u>
Non-current Liabilities:		
Compensated absences	-	-
Other post employment benefits (OPEB)	7,819	11,404
Net pension liability	<u>119,217</u>	<u>127,218</u>
TOTAL NON-CURRENT LIABILITIES	<u>127,036</u>	<u>138,622</u>
TOTAL LIABILITIES	<u>147,901</u>	<u>457,252</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	16,119	12,498
Deferred inflows related to OPEB	<u>2,933</u>	<u>978</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>19,052</u>	<u>13,476</u>
NET POSITION		
Net investment in capital assets	16,487,584	17,418,763
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>554,552</u>	<u>414,420</u>
TOTAL NET POSITION	<u>\$ 17,042,136</u>	<u>\$ 17,833,183</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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Rentals	474,420	491,832	17,412	634,272
Reimbursements	-	46,273	46,273	-
Other revenues	-	-	-	-
TOTAL OPERATING REVENUES	474,420	538,105	63,685	634,272
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	55,690	46,903	8,787	48,957
Supplies and contractual	418,730	352,226	66,504	376,785
Provision for depreciation	932,000	931,179	821	931,180
Total Administrative and General	<u>1,406,420</u>	<u>1,330,308</u>	<u>76,112</u>	<u>1,356,922</u>
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	1,406,420	1,330,308	76,112	1,356,922
OPERATING INCOME (LOSS)	(932,000)	(792,203)	139,797	(722,650)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	1,156	1,156	14
Interest expense	-	-	-	-
Gain (loss) on sale of capital asset	-	-	-	430
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	1,156	1,156	444
INCOME (LOSS) BEFORE TRANSFERS	(932,000)	(791,047)	140,953	(722,206)
Transfers In	-	-	-	-
CHANGE IN NET POSITION	(932,000)	(791,047)	140,953	(722,206)
Net position, beginning of year	<u>17,833,183</u>	<u>17,833,183</u>	<u>-</u>	<u>18,555,389</u>
NET POSITION, END OF YEAR	\$ 16,901,183	\$ 17,042,136	\$ 140,953	\$ 17,833,183

CITY OF MARQUETTE, MICHIGAN
MOTOR VEHICLE EQUIPMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 99,071	\$ 217,365
Accounts receivable	477	4,284
Due from local units	-	-
Inventory	-	-
Prepaid expense	64,500	63,256
TOTAL CURRENT ASSETS	<u>164,048</u>	<u>284,905</u>
Non-current Assets		
Restricted Assets:		
Equipment reserve	-	523,767
OPEB reserve	98,886	144,187
Compensated absences reserve	89,238	108,239
Total Restricted Assets	<u>188,124</u>	<u>776,193</u>
Other capital assets, net of depreciation	2,916,392	2,380,912
TOTAL NON-CURRENT ASSETS	<u>3,104,516</u>	<u>3,157,105</u>
TOTAL ASSETS	<u>3,268,564</u>	<u>3,442,010</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	158,364	126,555
Deferred outflows related to OPEB	14,717	22,284
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>173,081</u>	<u>148,839</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	48,183	78,454
Accrued wages payable	30,010	25,790
TOTAL CURRENT LIABILITIES	<u>78,193</u>	<u>104,244</u>
Non-current Liabilities:		
Compensated absences	89,238	108,239
Other post employment benefits (OPEB)	98,886	144,187
Net pension liability	1,482,279	1,608,040
TOTAL NON-CURRENT LIABILITIES	<u>1,670,403</u>	<u>1,860,466</u>
TOTAL LIABILITIES	<u>1,748,596</u>	<u>1,964,710</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	74,370	-
Deferred inflows related to OPEB	37,073	12,365
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>111,443</u>	<u>12,365</u>
NET POSITION		
Net investment in capital assets	2,916,392	2,380,912
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>(1,334,786)</u>	<u>(767,138)</u>
TOTAL NET POSITION	<u>\$ 1,581,606</u>	<u>\$ 1,613,774</u>

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, 2021

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

	2021			2020
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Rentals	2,964,780	2,353,569	(611,211)	2,941,745
Reimbursements	5,000	53,923	48,923	1,304
Other revenues	76,860	17,666	(59,194)	15,329
TOTAL OPERATING REVENUES	3,046,640	2,425,158	(621,482)	2,958,378
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	977,110	829,213	147,897	959,481
Supplies and contractual	1,676,530	1,371,557	304,973	1,618,466
Other supplies and charges	-	-	-	-
Provision for depreciation	400,000	375,977	24,023	403,110
Total Administrative and General	3,053,640	2,576,747	476,893	2,981,057
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	3,053,640	2,576,747	476,893	2,981,057
OPERATING INCOME (LOSS)	(7,000)	(151,589)	(144,589)	(22,679)
NON-OPERATING REVENUES (EXPENSES):				
Contributed capital	-	-	-	-
Investment income	2,000	2,271	271	2,834
Gain (loss) on sale of capital asset	5,000	18,650	13,650	1,850
TOTAL NON-OPERATING REVENUES (EXPENSES)	7,000	20,921	13,921	4,684
INCOME (LOSS) BEFORE TRANSFERS	-	(130,668)	(130,668)	(17,995)
Transfers In	-	98,500	98,500	-
CHANGE IN NET POSITION	-	(32,168)	(32,168)	(17,995)
Net position, beginning of year	1,613,774	1,613,774	-	1,631,769
NET POSITION, END OF YEAR	\$ 1,613,774	\$ 1,581,606	\$ (32,168)	\$ 1,613,774

CITY OF MARQUETTE, MICHIGAN

ENERGY ENHANCEMENTS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 87,830	\$ 87,674
Due from State	-	-
Accounts receivable	-	-
Inventory	-	-
Prepaid expense	-	-
TOTAL CURRENT ASSETS	<u>87,830</u>	<u>87,674</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	25,886,258	27,529,830
Construction in progress	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>25,886,258</u>	<u>27,529,830</u>
TOTAL ASSETS	<u>25,974,088</u>	<u>27,617,504</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	598,686	460,435
Accrued interest payable	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>598,686</u>	<u>460,435</u>
Non-current Liabilities:		
Lease payable	<u>24,060,234</u>	<u>24,658,920</u>
TOTAL NON-CURRENT LIABILITIES	<u>24,060,234</u>	<u>24,658,920</u>
TOTAL LIABILITIES	<u>24,658,920</u>	<u>25,119,355</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,227,338	2,410,475
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>87,830</u>	<u>87,674</u>
TOTAL NET POSITION	<u>\$ 1,315,168</u>	<u>\$ 2,498,149</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, 2021

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

	2021			2020
	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
Other revenues	-	-	-	-
TOTAL OPERATING REVENUES	-	-	-	20,000
OPERATING EXPENSES:				
Administrative and General:				
Personnel services	-	-	-	-
Supplies and contractual	-	-	-	-
Provision for depreciation	1,643,580	1,643,572	8	410,893
Other supplies and charges	-	-	-	-
Total Administrative and General	1,643,580	1,643,572	8	410,893
Capital outlay	-	-	-	-
TOTAL OPERATING EXPENSES	1,643,580	1,643,572	8	410,893
OPERATING INCOME (LOSS)	(1,643,580)	(1,643,572)	8	(390,893)
NON-OPERATING REVENUES (EXPENSES):				
Investment income	-	156	156	115
Interest expense	(713,400)	(713,390)	10	(724,806)
Contributions from other authorities	140,010	140,005	(5)	134,395
TOTAL NON-OPERATING REVENUES (EXPENSES)	(573,390)	(573,229)	161	(590,296)
INCOME (LOSS) BEFORE TRANSFERS	(2,216,970)	(2,216,801)	169	(981,189)
Transfers in	2,216,970	1,033,820	(1,183,150)	1,507,184
CHANGE IN NET POSITION	-	(1,182,981)	(1,182,981)	525,995
Net position, beginning of year	2,498,149	2,498,149	-	1,972,154
NET POSITION, END OF YEAR	\$ 2,498,149	\$ 1,315,168	\$ (1,182,981)	\$ 2,498,149

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 and OPEB trust funds, (c) custodial funds, and (d) investment trust 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.

