

CITY OF MARQUETTE, MICHIGAN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended September 30, 2023

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CITY COMMISSION
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Sally Davis
Jessica Hanley
Michael Larson
Jerney Ottaway
Jennifer Smith
Fred 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, 2023

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March 26, 2024



To the Honorable Mayor, Members of the City Commission and
Citizens of the City of Marquette, Michigan

The Annual Comprehensive Financial Report (ACFR) of the City of Marquette, Michigan for the year ended September 30, 2023, is submitted in accordance with State and Federal statutes and Section 7 of the City Charter. The statutes and the City Charter require that the City of Marquette, Michigan issue an annual report of its financial position and activity and that the report be audited by an independent firm of certified public accountants. This Annual Comprehensive Financial Report is published to fulfill that requirement.

This report consists of management's representations concerning the finances of the City of Marquette, Michigan. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Anderson Tackman & Co. CPAs, have issued an unmodified ("clean") opinion of the City of Marquette's financial statements for the year ended September 30, 2023. Their independent auditor's report is located at the front of the financial section of this Annual Comprehensive Financial Report.

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

Profile of the Government

The City of Marquette was founded in 1849, 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 is the county seat of Marquette County and is the largest community in Michigan's Upper Peninsula.

The City 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 City is responsible for managing and financing many of the services for its citizens. The service areas include Community Services, Financial Services, Safety Services, and Public Services. The City provides a full range of services including: police, fire, the construction and maintenance of streets and other infrastructure, refuse collection, recycling collection, recreation, senior services, public improvements, planning and zoning, and general administrative services.

In addition, the City operates other business-like operations for water utilities, sewage disposal utilities, marina services, stormwater maintenance, and park services. These services are financed through user-fees and are reported and managed through enterprise funds. City enterprises are expected to operate without substantial General Fund subsidies. Their performance is measured at year-end in the terms of positive or negative funding generated.

The annual budget serves as a foundation for the City's financial planning and control. The City Charter requires that the proposed budget be presented to the City Commission for review at the second July Commission meeting. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The budget is prepared by fund and department function. However, the legally adopted budget is at the fund level. Therefore, expenditures may not legally exceed budget appropriations at the fund level.

The City of Marquette has adopted financial policies that guide the City in its financial management practices. The City takes these policies into account in preparation of the annual budget and in review the budget status of each fund during the year. The City's Fund Balance Policy was adopted by the Commission in 2010. It specifies that the City's General Fund should be managed in such a way that the unrestricted fund balance be no less than 16% of the General Fund's adopted expenditures, and no greater than 49% of the General Fund's adopted expenditures.

Economic Condition and Outlook

Financial Trends

Marquette is located along the southern shore of Lake Superior and it is a nationally recognized destination for recreational trails during the non-winter months and for downhill skiing, cross-country skiing, and snow-biking in the winter months. The City is primarily residential and commercial, accounting for 58% and 39%, respectively, of the City's total taxable value. Marquette is home to Northern Michigan University, which has an enrollment of about 7,000 students.

In April 2019, one of the City's largest taxpayers retired its operating facility which resulted in a significant loss of annual revenues. In the preceding years in anticipation of this closure, City budgets had built up reserves within its fund balance to ensure that Marquette maintained budget flexibility to withstand the revenue decline. The use of these reserves was utilized in order to maintain City services in the years following the facility's closure. In fiscal year 2021, the City returned to a general fund surplus after two consecutive deficits through efforts that reduced expenditures and through the benefits of additional federally aided revenues.

Together, those dynamics helped to stabilize revenues allowing the City to adjust its millage rates to provide increased funding for existing services.

Long-term Financial Planning

The City Commission and the City Manager are committing to strategies designed to ensure the long-term financial health of the City. Capital improvement budgets are reduced to maintenance-type projects and to completing existing capital projects still under construction. New capital projects will be considered if there is an appropriate revenue source to offset the costs. This revenue offset cannot include the issuance of debt as the City is also seeking to reduce its currently outstanding debts and to establish a reserve fund for its future capital needs.

Budgets are developed with cautious revenue and expenditure assumptions, using a zero-based budgeting approach that uses three-to-six years of historical data to forecast as well as the use of outside sources of information to forecast trends. The City expects to intentionally draw down on its fund balance reserves in the upcoming fiscal years to maintain a continuity of services and to pay its fixed costs until revenues can begin to rebound as planned developments complete construction.

Relevant Financial Policies

The City adheres to several financial management policies governing debt, investments, fund balance, pension funding, other post-employment benefits funding, and capital improvements. These policies demonstrate a commitment to maintaining adequate reserves for necessary financial stability and long-term financial planning.

Major Initiatives

The accomplishments for fiscal year 2023 closely aligned with priorities listed in the City's current Strategic Plan. Such focus is directed toward economic development, climate change, housing and transportation, essential services, and City-owned facilities and infrastructure. Although the capital improvement projects undertaken in fiscal year 2023 do not illustrate a one-to-one correlation to these foci, the City undertook increased efforts to ensure that policies are in place to ensure it is prepared for new developments.

The major themes guiding City projects in fiscal year 2023 continued to be:

- Infrastructure repairs, replacement, and improvements
- Collaboration with regional partners to overcome barriers to economic growth
- Maintaining a continuity of service during a period of rising costs
- Focus on budget stabilization
- Debt management

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Marquette for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This is the 37th consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a governmental unit 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 ACFR 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.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Financial Services Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the City Commission for their support in maintaining the highest standards of professionalism in the management of the City of Marquette's finances.

Respectfully submitted,



Karen Kovacs
City Manager



Mary Schlicht
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Marquette
Michigan**

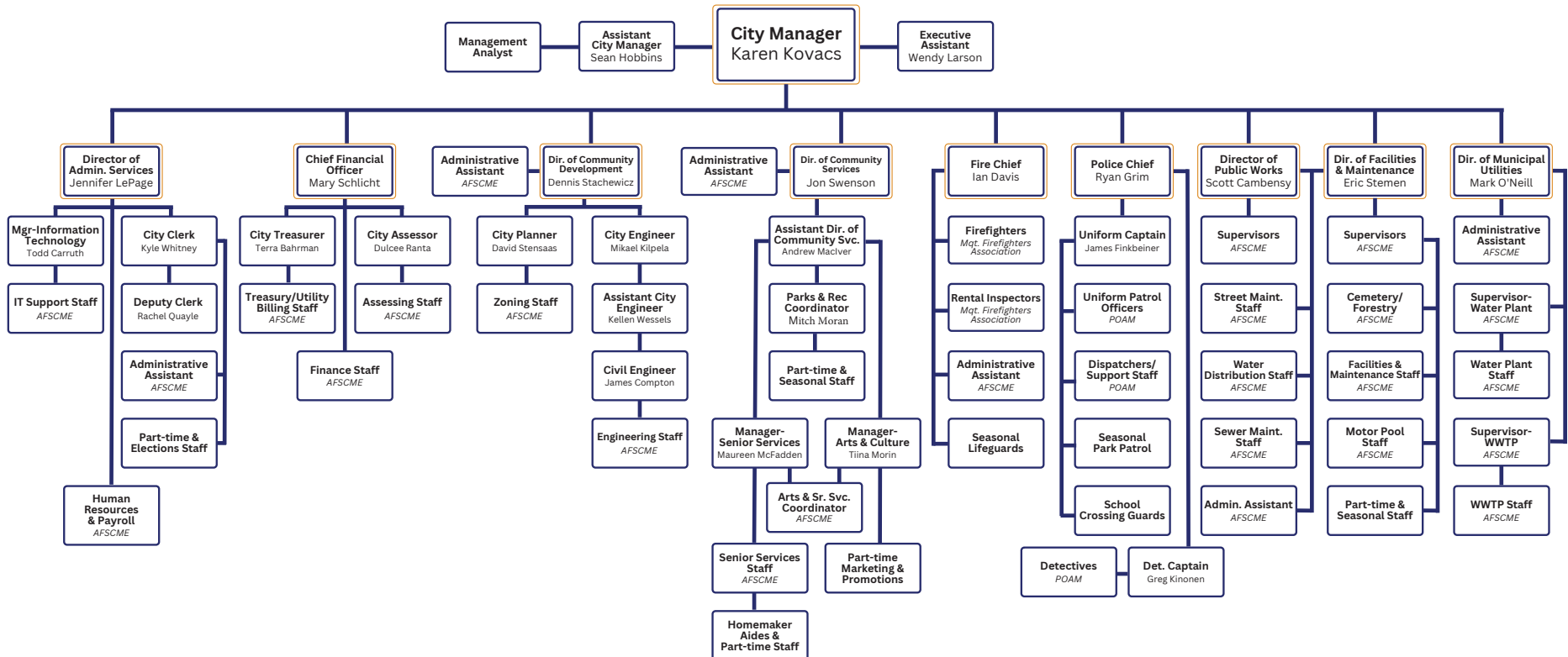
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

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
Mitch Moran

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

Ryan Grim



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 the City of Marquette, Michigan (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

We did not audit the financial statements of the Board of Light and Power, which represent 87 percent, 87 percent, and 86 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of September 30, 2023. 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 the Board of Light and Power, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Change in Accounting Principle

As described in Note Z to the financial statements, in 2023 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance for accounting and financial reporting for transactions that meet the definition for subscription-based information technology arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Required Supplementary Information (as listed in the Table of Contents) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying individual major fund financial statements, combining and individual non-major fund financial statements, capital asset schedules, and long-term debt schedules 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 basic financial statements. The 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. In our opinion, based on our audit 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.

Honorable Mayor, Members of the City
Commission and the City Manager of the
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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, 2022, 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 86 percent, 86 percent, and 76 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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, 2022, 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 related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the audit 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, based on our audit and the report of the other auditors, the 2022 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or

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

Anderson, Tackman & Company, PLLC
Certified Public Accountants

March 26, 2024

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, 2023. 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 \$5,452,787 as a result of this fiscal year's operations. Net position of our business-type activities increased by \$6,059,925 or 15.52%, and net position of our governmental activities decreased by \$(607,138) or (1.47)%.
- During the year, the City had expenses for governmental activities that were \$22,771,754 more than the \$14,963,982 generated in program revenues.
- The City's business-type activities had expenses that were \$4,426,612 less than the \$19,221,506 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 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 that 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, 2023, and 2022.

Table 1
Net Position

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 41,936,698 | \$ 40,203,774 | \$ 18,230,791 | \$ 16,873,056 | \$ 60,167,489 | \$ 57,076,830 |
| Capital assets, net | 90,944,602 | 94,892,474 | 61,268,364 | 62,519,998 | 152,212,966 | 157,412,472 |
| Total Assets | 132,881,300 | 135,096,248 | 79,499,155 | 79,393,054 | 212,380,455 | 214,489,302 |
| Deferred outflows of resources | 11,760,715 | 11,894,889 | 1,311,724 | 780,774 | 13,072,439 | 12,675,663 |
| Current liabilities | 5,917,529 | 6,869,485 | 4,764,324 | 5,777,795 | 10,681,853 | 12,647,280 |
| Noncurrent liabilities | 81,133,300 | 80,631,413 | 30,794,117 | 34,691,251 | 111,927,417 | 115,322,664 |
| Total Liabilities | 87,050,829 | 87,500,898 | 35,558,441 | 40,469,046 | 122,609,270 | 127,969,944 |
| Deferred inflows of resources | 16,849,975 | 18,141,890 | 156,677 | 668,946 | 17,006,652 | 18,810,836 |
| Net Position: | | | | | | |
| Net investment in capital assets | 51,784,839 | 53,311,680 | 40,643,301 | 34,600,775 | 92,428,140 | 87,912,455 |
| Restricted | 1,822,160 | 959,604 | 7,241,711 | 3,888,094 | 9,063,871 | 4,847,698 |
| Unrestricted | (12,865,788) | (12,922,935) | (2,789,251) | 546,967 | (15,655,039) | (12,375,968) |
| Total Net Position | \$ 40,741,211 | \$ 41,348,349 | \$ 45,095,761 | \$ 39,035,836 | \$ 85,836,972 | \$ 80,384,185 |

Net position of the City’s governmental activities stood at \$40,741,211. *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 \$(12,865,788).

The \$(12,865,788) 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 \$45,095,761. 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 2023 and 2022.

Table 2
Change in Net Position

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------------------|-------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 5,818,017 | \$ 6,792,046 | \$ 18,619,098 | \$ 17,380,201 | \$ 24,437,115 | \$ 24,172,247 |
| Operating grants and contributions | 5,426,755 | 5,980,252 | - | - | 5,426,755 | 5,980,252 |
| Capital grants and contributions | 3,719,210 | 4,992,493 | 602,408 | 198,692 | 4,321,618 | 5,191,185 |
| General revenues: | | | | | | |
| Property taxes | 17,730,927 | 15,649,768 | - | - | 17,730,927 | 15,649,768 |
| Unrestricted State sources | 3,497,344 | 3,498,022 | - | - | 3,497,344 | 3,498,022 |
| Investment earnings | 599,163 | (101,064) | 210,071 | 12,916 | 809,234 | (88,148) |
| Sale of capital assets | 89 | 2,740 | - | - | 89 | 2,740 |
| Miscellaneous | 164,876 | 322,233 | 1,595,459 | 252,259 | 1,760,335 | 574,492 |
| Total Revenues | <u>36,956,381</u> | <u>37,136,490</u> | <u>21,027,036</u> | <u>17,844,068</u> | <u>57,983,417</u> | <u>54,980,558</u> |
| Program Expenses: | | | | | | |
| General government | 3,674,632 | 5,986,476 | - | - | 3,674,632 | 5,986,476 |
| Public health and safety | 11,066,285 | 10,239,684 | - | - | 11,066,285 | 10,239,684 |
| Public works | 14,901,635 | 4,462,348 | 527,615 | 508,687 | 15,429,250 | 4,971,035 |
| Health and welfare* | 994,869 | N/A | - | - | 994,869 | - |
| Highways and streets* | N/A | 4,369,537 | - | - | - | 4,369,537 |
| Social services* | N/A | 865,904 | - | - | - | 865,904 |
| Sanitation services* | N/A | 2,926,202 | - | - | - | 2,926,202 |
| Community and economic development* | 2,144,595 | N/A | - | - | 2,144,595 | - |
| Recreation and culture* | 1,822,942 | N/A | 991,532 | - | 2,814,474 | - |
| Community services* | N/A | 1,642,630 | N/A | 941,204 | - | 2,583,834 |
| Interest on long-term debt | 592,967 | 570,014 | - | - | 592,967 | 570,014 |
| Depreciation - unallocated | 2,537,811 | 2,548,472 | - | - | 2,537,811 | 2,548,472 |
| Water supply | - | - | 5,569,245 | 5,279,440 | 5,569,245 | 5,279,440 |
| Sewage disposal | - | - | 5,868,055 | 6,191,153 | 5,868,055 | 6,191,153 |
| Stormwater utility | - | - | 1,838,447 | 1,704,093 | 1,838,447 | 1,704,093 |
| Total Expenses | <u>37,735,736</u> | <u>33,611,267</u> | <u>14,794,894</u> | <u>14,624,577</u> | <u>52,530,630</u> | <u>48,235,844</u> |
| Excess (deficiency) before transfers | (779,355) | 3,525,223 | 6,232,142 | 3,219,491 | 5,452,787 | 6,744,714 |
| Transfers | <u>172,217</u> | <u>129,319</u> | <u>(172,217)</u> | <u>(129,319)</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net position | (607,138) | 3,654,542 | 6,059,925 | 3,090,172 | 5,452,787 | 6,744,714 |
| Net position, beginning, as restated | <u>41,348,349</u> | <u>37,693,807</u> | <u>39,035,836</u> | <u>35,945,664</u> | <u>80,384,185</u> | <u>73,639,471</u> |
| Net Position, Ending | <u>\$ 40,741,211</u> | <u>\$ 41,348,349</u> | <u>\$ 45,095,761</u> | <u>\$ 39,035,836</u> | <u>\$ 85,836,972</u> | <u>\$ 80,384,185</u> |

* Change in Function/Program categories effective for FY'23

The City’s total revenues were \$57,983,417. The total cost of all programs and services was \$52,530,630 leaving an increase in net position of \$5,452,787. 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). In fiscal year 2023, inflation was greater than 5% so taxable values also increased 5% which contributed to the increase in property tax revenues.
- 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.