CUSTODIAL FUND: 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 and other governmental units. It is also used as a payroll clearing account type for employee-related items, 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, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,213,489	\$ 955,601
Investments		
Domestic Corporation Bonds	4,126,746	3,509,277
Common, Pooled Fund	38,800,532	33,078,095
Accounts receivable	-	-
Accrued interest receivable	64	135
TOTAL ASSETS	44,140,831	37,543,108
DEFERRED OUTFLOWS OF RESOURCES	-	-
LIABILITIES		
Accounts payable	210	10,960
TOTAL LIABILITIES	210	10,960
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net position restricted for pensions	44,140,621	37,532,148
TOTAL NET POSITION	\$ 44,140,621	\$ 37,532,148

CITY OF MARQUETTE, MICHIGAN

CUSTODIAL FUNDS

COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,408,213	\$ 1,579,813
Accounts receivable	-	-
Taxes receivable - current	1,256,801	4,369,772
Taxes receivable - delinquent personal	<u>40,366</u>	<u>87,125</u>
TOTAL ASSETS	<u>2,705,380</u>	<u>6,036,710</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts payable	478,291	218,321
Accrued wages payable	690,891	751,864
Due to State	185,281	317,307
Due to other governments	644,762	1,888,559
Due to local units	481,595	2,637,287
Other liabilities	<u>224,560</u>	<u>223,372</u>
TOTAL LIABILITIES	<u>2,705,380</u>	<u>6,036,710</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	<u>-</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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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, 2021

	Land and Improvements	Buildings and Improvements	Furniture and Equipment	Other	Totals
Governmental Capital Assets:					
Land	\$ 12,615,115	\$ -	\$ -	\$ -	\$ 12,615,115
Land improvements	8,524,469	-	-	-	8,524,469
Buildings	-	5,838,183	-	-	5,838,183
Building improvements	-	7,267,643	-	-	7,267,643
Furniture and equipment	-	-	1,798,919	-	1,798,919
Infrastructure	-	-	-	73,807,561	73,807,561
Construction in progress	-	-	-	4,284,010	4,284,010
TOTAL	\$ 21,139,584	\$ 13,105,826	\$ 1,798,919	\$ 78,091,571	\$ 114,135,900
Investments in Governmental Capital Assets From:					
General fund	\$ 13,625,385	\$ 5,413,009	\$ 1,104,272	\$ 32,628,197	\$ 52,770,863
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	3,579,538	2,157,597	265,455	44,915,612	50,918,202
TOTAL	\$ 21,139,584	\$ 13,105,826	\$ 1,798,919	\$ 78,091,571	\$ 114,135,900

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, 2021

Function and Activity	Balance September 30, 2020	Additions	Deductions	Transfers	Balance September 30, 2021
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	47,741	(634,979)	-	4,299,997
Total General Government	8,180,466	47,741	(634,979)	-	7,593,228
Public Health and Safety:					
Police Department	303,068	-	-	-	303,068
Fire Department	762,356	26,725	-	-	789,081
Total Public Health and Safety	1,065,424	26,725	-	-	1,092,149
Highways, Streets and Bridges:					
City Engineer	164,803	-	-	-	164,803
Public Works	10,923,504	9,494	-	-	10,932,998
Infrastructure	70,001,792	1,077,139	-	2,728,630	73,807,561
Parking System	2,475,516	-	-	-	2,475,516
Total Highways, Streets and Bridges	83,565,615	1,086,633	-	2,728,630	87,380,878
Other:					
Sanitation	14,932	-	-	-	14,932
Recreation	13,608,239	119,300	-	-	13,727,539
Other	43,164	-	-	-	43,164
Total Other	13,666,335	119,300	-	-	13,785,635
TOTAL GOVERNMENTAL CAPITAL ASSETS	106,477,840	1,280,399	(634,979)	2,728,630	109,851,890
Construction in progress	4,204,924	2,807,716	-	(2,728,630)	4,284,010
GRAND TOTAL	\$ 110,682,764	\$ 4,088,115	\$ (634,979)	\$ -	\$ 114,135,900

CITY OF MARQUETTE, MICHIGAN

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

September 30, 2021

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	4,299,997	4,235,022	19,817	45,158	-	-	-
Total General Government	7,593,228	4,433,032	381,631	1,449,751	1,117,257	211,557	-
Public Health and Safety:							
Police Department	303,068	-	-	-	-	303,068	-
Fire Department	789,081	32,296	14,663	164,005	221,194	356,923	-
Total Public Health and Safety	1,092,149	32,296	14,663	164,005	221,194	659,991	-
Highways, Streets and Bridges:							
City Engineer	164,803	-	-	-	-	164,803	-
Public Works	10,932,998	6,519,976	3,617,247	542,795	232,580	20,400	-
Infrastructure	73,807,561	-	-	-	-	-	73,807,561
Parking System	2,475,516	753,874	70,131	1,320,171	235,396	95,944	-
Total Highways, Streets and Bridges	87,380,878	7,273,850	3,687,378	1,862,966	467,976	281,147	73,807,561
Other:							
Sanitation	14,932	14,932	-	-	-	-	-
Recreation	13,727,539	861,005	4,440,797	2,361,461	5,443,300	620,976	-
Other	43,164	-	-	-	17,916	25,248	-
Total Other	13,785,635	875,937	4,440,797	2,361,461	5,461,216	646,224	-
TOTAL GOVERNMENTAL CAPITAL ASSETS ASSOCIATED TO FUNCTIONS	109,851,890	\$ 12,615,115	\$ 8,524,469	\$ 5,838,183	\$ 7,267,643	\$ 1,798,919	\$ 73,807,561
Construction in progress	4,284,010						
GRAND TOTAL	\$ 114,135,900						

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, 2021

Maturities Year Ending September 30,	WATER SUPPLY FUND														
	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	2021 Capital Improvements Bonds
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	\$ 112,810
2023	25,000	25,000	15,000	18,251	-	-	60,000	39,950	111,525	139,665	348,760	120,000	55,000	60,000	117,780
2024	25,000	30,000	15,000	18,568	-	-	61,250	40,800	113,975	148,775	363,470	120,000	60,000	60,000	123,135
2025	30,000	30,000	15,000	18,885	-	-	63,750	42,500	116,425	153,330	115,000	125,000	60,000	60,000	128,105
2026	30,000	30,000	20,000	19,201	-	-	65,000	44,200	121,322	161,205	120,000	130,000	60,000	65,000	134,075
2027	30,000	30,000	20,000	19,518	-	-	67,500	45,900	-	165,760	124,000	140,000	65,000	70,000	114,295
2028	30,000	30,000	20,000	20,121	-	-	68,750	48,450	-	174,870	129,000	145,000	65,000	70,000	65,000
2029	30,000	30,000	20,000	-	-	-	-	50,150	-	37,400	134,000	-	70,000	75,000	68,000
2030	15,058	30,000	20,000	-	-	-	-	51,850	-	39,100	140,000	-	75,000	75,000	71,000
2031	-	30,000	20,000	-	-	-	-	-	-	40,800	145,000	-	-	-	75,000
2032	-	28,908	20,875	-	-	-	-	-	-	-	151,000	-	-	-	78,000
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,000
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,000
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,000
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,000
	<u>\$ 240,058</u>	<u>\$ 318,908</u>	<u>\$ 200,875</u>	<u>\$ 132,479</u>	<u>\$ 20,350</u>	<u>\$ 47,685</u>	<u>\$ 443,750</u>	<u>\$ 402,900</u>	<u>\$ 572,322</u>	<u>\$ 1,195,165</u>	<u>\$ 2,113,205</u>	<u>\$ 895,000</u>	<u>\$ 565,000</u>	<u>\$ 590,000</u>	<u>\$ 1,423,200</u>
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%	3.0 - 5.0%
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
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	9/1/2021
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	\$ 1,423,200
* Applicable to fund															

CITY OF MARQUETTE, MICHIGAN

**SCHEDULE OF BONDS, AND NOTES PAYABLE -
ENTERPRISE FUNDS**

For the Fiscal Year Ended September 30, 2021

Maturities Year Ending September 30,	SEWAGE DISPOSAL FUND													
	State Act 94 Clean Water Assistance Loan Payable	State Revolving Fund Loan 2009	State Revolving Fund Loan 2011	2011 Street Improvements Bonds	2012 Capital Improvements Bonds	2013 Capital Improvements Bonds	2014 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2017 Capital Improvements Bonds	2018 Capital Improvements Bonds	2019 Capital Improvements Bonds	2020 Capital Improvements Bonds	2021 Capital Improvements Bonds
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	\$ 180,550
2023	205,000	35,000	35,000	-	-	67,200	110,450	37,385	130,142	201,900	140,000	110,000	55,000	188,900
2024	210,000	40,000	35,000	-	-	68,600	112,800	38,185	138,610	210,300	145,000	115,000	60,000	197,325
2025	-	40,000	40,000	-	-	71,400	117,500	38,985	142,844	86,250	155,000	115,000	60,000	205,675
2026	-	40,000	40,000	-	-	72,800	122,200	40,582	150,184	90,000	160,000	120,000	65,000	215,025
2027	-	40,000	40,000	-	-	75,600	126,900	-	154,418	93,000	165,000	125,000	65,000	153,625
2028	-	40,000	40,000	-	-	77,000	133,950	-	162,886	96,750	175,000	130,000	70,000	65,000
2029	-	40,000	40,000	-	-	-	138,650	-	37,400	100,500	-	135,000	75,000	68,000
2030	-	40,699	40,000	-	-	-	143,350	-	39,100	105,000	-	140,000	75,000	71,000
2031	-	-	46,785	-	-	-	-	-	40,800	108,750	-	-	-	75,000
2032	-	-	-	-	-	-	-	-	-	113,250	-	-	-	78,000
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	80,000
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	83,000
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	85,000
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	88,000
	<u>\$ 615,000</u>	<u>\$ 350,699</u>	<u>\$ 391,785</u>	<u>\$ 57,350</u>	<u>\$ 82,875</u>	<u>\$ 497,000</u>	<u>\$ 1,113,900</u>	<u>\$ 191,722</u>	<u>\$ 1,121,442</u>	<u>\$ 1,403,700</u>	<u>\$ 1,075,000</u>	<u>\$ 1,095,000</u>	<u>\$ 580,000</u>	<u>\$ 1,834,100</u>
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%	3.0 - 5.0%
Interest Dates	April and October	April and October	April and October	April and October	May and November	February and August	April and October	May and November	May and November	May and November	May and November	May and November	May and November	May and November
Date of original	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	9/1/2021
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	\$ 1,834,100