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. The use of this formula does not increase rents paid by each property's residents.

Federal and State Grants:

- Grant revenues vary from year to year based on eligibility and availability of funds from outside agencies. Federal grants decreased in fiscal year 2023 as the Coronavirus State and Local Fiscal Recovery Program was materially recognized in the previous fiscal year. State grants noted an increase due to the one-time funding by the State to aid in funding defined benefit pension programs to eligible municipalities throughout the state.

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 is 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 to 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 \$410,000 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.
- Investment Income: This source is dependent upon the amount of investable cash and interest rates. The City must also comply with GASB's fair value accounting rules for investments. Due to the unpredictability of this revenue, no budget is adopted for this revenue source and variances in performance from year to year are to be expected.
- Other Revenue: The largest component of this revenue source relates to the services provided for rental code registrations and compliance inspections. Additionally, a contribution from a private source was budgeted for in fiscal year 2023 however, the project is being deferred to a subsequent fiscal year.

General Fund expenditures are grouped by function, following the State of Michigan's Uniform Chart of Accounts for Local Units of Government, as discussed below:

- General Government is comprised of the offices of the City Commission, City Manager, Finance, City Clerk, Treasurer, Assessing, Elections, Building and Grounds, City Attorney, Human Resources, and other administrative functions.
- Public Health and Safety is comprised of the Police and Fire Departments, Rental Inspector, and Waterfront Safety.
- Public Works is comprised of Public Works Maintenance, Engineering, and Cemetery.
- Community and Economic Development is comprised of Planning and Zoning.
- Recreation and Culture is comprised of 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.

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

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 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 on 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 a 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 snowfall and the cost of removing 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.

Federal funding received in the Major Street fund in fiscal year 2023 is a one-time reimbursement for a construction project that occurred in a previous fiscal year.

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.

Budgeted capital projects in the street funds for fiscal year 2023 have been delayed due to permitting and availability of materials. The funding source for these projects is retained in fund balance where it can be utilized in the completion of the project in a subsequent fiscal year.

Construction Fund

Revenues and expenditures are recorded in the fund for capital project activities that will span more than one fiscal year. Current projects in this fund include the construction of recreational docks over the reuse of pier pilings on Lake Superior, a demolition project to create space for residential and multi-use developments, and a reserve of funds for the reconstruction of a trucking corridor.

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.

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

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 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.

Road Maintenance and Safety Funds: An agreement with Eagle Mine provides for annual payments related to the 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 times to host special events. Parks and Recreation staff offices are located year-round 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.

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

**Table 3
Governmental Activities**

| | Total Cost of Services | Net Cost of Services |
|------------------------------------|---------------------------|-------------------------|
| General government | \$ 3,674,632 | \$ 2,232,986 |
| Public health and safety | 11,066,285 | 10,704,540 |
| Public works | 14,901,635 | 3,364,491 |
| Health and welfare | 994,869 | 383,758 |
| Community and economic development | 2,144,595 | 2,044,755 |
| Recreation and culture | 1,822,942 | 910,446 |

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 20.5% rate increases over a three-year period. The first 6.5% of this increase was implemented in fiscal year 2023 and will follow with 7.0% increases through fiscal year 2025. 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.

Sewage Disposal Fund: Use fees are charged for sewage disposal services and sanitary sewer operations. The billable amounts are based on 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 0% increase for the fiscal year 2023, which was implemented, and 4.0% per year for the years following.

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 48.5% rate increases for a three-year period. The first 20.0% of this increase was implemented in fiscal year 2023 and will follow with 14.25% annual increases through fiscal year 2025. 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 refurbished the former Coast Guard facilities and now generates rental income based on use. The City also has a revenue-sharing agreement with the Marquette Maritime Museum who provide tours of the Lighthouse facility and property. Fluctuations 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.

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

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 \$20,702,207, an increase of \$1,036,434 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 \$0 use of fund balance. During the year, adjustments were implemented that resulted in a use of \$535,927 to the General Fund’s fund balance for one-time capital asset acquisitions. Actual activity for fiscal year 2023 produced a contribution of \$98,861 to fund balance. This \$634,788 swing is due to the revenues recorded in investment income, state-shared revenues, and charges for services where actual revenue outperformed the conservative revenue budgets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the City had \$152,212,966 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)**

| | 2023 | | | Totals 2022 |
|-----------------------------------|----------------------------|-----------------------------|-----------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Totals | |
| Land and construction in progress | \$ 14,449,170 | \$ 143,573 | \$ 14,592,743 | \$ 21,446,181 |
| Land improvements | 7,753,128 | 2,990,973 | 10,744,101 | 4,266,758 |
| Buildings and improvements | 13,637,960 | 6,781,466 | 20,419,426 | 21,959,123 |
| Furniture and equipment | 3,680,770 | 1,473,748 | 5,154,518 | 4,668,520 |
| Infrastructure | 51,423,574 | 49,878,604 | 101,302,178 | 105,071,890 |
| Totals | <u>\$ 90,944,602</u> | <u>\$ 61,268,364</u> | <u>\$ 152,212,966</u> | <u>\$ 157,412,472</u> |

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

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

Debt

At year-end, the City had \$67,077,494 in bonds, notes and capital lease obligations outstanding as depicted in Table 5 below, which shows total bonded debt as of September 30, 2023.

**Table 5
Outstanding Debt at Year-End**

| | 2023 | | | Totals 2022 |
|-----------------------------|----------------------------|-----------------------------|----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Totals | |
| General obligation bonds | \$ 15,251,853 | \$ 26,429,447 | \$ 41,681,300 | \$ 47,385,031 |
| Contracts and notes payable | 23,958,869 | 1,437,325 | 25,396,194 | 26,072,193 |
| Totals | <u>\$ 39,210,722</u> | <u>\$ 27,866,772</u> | <u>\$ 67,077,494</u> | <u>\$ 73,457,224</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”).

Contracts and Notes Payable are those items not generally classified as bonds but are still considered to be debt (such as TELP, GASB 87 leases, GASB 96 IT Arrangements, and loans from State programs – Water and Sewer Revolving Loan Fund).

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

The City’s elected and appointed officials considered many factors when setting the fiscal year 2023 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. Before EVIP, the statutory portion was allocated without the need to meet the 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 \$410,000. Before EVIP, the City was receiving \$500,000 of statutory payments annually without any qualification criteria. With EVIP, qualification is an annual process in 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 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 the 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.

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

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. This threshold increased to \$180,000 cash value in 2023. 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 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 approved the decision to increase the property tax millage in 2022, which had not been increased in over a decade. With these increased revenues, the City intends to maintain current services, to reduce its need to issue debt needed to support infrastructure needs, and to build up assigned fund balances for future capital improvement needs.

The City continues to look for economic development opportunities with the goal to create jobs, facilitate increased housing inventory, 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 of 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.

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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, 2023

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|----------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 22,108,507 | \$ 10,744,154 | \$ 32,852,661 | \$ 34,196,118 |
| Investments | 6,157,912 | - | 6,157,912 | 35,189,361 |
| Receivables (net) | 8,041,411 | 2,258,384 | 10,299,795 | 4,670,663 |
| Inventory | 111,731 | 124,088 | 235,819 | 3,749,696 |
| Prepaid expenses and other assets | 1,346,049 | 110,317 | 1,456,366 | 748,709 |
| TOTAL CURRENT ASSETS | 37,765,610 | 13,236,943 | 51,002,553 | 78,554,547 |
| Non-current Assets: | | | | |
| Restricted assets | 1,207,075 | 540,416 | 1,747,491 | 12,085,983 |
| Accrued Interest | - | - | - | 28,998 |
| Investment in UPPPA | - | - | - | 6,103,959 |
| Investment in joint venture | 2,964,013 | 4,453,432 | 7,417,445 | - |
| Leases receivable | - | - | - | 30,416 |
| Capital assets: | | | | |
| Land and construction in progress | 14,449,170 | 143,573 | 14,592,743 | 10,022,134 |
| Other capital assets, net of depreciation | 76,495,432 | 61,124,791 | 137,620,223 | 96,079,487 |
| Total Capital Assets | 90,944,602 | 61,268,364 | 152,212,966 | 106,101,621 |
| TOTAL NON-CURRENT ASSETS | 95,115,690 | 66,262,212 | 161,377,902 | 124,350,977 |
| TOTAL ASSETS | 132,881,300 | 79,499,155 | 212,380,455 | 202,905,524 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred amount on refunding | 50,959 | 111,962 | 162,921 | - |
| Deferred amounts related to pension | 11,628,755 | 1,195,122 | 12,823,877 | 4,100,282 |
| Employer contributions subsequent to measurement date | - | - | - | 1,414,962 |
| Deferred amounts related to OPEB | 81,001 | 4,640 | 85,641 | 1,750,664 |
| Receivables for developer obligations | - | - | - | 72,246,832 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 11,760,715 | 1,311,724 | 13,072,439 | 79,512,740 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Cash overdraft | - | - | - | - |
| Accounts payable | 1,512,843 | 577,992 | 2,090,835 | 4,257,635 |
| Accrued wages payable | 285,782 | 46,286 | 332,068 | - |
| Accrued liabilities | 422,638 | 393,531 | 816,169 | 408,279 |
| Compensated absences | 662,757 | - | 662,757 | 1,239,970 |
| Customer deposits payable | 43,439 | 15,445 | 58,884 | 1,955,418 |
| Due to primary government | - | - | - | 7,234 |
| Grants received in advance | - | - | - | - |
| Current portion of bonds payable | 1,956,065 | 3,731,070 | 5,687,135 | 1,435,000 |
| Current portion of contracts and notes payable | 1,033,469 | - | 1,033,469 | - |
| Current maturities on revenue bonds | - | - | - | 3,040,000 |
| Other current liabilities | 536 | - | 536 | 1,660,388 |
| TOTAL CURRENT LIABILITIES | 5,917,529 | 4,764,324 | 10,681,853 | 14,003,924 |
| Non-current Liabilities: | | | | |
| Compensated absences | 1,095,180 | 348,063 | 1,443,243 | 67,840 |
| Other post-employment benefits (OPEB) | 2,659,581 | 152,353 | 2,811,934 | 2,735,433 |
| Net pension liability | 41,157,351 | 6,020,939 | 47,178,290 | 13,417,235 |
| Bonds payable | 13,295,788 | 23,165,342 | 36,461,130 | 94,293,208 |
| Long-term contracts and notes payable | 22,925,400 | 1,107,420 | 24,032,820 | 34,774,136 |
| Other | - | - | - | 100,445 |
| TOTAL NON-CURRENT LIABILITIES | 81,133,300 | 30,794,117 | 111,927,417 | 145,388,297 |
| TOTAL LIABILITIES | 87,050,829 | 35,558,441 | 122,609,270 | 159,392,221 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Taxes levied for a subsequent period | 11,107,691 | - | 11,107,691 | 6,498,205 |
| Special assessments | - | 4,682 | 4,682 | - |
| Deferred amounts related to leases | - | - | - | 53,904 |
| Deferred amounts related to OPEB | 1,424,507 | 81,603 | 1,506,110 | 1,997,309 |
| Deferred amounts related to pension | 4,317,777 | 70,392 | 4,388,169 | 60,403 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 16,849,975 | 156,677 | 17,006,652 | 8,609,821 |
| NET POSITION | | | | |
| Net investment in capital assets | 51,784,839 | 40,643,301 | 92,428,140 | 43,606,817 |
| Restricted for: | | | | |
| Debt services | - | - | - | - |
| Capital outlay | 829,081 | 7,241,711 | 8,070,792 | - |
| Nonexpendable | 993,079 | - | 993,079 | - |
| Other activities: | | | | |
| Board of Light and Power | - | - | - | 10,039,882 |
| Brownfield Redevelopment Authority | - | - | - | - |
| Non-major component units | - | - | - | 1,962,433 |
| Unrestricted | (12,865,788) | (2,789,251) | (15,655,039) | 58,807,090 |
| TOTAL NET POSITION | \$ 40,741,211 | \$ 45,095,761 | \$ 85,836,972 | \$ 114,416,222 |

CITY OF MARQUETTE, MICHIGAN

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2023

| Function / Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | Governmental Activities | Business-Type Activities | Total | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 3,674,632 | \$ 1,389,328 | \$ 42,572 | \$ 9,746 | \$ (2,232,986) | \$ - | \$ (2,232,986) | \$ - |
| Public health and safety | 11,066,285 | 139,646 | 220,155 | 1,944 | (10,704,540) | - | (10,704,540) | - |
| Public works | 14,901,635 | 3,330,605 | 4,525,737 | 3,680,802 | (3,364,491) | - | (3,364,491) | - |
| Health and welfare | 994,869 | - | 611,111 | - | (383,758) | - | (383,758) | - |
| Community and economic development | 2,144,595 | 92,340 | 7,500 | - | (2,044,755) | - | (2,044,755) | - |
| Recreation and culture | 1,822,942 | 866,098 | 19,680 | 26,718 | (910,446) | - | (910,446) | - |
| Interest on long-term debt | 592,967 | - | - | - | (592,967) | - | (592,967) | - |
| Depreciation - unallocated | 2,537,811 | - | - | - | (2,537,811) | - | (2,537,811) | - |
| Total Governmental Activities | 37,735,736 | 5,818,017 | 5,426,755 | 3,719,210 | (22,771,754) | - | (22,771,754) | - |
| Business-Type Activities: | | | | | | | | |
| Water supply | 5,569,245 | 6,333,234 | - | 133,708 | - | 897,697 | 897,697 | - |
| Sewage disposal | 5,868,055 | 8,189,040 | - | 85,092 | - | 2,406,077 | 2,406,077 | - |
| Stormwater utility | 1,838,447 | 2,362,110 | - | 127,638 | - | 651,301 | 651,301 | - |
| Public works | 527,615 | 528,410 | - | - | - | 795 | 795 | - |
| Recreation and culture | 991,532 | 1,206,304 | - | 255,970 | - | 470,742 | 470,742 | - |
| Total Business-Type Activities | 14,794,894 | 18,619,098 | - | 602,408 | - | 4,426,612 | 4,426,612 | - |
| TOTAL PRIMARY GOVERNMENT | \$ 52,530,630 | \$ 24,437,115 | \$ 5,426,755 | \$ 4,321,618 | (22,771,754) | 4,426,612 | (18,345,142) | - |
| Component Units: | | | | | | | | |
| Board of Light and Power | \$ 40,505,731 | \$ 45,476,950 | \$ - | \$ 102,320 | - | - | - | 5,073,539 |
| Brownfield Redevelopment Authority | 4,382,448 | - | 44,128 | - | - | - | - | (4,338,320) |
| Non-Major Component Units | 4,325,802 | 826,209 | 1,436,513 | - | - | - | - | (2,063,080) |
| TOTAL COMPONENT UNITS | \$ 49,213,981 | \$ 46,303,159 | \$ 1,480,641 | \$ 102,320 | - | - | - | (1,327,861) |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Taxes | | | | | 13,798,136 | - | 13,798,136 | 5,229,229 |
| Payment in lieu of taxes | | | | | 3,932,791 | - | 3,932,791 | - |
| Unrestricted State sources | | | | | 3,497,344 | - | 3,497,344 | - |
| Interest and investment earnings | | | | | 599,163 | 210,071 | 809,234 | 2,592,218 |
| Gain on sale of capital assets | | | | | 89 | - | 89 | 51,887 |
| Miscellaneous | | | | | 164,876 | 1,595,459 | 1,760,335 | 152,518 |
| Transfers | | | | | 172,217 | (172,217) | - | - |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | 22,164,616 | 1,633,313 | 23,797,929 | 8,025,852 |
| CHANGE IN NET POSITION | | | | | (607,138) | 6,059,925 | 5,452,787 | 6,697,991 |
| Net position, beginning of year | | | | | 41,348,349 | 39,035,836 | 80,384,185 | 107,718,231 |
| NET POSITION, END OF YEAR | | | | | \$ 40,741,211 | \$ 45,095,761 | \$ 85,836,972 | \$ 114,416,222 |

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2023

| | General Fund | Major Street and Trunkline Fund | Local Street Fund | Construction Fund | Other Governmental Funds | Total |
|--|----------------------|---------------------------------------|-------------------------|----------------------|--------------------------------|----------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 6,686,611 | \$ 1,560,599 | \$ 495,630 | \$ 3,735,124 | \$ 7,257,162 | \$ 19,735,126 |
| Investments | 5,608,032 | - | - | - | 549,880 | 6,157,912 |
| Taxes receivable, net | 686,641 | - | - | - | 11,654 | 698,295 |
| Accounts receivable | 523,916 | - | - | - | 228,783 | 752,699 |
| Due from other authorities | 4,307,855 | - | - | 44,441 | - | 4,352,296 |
| Due from other funds | - | - | - | - | - | - |
| Due from other governments | 544,303 | 313,731 | 221,737 | 819,787 | 125,220 | 2,024,778 |
| Inventories | 111,731 | - | - | - | - | 111,731 |
| Prepaid expenditures | 360,520 | - | - | - | 27,735 | 388,255 |
| TOTAL ASSETS | 18,829,609 | 1,874,330 | 717,367 | 4,599,352 | 8,200,434 | 34,221,092 |
| DEFERRED OUTFLOWS OR RESOURCES | | | | | | |
| | - | - | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 18,829,609 | \$ 1,874,330 | \$ 717,367 | \$ 4,599,352 | \$ 8,200,434 | \$ 34,221,092 |
| LIABILITIES | | | | | | |
| Cash overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 224,024 | 37,037 | 11,029 | 826,203 | 337,893 | 1,436,186 |
| Accrued wages payable | 241,155 | 4,299 | 7,956 | - | 14,866 | 268,276 |
| Accrued compensated absences | 660,623 | - | - | - | 2,134 | 662,757 |
| Due to other funds | - | - | - | - | - | - |
| Due to other governments | 286 | - | - | - | - | 286 |
| Due to other authorities | 250 | - | - | - | - | 250 |
| Customer deposits payable | 43,439 | - | - | - | - | 43,439 |
| Unearned revenue | - | - | - | - | - | - |
| TOTAL LIABILITIES | 1,169,777 | 41,336 | 18,985 | 826,203 | 354,893 | 2,411,194 |
| DEFERRED INFLOWS OR RESOURCES | | | | | | |
| Taxes levied for a subsequent period | 9,318,285 | - | - | - | 1,789,406 | 11,107,691 |
| Special assessments | - | - | - | - | - | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 9,318,285 | - | - | - | 1,789,406 | 11,107,691 |
| FUND BALANCE | | | | | | |
| Non-spendable | 472,251 | - | - | - | 1,020,814 | 1,493,065 |
| Restricted | 57,500 | 1,832,994 | 698,382 | - | 3,844,568 | 6,433,444 |
| Committed | - | - | - | - | 31,491 | 31,491 |
| Assigned | 1,050,205 | - | - | 3,773,149 | 1,159,262 | 5,982,616 |
| Unassigned | 6,761,591 | - | - | - | - | 6,761,591 |
| TOTAL FUND BALANCE | 8,341,547 | 1,832,994 | 698,382 | 3,773,149 | 6,056,135 | 20,702,207 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 18,829,609 | \$ 1,874,330 | \$ 717,367 | \$ 4,599,352 | \$ 8,200,434 | \$ 34,221,092 |

CITY OF MARQUETTE, MICHIGAN

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

September 30, 2023

Total Fund Balances for Governmental Funds \$ 20,702,207

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). 93,908,615

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 | \$ 3,544,518 | |
| Restricted assets | 1,207,075 | |
| Current liabilities | <u>(94,163)</u> | 4,657,430 |

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 | 23,910,062 | |
| Net pension liability - Fire/Police Retirement System | 17,247,289 | |
| Deferred (outflows) of resources related to net pension liability | (11,628,755) | |
| Employer contributions subsequent to measurement date | - | |
| Deferred inflows of resources related to net pension liability | <u>4,317,777</u> | (33,846,373) |

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 | 2,659,581 | |
| Deferred (outflows) related to other post-employment benefits | (81,001) | |
| Deferred inflows related to other post-employment benefits | <u>1,424,507</u> | (4,003,087) |

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

| | | |
|--|-------------------|--------------|
| Current portion of bonds payable | \$ 1,956,065 | |
| Current portion of notes and contracts payable | 1,033,469 | |
| Accrued interest on bonds | 422,638 | |
| Compensated absences | 1,095,180 | |
| Bonds payable | 13,244,829 | |
| Long-term contracts and notes payable | <u>22,925,400</u> | (40,677,581) |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 40,741,211

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2023

| | General Fund | Major Street and Trunkline Fund | Local Street Fund | Construction Fund | Other Governmental Funds | Total |
|---|---------------------|---------------------------------------|-------------------------|----------------------|--------------------------------|----------------------|
| REVENUES: | | | | | | |
| Taxes and penalties | \$ 12,006,950 | \$ - | \$ - | \$ - | \$ 1,791,206 | \$ 13,798,156 |
| State sources | 4,309,250 | 2,053,026 | 928,216 | - | 92,824 | 7,383,316 |
| Federal sources | 52,954 | 1,077,829 | - | 1,931,633 | - | 3,062,416 |
| Charges for services | 2,819,813 | - | - | - | 2,310,423 | 5,130,236 |
| Sales | 51,619 | - | - | - | - | 51,619 |
| Use and admission fees | 45,693 | - | - | - | 588,144 | 633,837 |
| Rentals | 92,190 | - | - | - | 85,636 | 177,826 |
| Licenses and permits | 104,352 | - | - | - | - | 104,352 |
| Fines and forfeiture | 132,471 | - | - | - | 3,219 | 135,690 |
| Sales of assets | 115 | - | - | - | - | 115 |
| Reimbursements | 120,535 | 21,921 | - | 1,749,169 | 10,062 | 1,901,687 |
| Investment income | 387,399 | 30,429 | 11,434 | 54,910 | 126,943 | 611,115 |
| Payment in lieu of taxes | 3,932,791 | - | - | - | - | 3,932,791 |
| Private contribution | 91,018 | - | - | - | 500,036 | 591,054 |
| Intergovernmental revenues | 10,000 | - | - | - | 523,252 | 533,252 |
| Special assessments | - | - | - | - | - | - |
| Other revenues | 102,280 | - | - | - | 22,742 | 125,022 |
| TOTAL REVENUES | 24,259,430 | 3,183,205 | 939,650 | 3,735,712 | 6,054,487 | 38,172,484 |
| EXPENDITURES: | | | | | | |
| Current operations: | | | | | | |
| General government | 4,396,726 | - | - | - | 1,295 | 4,398,021 |
| Public safety | 9,527,587 | - | - | - | 22,889 | 9,550,476 |
| Public works | 5,140,401 | 1,540,501 | 1,732,027 | 1,939,767 | 2,175,465 | 12,528,161 |
| Health and welfare | - | - | - | - | 923,880 | 923,880 |
| Community and economic development | 608,378 | - | - | - | 1,536,217 | 2,144,595 |
| Recreation and culture | 762,534 | - | - | - | 785,042 | 1,547,576 |
| Capital outlay | - | 461,666 | 675,133 | 318,344 | 194,734 | 1,649,877 |
| Debt Service: | | | | | | |
| Professional services | - | - | - | - | - | - |
| Principal payments | - | - | - | - | 1,898,166 | 1,898,166 |
| Interest and fiscal changes | - | - | - | - | 593,294 | 593,294 |
| TOTAL EXPENDITURES | 20,435,626 | 2,002,167 | 2,407,160 | 2,258,111 | 8,130,982 | 35,234,046 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 3,823,804 | 1,181,038 | (1,467,510) | 1,477,601 | (2,076,495) | 2,938,438 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Bond issuance | - | - | - | - | - | - |
| Refunding bonds | - | - | - | - | - | - |
| Premium on bond issuance | - | - | - | - | - | - |
| Premium on refunded bond issuance | - | - | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - | - | - |
| Transfers in | 11,955 | - | 1,793,430 | - | 2,820,831 | 4,626,216 |
| Transfers (out) | (3,736,898) | (1,388,843) | (836,463) | - | (566,016) | (6,528,220) |
| TOTAL OTHER FINANCING SOURCES (USES) | (3,724,943) | (1,388,843) | 956,967 | - | 2,254,815 | (1,902,004) |
| CHANGES IN FUND BALANCE | 98,861 | (207,805) | (510,543) | 1,477,601 | 178,320 | 1,036,434 |
| Fund balance, beginning of year | 8,242,686 | 2,040,799 | 1,208,925 | 2,295,548 | 5,877,815 | 19,665,773 |
| FUND BALANCE, END OF YEAR | \$ 8,341,547 | \$ 1,832,994 | \$ 698,382 | \$ 3,773,149 | \$ 6,056,135 | \$ 20,702,207 |

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,036,434

*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 \$3,205,884

| | | |
|-------------------------|--------------------|-------------|
| Capital outlays | \$ 2,210,324 | |
| Change in joint venture | (511,691) | |
| Contributed capital | - | |
| Basis of disposed asset | - | |
| Depreciation expense | <u>(6,158,196)</u> | (4,459,563) |

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

-

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

1,898,166

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.

191,866

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

327

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) | \$ 1,107,613 | |
| Pension liability expense | (1,285,438) | |
| Pension liability expense - Fire/Police Retirement | (1,306,750) | |
| Compensated absences | <u>2,087</u> | (1,482,488) |

Revenues and expenditures related to the State's Protecting MI Pension grant program are recognized in the fund financial statements in the year in which the payment from the Michigan Department of Treasury was received by the pension plan (fiscal year 2023). However, under GASB 73, for purposes of the Statement of Activities, the revenue [and expenditure] is recognized in the reporting period in which the contribution is reported as a change in net pension liability for the plan (City's fiscal year 2024; plan year ending December 31, 2023).

| | | |
|--------------------------------------|----------------|---|
| Protecting MI Pension grant proceeds | (704,412) | |
| Pension liability expense - MERS | <u>704,412</u> | - |

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 | \$ (545,140) | |
| Capital outlays | (600,027) | |
| Capital contribution | - | |
| Basis of disposed asset | - | |
| Depreciation expense | 3,205,884 | |
| Other post-employment benefits (OPEB) | (26,983) | |
| Pension liability expense | 161,571 | |
| Compensated absences | <u>12,815</u> | 2,208,120 |

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (607,138)

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, 2023

| | Budgeted Amounts | | Actual GAAP Basis | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|-------------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 15,979,840 | \$ 15,979,840 | \$ 15,939,741 | \$ (40,099) |
| Federal grants | 18,500 | 18,500 | 52,954 | 23,161 |
| State grants and shared revenue | 4,025,920 | 4,750,020 | 4,309,250 | 129,285 |
| Intergovernmental revenues | - | - | 10,000 | 10,000 |
| Licenses and permits | 96,890 | 96,890 | 104,352 | 7,462 |
| Charges for services | 2,628,950 | 2,628,950 | 2,819,813 | 190,863 |
| Fines and forfeits | 91,800 | 91,800 | 132,471 | 40,671 |
| Interest and rentals | 102,350 | 102,350 | 479,589 | 377,239 |
| Other revenues | 1,192,420 | 1,196,420 | 411,260 | (785,160) |
| TOTAL REVENUES | 24,136,670 | 24,864,770 | 24,259,430 | (46,578) |
| EXPENDITURES: | | | | |
| General government | 3,851,230 | 4,579,516 | 4,396,726 | 182,790 |
| Public safety | 9,314,580 | 9,561,347 | 9,527,587 | 33,760 |
| Public works | 5,194,210 | 5,365,691 | 5,140,401 | 225,290 |
| Community and economic development | 587,030 | 598,348 | 608,378 | (10,030) |
| Recreation and culture | 2,174,450 | 2,280,625 | 762,534 | 1,518,091 |
| TOTAL EXPENDITURES | 21,121,500 | 22,385,527 | 20,435,626 | 1,949,901 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 3,015,170 | 2,479,243 | 3,823,804 | 1,344,561 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bond issuance | - | - | - | - |
| Refunding bonds | - | - | - | - |
| Premium on bond issuance | - | - | - | - |
| Premium on refunded bond issuance | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in | - | - | 11,955 | 11,955 |
| Transfers (out) | (3,015,170) | (3,015,170) | (3,736,898) | (721,728) |
| TOTAL OTHER FINANCING SOURCES (USES) | (3,015,170) | (3,015,170) | (3,724,943) | (709,773) |
| CHANGES IN FUND BALANCE | - | (535,927) | 98,861 | 634,788 |
| Fund balance, beginning of year | 8,242,686 | 8,242,686 | 8,242,686 | - |
| FUND BALANCE, END OF YEAR | \$ 8,242,686 | \$ 7,706,759 | \$ 8,341,547 | \$ 634,788 |

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, 2023

| | 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 | \$ - | \$ - | \$ 1,077,829 | \$ 1,077,829 | \$ - | \$ - | \$ - | \$ - |
| State sources | 2,271,770 | 2,271,770 | 2,053,026 | (218,744) | 1,027,800 | 1,027,800 | 928,216 | (99,584) |
| Reimbursements | - | - | 21,921 | 21,921 | - | - | - | - |
| Investment income | - | - | 30,429 | 30,429 | - | - | 11,434 | 11,434 |
| Other revenues | - | - | - | - | - | - | - | - |
| TOTAL REVENUES | 2,271,770 | 2,271,770 | 3,183,205 | 911,435 | 1,027,800 | 1,027,800 | 939,650 | (88,150) |
| EXPENDITURES: | | | | | | | | |
| Public Works | 3,786,370 | 4,078,838 | 2,002,167 | 2,076,671 | 2,439,520 | 2,439,520 | 2,407,160 | 32,360 |
| TOTAL EXPENDITURES | 3,786,370 | 4,078,838 | 2,002,167 | 2,076,671 | 2,439,520 | 2,439,520 | 2,407,160 | 32,360 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,514,600) | (1,807,068) | 1,181,038 | 2,988,106 | (1,411,720) | (1,411,720) | (1,467,510) | (55,790) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Bond issuance | - | - | - | - | - | - | - | - |
| Refunding bonds | - | - | - | - | - | - | - | - |
| Premium on bond issuance | - | - | - | - | - | - | - | - |
| Premium on refunded bond issuance | - | - | - | - | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | - | - |
| Transfers in | 923,820 | 923,820 | - | (923,820) | 1,194,520 | 1,194,520 | 1,793,430 | 598,910 |
| Transfers (out) | (1,119,370) | (1,119,370) | (1,388,843) | (269,473) | (836,760) | (836,760) | (836,463) | 297 |
| TOTAL OTHER FINANCING SOURCES (USES) | (195,550) | (195,550) | (1,388,843) | (1,193,293) | 357,760 | 357,760 | 956,967 | 599,207 |
| CHANGES IN FUND BALANCE | (1,710,150) | (2,002,618) | (207,805) | 1,794,813 | (1,053,960) | (1,053,960) | (510,543) | 543,417 |
| Fund balance, beginning of year | 2,040,799 | 2,040,799 | 2,040,799 | - | 1,208,925 | 1,208,925 | 1,208,925 | - |
| FUND BALANCE, END OF YEAR | \$ 330,649 | \$ 38,181 | \$ 1,832,994 | \$ 1,794,813 | \$ 154,965 | \$ 154,965 | \$ 698,382 | \$ 543,417 |