* Applicable to fund

CITY OF MARQUETTE, MICHIGAN

**SCHEDULE OF BONDS, AND NOTES PAYABLE -
ENTERPRISE FUNDS**

For the Fiscal Year Ended September 30, 2021

Maturities Year Ending September 30,	STORMWATER UTILITY FUND											LAKESHORE AND LIGHTHOUSE PARK FUND	MARINAS FUND
	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 Capital Improvements Bonds	2018 Building Authority Bonds	2019 Capital Improvements Bonds
2022	\$ 6,457	\$ 33,300	\$ 39,525	\$ 36,800	\$ 8,633	\$ 344,380	\$ 104,175	\$ 125,000	\$ 80,000	\$ 115,000	\$ 138,050	\$ 95,000	\$ 75,000
2023	6,571	-	-	38,400	8,783	129,695	107,380	130,000	80,000	120,000	144,200	100,000	75,000
2024	6,684	-	-	39,200	8,933	138,025	111,610	135,000	85,000	125,000	150,225	105,000	75,000
2025	6,798	-	-	40,800	9,083	142,190	86,250	140,000	85,000	130,000	156,375	105,000	80,000
2026	6,912	-	-	41,600	9,394	149,515	90,000	145,000	90,000	135,000	163,925	110,000	85,000
2027	7,026	-	-	43,200	-	153,680	93,000	150,000	95,000	140,000	129,575	115,000	85,000
2028	7,244	-	-	44,000	-	162,010	96,750	160,000	100,000	145,000	91,000	120,000	90,000
2029	-	-	-	-	-	50,600	100,500	-	105,000	150,000	95,200	-	95,000
2030	-	-	-	-	-	52,900	105,000	-	105,000	160,000	99,400	-	95,000
2031	-	-	-	-	-	55,200	108,750	-	-	-	105,000	-	-
2032	-	-	-	-	-	-	113,250	-	-	-	109,200	-	-
2033	-	-	-	-	-	-	-	-	-	-	112,000	-	-
2034	-	-	-	-	-	-	-	-	-	-	116,200	-	-
2035	-	-	-	-	-	-	-	-	-	-	119,000	-	-
2036	-	-	-	-	-	-	-	-	-	-	123,200	-	-
	<u>\$ 47,692</u>	<u>\$ 33,300</u>	<u>\$ 39,525</u>	<u>\$ 284,000</u>	<u>\$ 44,826</u>	<u>\$ 1,378,195</u>	<u>\$ 1,116,665</u>	<u>\$ 985,000</u>	<u>\$ 825,000</u>	<u>\$ 1,220,000</u>	<u>\$ 1,852,550</u>	<u>\$ 750,000</u>	<u>\$ 755,000</u>
Interest Rates	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%	3.0 - 5.0%	2.65 - 3.81%	3.0 - 4.0%
Interest Dates	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	May and November	May and November	May and November
Date of original issue	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	9/1/2021	7/31/2018	11/12/2019
Amount of original issue *	\$ 123,234	\$ 484,200	\$ 583,575	\$ 555,200	\$ 78,809	\$ 1,579,945	\$ 1,465,325	\$ 1,350,000	\$ 895,000	\$ 1,340,000	\$ 1,852,550	\$ 1,035,000	\$ 825,000

* 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, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,478,240	\$ 7,120,628
Internally designated assets:		
Customer electric rate stabilization fund	1,500,000	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	7,688,279	4,785,000
Debt service fund	5,400,000	5,400,000
Asset retirement obligation and environmental liability remediation fund	2,006,280	6,000,000
Replacement-risk retention fund	4,550,000	4,550,000
Improvement fund	24,923,078	21,368,880
Future generation fund	-	-
Accrued interest	8,089	3,663
Accounts receivable, net	3,737,898	3,925,060
Accrued interest receivable	-	-
Inventory	2,055,123	1,583,471
Prepaid expenses	499,545	356,264
TOTAL CURRENT ASSETS	61,846,532	59,192,966
Non-current Assets:		
Restricted Assets:		
Unspent 2016A bond proceeds	-	3,427,595
Bond and interest redemption fund	1,714,177	1,606,109
Bond reserve fund	5,481,188	5,496,652
Customer deposits	1,864,885	1,766,223
Retiree health funding vehicle fund (Net OPEB asset)	-	-
Pinehill landfill fund	-	-
Asset retirement fund	263,832	263,832
Energy optimization fund	502,866	474,819
Accrued interest	18,708	24,050
TOTAL RESTRICTED ASSETS	9,845,656	13,059,280
Investment in UPPPA	4,916,993	4,864,433
Property, plant, and equipment	143,288,327	139,466,311
Accumulated depreciation	(50,147,435)	(46,219,165)
TOTAL NON-CURRENT ASSETS	107,903,541	111,170,859
TOTAL ASSETS	169,750,073	170,363,825
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	1,339,914	1,405,234
Deferred outflows related to OPEB	164,675	268,849
Employer contributions subsequent to measurement	1,472,315	1,420,081
Deferred charge on refunding	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,976,904	3,094,164
LIABILITIES		
Current Liabilities:		
Accounts payable	2,417,859	4,022,032
Accrued liabilities	289,059	245,328
Compensated absences	1,257,846	1,296,577
Customer deposits payable	1,876,706	1,773,799
Other current liabilities	2,603,681	6,324,644
TOTAL CURRENT LIABILITIES	8,445,151	13,662,380
Current Liabilities (payable from restricted assets):		
Current maturities on bonds and capital lease	2,760,000	2,630,000
Revenue bond accrued interest payable	667,053	699,928
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	3,427,053	3,329,928
Non-current Liabilities:		
Net pension liability	8,207,168	10,463,379
Net OPEB liability	2,592,896	5,094,716
Bonds payable	56,475,000	59,235,000
Unamortized bond premium	6,299,928	7,141,161
Reserve for equipment overhaul and landfill postclosure costs	95,684	100,000
TOTAL NON-CURRENT LIABILITIES	73,670,676	82,034,256
TOTAL LIABILITIES	85,542,880	99,026,564
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	2,343,743	882,425
Deferred inflows related to pension	1,961,127	770,614
TOTAL DEFERRED INFLOWS OF RESOURCES	4,304,870	1,653,039
NET POSITION		
Net investment in capital assets	27,605,964	24,240,985
Restricted for:		
Other activities	9,845,656	13,059,280
Unrestricted	45,427,607	35,478,121
TOTAL NET POSITION	\$ 82,879,227	\$ 72,778,386

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, 2021

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

	2021	2020
OPERATING REVENUES:		
Electricity Sales:		
Residential	\$ 14,696,570	\$ 15,486,295
Commercial	21,011,071	23,008,276
Sales to other utilities	503,248	346,575
Street lighting	468,268	555,989
Other municipal departments	1,153,391	1,215,414
Rent and other	1,006,397	930,874
TOTAL OPERATING REVENUES	38,838,945	41,543,423
OPERATING EXPENSES:		
Administrative and general	2,961,524	3,897,315
Production	8,938,667	9,107,578
Purchased power	4,598,495	3,468,745
Distribution and transmission	3,534,378	4,066,314
Customer accounting	872,024	944,972
Payment in lieu of property taxes - City of Marquette	2,015,023	2,156,883
Provision for depreciation	4,857,179	5,155,523
TOTAL OPERATING EXPENSES	27,777,290	28,797,330
INCOME/(LOSS) FROM OPERATIONS	11,061,655	12,746,093
NON-OPERATING REVENUES (EXPENSES):		
Investment income	755,863	1,245,490
Amortization of bond premium	-	-
Interest on long term debt	(1,925,604)	(2,028,951)
Bond issuance expense	-	-
Gain on sale of treasury note	-	-
Gain (Loss) on disposal of equipment	48,085	(751,196)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,121,656)	(1,534,657)
CHANGE IN NET POSITION BEFORE SPECIAL ITEM	9,939,999	11,211,436
Shiras Steam Plant impairment	-	(261,542)
CHANGE IN NET POSITION AFTER SPECIAL ITEM	9,939,999	10,949,894
Capital contributions from customers	160,842	46,901
CHANGE IN NET POSITION	10,100,841	10,996,795
Net position, beginning of year	72,778,386	61,781,591
NET POSITION, END OF YEAR	\$ 82,879,227	\$ 72,778,386