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

September 30, 2023

| | Business-Type Activities Enterprise Funds | | | | Total | Governmental |
|---|--|----------------------------|-------------------------------|----------------------------------|----------------------|------------------------------|
| | Water Supply Fund | Sewage Disposal Fund | Stormwater Utility Fund | Non-major Enterprise Funds | | Internal Service Funds |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and cash equivalents | \$ 1,627,673 | \$ 3,733,631 | \$ 4,009,767 | \$ 1,373,083 | \$ 10,744,154 | \$ 2,373,381 |
| Accounts receivable | 832,789 | 1,025,046 | 94,761 | 36,883 | 1,989,479 | 213,343 |
| Special assessments receivable | 2,341 | 2,341 | - | - | 4,682 | - |
| Due from other governments | 3,749 | - | - | 259,688 | 263,437 | - |
| Due from local units | - | - | - | 786 | 786 | - |
| Due from other authorities | - | - | - | - | - | - |
| Inventory | - | 40,186 | - | 83,902 | 124,088 | - |
| Prepaid expense | 53,710 | 50,308 | 51 | 6,248 | 110,317 | 957,794 |
| TOTAL CURRENT ASSETS | 2,520,262 | 4,851,512 | 4,104,579 | 1,760,590 | 13,236,943 | 3,544,518 |
| Non-current Assets: | | | | | | |
| Restricted Assets: | | | | | | |
| Replacement and maintenance fund | - | - | - | 40,000 | 40,000 | 1,038,047 |
| OPEB reserve | 89,341 | 63,012 | - | - | 152,353 | 92,202 |
| Compensated absences reserve | 250,085 | 68,784 | 28,928 | 266 | 348,063 | 76,826 |
| Total Restricted Assets | 339,426 | 131,796 | 28,928 | 40,266 | 540,416 | 1,207,075 |
| Investment in joint venture | - | 4,453,432 | - | - | 4,453,432 | - |
| Land and other non-depreciable assets | 38,454 | 22,787 | 50,320 | 32,012 | 143,573 | 2,519,888 |
| Other capital assets, net of depreciation | 23,554,840 | 20,178,742 | 12,797,390 | 4,593,819 | 61,124,791 | 38,175,541 |
| TOTAL NON-CURRENT ASSETS | 23,932,720 | 24,786,757 | 12,876,638 | 4,666,097 | 66,262,212 | 41,902,504 |
| TOTAL ASSETS | 26,452,982 | 29,638,269 | 16,981,217 | 6,426,687 | 79,499,155 | 45,447,022 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred amount on refunding | 52,068 | 32,698 | 27,196 | - | 111,962 | - |
| Deferred outflows related to pension | 800,108 | 395,014 | - | - | 1,195,122 | 539,023 |
| Deferred outflows related to OPEB | 2,721 | 1,919 | - | - | 4,640 | 1,973 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 854,897 | 429,631 | 27,196 | - | 1,311,724 | 540,996 |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Cash overdraft | - | - | - | - | - | - |
| Accounts payable | 94,735 | 377,815 | 48,997 | 56,445 | 577,992 | 76,657 |
| Accrued wages payable | 27,686 | 11,516 | 2,579 | 4,505 | 46,286 | 17,506 |
| Customer deposits payable | - | - | - | 15,445 | 15,445 | - |
| Accrued interest payable | 103,685 | 121,280 | 150,377 | 18,189 | 393,531 | - |
| Current portion of long-term debt | 1,197,673 | 1,397,370 | 956,027 | 180,000 | 3,731,070 | 1,033,469 |
| TOTAL CURRENT LIABILITIES | 1,423,779 | 1,907,981 | 1,157,980 | 274,584 | 4,764,324 | 1,127,632 |
| Non-current Liabilities: | | | | | | |
| Compensated absences | 250,085 | 68,784 | 28,928 | 266 | 348,063 | 104,245 |
| Other post employment benefits (OPEB) | 89,341 | 63,012 | - | - | 152,353 | 64,783 |
| Net pension liability | 3,816,900 | 2,204,039 | - | - | 6,020,939 | 2,492,691 |
| Long term payable to other authorities | - | 25,096 | - | - | 25,096 | - |
| Bonds payable | 6,074,290 | 6,983,210 | 9,062,796 | 1,045,046 | 23,165,342 | - |
| Loan payable | 554,840 | 527,484 | - | - | 1,082,324 | - |
| Subscription Liability | - | - | - | - | - | 28,221 |
| Leases payable | - | - | - | - | - | 22,897,179 |
| TOTAL NON-CURRENT LIABILITIES | 10,785,456 | 9,871,625 | 9,091,724 | 1,045,312 | 30,794,117 | 25,587,119 |
| TOTAL LIABILITIES | 12,209,235 | 11,779,606 | 10,249,704 | 1,319,896 | 35,558,441 | 26,714,751 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Special assessment | 2,341 | 2,341 | - | - | 4,682 | - |
| Deferred inflows related to pension | 25,107 | 45,285 | - | - | 70,392 | 75,210 |
| Deferred inflows related to OPEB | 47,853 | 33,750 | - | - | 81,603 | 34,702 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 75,301 | 81,376 | - | - | 156,677 | 109,912 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 16,653,801 | 12,156,023 | 8,282,474 | 3,551,003 | 40,643,301 | 16,736,560 |
| Restricted for: | | | | | | |
| Debt service | - | - | - | - | - | - |
| Fuel system reserve | - | - | - | - | - | - |
| Capital outlay | 835,242 | 829,860 | 5,426,391 | 150,218 | 7,241,711 | 829,081 |
| Unrestricted | (2,465,700) | 5,221,035 | (6,950,156) | 1,405,570 | (2,789,251) | 1,597,714 |
| TOTAL NET POSITION | \$ 15,023,343 | \$ 18,206,918 | \$ 6,758,709 | \$ 5,106,791 | \$ 45,095,761 | \$ 19,163,355 |

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2023

| | Business-Type Activities Enterprise Funds | | | | Total | Governmental |
|---|--|----------------------------|-------------------------------|----------------------------------|----------------------|----------------------|
| | Water Supply Fund | Sewage Disposal Fund | Stormwater Utility Fund | Non-major Enterprise Funds | | Internal |
| | | | | | | Service Funds |
| OPERATING REVENUES: | | | | | | |
| Water sales | \$ 6,255,302 | \$ - | \$ - | \$ - | \$ 6,255,302 | \$ - |
| Sewage disposal | - | 8,163,604 | - | - | 8,163,604 | - |
| Charges for services | 19,863 | 6,538 | 2,359,658 | 50,820 | 2,436,879 | 5,085 |
| Other operating revenue | 58,069 | 18,898 | 2,452 | 1,683,894 | 1,763,313 | 4,873,962 |
| TOTAL OPERATING REVENUES | 6,333,234 | 8,189,040 | 2,362,110 | 1,734,714 | 18,619,098 | 4,879,047 |
| OPERATING EXPENSES: | | | | | | |
| Personnel services | 1,979,319 | 766,077 | 248,935 | 207,056 | 3,201,387 | 1,466,201 |
| Supplies and contractual | 1,115,577 | 3,012,873 | 200,703 | 1,035,491 | 5,364,644 | 2,430,004 |
| Capital outlay | - | - | - | - | - | - |
| Provision for depreciation / amortization | 1,604,289 | 1,286,731 | 1,101,743 | 240,098 | 4,232,861 | 3,205,884 |
| Other supplies and charges | 657,396 | 563,352 | - | - | 1,220,748 | - |
| TOTAL OPERATING EXPENSES | 5,356,581 | 5,629,033 | 1,551,381 | 1,482,645 | 14,019,640 | 7,102,089 |
| OPERATING INCOME (LOSS) | 976,653 | 2,560,007 | 810,729 | 252,069 | 4,599,458 | (2,223,042) |
| NON-OPERATING REVENUES (EXPENSES): | | | | | | |
| Investment income | 40,796 | 68,399 | 54,644 | 46,232 | 210,071 | 63,549 |
| Interest expense | (212,664) | (239,022) | (287,066) | (36,502) | (775,254) | (683,311) |
| Gain (Loss) on sale of capital asset | - | - | - | - | - | 96,842 |
| Contributions from other authorities | - | - | - | - | - | 142,815 |
| Operating (loss) from Marquette Area Wastewater Treatment Facility | - | 1,595,459 | - | - | 1,595,459 | - |
| Lease - Interest | - | - | - | - | - | (16,214) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (171,868) | 1,424,836 | (232,422) | 9,730 | 1,030,276 | (396,319) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 804,785 | 3,984,843 | 578,307 | 261,799 | 5,629,734 | (2,619,361) |
| Federal grant - capital grant | 133,708 | 85,092 | 127,638 | - | 346,438 | - |
| State grant - capital grant | - | - | - | 255,970 | 255,970 | - |
| Contributed capital | - | - | - | - | - | - |
| Transfers in | - | - | - | 123,553 | 123,553 | 2,074,221 |
| Transfers (out) | (150,223) | (122,750) | - | (22,797) | (295,770) | - |
| CHANGE IN NET POSITION | 788,270 | 3,947,185 | 705,945 | 618,525 | 6,059,925 | (545,140) |
| Net position, beginning of year | 14,235,073 | 14,259,733 | 6,052,764 | 4,488,266 | 39,035,836 | 19,708,495 |
| NET POSITION, END OF YEAR | \$ 15,023,343 | \$ 18,206,918 | \$ 6,758,709 | \$ 5,106,791 | \$ 45,095,761 | \$ 19,163,355 |

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2023

| | Business-Type Activities Enterprise Funds | | | | Total | Governmental |
|--|--|----------------------------|-------------------------------|----------------------------------|----------------------|------------------------------|
| | Water Supply Fund | Sewage Disposal Fund | Stormwater Utility Fund | Non-major Enterprise Funds | | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Cash received from fees and charges for services | \$ 6,089,505 | \$ 7,980,860 | \$ 2,475,317 | \$ 205,861 | \$ 16,751,543 | \$ 5,054 |
| Other operating revenues | 54,487 | 18,898 | 2,452 | 1,390,766 | 1,466,603 | 4,666,588 |
| Cash payments to employees for services | (1,759,951) | (690,301) | (250,495) | (209,073) | (2,909,820) | (1,315,663) |
| Cash payments to suppliers for goods and services | (1,802,322) | (4,669,288) | (220,833) | (1,024,836) | (7,717,279) | (2,495,021) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 2,581,719 | 2,640,169 | 2,006,441 | 362,718 | 7,591,047 | 860,958 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | | | |
| Increase (decrease) in cash overdraft | - | - | - | - | - | (199,626) |
| Transfers in | - | - | - | 123,553 | 123,553 | 2,074,221 |
| Transfers (out) | (150,223) | (122,750) | - | (22,797) | (295,770) | - |
| Contributions from other authorities | - | - | - | - | - | 142,815 |
| State and Federal grants | - | - | - | - | - | - |
| NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES | (150,223) | (122,750) | - | 100,756 | (172,217) | 2,017,410 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | | |
| Principal payments on long-term debt | (1,162,231) | (1,347,927) | (953,178) | (175,000) | (3,638,336) | (646,430) |
| Interest paid on long-term debt | (303,418) | (344,363) | (359,662) | (48,127) | (1,055,570) | (699,525) |
| Proceeds from issuance of bonds | - | - | - | - | - | 315,430 |
| Premium on issuance of bonds | - | - | - | - | - | - |
| Proceeds from capital lease | - | - | - | - | - | - |
| Cash payments for bond issuance expenses | - | - | - | - | - | - |
| Cash payments for capital assets | (1,150,465) | (678,325) | (630,913) | (521,524) | (2,981,227) | (600,027) |
| Proceeds from sale of capital assets | - | - | - | - | - | 96,842 |
| State and Federal grants | 133,708 | 85,092 | 127,638 | 255,970 | 602,408 | - |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (2,482,406) | (2,285,523) | (1,816,115) | (488,681) | (7,072,725) | (1,533,710) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | |
| Interest income | 40,796 | 68,399 | 54,644 | 46,232 | 210,071 | 63,549 |
| (Increase) decrease in restricted assets: | | | | | | |
| Replacement maintenance reserve | - | - | - | - | - | (1,038,047) |
| OPEB reserve | 47,078 | 33,203 | - | - | 80,281 | 6,721 |
| Compensated absences reserve | (11,105) | 2,465 | (114) | 1,830 | (6,924) | 14,604 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 76,769 | 104,067 | 54,530 | 48,062 | 283,428 | (953,173) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 25,859 | 335,963 | 244,856 | 22,855 | 629,533 | 391,485 |
| Cash and cash equivalents, beginning of year | 1,601,814 | 3,397,668 | 3,764,911 | 1,350,228 | 10,114,621 | 1,981,896 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 1,627,673 | \$ 3,733,631 | \$ 4,009,767 | \$ 1,373,083 | \$ 10,744,154 | \$ 2,373,381 |
| NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | |
| Gain on investment from Marquette Wastewater Treatment Facility | \$ - | \$ 1,595,459 | \$ - | \$ - | \$ 1,595,459 | \$ - |
| TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | \$ - | \$ 1,595,459 | \$ - | \$ - | \$ 1,595,459 | \$ - |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | | |
| Operating income (loss) | \$ 976,653 | \$ 2,560,007 | \$ 810,729 | \$ 252,069 | \$ 4,599,458 | \$ (2,223,042) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | | |
| Depreciation / amortization | 1,604,289 | 1,286,731 | 1,101,743 | 240,098 | 4,232,861 | 3,205,884 |
| Changes in assets and liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | (190,903) | (189,282) | (18,243) | 121,842 | (276,586) | (207,405) |
| (Increase) decrease in special assessments receivable | - | - | - | - | - | - |
| (Increase) decrease in due from other governments | 1,661 | - | 133,902 | (259,988) | (124,425) | - |
| (Increase) decrease in inventory | - | 6,509 | - | 28,838 | 35,347 | - |
| (Increase) decrease in prepaid expenses | (18,171) | (13,758) | 50 | (569) | (32,448) | (43,550) |
| Increase (decrease) in accounts payable | (11,178) | (1,085,814) | (20,180) | (17,614) | (1,134,786) | (21,467) |
| Increase (decrease) in accrued wages payable | 2,879 | 615 | (1,674) | (187) | 1,633 | 3,135 |
| Increase (decrease) in customer deposits payable | - | - | - | 59 | 59 | - |
| Increase (decrease) in compensated absences | 11,105 | (2,465) | 114 | (1,830) | 6,924 | 12,815 |
| Increase (decrease) in net pension liability | 242,593 | 103,869 | - | - | 346,462 | 161,571 |
| Increase (decrease) in other post-employment benefits (OPEB) | (37,209) | (26,243) | - | - | (63,452) | (26,983) |
| Increase (decrease) in deferred inflows - special assessments | - | - | - | - | - | - |
| NET ADJUSTMENTS | 1,605,066 | 80,162 | 1,195,712 | 110,649 | 2,991,589 | 3,084,000 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 2,581,719 | \$ 2,640,169 | \$ 2,006,441 | \$ 362,718 | \$ 7,591,047 | \$ 860,958 |

CITY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2023

| | Pension Trust Fund Fund | Custodial Funds |
|---|---|----------------------------|
| | Fire-Police Pension Trust Fund | Custodial Fund |
| ASSETS | | |
| Cash and cash equivalents | \$ 817,042 | \$ 1,250,059 |
| Investments | | |
| Domestic Corporation Bonds | 3,594,537 | - |
| Common, Pooled Fund | 33,888,218 | - |
| Taxes receivable | - | 1,742,512 |
| Accrued interest receivable | 16,460 | - |
| | TOTAL ASSETS | 2,992,571 |
| | - | - |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| | | |
| LIABILITIES | | |
| Accounts payable | 23,699 | 508,878 |
| Due to State | - | 230,121 |
| Due to other governments | - | 885,045 |
| Due to local units | - | 654,135 |
| Other liabilities | - | 239,113 |
| | TOTAL LIABILITIES | 2,517,292 |
| | - | - |
| DEFERRED INFLOWS OF RESOURCES | | |
| | | |
| NET POSITION | | |
| Restricted for: | | |
| Pensions | 38,292,558 | - |
| Individuals, organizations, and other governments | - | 475,279 |
| | TOTAL NET POSITION | 475,279 |
| | \$ 38,292,558 | \$ 475,279 |

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

CITY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended September 30, 2023

| | Pension Trust Fund | Custodial Funds |
|---|---|----------------------------|
| | Fire-Police Pension Trust Fund | Custodial Fund |
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 1,707,745 | \$ - |
| Employee | 255,359 | - |
| Total Contributions | 1,963,104 | - |
| Investment Income: | | |
| Net appreciation (depreciation) in fair value of investments | 4,299,911 | - |
| Interest and dividends | 162,510 | - |
| Net Investment Income | 4,462,421 | - |
| Other Additions: | | |
| Collections for individuals, organizations, and other governments | - | 890,292 |
| Property tax collections for other governments | - | 25,943,525 |
| Total Other Additions | - | 26,833,817 |
| TOTAL ADDITIONS | 6,425,525 | 26,833,817 |
| DEDUCTIONS | | |
| Benefits and annuity withdrawals | 3,293,982 | - |
| Administrative expenses | 20,603 | - |
| Payments to individuals, organizations, and other governments | - | 415,013 |
| Payments of property tax collections for other governments | - | 25,943,525 |
| TOTAL DEDUCTIONS | 3,314,585 | 26,358,538 |
| CHANGE IN NET POSITION | 3,110,940 | 475,279 |
| Net position, beginning of year | 35,181,618 | - |
| NET POSITION, END OF YEAR | \$ 38,292,558 | \$ 475,279 |

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

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF NET POSITION

September 30, 2023

| | Board of Light and Power | Brownfield Redevelopment Authority | Non-Major Component Units | Total |
|---|-----------------------------|--|---------------------------------|-----------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 21,240,354 | \$ 9,750,644 | \$ 3,205,120 | \$ 34,196,118 |
| Investments | 35,189,361 | - | - | 35,189,361 |
| Receivables (net) | 4,312,616 | 94,188 | 263,859 | 4,670,663 |
| Due from State | - | 5,732 | - | 5,732 |
| Inventory | 3,749,696 | - | - | 3,749,696 |
| Prepaid expenses and other assets | 680,521 | 1,112 | 61,344 | 742,977 |
| TOTAL CURRENT ASSETS | 65,172,548 | 9,851,676 | 3,530,323 | 78,554,547 |
| Non-current Assets: | | | | |
| Restricted assets - cash and equivalents | 10,010,884 | - | 2,075,099 | 12,085,983 |
| Accrued interest | 28,998 | - | - | 28,998 |
| Investment in UPPPA | 6,103,959 | - | - | 6,103,959 |
| Leases receivable | - | - | 30,416 | 30,416 |
| Capital assets: | | | | |
| Land and construction in progress | 9,907,430 | - | 114,704 | 10,022,134 |
| Other capital assets, net of depreciation | 85,610,076 | 610,125 | 9,859,286 | 96,079,487 |
| Total Capital Assets | 95,517,506 | 610,125 | 9,973,990 | 106,101,621 |
| TOTAL NON-CURRENT ASSETS | 111,661,347 | 610,125 | 12,079,505 | 124,350,977 |
| TOTAL ASSETS | 176,833,895 | 10,461,801 | 15,609,828 | 202,905,524 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred amount on refunding | - | - | - | - |
| Deferred outflows related to pension | 3,822,389 | - | 277,893 | 4,100,282 |
| Deferred outflows related to OPEB | 1,750,664 | - | - | 1,750,664 |
| Employer contributions subsequent to measurement date | 1,349,994 | - | 64,968 | 1,414,962 |
| Receivables for developer obligations | - | 72,246,832 | - | 72,246,832 |
| TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES | 6,923,047 | 72,246,832 | 342,861 | 79,512,740 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 4,205,678 | 24,700 | 27,257 | 4,257,635 |
| Accrued liabilities | 324,562 | 766 | 82,951 | 408,279 |
| Compensated absences | 1,209,126 | - | 30,844 | 1,239,970 |
| Customer deposits payable | 1,955,418 | - | - | 1,955,418 |
| Due to primary government | - | - | 7,234 | 7,234 |
| Grants received in advance | - | - | - | - |
| Current portion of bonds payable | - | 1,070,000 | 365,000 | 1,435,000 |
| Current maturities on revenue bonds | 3,040,000 | - | - | 3,040,000 |
| Other current liabilities | 1,007,081 | 648,594 | 4,713 | 1,660,388 |
| TOTAL CURRENT LIABILITIES | 11,741,865 | 1,744,060 | 517,999 | 14,003,924 |
| Non-current Liabilities: | | | | |
| Compensated absences | - | - | 67,840 | 67,840 |
| Net pension liability | 12,234,910 | - | 1,182,325 | 13,417,235 |
| Net OPEB liability | 2,735,433 | - | - | 2,735,433 |
| Bonds payable | 55,260,486 | 35,754,102 | 3,278,620 | 94,293,208 |
| Long-term contract and notes payable | - | 34,774,136 | - | 34,774,136 |
| Other | 94,460 | - | 5,985 | 100,445 |
| TOTAL NON-CURRENT LIABILITIES | 70,325,289 | 70,528,238 | 4,534,770 | 145,388,297 |
| TOTAL LIABILITIES | 82,067,154 | 72,272,298 | 5,052,769 | 159,392,221 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to leases | - | - | 53,904 | 53,904 |
| Deferred inflows related to OPEB | 1,997,309 | - | - | 1,997,309 |
| Deferred inflows related to pension | - | - | 60,403 | 60,403 |
| Taxes levied for subsequent period | - | 4,739,557 | 1,758,648 | 6,498,205 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,997,309 | 4,739,557 | 1,872,955 | 8,609,821 |
| NET POSITION | | | | |
| Net investment in capital assets | 37,217,020 | 70,125 | 6,319,672 | 43,606,817 |
| Restricted for: | | | | |
| Debt Services | - | - | - | - |
| Capital Assets | - | - | - | - |
| Perpetual Care | - | - | - | - |
| Other activities | 10,039,882 | - | 1,962,433 | 12,002,315 |
| Unrestricted | 52,435,577 | 5,626,653 | 744,860 | 58,807,090 |
| TOTAL NET POSITION | \$ 99,692,479 | \$ 5,696,778 | \$ 9,026,965 | \$ 114,416,222 |

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2023

| 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 | \$ 40,505,731 | \$ 45,241,438 | \$ - | \$ 102,320 | \$ 4,838,027 | \$ - | \$ - | \$ 4,838,027 |
| Brownfield Redevelopment Authority | 4,382,448 | - | 44,128 | - | - | (4,338,320) | - | (4,338,320) |
| Non-Major Component Units | 4,325,802 | 826,209 | 1,436,513 | - | - | - | (2,063,080) | (2,063,080) |
| TOTAL COMPONENT UNITS | <u>\$ 49,213,981</u> | <u>\$ 46,067,647</u> | <u>\$ 1,480,641</u> | <u>\$ 102,320</u> | <u>4,838,027</u> | <u>(4,338,320)</u> | <u>(2,063,080)</u> | <u>(1,563,373)</u> |
| General Revenues: | | | | | | | | |
| Property taxes | | | | | - | 2,934,506 | 2,294,723 | 5,229,229 |
| Interest and investment earnings | | | | | 2,453,506 | 103,123 | 35,589 | 2,592,218 |
| Other income | | | | | 235,512 | - | - | 235,512 |
| Gain on sale of capital assets | | | | | 51,887 | - | - | 51,887 |
| Amortization of bond premium | | | | | - | - | - | - |
| Miscellaneous | | | | | - | 253 | 152,265 | 152,518 |
| TOTAL GENERAL REVENUES | | | | | <u>2,740,905</u> | <u>3,037,882</u> | <u>2,482,577</u> | <u>8,261,364</u> |
| CHANGE IN NET POSITION | | | | | <u>7,578,932</u> | <u>(1,300,438)</u> | <u>419,497</u> | <u>6,697,991</u> |
| Net position, beginning of year | | | | | <u>92,113,547</u> | <u>6,997,216</u> | <u>8,607,468</u> | <u>107,718,231</u> |
| NET POSITION, END OF YEAR | | | | | <u>\$ 99,692,479</u> | <u>\$ 5,696,778</u> | <u>\$ 9,026,965</u> | <u>\$ 114,416,222</u> |

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):

BLENDING 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, 2022. 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, 2023, the Development Fund distributed \$109,602 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, 2023, the latest available report, is as follows:

| | |
|---|--------------|
| Total Assets | \$ 3,879,848 |
| Deferred Outflows of Resources | 387,279 |
| Total Liabilities | 1,298,962 |
| Deferred Inflows of Resources | 869 |
| Total Net Position | 2,967,296 |
| Total Operating Revenues | 1,098,189 |
| Total Operating Expenses | 754,467 |
| Total Non-Operating Revenues (Expenses) | 113,242 |
| Capital Grant Contributions | - |
| Net Increase (Decrease) in Net Position | 456,964 |

(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, Lakeshore and Lighthouse Park, Fuel System, 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 custodial 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 custodial fund). 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 Custodial 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.

Lease Receivable – In the government-wide financial statements, a lease receivable is reported for assets owned by the entity for which a right to use contract has been entered into with another entity. A receivable for the present value of the future lease payments is reported on the statement of net position along with a deferred inflow of resources for the amount of the unavailable revenue.

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 assets 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.

Lease Payable – In the government-wide financial statements, a lease payable is reported as a liability in the statement of net position for lease transactions that are not deemed to be short term leases. Under GASB 87 a lease is defined as “a contract that conveys control of the right to use another entity’s nonfinancial asset (underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction”. The entity records a liability for leases of equipment, which give the entity the right to use such assets. Conversely, an intangible right to use asset is also recorded on the statement of net position, which is amortized over the shorter of the lease term or the useful life of the underlying asset.

Subscription Liability - In the government-wide financial statements, a subscription liability is reported as a liability in the statement of net position for transactions that meet the definition of a subscription-based information technology arrangements (SBITAs). Under GASB 96, a SBITA is defined as “a contract that conveys control of the right to use another party’s (a SBITA vendor’s) 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.” The entity’s records a liability for SBITAs, which give the entity the right to use IT assets. Conversely, an intangible right to use an asset is also recorded on the statement of net position, which is amortized over the shorter of the SBITA term or the useful life of the underlying asset.

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 assets that applies

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

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.
- 5) The government reports deferred inflows of resources in the Statement of Net Position for amounts related to long-term lease receivables. In accordance with GASB 87, amounts related to lease revenue are required to be amortized in a systematic and rational manner over the term of the lease agreement.

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 26, 2024, 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 Custodial 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

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

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 | \$ 32,852,661 | \$ 34,196,118 | \$ 1,591,822 | \$ 68,640,601 |
| Investments | 6,157,912 | 35,189,361 | 37,482,755 | 78,830,028 |
| | <u>39,010,573</u> | <u>69,385,479</u> | <u>39,074,577</u> | <u>147,470,629</u> |
| Restricted: | | | | |
| Cash and cash equivalents | 1,747,491 | 12,085,983 | 475,279 | 14,308,753 |
| Investments | - | - | - | - |
| | <u>1,747,491</u> | <u>12,085,983</u> | <u>475,279</u> | <u>14,308,753</u> |
| TOTALS | <u>\$ 40,758,064</u> | <u>\$ 81,471,462</u> | <u>\$ 39,549,856</u> | <u>\$ 161,779,382</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 \$82,949,354 and the bank balance was \$89,729,656. The bank balance is categorized as follows:

| | |
|--|----------------------|
| Amount insured by the FDIC or uncollateralized with securities held by the City in its name | \$ 24,586,174 |
| Amount collateralized with securities held by the pledging financial institutions trust department in the City's name: | |
| Collateralized and uninsured | <u>65,143,482</u> |
| | <u>\$ 89,729,656</u> |

NOTE B – DEPOSITS AND INVESTMENTS (Continued):

Investments

As of September 30, 2023, 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* | \$ 343,852 | \$ 343,852 | \$ - | \$ - |
| Investment type 1** | 700,000 | 700,000 | - | - |
| Fixed income securities*** | 5,114,060 | 5,114,060 | - | - |
| Restricted Investments: | | | | |
| Investment type 1* | - | - | - | - |
| TOTAL INVESTMENTS | \$ 6,157,912 | \$ 6,157,912 | \$ - | \$ - |
| COMPONENT UNITS: | | | | |
| Fixed income securities* | \$24,493,580 | \$24,493,580 | \$ - | \$ - |
| Fixed income securities** | 10,695,781 | 10,695,781 | - | - |
| Fixed income securities*** | - | - | - | - |
| TOTAL INVESTMENTS | \$35,189,361 | \$35,189,361 | \$ - | \$ - |
| FIDUCIARY FUNDS: | | | | |
| Investment type 1* | \$37,482,755 | \$37,482,755 | \$ - | \$ - |
| TOTAL INVESTMENTS | \$37,482,755 | \$37,482,755 | \$ - | \$ - |

- * 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 | \$ 339,426 | \$ 131,796 | \$ 28,928 | \$ 40,266 | \$ 32,748 | \$ 4,139 | \$ 1,170,188 | \$ 1,747,491 | \$ 12,085,983 |
| Investments | - | - | - | - | - | - | - | - | - |
| TOTALS | \$ 339,426 | \$ 131,796 | \$ 28,928 | \$ 40,266 | \$ 32,748 | \$ 4,139 | \$ 1,170,188 | \$ 1,747,491 | \$ 12,085,983 |

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, 2023 by the City is \$4,453,432, 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, 2023, of the Facility, in the aggregate, is as follows:

| | |
|---------------------------------|--------------|
| Assets | \$22,297,620 |
| Deferred outflows of resources | 465,241 |
| Liabilities | 15,950,943 |
| Deferred inflows of resources | 82,292 |
| Equity | 6,729,626 |
| Operating Revenues | 2,700,967 |
| Operating Expenses | 3,225,431 |
| Non-operating Revenues | 1,170,593 |
| Non-operating Expenses | (1,697,801) |
| Decrease in net position | (1,051,672) |
| City's share of net gain (loss) | (883,404) |

NOTE E – LEASES:

Capital lease - Lessee

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, | |
|--|----------------------|
| 2024 | \$ 1,564,766 |
| 2025 | 1,626,790 |
| 2026 | 1,648,926 |
| 2027 | 1,810,984 |
| 2028 | 1,763,029 |
| 2029 - 2033 | 10,611,294 |
| 2034 - 2038 | 10,427,598 |
| Total minimum lease payment | <u>29,453,387</u> |
| Less amount representing interest | <u>(5,907,229)</u> |
| Present value of minimum lease payments | <u>\$ 23,546,158</u> |
| | |
| Asset | |
| Building improvements, net of depreciation | <u>\$ 22,599,114</u> |

Equipment Leases – Lessee

The City is a lessee of various computer and network equipment under leases for periods through 2028. A summary of these agreements are as follows:

| <u>Equipment Description</u> | <u>Starting Date</u> | <u>Monthly Payment Amount</u> | <u>Interest Rate</u> |
|------------------------------|----------------------|-------------------------------|----------------------|
| Network Equipment | February 2017 | \$ 929.00 | 4.50% |
| Network Equipment | September 2017 | \$ 420.00 | 3.97% |
| Network Equipment | January 2019 | \$ 261.00 | 4.99% |
| Plotter Equipment | January 2019 | \$ 90.00 | 4.99% |
| Network Equipment | November 2021 | \$ 1,248.00 | 5.73% |
| Computer Equipment | February 2022 | \$ 3,140.00 | 5.50% |
| Phone Systems | July 2021 | \$ 1,585.00 | 5.50% |
| Copier Equipment | November 2018 | \$ 2,029.00 | 4.15% |
| Switches | January 2023 | \$ 773.00 | 3.75% |
| Wastewater Switches | March 2023 | \$ 949.00 | 3.38% |
| Copiers/Printers | March 2023 | \$ 2,009.00 | 3.38% |

Primary Government

| | <u>Balance at</u> <u>9/30/2022</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance at</u> <u>9/30/2023</u> |
|-------------------------------------|---------------------------------------|-------------------|------------------|---------------------------------------|
| Leased Equipment (Right to Use) | \$ 446,824 | \$ 205,911 | \$ (133,059) | \$ 519,676 |
| Less: Accumulated Amortization | 219,720 | 101,252 | (133,059) | 187,913 |
| Net Leased Equipment (Right to Use) | <u>\$ 227,104</u> | <u>\$ 104,659</u> | <u>\$ -</u> | <u>\$ 331,763</u> |

NOTE E – LEASES (continued):

Future Lease Payment Maturity Schedule

| | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|------|-------------------|------------------|--------------------------|
| 2024 | \$ 91,062 | \$ 12,906 | \$ 103,968 |
| 2025 | 92,744 | 8,728 | 101,472 |
| 2026 | 93,979 | 4,353 | 98,332 |
| 2027 | 43,373 | 1,399 | 44,772 |
| 2028 | 16,980 | 129 | 17,109 |
| | <u>\$ 338,138</u> | <u>\$ 27,515</u> | <u>\$ 365,653</u> |

Peter White Public Library is a lessee for various copier equipment. A summary of these agreements are as follows:

PWPL

| Equipment Description | Starting Date | Term | Amount | Interest Rate |
|-----------------------|---------------|-----------|--------|---------------|
| Xerox Copier | May 2019 | 60 months | \$ 186 | 4.45% |
| Sharp Copier | October 2019 | 60 months | \$ 157 | 4.45% |

Component Unit - PWPL

| | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|------|------------------|-----------------|--------------------------|
| 2024 | \$ 3,211 | \$ 1 | \$ 3,212 |
| 2025 | 23 | - | 23 |
| | <u>\$ 3,234</u> | <u>\$ 1</u> | <u>\$ 3,235</u> |