CITY OF MARQUETTE, MICHIGAN

BOARD OF LIGHT AND POWER ELECTRIC UTILITY

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2021

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 39,089,114	\$ 42,016,293
Cash paid to suppliers and employees	(30,808,536)	(25,705,299)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,280,578	16,310,994
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(4,782,152)	(3,822,044)
Proceeds from sale of equipment	79,316	215,000
Principal payment on revenue bonds, notes payable and capital lease obligations	(2,630,000)	(2,663,101)
Capital contributions	160,842	46,901
Proceeds from issuance of long term debt	-	-
Premium on bond issuance	-	-
Cash payments for bond issuance expense	-	-
Interest paid on revenue bonds and notes payable	(2,832,588)	(2,926,974)
NET CASH (USED) FOR CAPITAL AND FINANCING ACTIVITIES	(10,004,582)	(9,150,218)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	755,863	1,033,448
Proceeds from maturities and sales of investment securities	6,344,549	274,658
Purchase of investments	(6,018,796)	(9,172,530)
NET CASH (USED) BY INVESTING ACTIVITIES	1,081,616	(7,864,424)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(642,388)	(703,648)
Cash and cash equivalents, beginning of year	7,120,628	7,824,276
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,478,240	\$ 7,120,628
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 11,061,655	\$ 12,746,093
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation	4,857,179	5,155,523
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	187,162	441,126
(Increase)/Decrease in inventory	(471,652)	(417,869)
(Increase)/Decrease in prepaid expenses	(143,281)	(243,287)
Increase/(Decrease) in accounts payable	(1,604,173)	934,252
Increase/(Decrease) in accrued wages and related liabilities	43,731	(311,234)
Increase/(Decrease) in accrued sick and vacation	(38,731)	277,519
Increase in customer deposits, including accrued interest	102,907	133,876
(Decrease) in landfill site postclosure care cost liability	-	-
Increase/(Decrease) in other post-employment benefits (OPEB), and net pension liability	(1,988,940)	(4,030,817)
Increase in reserve for turbine overhaul and landfill postclosure costs	(4,316)	(2,264,181)
Increase/(Decrease) in other current liabilities	(3,720,963)	3,889,993
NET ADJUSTMENTS	(2,781,077)	3,564,901
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 8,280,578	\$ 16,310,994

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 8,250,548
Taxes receivable, net	38,058
Accounts receivable, net	-
Due from primary government	-
Other assets	<u>87,179</u>
TOTAL CURRENT ASSETS	<u>8,375,785</u>
Non-current assets:	
Other capital assets, net of depreciation	<u>835,369</u>
TOTAL NON-CURRENT ASSETS	<u>835,369</u>
TOTAL ASSETS	<u>9,211,154</u>
DEFERRED OUTFLOWS OF RESOURCES	
Receivables for developer obligations	<u>72,624,141</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>72,624,141</u>
LIABILITIES	
Current liabilities:	
Accounts payable	77,921
Accrued liabilities	2,144
Accrued interest	590,581
Due to primary government	-
Bonds payable for capital assets- due in one year	85,000
Bonds payable for developer - due in one year	<u>860,000</u>
TOTAL CURRENT LIABILITIES	<u>1,615,646</u>
Non-current liabilities:	
Bonds payable for capital assets - due in more than one year	625,000
Bonds payable for developer - due in more than one year	31,037,350
Long term obligations to developers	<u>39,426,210</u>
TOTAL NON-CURRENT LIABILITIES	<u>71,088,560</u>
TOTAL LIABILITIES	<u>72,704,206</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for a subsequent period	<u>3,891,053</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,891,053</u>
NET POSITION	
Net investment in capital assets	125,369
Restricted	<u>5,114,667</u>
TOTAL NET POSITION	<u><u>\$ 5,240,036</u></u>

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 14,535,644	\$ -	\$ 22,500	\$ (14,513,144)
Interest on long-term debt	1,070,856	-	-	(1,070,856)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 15,606,500	\$ -	\$ 22,500	(15,584,000)
		General revenues:		
		Property taxes		14,771,027
		Interest and investment earnings		8,465
		Miscellaneous		-
		Total General Revenues		14,779,492
		CHANGE IN NET POSITION		(804,508)
		Net position, beginning of year		6,044,544
		NET POSITION, END OF YEAR		\$ 5,240,036

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
COMPARATIVE BALANCE SHEET
September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 8,250,548	\$ 5,881,672
Taxes receivable, net	38,058	2,659,892
Other assets	87,179	11,020
TOTAL ASSETS	8,375,785	8,552,584
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 8,375,785	\$ 8,552,584
LIABILITIES		
Accounts payable	\$ 77,921	\$ 24,880
Accrued salaries and wages	2,144	1,990
Due to primary government	-	-
TOTAL LIABILITIES	80,065	26,870
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	3,891,053	3,429,161
FUND BALANCE		
Restricted	4,390,639	5,095,759
Unassigned	14,028	794
TOTAL FUND BALANCE	4,404,667	5,096,553
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 8,375,785	\$ 8,552,584

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2021

Total Fund Balances for Governmental Funds	\$ 4,404,667
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in those funds

	1,285,857	
Cost of capital assets		
Accumulated depreciation	<u>(450,488)</u>	835,369

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	72,624,141
---------------------------------------	------------

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

	(85,000)	
Current portion of bonds payable for capital assets		
Current portion of bonds payable for developer	(860,000)	
Accrued interest on bonds	(590,581)	
Bonds payable for capital assets	(625,000)	
Bonds payable for developer	(31,037,350)	
Long term obligations to developers	<u>(39,426,210)</u>	<u>(72,624,141)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,240,036</u>
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CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2021
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2020

	2021	2020
REVENUES		
Property taxes	\$ 6,013,708	\$ 3,980,634
Private contribution	22,500	-
Investment income	8,465	8,467
	<u>6,044,673</u>	<u>3,989,101</u>
TOTAL REVENUES	<u>6,044,673</u>	<u>3,989,101</u>
EXPENDITURES		
Current operations:		
General government	40,064	40,391
Economic development:		
Supplies and contractual	4,608,846	949,856
Capital outlay	-	-
Debt service		
Principal retirement	885,000	210,000
Interest and fiscal charges	1,202,649	1,210,471
	<u>6,736,559</u>	<u>2,410,718</u>
TOTAL EXPENDITURES	<u>6,736,559</u>	<u>2,410,718</u>
NET REVENUES OVER EXPENDITURES	<u>(691,886)</u>	<u>1,578,383</u>
OTHER FINANCING SOURCES (USES)		
Bond issuance	-	-
Premium on bond issuance	-	-
	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(691,886)</u>	<u>1,578,383</u>
Fund balance, beginning of year	<u>5,096,553</u>	<u>3,518,170</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 4,404,667</u></u>	<u><u>\$ 5,096,553</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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	(691,886)
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*Amounts reported for governmental activities in the statement of
activities is different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	Capital outlays	\$ -	
	Depreciation expense	(112,622)	
	Net book value of disposals	-	(112,622)
debt issue increases long-term liabilities in the statement of net position			-

Premiums on bonds are an other financing source in the fund when first issued, but these amounts are amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt.	120,194
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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.	11,599
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	885,000
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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.	(9,774,112)
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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.	8,757,319
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	(804,508)
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CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
September 30, 2021

	Downtown Development Authority	Peter White Public Library	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,546,642	\$ 1,461,182	\$ 3,007,824
Taxes receivable, net	84,260	60,229	144,489
Accounts receivable, net	25,370	5,329	30,699
Due from Federal	-	-	-
Other assets	-	26,751	26,751
TOTAL CURRENT ASSETS	1,656,272	1,553,491	3,209,763
Non-current assets:			
Restricted cash and cash equivalents	-	2,056,596	2,056,596
Land and construction in progress	222,487	114,704	337,191
Other capital assets, net of depreciation	2,649,195	7,169,465	9,818,660
TOTAL NON-CURRENT ASSETS	2,871,682	9,340,765	12,212,447
TOTAL ASSETS	4,527,954	10,894,256	15,422,210
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	-	191,322	191,322
Employer contributions subsequent to measurement date	-	58,182	58,182
Receivables for developer obligations	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	249,504	249,504
LIABILITIES			
Current liabilities:			
Accounts payable	316	25,269	25,585
Accrued liabilities	7,341	111,434	118,775
Accrued interest	1,848	-	1,848
Due to others	-	5,687	5,687
Grants received in advance	12,000	-	12,000
Compensated absences	33,656	-	33,656
Bonds payable - due in one year	124,000	220,000	344,000
TOTAL CURRENT LIABILITIES	179,161	362,390	541,551
Non-current liabilities:			
Compensated absences	-	64,624	64,624
Net pension liability	-	908,898	908,898
Bonds payable	781,000	3,267,544	4,048,544
TOTAL NON-CURRENT LIABILITIES	781,000	4,241,066	5,022,066
TOTAL LIABILITIES	960,161	4,603,456	5,563,617
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	-	95,418	95,418
Taxes levied for a subsequent period	623,972	964,541	1,588,513
TOTAL DEFERRED INFLOWS OF RESOURCES	623,972	1,059,959	1,683,931
NET POSITION			
Net investment in capital assets	1,966,682	3,796,625	5,763,307
Restricted	12,000	1,834,313	1,846,313
Unrestricted	965,139	(150,593)	814,546
TOTAL NET POSITION	\$ 2,943,821	\$ 5,480,345	\$ 8,424,166