The DDA is a lessee for various copier equipment. A summary of these agreements are as follows:

DDA

| Equipment Description | Starting Date | Term | Amount | Interest Rate |
|-----------------------|---------------|-----------|--------|---------------|
| Xerox Copier | June 2023 | 60 months | \$ 144 | 3.38% |

Component Unit - DDA

| | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|------|------------------|-----------------|--------------------------|
| 2024 | \$ 1,502 | \$ 229 | \$ 1,731 |
| 2025 | 1,553 | 178 | 1,731 |
| 2026 | 1,607 | 124 | 1,731 |
| 2027 | 1,662 | 69 | 1,731 |
| 2028 | 1,140 | 14 | 1,154 |
| | <u>\$ 7,464</u> | <u>\$ 614</u> | <u>\$ 8,078</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, 2023:

| | Balance September 30, 2022 | Additions | Deductions | Balance September 30, 2023 | Due Within One Year |
|--|-------------------------------|-------------------|----------------------|-------------------------------|------------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | |
| 2007 High Street Bonds | \$ 73,308 | \$ - | \$ (11,681) | \$ 61,627 | \$ 11,883 |
| 2013 Capital Improvement Bonds | | | | | |
| Street Bonds Portion | 478,950 | - | (74,400) | 404,550 | 75,950 |
| Refunding Portion - 2003 Founder's Landing Bonds | - | - | - | - | - |
| 2014 Capital Improvement Bonds | 770,400 | - | (84,600) | 685,800 | 86,400 |
| Add: deferred amounts on 2014 bonds | 48,183 | - | (6,023) | 42,160 | |
| 2015 Capital Improvement Bonds | 300,423 | - | (72,307) | 228,116 | 73,907 |
| Add: deferred amounts on 2015 bonds | 9,867 | - | (2,467) | 7,400 | |
| 2016 Capital Improvement Bonds | | | | | |
| Street Bonds Portion | 799,800 | - | (75,250) | 724,550 | 79,550 |
| Add: deferred amount on 2016 bonds | 88,432 | - | (9,826) | 78,606 | |
| Refunding Portion - 2006 & 2008 Street Bonds | 984,096 | - | (145,248) | 838,848 | 155,040 |
| Add: deferred amount on 2006 & 2008 refundings | 157,895 | - | (26,316) | 131,579 | |
| 2017 Capital Improvement Bonds | | | | | |
| Street Bonds Portion | 3,185,000 | - | (265,000) | 2,920,000 | 275,000 |
| Add: deferred amount on 2017 bonds | 307,215 | - | (30,721) | 276,494 | |
| Refunding Portion - 2009 Capital Imp. Bonds | 586,580 | - | (286,960) | 299,620 | 299,620 |
| Add: deferred amount on 2009 refunding | 45,211 | - | (22,605) | 22,606 | |
| 2018 Capital Improvement Bonds | 490,000 | - | (75,000) | 415,000 | 75,000 |
| Add: deferred amounts on 2018 bonds | 33,472 | - | (5,578) | 27,894 | |
| 2018 Michigan Transportation Fund Bonds | 1,040,000 | - | (155,000) | 885,000 | 165,000 |
| Add: deferred amounts on 2018 MTF bonds | 66,153 | - | (11,025) | 55,128 | |
| 2019 Capital Improvement Bonds | 850,000 | - | (90,000) | 760,000 | 100,000 |
| Add: deferred amounts on 2019 bonds | 92,654 | - | (11,581) | 81,073 | |
| 2020 Capital Improvement Bonds | 360,000 | - | (40,000) | 320,000 | 40,000 |
| Add: deferred amounts on 2020 bonds | 54,844 | - | (6,855) | 47,989 | |
| 2020 Michigan Transportation Fund Bonds | 1,550,000 | - | (170,000) | 1,380,000 | 175,000 |
| Add: deferred amounts on 2020 MTF bonds | 235,200 | - | (29,400) | 205,800 | |
| 2021 Capital Improvements Bonds | | | | | |
| Capital Improvement Portion | 1,560,000 | - | (83,200) | 1,476,800 | 86,400 |
| Add: deferred amount on 2021 bonds | 259,424 | - | (18,531) | 240,893 | |
| Refunding Portion | | | | | |
| 2011 Street Improvement Bonds | 322,000 | - | (76,000) | 246,000 | 78,000 |
| Add: deferred amount on 2011 refunding | 30,830 | - | (7,708) | 23,122 | |
| 2012 Capital Improvement Bonds | 439,560 | - | (79,920) | 359,640 | 84,915 |
| Add: deferred amount on 2012 refunding | 50,109 | - | (10,022) | 40,087 | |
| 2022 Capital Improvement Bonds | 1,920,000 | - | (113,600) | 1,806,400 | 94,400 |
| Add: deferred amounts on 2022 bonds | 170,433 | - | (11,362) | 159,071 | |
| Capital lease [see footnote "Leases"] | 24,060,234 | - | (514,076) | 23,546,158 | 896,055 |
| Equipment lease | 229,635 | 205,911 | (97,408) | 338,138 | 91,062 |
| IT Arrangements | - | 109,519 | (34,946) | 74,573 | 46,352 |
| Accrued Compensated Absences | 1,767,825 | 372,631 | (382,519) | 1,757,937 | 662,757 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 43,417,733 | \$ 688,061 | \$(3,137,135) | \$ 40,968,659 | \$3,652,291 |

The City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscription liabilities have been included in the "IT Arrangements" additions shown above and a corresponding subscription asset has been recorded for the same amount.

NOTE F – LONG-TERM DEBT (Continued):

| | Balance September 30, 2022 | | | Balance September 30, 2023 | | Due Within One Year |
|---|----------------------------------|---------------|--------------------|----------------------------------|------------------|------------------------|
| | | Additions | Deductions | | | |
| BUSINESS-TYPE ACTIVITIES: | | | | | | |
| <u>WATER SUPPLY FUND:</u> | | | | | | |
| State Drinking Water Revolving Fund Loan - 2009 | \$ 215,058 | \$ - | \$ (25,000) | \$ 190,058 | \$ 25,000 | |
| State Drinking Water Revolving Fund Loan - 2011 | 293,908 | - | (30,000) | 263,908 | 30,000 | |
| State Drinking Water Revolving Fund Loan - 2015 | 185,875 | - | (15,000) | 170,875 | 15,000 | |
| 2007 High Street Bonds | 114,543 | - | (18,251) | 96,292 | 18,568 | |
| 2013 Capital Improvements Bonds | 386,250 | - | (60,000) | 326,250 | 61,250 | |
| 2014 Capital Improvements Bonds | 363,800 | - | (39,950) | 323,850 | 40,800 | |
| Add: deferred amounts | 21,340 | - | (2,667) | 18,673 | | |
| 2015 Capital Improvements Bonds | 463,247 | - | (111,525) | 351,722 | 113,975 | |
| Add: deferred amounts | 13,663 | - | (3,416) | 10,247 | | |
| 2016 Capital Improvement Bonds | | | | | | |
| Capital Improvement Portion | 316,200 | - | (29,750) | 286,450 | 31,450 | |
| Add: deferred amounts | 34,962 | - | (3,885) | 31,077 | | |
| Refunding Portion - 2008 Street Bonds | 744,705 | - | (109,915) | 634,790 | 117,325 | |
| Add: deferred amounts - 2008 Refunding, net | 41,607 | - | (6,934) | 34,673 | | |
| 2017 Capital Improvement Bonds | | | | | | |
| Capital Improvement Portion | 1,274,000 | - | (106,000) | 1,168,000 | 110,000 | |
| Add: deferred amounts | 122,886 | - | (12,289) | 110,597 | | |
| Refunding Portion - 2009 Capital Imp. Bonds | 496,230 | - | (242,760) | 253,470 | 253,470 | |
| Add: deferred amounts - 2009 Refunding, net | 4,569 | - | (2,285) | 2,284 | | |
| 2018 Capital Improvement Bonds | 780,000 | - | (120,000) | 660,000 | 120,000 | |
| Add: deferred amounts | 53,401 | - | (8,900) | 44,501 | | |
| 2019 Capital Improvements Bonds | 510,000 | - | (55,000) | 455,000 | 60,000 | |
| Add: deferred amounts | 55,668 | - | (6,958) | 48,710 | | |
| 2020 Capital Improvements Bonds | 535,000 | - | (60,000) | 475,000 | 60,000 | |
| Add: deferred amounts | 81,097 | - | (10,137) | 70,960 | | |
| 2021 Capital Improvement Bonds | | | | | | |
| Capital Improvement Portion | 975,000 | - | (52,000) | 923,000 | 54,000 | |
| Add: deferred amounts | 162,140 | - | (11,581) | 150,559 | | |
| Refunding Portion | | | | | | |
| 2011 Street Improvement Bonds | 88,550 | - | (20,900) | 67,650 | 21,450 | |
| Add: deferred amounts | 8,465 | - | (2,116) | 6,349 | | |
| 2012 Capital Improvement Bonds | 246,840 | - | (44,880) | 201,960 | 47,685 | |
| Add: deferred amounts | 36,631 | - | (7,326) | 29,305 | | |
| 2022 Capital Improvements Bonds | 360,000 | - | (21,300) | 338,700 | 17,700 | |
| Add: deferred amounts | 31,956 | - | (2,130) | 29,826 | | |
| Accrued Compensated Absences | 238,980 | 93,178 | (82,073) | 250,085 | 100,034 | |
| TOTAL WATER SUPPLY FUND | 9,256,571 | 93,178 | (1,324,928) | 8,024,821 | 1,297,707 | |
| <u>SEWAGE DISPOSAL FUND:</u> | | | | | | |
| State Act 94 Clean Water Assistance Loan | 415,000 | - | (205,000) | 210,000 | 210,000 | |
| State Revolving Fund Loan -2009 | 315,699 | - | (35,000) | 280,699 | 40,000 | |
| State Revolving Fund Loan -2011 | 356,785 | - | (35,000) | 321,785 | 35,000 | |
| 2013 Capital Improvements Bonds | 432,600 | - | (67,200) | 365,400 | 68,600 | |
| 2014 Capital Improvements Bonds | 1,005,800 | - | (110,450) | 895,350 | 112,800 | |
| Add: deferred amounts | 59,000 | - | (7,375) | 51,625 | | |
| 2015 Capital Improvements Bonds | 155,137 | - | (37,385) | 117,752 | 38,185 | |
| Add: deferred amounts | 4,534 | - | (1,133) | 3,401 | | |
| 2016 Capital Improvement Bonds | | | | | | |
| Capital Improvement Portion | 316,200 | - | (29,750) | 286,450 | 31,450 | |
| Add: deferred amounts | 34,962 | - | (3,885) | 31,077 | | |
| Refunding Portion - 2008 Street Bonds | 680,184 | - | (100,392) | 579,792 | 107,160 | |
| Add: deferred amounts - 2008 Refunding, net | 47,565 | - | (7,928) | 39,637 | | |
| 2017 Capital Improvement Bonds | | | | | | |
| Capital Improvement Portion | 955,500 | - | (79,500) | 876,000 | 82,500 | |
| Add: deferred amounts | 92,165 | - | (9,216) | 82,949 | | |
| Refunding Portion - 2009 Capital Imp. Bonds | 250,200 | - | (122,400) | 127,800 | 127,800 | |
| Add: deferred amounts - 2009 Refunding, net | 2,304 | - | (1,152) | 1,152 | | |
| 2018 Capital Improvement Bonds | 940,000 | - | (140,000) | 800,000 | 145,000 | |
| Add: deferred amounts | 64,158 | - | (10,693) | 53,465 | | |
| 2019 Capital Improvements Bonds | 990,000 | - | (110,000) | 880,000 | 115,000 | |
| Add: deferred amounts | 107,720 | - | (13,465) | 94,255 | | |
| 2020 Capital Improvements Bonds | 525,000 | - | (55,000) | 470,000 | 60,000 | |
| Add: deferred amounts | 79,951 | - | (9,994) | 69,957 | | |
| 2021 Capital Improvement Bonds | | | | | | |
| Capital Improvement Portion | 975,000 | - | (52,000) | 923,000 | 54,000 | |
| Add: deferred amounts | 162,140 | - | (11,581) | 150,559 | | |
| Refunding Portion | | | | | | |
| 2011 Street Improvement Bonds | 249,550 | - | (58,900) | 190,650 | 60,450 | |
| Add: deferred amounts | 23,855 | - | (5,964) | 17,891 | | |
| 2012 Capital Improvement Bonds | 429,000 | - | (78,000) | 351,000 | 82,875 | |
| Add: deferred amounts | 63,663 | - | (12,733) | 50,930 | | |
| 2022 Capital Improvements Bonds | 540,000 | - | (31,950) | 508,050 | 26,550 | |
| Add: deferred amounts | 47,934 | - | (3,196) | 44,738 | | |
| Accrued Compensated Absences | 71,249 | 40,374 | (42,839) | 68,784 | 27,514 | |
| TOTAL SEWAGE DISPOSAL FUND | 10,392,855 | 40,374 | (1,489,081) | 8,944,148 | 1,424,884 | |

NOTE F – LONG-TERM DEBT (Continued):

| | Balance September 30, 2022 | Additions | Deductions | Balance September 30, 2023 | Due Within One Year |
|--|----------------------------------|-------------------|-----------------------|----------------------------------|------------------------|
| STORMWATER UTILITY FUND: | | | | | |
| 2007 High Street Bonds | \$ 41,235 | \$ - | \$ (6,571) | \$ 34,664 | \$ 6,684 |
| 2013 Capital Improvements Bonds | 247,200 | - | (38,400) | 208,800 | 39,200 |
| 2015 Capital Improvements Bonds | 36,193 | - | (8,783) | 27,410 | 8,933 |
| Add: deferred amounts | 983 | - | (246) | 737 | |
| 2016 Capital Improvement Bonds | | | | | |
| Capital Improvement Portion | 427,800 | - | (40,250) | 387,550 | 42,550 |
| Add: deferred amounts | 47,301 | - | (5,256) | 42,045 | |
| Refunding Portion - 2006 & 2008 Street Bonds | 606,015 | - | (89,445) | 516,570 | 95,475 |
| Add: deferred amounts - 2006 & 2008 Refunding, net | 84,994 | - | (14,166) | 70,828 | |
| 2017 Capital Improvement Bonds | | | | | |
| Capital Improvement Portion | 955,500 | - | (79,500) | 876,000 | 82,500 |
| Add: deferred amounts | 92,166 | - | (9,216) | 82,950 | |
| Refunding Portion - 2009 Capital Imp. Bonds | 56,990 | - | (27,880) | 29,110 | 29,110 |
| Add: deferred amounts - 2009 Refunding, net | 524 | - | (262) | 262 | |
| 2018 MTF Bonds | 860,000 | - | (130,000) | 730,000 | 135,000 |
| Add: deferred amounts | 54,625 | - | (9,104) | 45,521 | |
| 2019 Capital Improvements Bonds | 745,000 | - | (80,000) | 665,000 | 85,000 |
| Add: deferred amounts | 81,438 | - | (10,180) | 71,258 | |
| 2020 Capital Improvements Bonds | 1,105,000 | - | (120,000) | 985,000 | 125,000 |
| Add: deferred amounts | 167,827 | - | (20,978) | 146,849 | |
| 2021 Capital Improvement Bonds | | | | | |
| Capital Improvement Portion | 1,365,000 | - | (72,800) | 1,292,200 | 75,600 |
| Add: deferred amounts | 226,996 | - | (16,214) | 210,782 | |
| Refunding Portion | | | | | |
| 2011 Street Improvement Bonds | 144,900 | - | (34,200) | 110,700 | 35,100 |
| Add: deferred amounts | 13,851 | - | (3,463) | 10,388 | |
| 2012 Capital Improvement Bonds | 204,600 | - | (37,200) | 167,400 | 39,525 |
| Add: deferred amounts | 30,362 | - | (6,072) | 24,290 | |
| 2022 Capital Improvements Bonds | 3,180,000 | - | (188,150) | 2,991,850 | 156,350 |
| Add: deferred amounts | 282,281 | - | (18,819) | 263,462 | |
| Accrued Compensated Absences | 28,814 | 17,117 | (17,003) | 28,928 | 11,571 |
| TOTAL STORMWATER UTILITY FUND | 11,087,595 | 17,117 | (1,084,158) | 10,020,554 | 967,598 |
| TOURIST PARK FUND: | | | | | |
| Accrued Compensated Absences | 2,096 | - | (1,830) | 266 | 106 |
| TOTAL TOURIST PARK FUND | 2,096 | - | (1,830) | 266 | 106 |
| LAKESHORE AND LIGHTHOUSE PARK FUND: | | | | | |
| 2018 Building Authority Bonds | 655,000 | - | (100,000) | 555,000 | 105,000 |
| TOTAL LAKESHORE AND LIGHTHOUSE PARK FUND | 655,000 | - | (100,000) | 555,000 | 105,000 |
| MARINAS FUND: | | | | | |
| 2019 Capital Improvement Bonds | 680,000 | - | (75,000) | 605,000 | 75,000 |
| Add: deferred amounts | 74,338 | - | (9,292) | 65,046 | |
| TOTAL MARINAS FUND | 754,338 | - | (84,292) | 670,046 | 75,000 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 32,148,455 | \$ 150,669 | \$ (4,084,289) | \$ 28,214,835 | \$ 3,870,295 |

NOTE F – LONG-TERM DEBT (Continued):

| | Balance September 30, 2022 | Additions | Deductions | Balance September 30, 2023 | Due Within One Year |
|-------------------------------------|----------------------------------|------------------|-----------------------|----------------------------------|------------------------|
| COMPONENT UNITS: | | | | | |
| Board of Light & Power: | | | | | |
| 2016 Electric Utility Revenue Bonds | \$ 56,475,000 | \$ - | \$ (2,895,000) | \$ 53,580,000 | \$ 3,040,000 |
| Add: deferred amounts | 5,491,777 | - | (771,291) | 4,720,486 | |
| Compensated Absences | 1,277,442 | - | (68,316) | 1,209,126 | 1,209,126 |
| Peter White Public Library: | | | | | |
| 2017 Library Improvement Bonds | 2,980,000 | - | (230,000) | 2,750,000 | 235,000 |
| Add: deferred amounts | 263,582 | - | (23,962) | 239,620 | |
| Equipment Lease | 7,345 | - | (4,111) | 3,234 | 3,211 |
| Compensated Absences | 72,395 | - | (4,555) | 67,840 | - |
| Downtown Development Authority: | | | | | |
| 2021 Refunding & TIF Bonds | 781,000 | - | (127,000) | 654,000 | 130,000 |
| Equipment Lease | - | 7,976 | (512) | 7,464 | 1,502 |
| Compensated Absences | 11,933 | 18,911 | - | 30,844 | |
| Brownfield Redevelopment Authority: | | | | | |
| 2010 Capital Improvement Bonds | 555,000 | - | (50,000) | 505,000 | 55,000 |
| 2010 Recovery Zone Facility Bonds | 255,000 | - | (25,000) | 230,000 | 25,000 |
| 2013 Capital Improvement Bonds | 70,000 | - | (35,000) | 35,000 | 35,000 |
| 2016 Tax Increment Bonds | 17,055,000 | - | (105,000) | 16,950,000 | 155,000 |
| Add: deferred amounts | 1,527,664 | - | (109,119) | 1,418,545 | |
| 2017 Capital Improvement Bonds | 600,000 | - | (50,000) | 550,000 | 50,000 |
| Add: deferred amounts | 57,584 | - | (5,758) | 51,826 | |
| 2017 Tax Increment Bonds | 10,925,000 | - | (650,000) | 10,275,000 | 670,000 |
| 2018 Capital Improvement Bonds | 465,000 | - | (70,000) | 395,000 | 75,000 |
| Add: deferred amounts | 31,906 | - | (5,318) | 26,588 | |
| 2021 Tax Increment Bonds | 6,000,000 | - | (5,000) | 5,995,000 | 5,000 |
| Add: deferred amounts | 415,210 | - | (23,067) | 392,143 | |
| TOTAL COMPONENT UNITS | \$ 105,317,838 | \$ 26,887 | \$ (5,258,009) | \$ 100,086,716 | \$ 5,688,839 |

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, \$106,847 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, 2022, \$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, 2023, \$0 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, 2023, \$0 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, 2023, \$2,750,000 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, 2023, \$740,000 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, 2023, \$865,000 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, 2023, \$1,440,000 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.

2022 Capital Improvement Bonds – On August 24, 2022, the City issued \$6,000,000 in General Obligation Capital Improvement Bonds, Series 2022 with interest rates of 2.875% - 5.0% for the purpose of paying the cost of certain capital improvements including Lakeshore Boulevard Relocation, the construction and installation of sanitary sewer lateral replacements, and Hemlock Park Development.

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.

NOTE F – LONG-TERM DEBT (Continued):

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

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

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

2021 Capital Improvement Bonds - Brownfield – On November 23, 2021, the City and the Brownfield Redevelopment Authority issued \$6,000,000 in Tax Increment Limited Tax General Obligation Bonds with interest rates ranging from 2.375% to 4.0% for the purpose of redevelopment of the pier and reuse or removal of the existing piling structure.

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, 2023, \$375,000 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.

NOTE F – LONG-TERM DEBT (Continued):

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

Annual maturities on the Governmental Activities debts are as follows:

| Year Ending September 30, | 2007 High Street 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 Capital Improvement Bonds |
|---------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------|----------------------|--------------------------------|----------------------|---------------------------------|----------------|---------------------------------|---------------------------------|----------------|--------------------------------|----------------------------------|--------------------------------|
| 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 | \$ 94,400 |
| 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 | 99,200 |
| 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 | 104,000 |
| 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 | 108,800 |
| 2028 | 12,878 | 85,250 | 102,600 | - | 92,450 | 182,784 | 322,500 | - | 90,000 | 185,000 | 115,000 | 50,000 | 205,000 | 104,000 | - | 113,600 |
| 2029 | - | - | 106,200 | - | 94,600 | - | 335,000 | - | - | - | 115,000 | 50,000 | 215,000 | 108,800 | - | 120,000 |
| 2030 | - | - | 109,800 | - | 98,900 | - | 350,000 | - | - | - | 120,000 | 50,000 | 220,000 | 113,600 | - | 124,800 |
| 2031 | - | - | - | - | 103,200 | - | 362,500 | - | - | - | - | - | - | 120,000 | - | 131,200 |
| 2032 | - | - | - | - | - | - | 377,500 | - | - | - | - | - | - | 124,800 | - | 139,200 |
| 2033 | - | - | - | - | - | - | - | - | - | - | - | - | - | 128,000 | - | 145,600 |
| 2034 | - | - | - | - | - | - | - | - | - | - | - | - | - | 132,800 | - | 148,800 |
| 2035 | - | - | - | - | - | - | - | - | - | - | - | - | - | 136,000 | - | 153,600 |
| 2036 | - | - | - | - | - | - | - | - | - | - | - | - | - | 140,800 | - | 158,400 |
| 2037 | - | - | - | - | - | - | - | - | - | - | - | - | - | 144,000 | - | 164,800 |
| 2038 | - | - | - | - | - | - | - | - | - | - | - | - | - | 147,200 | - | 171,200 |
| Principal | 61,627 | 404,550 | 685,800 | 228,116 | 724,550 | 838,848 | 2,920,000 | 299,620 | 415,000 | 895,000 | 760,000 | 320,000 | 1,380,000 | 1,476,800 | 605,640 | 1,806,400 |
| Interest | 3,629 | 30,521 | 96,906 | 10,584 | 121,561 | 86,623 | 556,000 | 5,992 | 51,200 | 108,400 | 109,900 | 53,400 | 229,600 | 407,684 | 60,426 | 594,478 |
| | \$ 65,256 | \$ 435,071 | \$ 782,706 | \$ 238,700 | \$ 846,111 | \$ 925,471 | \$ 3,476,000 | \$ 305,612 | \$ 466,200 | \$ 993,400 | \$ 869,900 | \$ 373,400 | \$ 1,609,600 | \$ 1,884,464 | \$ 666,066 | \$ 2,400,878 |

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

| WATER SUPPLY FUND | | | | | | | | | | | | | | | | |
|---------------------------|--|----------------------|------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Year Ending September 30, | State Drinking Water Revolving Fund Loan | | | | | | | | | | | | | | | |
| | State DWRF 2011 Loan | State DWRF 2015 Loan | 2007 High Street Bonds | 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 Capital Improvement Bonds |
| 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 | \$ 17,700 |
| 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 | 18,600 |
| 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 | 19,500 |
| 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 | 20,400 |
| 2028 | 30,000 | 30,000 | 20,000 | 20,120 | 68,750 | 48,450 | - | 36,550 | 138,320 | 129,000 | - | 145,000 | 65,000 | 70,000 | 65,000 | 21,300 |
| 2029 | 30,000 | 30,000 | 20,000 | - | - | 50,150 | - | 37,400 | - | 134,000 | - | - | 70,000 | 75,000 | 68,000 | 22,500 |
| 2030 | 15,058 | 30,000 | 20,000 | - | - | 51,850 | - | 39,100 | - | 140,000 | - | - | 75,000 | 75,000 | 71,000 | 23,400 |
| 2031 | - | 30,000 | 20,000 | - | - | - | - | 40,800 | - | 145,000 | - | - | - | - | 75,000 | 24,600 |
| 2032 | - | 23,908 | 20,875 | - | - | - | - | - | - | 151,000 | - | - | - | - | 78,000 | 26,100 |
| 2033 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 80,000 | 27,300 |
| 2034 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 83,000 | 27,900 |
| 2035 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 85,000 | 28,800 |
| 2036 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 88,000 | 29,700 |
| 2037 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 30,900 |
| 2038 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2039 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2040 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal | 190,058 | 263,908 | 170,875 | 96,292 | 326,250 | 323,850 | 351,722 | 286,450 | 634,790 | 1,168,000 | 253,470 | 660,000 | 455,000 | 475,000 | 923,000 | 338,700 |
| Interest | 21,758 | 31,548 | 11,162 | 5,667 | 24,614 | 35,309 | 16,209 | 53,788 | 78,250 | 245,760 | 10,138 | 81,800 | 66,200 | 79,200 | 284,790 | 111,460 |
| | \$ 211,816 | \$ 295,456 | \$ 182,037 | \$ 101,959 | \$ 350,864 | \$ 359,159 | \$ 367,931 | \$ 340,238 | \$ 713,040 | \$ 1,413,760 | \$ 263,608 | \$ 741,800 | \$ 521,200 | \$ 554,200 | \$ 1,177,790 | \$ 450,160 |

| SEWAGE DISPOSAL FUND | | | | | | | | | | | | | | | | |
|---------------------------|--|---------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|---------------------------------|------------|
| Year Ending September 30, | State Act 94 Clean Water Assistance Loan | | | | | | | | | | | | | | | |
| | 2009 State Revolving Loan | 2011 State Revolving Loan | 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 Capital Improvements Bonds | |
| 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 | \$ 26,550 |
| 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 | 27,900 |
| 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 | 29,250 |
| 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 | 30,600 |
| 2028 | - | 40,000 | 40,000 | 77,000 | 133,950 | - | 36,550 | 126,336 | 96,750 | - | 175,000 | 130,000 | 70,000 | 65,000 | - | 31,950 |
| 2029 | - | 40,000 | 40,000 | - | 138,650 | - | 37,400 | - | 100,500 | - | - | 135,000 | 75,000 | 68,000 | - | 33,750 |
| 2030 | - | 40,699 | 40,000 | - | 143,350 | - | 39,100 | - | 105,000 | - | - | 140,000 | 75,000 | 71,000 | - | 35,100 |
| 2031 | - | - | 46,785 | - | - | - | 40,800 | - | 108,750 | - | - | - | - | 75,000 | - | 36,900 |
| 2032 | - | - | - | - | - | - | - | - | 113,250 | - | - | - | - | 78,000 | - | 39,150 |
| 2033 | - | - | - | - | - | - | - | - | - | - | - | - | - | 80,000 | - | 40,950 |
| 2034 | - | - | - | - | - | - | - | - | - | - | - | - | - | 83,000 | - | 41,850 |
| 2035 | - | - | - | - | - | - | - | - | - | - | - | - | - | 85,000 | - | 43,200 |
| 2036 | - | - | - | - | - | - | - | - | - | - | - | - | - | 88,000 | - | 44,550 |
| 2037 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 46,350 |
| 2038 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal | 210,000 | 280,699 | 321,785 | 365,400 | 895,350 | 117,752 | 286,450 | 579,792 | 876,000 | 127,800 | 800,000 | 880,000 | 470,000 | 923,000 | 541,650 | 508,050 |
| Interest | 8,872 | 28,119 | 41,354 | 27,570 | 97,619 | 5,292 | 53,791 | 71,472 | 184,320 | 5,112 | 98,800 | 127,625 | 78,400 | 254,790 | 54,956 | 167,196 |
| | \$ 218,872 | \$ 308,818 | \$ 363,139 | \$ 392,970 | \$ 992,969 | \$ 123,044 | \$ 340,241 | \$ 651,264 | \$ 1,060,320 | \$ 132,912 | \$ 898,800 | \$ 1,007,625 | \$ 548,400 | \$ 1,177,790 | \$ 596,606 | \$ 675,246 |

NOTE F – LONG-TERM DEBT (Continued):

| STORMWATER UTILITY FUND | | | | | | | | | | | | | |
|--------------------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|---------------------------------------|
| Year Ending September 30, | 2007 High Street 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 | 2021 Refunding 2011 & 2012 Bonds | 2022 Capital Improvements Bonds |
| 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 | \$ 156,350 |
| 2025 | 6,798 | 40,800 | 9,083 | 43,700 | 98,490 | 86,250 | - | 140,000 | 85,000 | 130,000 | 78,400 | 77,975 | 164,300 |
| 2026 | 6,912 | 41,600 | 9,394 | 46,000 | 103,515 | 90,000 | - | 145,000 | 90,000 | 135,000 | 82,600 | 81,325 | 172,250 |
| 2027 | 7,026 | 43,200 | - | 47,150 | 106,530 | 93,000 | - | 150,000 | 95,000 | 140,000 | 85,400 | 44,175 | 180,200 |
| 2028 | 7,244 | 44,000 | - | 49,450 | 112,560 | 96,750 | - | 160,000 | 100,000 | 145,000 | 91,000 | - | 188,150 |
| 2029 | - | - | - | 50,600 | - | 100,500 | - | - | 105,000 | 150,000 | 95,200 | - | 198,750 |
| 2030 | - | - | - | 52,900 | - | 105,000 | - | - | 105,000 | 160,000 | 99,400 | - | 206,700 |
| 2031 | - | - | - | 55,200 | - | 108,750 | - | - | - | - | 105,000 | - | 217,300 |
| 2032 | - | - | - | - | - | 113,250 | - | - | - | - | 109,200 | - | 230,550 |
| 2033 | - | - | - | - | - | - | - | - | - | - | 112,000 | - | 241,150 |
| 2034 | - | - | - | - | - | - | - | - | - | - | 116,200 | - | 246,450 |
| 2035 | - | - | - | - | - | - | - | - | - | - | 119,000 | - | 254,400 |
| 2036 | - | - | - | - | - | - | - | - | - | - | 123,200 | - | 262,350 |
| 2037 | - | - | - | - | - | - | - | - | - | - | - | - | 272,950 |
| 2038 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal | 34,664 | 208,800 | 27,410 | 387,550 | 516,570 | 876,000 | 29,110 | 730,000 | 665,000 | 985,000 | 1,292,200 | 278,100 | 2,991,850 |
| Interest | 2,040 | 15,754 | 990 | 72,772 | 63,676 | 184,320 | 1,164 | 90,000 | 97,075 | 163,800 | 356,706 | 27,816 | 948,416 |
| | <u>\$ 36,704</u> | <u>\$ 224,554</u> | <u>\$ 28,400</u> | <u>\$ 460,322</u> | <u>\$ 580,246</u> | <u>\$ 1,060,320</u> | <u>\$ 30,274</u> | <u>\$ 820,000</u> | <u>\$ 762,075</u> | <u>\$ 1,148,800</u> | <u>\$ 1,648,906</u> | <u>\$ 305,916</u> | <u>\$ 3,940,266</u> |

| Year Ending September 30, | LAKESHORE AND LIGHTHOUSE PARK FUND | MARINAS FUND |
|---------------------------------|---|--|
| | 2018 Building Authority Bonds | 2019 Capital Improvements Bonds |
| 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 | 555,000 | 605,000 |
| Interest | 63,049 | 88,125 |
| | <u>\$ 618,049</u> | <u>\$ 693,125</u> |