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

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	\$ 1,417,377	\$ 359,431	\$ 52,029	\$ (1,005,917)	\$ -	\$ (1,005,917)
Peter White Public Library	2,148,100	118,652	1,017,804	-	(1,011,644)	(1,011,644)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,565,477	\$ 478,083	\$ 1,069,833	(1,005,917)	(1,011,644)	(2,017,561)
General revenues:						
Property taxes				871,862	1,298,957	2,170,819
Interest and investment earnings				1,549	296,392	297,941
Gain on the sale of capital assets				-	-	-
Miscellaneous				75,825	37,170	112,995
Total General Revenues				949,236	1,632,519	2,581,755
CHANGE IN NET POSITION				(56,681)	620,875	564,194
Net position, beginning of year				3,000,502	4,859,470	7,859,972
NET POSITION, END OF YEAR				\$ 2,943,821	\$ 5,480,345	\$ 8,424,166

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,546,642
Taxes receivable, net	84,260
Accounts receivable, net	25,370
Due from Federal government	-
Due from primary government	-
Other assets	-
	<hr/>
TOTAL CURRENT ASSETS	1,656,272
	<hr/>
Non-current assets:	
Land and construction in progress	222,487
Other capital assets, net of depreciation	2,649,195
	<hr/>
TOTAL NON-CURRENT ASSETS	2,871,682
	<hr/>
TOTAL ASSETS	4,527,954
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	-
	<hr/>
LIABILITIES	
Current liabilities:	
Accounts payable	316
Accrued liabilities	7,341
Accrued interest	1,848
Grants received in advance	12,000
Compensated absences	33,656
Bonds payable - due in one year	124,000
	<hr/>
TOTAL CURRENT LIABILITIES	179,161
	<hr/>
Non-current liabilities:	
Bonds payable - due in more than one year	781,000
	<hr/>
TOTAL NON-CURRENT LIABILITIES	781,000
	<hr/>
TOTAL LIABILITIES	960,161
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for a subsequent period	623,972
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	623,972
	<hr/>
NET POSITION	
Net investment in capital assets	1,966,682
Restricted	12,000
Unrestricted	965,139
	<hr/>
TOTAL NET POSITION	\$ 2,943,821
	<hr/>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2021

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 1,372,690	\$ 359,431	\$ 52,029	\$ (961,230)
Interest on long-term debt	44,687	-	-	(44,687)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,417,377	\$ 359,431	\$ 52,029	(1,005,917)
	General revenues:			
	Property taxes			871,862
	Interest and investment earnings			1,549
	Gain on the sale of capital assets			-
	Miscellaneous			75,825
				<u>949,236</u>
		Total General Revenues		
				<u>949,236</u>
		CHANGE IN NET POSITION		(56,681)
	Net position, beginning of year			<u>3,000,502</u>
		NET POSITION, END OF YEAR		\$ 2,943,821

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2021

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 1,546,642	\$ 1,546,642
Taxes receivable, net	84,260	84,260
Accounts receivable, net	25,370	25,370
Grants receivable, net	-	-
Other assets	-	-
	<hr/>	<hr/>
TOTAL ASSETS	1,656,272	1,656,272
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	-	-
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,656,272</u>	<u>\$ 1,656,272</u>
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ 316	\$ 316
Accrued salaries and wages	7,341	7,341
Grants received in advance	12,000	12,000
	<hr/>	<hr/>
TOTAL LIABILITIES	19,657	19,657
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for a subsequent period	623,972	623,972
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	623,972	623,972
	<hr/>	<hr/>
FUND BALANCE		
Restricted	-	-
Unassigned	1,012,643	1,012,643
	<hr/>	<hr/>
TOTAL FUND BALANCE	1,012,643	1,012,643
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,656,272</u>	<u>\$ 1,656,272</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, 2021

Total Fund Balances for Governmental Funds \$ 1,012,643

*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	5,706,981	
Accumulated depreciation	<u>(2,835,299)</u>	2,871,682

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	(124,000)
Bonds payable	(781,000)
Compensated absences	(33,656)
Accrued interest on bonds	<u>(1,848)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,943,821

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, 2021

	General Fund	Total Governmental Funds
REVENUES		
Property taxes	\$ 871,862	\$ 871,862
Federal sources	-	-
State sources	52,029	52,029
Intergovernmental revenues	-	-
Charges for services	341,221	341,221
Rentals	18,210	18,210
Investment income	1,549	1,549
Other	75,825	75,825
	<hr/>	<hr/>
TOTAL REVENUES	1,360,696	1,360,696
	<hr/>	<hr/>
EXPENDITURES		
Current operations:		
General government	866,561	866,561
Capital outlay	533,007	533,007
Debt service		
Principal retirement	135,000	135,000
Interest and fiscal charges	21,542	21,542
	<hr/>	<hr/>
TOTAL EXPENDITURES	1,556,110	1,556,110
	<hr/>	<hr/>
NET REVENUES OVER EXPENDITURES	(195,414)	(195,414)
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	-	-
Bond issuance	254,000	254,000
Refunding bonds	786,000	786,000
Payment to refunded bond escrow agent	(774,016)	(774,016)
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	265,984	265,984
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	70,570	70,570
	<hr/>	<hr/>
Fund balance, beginning of year	942,073	942,073
	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	<u>\$ 1,012,643</u>	<u>\$ 1,012,643</u>

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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	70,570
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Amounts reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	Capital outlays	\$ 275,987	
	Depreciation expense	(248,826)	
	Net book value of disposals	<u>-</u>	27,161

Proceeds from debt issues are an other financing resource in the funds, but a debt issue increases long-term liabilities in the statement of net position		(1,040,000)
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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.		871
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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.		885,000
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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.

		<u>(283)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(56,681)</u>
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CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY
STATEMENT OF NET POSITION
September 30, 2021

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,461,182
Taxes receivable, net	60,229
Accounts receivable, net	5,329
Prepaid expenses	26,751
Non-current assets:	
Restricted cash and cash equivalents	2,056,596
Land and construction in progress	114,704
Other capital assets, net of depreciation	<u>7,169,465</u>
TOTAL ASSETS	<u>10,894,256</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	191,322
Employer contributions subsequent to measurement date	<u>58,182</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>249,504</u>
LIABILITIES	
Current liabilities:	
Accounts payable	25,269
Accrued liabilities	111,434
Due to others	5,687
Bonds payable - due in one year	220,000
Non-current liabilities:	
Bonds payable	3,267,544
Compensated absences	64,624
Net pension liability	<u>908,898</u>
TOTAL LIABILITIES	<u>4,603,456</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	95,418
Taxes levied for a subsequent period	<u>964,541</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,059,959</u>
NET POSITION	
Net investment in capital assets	3,796,625
Restricted for:	
Debt services	271,318
Other activities	1,562,995
Unrestricted	<u>(150,593)</u>
TOTAL NET POSITION	<u>\$ 5,480,345</u>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2021

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	\$ 2,034,300	\$ 118,652	\$ 1,017,804	\$ (897,844)
Interest on long-term debt	113,800	-	-	(113,800)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,148,100	\$ 118,652	\$ 1,017,804	(1,011,644)
General revenues:				
	Property taxes			1,298,957
	Interest and investment earnings			296,392
	Gain/(loss) on sale of fixed assets			-
	Miscellaneous			37,170
	Total General Revenues			1,632,519
	CHANGE IN NET POSITION			620,875
	Net position, beginning of year			4,859,470
	NET POSITION, END OF YEAR			\$ 5,480,345

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2021

	General Fund	Carroll Paul Memorial Trust Fund	Library Improvement Debt Fund	Peter White Public Library Development Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,011,713	\$ 1,306	\$ 520,352	\$ 130,582	\$ 1,663,953
Investments	449,469	986,883	-	417,473	1,853,825
Taxes receivable, net	45,423	-	14,806	-	60,229
Accounts receivable, net	5,329	-	-	-	5,329
Prepaid expenditures	26,751	-	-	-	26,751
TOTAL ASSETS	1,538,685	988,189	535,158	548,055	3,610,087
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,538,685	\$ 988,189	\$ 535,158	\$ 548,055	\$ 3,610,087
LIABILITIES					
Accounts payable	\$ 25,269	\$ -	\$ -	\$ -	\$ 25,269
Accrued salaries and wages	54,534	-	-	-	54,534
Due to other funds	4,595	-	1,092	-	5,687
TOTAL LIABILITIES	84,398	-	1,092	-	85,490
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for a subsequent period	701,793	-	262,748	-	964,541
TOTAL DEFERRED INFLOWS OF RESOURCES	701,793	-	262,748	-	964,541
FUND BALANCE					
Non-spendable	26,751	-	-	-	26,751
Restricted for:					
Capital outlay	-	-	-	-	-
Debt retirement	-	-	271,318	-	271,318
Endowments	-	988,189	-	548,055	1,536,244
Unassigned	725,743	-	-	-	725,743
TOTAL FUND BALANCE	752,494	988,189	271,318	548,055	2,560,056
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,538,685	\$ 988,189	\$ 535,158	\$ 548,055	\$ 3,610,087

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, 2021

Total Fund Balances for Governmental Funds	\$ 2,560,056
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in those funds

	14,265,326	
Cost of capital assets		
Accumulated depreciation	<u>(6,981,157)</u>	7,284,169

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

Net pension liability	(908,898)	
Deferred (outflows) of resources related to net pension liability	191,322	
Employer contributions subsequent to measurement date	58,182	
Deferred inflows of resources related to net pension liability	<u>(95,418)</u>	(754,812)

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

Bonds payable - due in one year	(220,000)	
Bonds payable - due in more than one year	(2,980,000)	
Premium on bond	(287,544)	
Accrued interest on debt	(56,900)	
Compensated absences	<u>(64,624)</u>	<u>(3,609,068)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,480,345</u>
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CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2021

	General Fund	Carroll Paul Memorial Trust Fund	1997 Library Improvement Debt Fund	Peter White Public Library Development Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 925,625	\$ -	\$ 373,332	\$ -	\$ 1,298,957
Federal sources	7,918	-	-	-	7,918
State sources	71,605	-	-	-	71,605
Local sources	622,925	-	-	-	622,925
Charges for services	20,998	-	-	-	20,998
Fine and forfeiture	69,609	-	-	-	69,609
Rentals	28,045	-	-	-	28,045
Contributions from private sources	159,777	-	-	155,579	315,356
Investment income	76,709	169,933	-	49,750	296,392
Other revenues	13,208	-	-	-	13,208
TOTAL REVENUES	1,996,419	169,933	373,332	205,329	2,745,013
EXPENDITURES					
Recreation and Culture:					
Personnel services	1,365,388	-	-	-	1,365,388
Supplies	76,280	-	-	-	76,280
Other services and charges	354,125	-	520	78,889	433,534
Capital outlay	99,906	-	-	-	99,906
Debt service:					
Principal retirement	-	-	220,000	-	220,000
Interest and fiscal charges	-	-	116,000	-	116,000
TOTAL EXPENDITURES	1,895,699	-	336,520	78,889	2,311,108
NET REVENUES OVER EXPENDITURES	100,720	169,933	36,812	126,440	433,905
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	130,720	139,933	36,812	126,440	433,905
Fund balance, beginning of year	621,774	848,256	234,506	421,615	2,126,151
FUND BALANCE, END OF YEAR	\$ 752,494	\$ 988,189	\$ 271,318	\$ 548,055	\$ 2,560,056

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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	433,905
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Amounts reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$	15,984	
Depreciation expense		(202,278)	
Net book value of disposals		<u>-</u>	(186,294)

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.

220,000

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.

2,200

Some expenses such as accrued sick and vacation expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

2,694

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

124,408

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 620,875

CITY OF MARQUETTE, MICHIGAN

STATISTICAL SECTION

This part of the City of Marquette's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

CITY OF MARQUETTE, MICHIGAN
Net Position / Net Assets by Component
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015 *	2014	2013	2012
Governmental Activities										
Net investment in capital assets	\$ 53,359,482	\$ 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
Restricted	937,104	886,004	940,606	4,126,444	2,861,425	792,364	1,482,626	1,873,995	719,411	1,593,378
Unrestricted	(16,596,933)	(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
Total Governmental Activities										
Net Position / Net Assets	<u>\$ 37,699,653</u>	<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>
Business-Type Activities										
Net investment in capital assets	\$ 34,952,221	\$ 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
Restricted	2,349,695	320,602	328,361	1,705,053	837,004	-	1,661,848	2,714,043	211,294	1,142,971
Unrestricted	(1,356,252)	804,576	(1,814,623)	(1,309,536)	(309,010)	(524,411)	(2,604,078)	474,848	4,387,928	3,651,627
Total Business-Type Activities										
Net Position / Net Assets	<u>\$ 35,945,664</u>	<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>
Primary Government										
Net investment in capital assets	\$ 88,311,703	\$ 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
Restricted	3,286,799	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
Unrestricted	(17,953,185)	(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
Total Primary Government										
Net Position / Net Assets	<u>\$ 73,645,317</u>	<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>

* 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									
	2021	2020	2019	2018	2017	2016	2015	2014 *	2013	2012
Expenses										
Governmental Activities										
General government	\$ 5,202,213	\$ 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
Public health & Safety	8,490,968	8,910,951	8,880,337	7,984,991	8,373,965	10,154,891	8,058,601	8,866,452	7,287,784	6,588,969
Public works	4,242,062	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
Highway and streets	3,289,477	3,614,699	3,946,829	2,919,733	2,100,708	3,288,402	2,688,985	3,089,215	2,130,526	2,458,441
Social services	698,272	733,323	727,878	650,445	673,013	672,878	540,432	642,198	462,412	436,478
Sanitation	2,659,886	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
Community services / Recreation and culture	1,426,698	1,478,958	1,570,778	1,445,068	1,460,830	1,472,744	1,396,090	1,866,955	1,469,678	1,335,522
Interest on long-term debt	591,032	784,210	742,496	710,415	659,470	765,649	702,786	887,454	761,123	804,326
Depreciation - unallocated	2,426,961	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
Total Governmental Activities Expenses	29,027,569	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
Business-Type Activities										
Water supply	4,849,387	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
Sewage disposal	5,984,739	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
Storm water utility	1,629,951	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
Public works	285,254	323,404	-	-	-	-	-	-	-	-
Community services / Recreation and culture	1,008,301	914,792	1,212,776	1,084,168	710,244	591,369	586,703	1,075,127	565,480	564,667
Total Business-Type Activities Expenses	13,757,632	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
Total Primary Government Expenses	\$ 42,785,201	\$ 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
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 1,328,181	\$ 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
Public health	202,535	169,654	237,949	262,901	269,667	184,015	198,196	245,345	128,350	189,761
Public works	1,415,191	1,341,016	1,433,183	1,252,931	1,220,582	1,179,029	1,278,331	1,295,786	1,063,755	1,421,290
Sanitation	2,727,365	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
Community services / Recreation and culture	488,835	535,335	574,437	632,351	594,120	591,373	546,539	676,196	544,566	532,742
Operating grants and contributions	4,794,822	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
Capital grants and contributions	1,960,996	87,448	1,183,743	4,645,306	19,492,855	6,560,733	731,688	51,348	202,303	135,860
Total Governmental Activities Program Revenues	12,917,925	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
Business-Type Activities										
Charges for Services										
Water supply	5,372,627	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
Sewage disposal	7,353,821	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
Storm water utility	1,767,105	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
Public works	287,610	338,495	-	-	-	-	-	-	-	-
Community services / Recreation and culture	1,031,264	786,683	1,156,988	1,136,865	768,451	691,716	1,220,648	1,025,237	496,962	518,836
Operating grants and contributions	-	-	-	-	-	-	-	-	-	69,271
Capital grants and contributions	363,151	541,900	154,491	795,762	267,919	275,033	118,089	729,426	749,985	-
Total Business-Type Activities Program Revenues	16,175,578	16,589,508	15,041,902	13,058,685	12,181,355	11,745,032	10,887,413	14,840,808	11,737,312	10,989,757
Total Primary Government Program Revenues	\$ 29,093,503	\$ 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
Net (Expense) Revenue										
Governmental Activities	\$ (16,109,644)	\$ (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)
Business-Type Activities	2,417,946	2,637,789	896,551	171,382	(542,435)	(1,002,674)	(1,075,025)	(731,984)	144,192	288,361
Total Primary Government Net Expense	\$ (13,691,698)	\$ (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)
General Revenues and Other Changes in Net Position / Net Assets										
Governmental Activities										
Taxes										
Property taxes	\$ 10,859,716	\$ 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
Payments in lieu of taxes	3,587,977	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
Unrestricted state sources	3,306,827	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
Interest and investment earnings	26,851	172,771	409,911	11,095	3,197	252,962	219,202	134,258	(47,473)	251,226
Gain (loss) on sale of capital assets	260,426	13,620	1,376,313	-	-	854,166	7,384	9,539	1,262	(51,757)
Miscellaneous	491,305	418,908	129,076	155,429	319,945	358,389	154,165	352,322	154,680	265,949
Transfers	265,248	165,981	1,616,472	(18,720)	-	(360,000)	-	(166,410)	(50,247)	(35,321)
Total Governmental Activities	18,798,350	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
Business-Type Activities										
Interest and investment earnings	14,612	27,215	43,260	19,755	48,436	21,866	22,907	18,541	7,342	9,934
Gain on sale of capital assets	-	-	-	-	-	-	-	-	5,942	-
Miscellaneous	117,707	72,823	-	-	-	-	-	-	-	16,864
Extraordinary item - Winter Storm Damage	-	-	-	-	-	-	-	(362,058)	-	-
Transfers	(265,248)	(165,981)	(1,616,472)	18,720	-	360,000	-	166,410	50,247	35,321
Total Business-Type Activities	(132,929)	(65,943)	(1,573,212)	38,475	48,436	381,866	22,907	(177,107)	63,531	62,119
Total Primary Government	\$ 18,665,421	\$ 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
Change in Net Position / Net Assets										
Governmental activities	\$ 2,688,706	\$ (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)
Business-type activities	2,285,017	2,571,846	(676,661)	209,857	(493,999)	(620,808)	(1,052,118)	(909,091)	207,723	350,480
Total Primary Government	\$ 4,973,723	\$ 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)

* 2014 is a 15-month fiscal year

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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*	\$ 757,803	\$ 813,799	\$ 723,433	\$ 464,596	\$ 470,349	\$ 447,303	\$ 414,088	\$ 529,534	\$ 329,423	\$ 307,355
Restricted*	2,315	7,095	33,512	44,694	47,996	64,618	177,559	223,793	245,597	240,180
Assigned*	76,802	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
Unassigned*	8,889,446	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
Total General Fund	<u>\$ 9,726,366</u>	<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>
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*	\$ 964,279	\$ 912,788	\$ 1,709,080	\$ 846,152	\$ 823,102	\$ 787,786	\$ 761,387	\$ 744,640	\$ 693,924	\$ 669,565
Restricted*	4,164,429	3,683,888	2,172,383	3,215,886	3,780,031	1,264,343	675,770	483,532	416,098	343,358
Assigned*	2,008,151	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
Total All Other Governmental Funds	<u>\$ 7,136,859</u>	<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>

* - The requirements for GASB 54 were implemented in the fiscal year ending June 30, 2011

Table 4

CITY OF MARQUETTE, MICHIGAN
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014 *	2013	2012
Revenues										
Taxes	\$ 14,620,961	\$ 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
Federal and state sources	6,989,478	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
Fines and penalties	144,836	136,438	117,468	200,056	190,549	70,643	118,012	136,239	113,071	158,192
Charges for services	5,008,770	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
Special assessments	-	-	-	-	-	-	14,114	14,114	(23,167)	24,903
Intergovernmental	408,331	399,971	394,032	384,429	366,022	343,530	332,069	383,980	291,264	275,607
Investment income	29,434	183,219	453,027	(17,797)	(7,068)	274,997	244,794	136,093	(46,464)	251,125
Other revenues	4,624,828	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
Total Revenues	31,826,638	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
Expenditures										
General government	5,837,931	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
Public health and safety	9,040,069	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
Public works	4,061,935	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
Highway and streets	2,210,387	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
Social services and community development	738,871	709,284	679,975	631,176	608,234	580,937	532,432	634,993	458,863	435,328
Sanitation	2,342,953	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
Community services / Recreation and culture	1,490,952	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
Capital outlay	3,796,235	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
Other expenditures	-	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-	-
Debt Service										
Professional and contractual	38,123	81,096	3,580	14,234	79,538	320	17,127	31,950	36,242	15,595
Principal	1,819,699	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
Interest	615,032	558,281	804,410	656,674	597,847	789,199	710,837	795,144	780,142	789,076
Total Expenditures	31,992,187	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
Excess of revenues over (under) expenditures	(165,549)	(3,493,988)	(4,864,673)	(1,163,861)	(2,689,837)	1,556,161	79,120	(555,319)	(1,483,688)	496,796
Other Financing Sources (Uses)										
Proceeds from borrowing	2,550,150	3,340,000	-	2,405,000	9,582,578	-	712,237	4,512,900	1,253,745	1,076,000
Premium on bond issuance	379,973	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	(1,008,819)	-	-	-	(4,356,589)	-	-	(2,315,000)	-	-
Transfers in	3,905,842	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
Transfers out	(4,790,214)	(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)
Total Other Financing Sources (Uses)	1,036,932	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
Net change in fund balances	\$ 871,383	\$ (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
Debt Service as a Percentage of Non-capital Expenditures	8.81%	8.28%	19.25%	9.81%	8.78%	13.10%	9.42%	7.98%	9.15%	9.46%

* 2014 is a 15-month fiscal year

CITY OF MARQUETTE, MICHIGAN

General Governmental Expenditures by Functions ^(A)

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014 *	2013	2012
General Government	\$ 5,837,931	\$ 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
Public Health and Safety	9,040,069	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
Highways, Streets and Bridges	6,266,222	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
Sanitation	2,342,953	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
Social Services	738,871	709,284	679,975	631,176	608,234	580,937	532,432	634,993	458,863	435,328
Recreation and Culture	1,490,952	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
Capital Outlay	2,010,453	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
Debt Service	38,123	81,096	-	13,914	111,540	-	16,557	13,676	13,910	15,250
TOTALS	<u>\$ 27,765,574</u>	<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>

^(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

	2021	2020	2019	2018	2017	2016	2015	2014 *	2013	2012
Property Taxes	\$ 11,032,984	\$ 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
Payments in lieu of property taxes	3,587,977	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
State and Federal sources	6,989,478	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
Intergovernmental revenue	408,331	399,971	394,032	384,429	366,022	343,530	332,069	383,980	291,264	275,607
Licenses and permits	102,900	85,999	61,664	62,472	80,353	76,971	49,129	47,364	33,492	35,076
Charges for services	4,957,670	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
Sales	64,116	40,881	55,248	29,207	54,986	40,579	34,753	49,080	48,167	18,415
Use and admission fees	338,203	418,254	417,544	457,488	422,654	404,027	397,096	446,695	415,920	445,101
Fines and forfeits	144,836	136,438	117,468	200,056	190,549	70,643	118,012	136,239	113,071	158,192
Rentals	110,227	129,951	140,859	147,409	144,852	142,944	108,235	185,228	122,159	130,515
Special assessments	-	-	-	-	-	-	14,114	14,114	(23,167)	24,903
Sale of assets	895,405	13,620	895,523	-	-	8,800	-	9,540	1,262	201,614
Contribution from private sources	912,798	830,789	815,556	819,994	894,559	2,033,273	409,214	208,640	216,197	173,332
Reimbursements	307,734	350,267	393,830	127,856	232,822	168,869	142,552	303,668	148,441	87,621
Investment income	25,451	170,959	405,395	7,825	3,197	249,251	219,921	141,452	(1,313)	234,182
Other revenue	101,563	66,620	107,637	138,926	177,765	274,247	96,122	95,892	54,791	256,903
TOTAL	\$ 29,979,673	\$ 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

^(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, 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
September 30, 2021	1,114,532,900	1,200,518,800	16,331,600	675,331,400	1,656,051,900	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, 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
September 30, 2021	14.923	0.348	1.491	0.511	17.273	7.443	7.612	32.328

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	2021			2012		
	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	\$ 133,431,290	1	16.19%			
MIMG CL VIII Tourville Sub LLC	11,618,400	2	1.41%			
HJ Larson & Associates, Inc	8,060,300	3	0.98%	\$ 2,742,089	8	0.45%
Semco Energy Gas Co	7,130,984	4	0.87%			
Marquette Medical Dental Center	6,520,447	5	0.79%	11,090,190	2	1.82%
American Transmission Co. LLC	6,224,957	6	0.76%	4,946,100	4	0.81%
Liberty Way Hospitality	5,402,335	7	0.66%			
The Landing Development Group LLC	4,647,102	8	0.56%			
Veridea Group LLC	4,432,620	9	0.54%			
Brookridge Marquette	3,798,600	10	0.46%	2,725,206	9	0.45%
WE Energies				98,832,300	1	16.18%
O'Dovero Properties				2,793,905	7	0.46%
Tourville, Inc.				4,180,052	5	0.68%
Pioneer Laboratories, Inc.				5,305,090	3	0.87%
Shopko Properties Spe. Real Estate				2,973,200	6	0.49%
Mill Creek Community				2,280,700	10	0.37%
Total	<u>\$ 191,267,035</u>		<u>23.22%</u>	<u>\$ 137,868,832</u>		<u>22.58%</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, 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%
September 30, 2021	13,492,364	13,262,030	98.29%	399,098	13,661,128	101.25%

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			
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
2021	14,264,008	3,246,779	-	84,787	24,658,920	9,875,828	11,246,709	8,722,978	838,631	750,000	73,688,640	8.13%	3,510

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			
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
2021		17,595,574	1.06%	852.95

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, 2021

Governmental Unit	Overlapping Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
DIRECT DEBT			
City of Marquette	\$ 42,254,494	100.00%	\$ 42,254,494
		TOTAL DIRECT DEBT	42,254,494
OVERLAPPING DEBT			
County School District	5,310,000	59.47%	3,157,857
Library Improvements	3,200,000	100.00%	3,200,000
Tax Increment Bonds - DDA	905,000	100.00%	905,000
2010 Capital Improvement - BRFA	605,000	100.00%	605,000
2010 Recovery Zone Facility - BRFA	275,000	100.00%	275,000
2013 Capital Improvement - BRFA	105,000	100.00%	105,000
2016 Tax Increment Bonds - BRFA	17,145,000	100.00%	17,145,000
2017 Tax Increment Bonds - BRFA	645,000	100.00%	645,000
2017 Tax Increment Bonds - BRFA	11,560,000	100.00%	11,560,000
2018 Tax Increment Bonds - BRFA	535,000	100.00%	535,000
		TOTAL OVERLAPPING DEBT	38,132,857
		TOTAL DIRECT AND OVERLAPPING DEBT	\$ 80,387,351

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									
	2021	2020	2019 ^d	2018	2017	2016 ^a	2015	2014	2013	2012
Debt Limit	\$ 111,240,218	\$ 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
Total net debt applicable to limit	75,887,283	76,582,521	73,617,336	81,774,607	61,179,053	52,299,914	18,346,691	19,084,674	17,992,399	17,944,630
Legal Debt Margin	\$ 35,352,935	\$ 27,635,569	\$ 29,349,802	\$ 4,755,653	\$ 25,844,767	\$ 31,470,625	\$ 64,794,499	\$ 58,133,475	\$ 53,328,481	\$ 52,253,205
Total net debt applicable to the limit as a percentage of debt limit	68.22%	73.48%	71.50%	94.50%	70.30%	62.43%	22.07%	24.72%	25.23%	25.56%

Legal Debt margin Calculation for Fiscal Year 2021:

State Equalized Assessed Value (SEV)	\$ 884,779,758
Add:	
Half of Act 198 Property	47,878,748
Revenue Sharing ^b	158,683,398
LCSA/PPT ^c	21,060,278
Total SEV	<u>\$ 1,112,402,181</u>
Debt limit (10% of total SEV)	111,240,218
Debt applicable to limit:	
Total debt included in	
Governmental Activities	42,254,494
Business-Type Activities	31,434,146
Component units	34,975,000
Less:	
Deferred amounts on bonds	
Governmental Activities	(1,695,514)
Business-Type Activities	(2,531,923)
Debt not subject to limit:	
Michigan transportation bonds	(3,890,000)
TELP capital lease	(24,658,920)
Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>75,887,283</u>
Legal debt margin	<u>\$ 35,352,935</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	
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)	-	-	-
2021	5,379,675	4,567,767	811,908	-	-	-	498,168	517,695	(19,527)	-	-	-

Fiscal Year	Electric Utility Bonds					
	Gross Revenue	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
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
2021	38,838,945	27,777,290	11,061,655	2,630,000	2,799,713	2.04

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

(1) Total operating revenues including interest.

(2) Total operating revenues include interest and an operating grant.

(3) Total operating revenues including interest and excluding grants.

(A) Fiscal year 2014 is a 15-month fiscal period.

Table 16

CITY OF MARQUETTE, MICHIGAN
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level In Years of Schooling	School Enrollment	Unemployment Rate
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%
2021	20,629	907,201,533	43,977	28.6	12.8	3,245	4.4%

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	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UP Health System - Marquette	1,599	1	4.81%	2,831	1	7.88%
Cleveland-Cliffs, Inc	972	2	2.92%	1,567	2	4.36%
Northern Michigan University	914	3	2.75%	999	3	2.78%
Upper Peninsula Medical Center	603	4	1.81%	630	4	1.75%
Marquette Area Public Schools	410	5	1.23%	425	8	1.18%
Wal-Mart Stores, Inc	392	6	1.18%	434	7	1.21%
UP Health System - Bell	350	7	1.05%	335	9	0.93%
Michigan Department of Corrections	284	8	0.85%	490	6	1.36%
Meijer	270	9	0.81%			
Resolve Surgical Technologies (Formerly RTI)	250	10	0.75%			
Alger-Marquette County Community Action Board				250	10	0.70%
Westwood Mall Merchants				500	5	1.39%
Total	<u>6,044</u>		<u>18.16%</u>	<u>8,461</u>		<u>23.54%</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,	
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Administration Services	27	26	28	23	27	27	27	27	28	27
Public Health and Safety										
Police Officers	39	39	38	39	38	37	39	38	39	39
Firefighters and Officers	27	24	26	26	26	26	26	26	26	26
Public Works	27	25	24	39	32	36	36	37	36	28
Highway and Streets	16	15	17	8	8	8	8	8	8	9
Social Services	4	4	2	4	4	4	4	4	4	4
Recreation and Culture	6	6	8	4	3	4	4	4	4	5
Storm Water	1	1	1	1	1	1	1	1	1	1
Motor Pool	8	8	8	8	7	7	7	7	7	8
Water	17	12	13	13	13	13	13	13	13	13
Wastewater	7	7	10	10	10	10	10	9	8	9
Library	12	10	12	13	13	12	13	13	12	13
Total	<u>191</u>	<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>

Source: City Human Resources Department

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

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014 *	2013	2012
Police										
Physical arrests	602	532	585	518	749	666	903	1,418	1,228	1,398
Parking violations	5,529	3,007	5,080	5,701	5,825	3,438	5,401	7,057	7,348	6,234
Traffic violations	2,005	1,775	2,873	3,802	3,802	4,354	4,299	4,916	2,666	2,963
Fire										
Emergency responses	2,223	2,255	2,258	2,213	1,635	1,323	923	1,030	842	803
Fires extinguished	39	28	18	18	22	21	22	31	34	35
Inspections	1,584	2,176	2,005	1,364	1,439	1,570	782	1,852	3,256	2,239
Refuse collection										
Refuse collected (tons per week)	49.6	46.0	50.4	50.4	47.2	49.0	47.6	54.8	51.9	49.2
Recycling (tons per week)	15.6	16.0	9.7	11.3	12.5	13.4	14.9	15.0	15.1	15.0
Other public works										
Street resurfacing (miles)	1.6	1.6	1.4	0.9	4.3	2.8	3.0	5.6	2.6	2.9
Potholes repaired	-	-	-	-	-	-	-	-	-	-
Parks and recreation										
Total Campers	15,000	10,938	**	**	27,880	26,715	22,867	18,744	17,014	11,592
Beach Attendance	22,220	14,000	19,213	26,261	20,829	19,285	32,952	16,943	28,687	21,989
Library										
Volumes in collection	191,639	196,588	193,160	214,069	204,467	237,013	243,147	248,447	250,022	246,979
Total volumes borrowed	220,115	188,096	263,621	212,017	237,063	254,758	274,698	353,038	311,041	356,154
Water										
Consumers	6,195	6,140	7,100	6,177	6,177	6,154	6,193	6,178	6,144	6,101
Water mains breaks	6	13	-	-	-	-	-	-	-	-
Average daily consumption (millions of gallons)	2.09	1.98	2.25	2.11	2.09	2.25	2.31	2.62	2.45	2.45
Wastewater										
Average daily sewage treatment (millions of gallons)	2.69	3.22	3.00	3.06	3.06	3.03	3.22	3.19	2.83	2.67

* 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	2,547	2,524	2,345	2,345	2,345	2,345
Parks and recreation										
Parks	24	20	20	20	20	20	19	19	19	19
Playfields	13	12	12	12	12	12	12	12	12	12
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	98.8	98.7	98.7	98.7	98.1
Wastewater										
Sanitary sewers (miles)	88.8	88.8	88.8	88.8	88.8	88.8	88.7	88.7	88.7	88.7
Storm sewers (miles)	53.2	53.2	53.2	53.2	52.9	52.8	52.6	52.6	52.6	52.1

Source: Various City Departments

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, 2021, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated March 18, 2022. 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.

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 18, 2022



City of Marquette, Michigan
Report to Management
For the Year Ended September 30, 2021

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, 2021, 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 18, 2022



City of Marquette, Michigan
Communication with Those Charged with Governance
For the Year Ended September 30, 2021

March 18, 2022

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, 2021. 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 January 4, 2022. 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.

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 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. Management has corrected all such misstatements. 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 18, 2022.

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 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