Annual maturities on Component Unit debt are as follows:

| Year Ending September 30, | 2016 Electric Utility Revenue Bonds | 2017 Library Improvement 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 | 2021 MBRA Tax Increment Bonds |
|---------------------------------|--|---|---|---|--|---|--|---|--|---|--|
| 2024 | \$ 3,040,000 | \$ 235,000 | \$ 130,000 | \$ 55,000 | \$ 25,000 | \$ 35,000 | \$ 155,000 | \$ 50,000 | \$ 670,000 | \$ 75,000 | \$ 5,000 |
| 2025 | 3,195,000 | 250,000 | 133,000 | 55,000 | 25,000 | - | 100,000 | 55,000 | 685,000 | 75,000 | 5,000 |
| 2026 | 3,355,000 | 245,000 | 137,000 | 60,000 | 25,000 | - | 145,000 | 55,000 | 705,000 | 80,000 | 5,000 |
| 2027 | 3,520,000 | 255,000 | 125,000 | 60,000 | 30,000 | - | 200,000 | 60,000 | 725,000 | 80,000 | 55,000 |
| 2028 | 3,695,000 | 265,000 | 129,000 | 65,000 | 30,000 | - | 230,000 | 60,000 | 745,000 | 85,000 | 70,000 |
| 2029 | 3,880,000 | 275,000 | - | 65,000 | 30,000 | - | 290,000 | 65,000 | 770,000 | - | 95,000 |
| 2030 | 4,075,000 | 290,000 | - | 70,000 | 30,000 | - | 360,000 | 65,000 | 795,000 | - | 110,000 |
| 2031 | 4,280,000 | 300,000 | - | 75,000 | 35,000 | - | 2,055,000 | 70,000 | 825,000 | - | 135,000 |
| 2032 | 4,495,000 | 310,000 | - | - | - | - | 2,250,000 | 70,000 | 850,000 | - | 155,000 |
| 2033 | 4,720,000 | 325,000 | - | - | - | - | 2,390,000 | - | 880,000 | - | 385,000 |
| 2034 | 4,955,000 | - | - | - | - | - | 2,615,000 | - | 825,000 | - | 490,000 |
| 2035 | 5,105,000 | - | - | - | - | - | 2,990,000 | - | 700,000 | - | 525,000 |
| 2036 | 5,265,000 | - | - | - | - | - | 3,170,000 | - | 1,100,000 | - | 565,000 |
| 2037 | - | - | - | - | - | - | - | - | - | - | 600,000 |
| 2038 | - | - | - | - | - | - | - | - | - | - | 640,000 |
| 2039 | - | - | - | - | - | - | - | - | - | - | 1,055,000 |
| 2040 | - | - | - | - | - | - | - | - | - | - | 1,100,000 |
| Principal | 53,580,000 | 2,750,000 | 654,000 | 505,000 | 230,000 | 35,000 | 16,950,000 | 550,000 | 10,275,000 | 395,000 | 5,995,000 |
| Interest | 16,975,930 | 572,550 | 47,826 | 105,575 | 48,750 | 411 | 7,060,450 | 116,000 | 2,630,167 | 48,400 | 2,161,806 |
| | <u>\$ 70,555,930</u> | <u>\$ 3,322,550</u> | <u>\$ 701,826</u> | <u>\$ 610,575</u> | <u>\$ 278,750</u> | <u>\$ 35,411</u> | <u>\$ 24,010,450</u> | <u>\$ 666,000</u> | <u>\$ 12,905,167</u> | <u>\$ 443,400</u> | <u>\$ 8,156,806</u> |

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 |
| 2024 | \$ 1,956,065 | \$ 526,849 | \$ 3,731,070 | \$ 970,209 | \$ 4,475,000 | \$ 3,794,251 |
| 2025 | 1,714,824 | 455,385 | 3,222,945 | 830,743 | 4,578,000 | 3,600,857 |
| 2026 | 1,800,262 | 386,874 | 3,363,140 | 703,633 | 4,812,000 | 3,398,031 |
| 2027 | 1,680,838 | 316,427 | 3,173,197 | 575,737 | 5,110,000 | 3,179,502 |
| 2028 | 1,661,062 | 246,469 | 3,114,180 | 447,083 | 5,374,000 | 2,947,201 |
| 2029-2033 | 3,963,700 | 511,156 | 6,748,625 | 967,719 | 35,870,000 | 10,558,872 |
| 2034-2038 | 1,035,200 | 83,724 | 2,199,800 | 141,722 | 29,545,000 | 2,237,436 |
| 2039-2043 | - | - | - | - | 2,155,000 | 51,716 |
| | <u>\$ 13,811,951</u> | <u>\$ 2,526,884</u> | <u>\$ 25,552,957</u> | <u>\$ 4,636,846</u> | <u>\$ 91,919,000</u> | <u>\$ 29,767,866</u> |

NOTE G – LETTERS OF CREDIT:

As of September 30, 2023, 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 * | 12/14/2023 |

* - 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, 2023.

NOTE H – INTERFUND TRANSFERS IN AND TRANSFERS OUT:

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The interfund transfers for the year are as follows:

| <u>Fund</u> | <u>Transfers In</u> | <u>Fund</u> | <u>Transfers Out</u> |
|-------------------------------|----------------------------|-------------------------------|----------------------------|
| PRIMARY GOVERNMENT: | | | |
| Major Street | \$ - | General Fund | \$ 3,736,898 |
| Local Street | 1,331,562 | | |
| Non-major Governmental | 683,988 | | |
| Internal Service Funds | 1,597,795 | | |
| Non-major Business-Type | 123,553 | | |
| Subtotal | <u>3,736,898</u> | Subtotal | <u>3,736,898</u> |
| General Fund | 11,955 | Major Street | 1,388,843 |
| Non-major Governmental | 2,598,711 | Local Street | 836,463 |
| | | Non-major Governmental | 385,360 |
| Subtotal | <u>2,610,666</u> | Subtotal | <u>2,610,666</u> |
| Internal Service Funds | 476,426 | Non-major Governmental | 180,656 |
| | | Water Supply | 150,223 |
| | | Sewage Disposal | 122,750 |
| | | Non-major Business-Type | 22,797 |
| Subtotal | <u>476,426</u> | Subtotal | <u>476,426</u> |
| TOTAL REPORTING ENTITY | <u>\$ 6,823,990</u> | TOTAL REPORTING ENTITY | <u>\$ 6,823,990</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, 2022 | Additions | Disposals | Balance at September 30, 2023 |
|--|-------------------------------------|---------------------|-----------------------|-------------------------------------|
| GOVERNMENTAL ACTIVITIES: | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 13,065,158 | \$ - | \$ - | \$ 13,065,158 |
| Construction in progress | 7,605,031 | 24,523 | (6,245,542) | 1,384,012 |
| Total Capital Assets, not being depreciated | <u>20,670,189</u> | <u>24,523</u> | <u>(6,245,542)</u> | <u>14,449,170</u> |
| Capital Assets Being Depreciated | | | | |
| Land improvements | 8,914,901 | 6,273,978 | - | 15,188,879 |
| Buildings | 23,586,525 | - | - | 23,586,525 |
| Building improvements | 7,284,372 | 17,373 | - | 7,301,745 |
| Furniture and equipment | 15,731,981 | 618,835 | (431,168) | 15,919,648 |
| Infrastructure | 104,327,222 | 1,521,157 | - | 105,848,379 |
| Total Capital Assets, being depreciated | <u>159,845,001</u> | <u>8,431,343</u> | <u>(431,168)</u> | <u>167,845,176</u> |
| Less Accumulated Depreciation: | | | | |
| Land improvements | (7,305,570) | (130,181) | - | (7,435,751) |
| Buildings | (9,839,394) | (1,039,929) | - | (10,879,323) |
| Building improvements | (6,237,205) | (133,782) | - | (6,370,987) |
| Furniture and equipment | (12,006,835) | (663,211) | 431,168 | (12,238,878) |
| Infrastructure | (50,233,712) | (4,191,093) | - | (54,424,805) |
| Total Accumulated Depreciation | <u>(85,622,716)</u> | <u>(6,158,196)</u> | <u>431,168</u> | <u>(91,349,744)</u> |
| Governmental Activities Capital Assets, net | <u>\$ 94,892,474</u> | <u>\$ 2,297,670</u> | <u>\$ (6,245,542)</u> | <u>\$ 90,944,602</u> |

The City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscription assets have been included in the capital asset additions shown above and a corresponding subscription liability has been recorded for the same amount.

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

| | |
|--|---------------------|
| Governmental Activity: | |
| General Government | \$ 18,157 |
| Public Health and Safety | 25,294 |
| Public Works | 170,692 |
| Social Services | - |
| Recreation and Culture | 200,358 |
| Depreciation - unallocated | 2,537,811 |
| Internal Service Funds charged to above activities | 3,205,884 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 6,158,196</u> |

NOTE I – CAPITAL ASSETS (Continued):

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

| | Balance at September 30, 2022 | Additions | Disposals | Balance at September 30, 2023 |
|--|-------------------------------------|---------------------|---------------------|-------------------------------------|
| BUSINESS-TYPE ACTIVITIES: | | | | |
| Capital Assets Not Subject to Depreciation: | | | | |
| Land | \$ 38,319 | \$ - | \$ - | \$ 38,319 |
| Construction in progress | 737,673 | 90,438 | (722,857) | 105,254 |
| Total Capital Assets, not being depreciated | <u>775,992</u> | <u>90,438</u> | <u>(722,857)</u> | <u>143,573</u> |
| Capital Assets Subject to Depreciation: | | | | |
| Land improvements | 6,195,260 | 511,940 | - | 6,707,200 |
| Building and building improvements | 17,042,182 | 6,671 | - | 17,048,853 |
| Furniture and equipment | 6,299,640 | 737,157 | - | 7,036,797 |
| Infrastructure | 93,398,927 | 2,357,875 | - | 95,756,802 |
| Total Capital Assets, being depreciated | <u>122,936,009</u> | <u>3,613,643</u> | <u>-</u> | <u>126,549,652</u> |
| Less Accumulated Depreciation: | | | | |
| Land improvements | (3,537,833) | (178,394) | - | (3,716,227) |
| Building and building improvements | (9,877,357) | (390,030) | - | (10,267,387) |
| Furniture and equipment | (5,356,266) | (206,783) | - | (5,563,049) |
| Infrastructure | (42,420,547) | (3,457,651) | - | (45,878,198) |
| Total Accumulated Depreciation | <u>(61,192,003)</u> | <u>(4,232,858)</u> | <u>-</u> | <u>(65,424,861)</u> |
| Business-Type Activities | | | | |
| Capital Assets, net | <u>\$ 62,519,998</u> | <u>\$ (528,777)</u> | <u>\$ (722,857)</u> | <u>\$ 61,268,364</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 | \$ 1,604,289 |
| Sewage Disposal | 1,286,731 |
| Stormwater Utility | 1,101,743 |
| Public Works | 15,435 |
| Recreation and Culture | 224,663 |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 4,232,861</u> |

NOTE I – CAPITAL ASSETS (Continued):

A summary of Component Unit’s capital assets as of September 30, 2023 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 | 9,616,153 | - | - | - | 9,616,153 |
| Total Capital Assets, not being depreciated | 9,907,429 | 114,704 | - | - | 10,022,133 |
| Land improvements | - | 117,250 | 5,502,963 | 1,285,857 | 6,906,070 |
| Buildings and improvements | - | 13,030,476 | - | - | 13,030,476 |
| Furniture and equipment | 139,694,013 | 1,033,886 | 841,764 | - | 141,569,663 |
| Right to Use Assets | - | - | 7,976 | - | 7,976 |
| Total Capital Assets, being depreciated | 139,694,013 | 14,181,612 | 6,352,703 | 1,285,857 | 161,514,185 |
| Less Accumulated Depreciation: | | | | | |
| Land improvements | - | (85,380) | (3,081,885) | (675,732) | (3,842,997) |
| Buildings and improvements | - | (6,283,816) | - | - | (6,283,816) |
| Furniture and equipment | - | (1,030,596) | (192,820) | - | (1,223,416) |
| Right to Use Assets | - | - | (532) | - | (532) |
| Unallocated | (54,083,936) | - | - | - | (54,083,936) |
| Total Accumulated Depreciation | (54,083,936) | (7,399,792) | (3,275,237) | (675,732) | (65,434,697) |
| Component Units Capital Assets, net | \$ 95,517,506 | \$ 6,896,524 | \$ 3,077,466 | \$ 610,125 | \$ 106,101,621 |

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

| | |
|--|---------------------|
| Component Units: | |
| Board of Light and Power | \$ 5,506,806 |
| Peter White Public Library | 203,407 |
| Downtown Development Authority | 228,760 |
| Brownfield Redevelopment Authority | 112,622 |
| Total Depreciation Expense - Component Units | <u>\$ 6,051,595</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 \$11,107,691. This amount relates to the 2023 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 \$6,498,205 which relates to their portion of the 2023 tax levy.

NOTE K – FUND BALANCES – GOVERNMENTAL FUNDS:

As of September 30, 2023, 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, 2023, 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 | \$ - | \$ - | \$ - | \$ - | \$ 993,079 | \$ 993,079 |
| Loan Receivable | - | - | - | - | - | - |
| Inventory | 111,731 | - | - | - | - | 111,731 |
| Prepays | 360,520 | 27,735 | - | - | - | 388,255 |
| Total Non-spendable | <u>\$ 472,251</u> | <u>\$ 27,735</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 993,079</u> | <u>\$ 1,493,065</u> |
| Restricted: | | | | | | |
| Major Street | \$ - | \$ 1,832,994 | \$ - | \$ - | \$ - | \$ 1,832,994 |
| Local Street | - | 698,382 | - | - | - | 698,382 |
| Fire Dept. - Lifesaving Equipment | - | - | - | - | - | - |
| Drug Dog | - | - | - | - | - | - |
| Native American Heritage Fund | 57,500 | - | - | - | - | 57,500 |
| Local Development Finance Authority Fund | - | 142,312 | - | - | - | 142,312 |
| Public Education Government (PEG) Fund | - | 18,245 | - | - | - | 18,245 |
| Drug Forfeiture Fund | - | 95,854 | - | - | - | 95,854 |
| MSHDA Downtown Rental Fund | - | - | - | - | - | - |
| Road Maintenance Fund | - | 1,734,971 | - | - | - | 1,734,971 |
| Road Safety Improvement Fund | - | 1,333,711 | - | - | - | 1,333,711 |
| Criminal Justice Training Fund | - | 6,303 | - | - | - | 6,303 |
| Opioid Settlement Fund | - | 12,420 | - | - | - | 12,420 |
| Senior Services Fund | - | 500,752 | - | - | - | 500,752 |
| Lakeview Arena Fund | - | - | - | - | - | - |
| Total Restricted | <u>\$ 57,500</u> | <u>\$ 6,375,944</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,433,444</u> |
| Committed: | | | | | | |
| | <u>\$ -</u> | <u>\$ 31,491</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,491</u> |
| Assigned: | | | | | | |
| Park Improvements | \$ 24,490 | \$ - | \$ - | \$ - | \$ - | \$ 24,490 |
| Capital Outlay | 1,025,715 | - | - | 3,773,149 | - | 4,798,864 |
| Public Art Fund | - | 144,047 | - | - | - | 144,047 |
| Sanitation Fund | - | 913,450 | - | - | - | 913,450 |
| Lakeview Arena Fund | - | 101,765 | - | - | - | 101,765 |
| Total Assigned | <u>\$ 1,050,205</u> | <u>\$ 1,159,262</u> | <u>\$ -</u> | <u>\$ 3,773,149</u> | <u>\$ -</u> | <u>\$ 5,982,616</u> |
| Unassigned: | | | | | | |
| | <u>\$ 6,761,591</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,761,591</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:

| | | 2022 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 | 55/15 | 50/25 55/15 | 50/25 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 55/15 | 50/25 55/15 | 50/25 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 55/15 | 50/25 55/15 | 50/25 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, 2022 valuation date, the following employees were covered by the benefit terms:

| | Primary Government | Component Unit PWPL |
|--|-----------------------|------------------------|
| Inactive employees or beneficiaries currently receiving benefits | 130 | 13 |
| Inactive employees entitled to but not yet receiving benefits | 15 | 1 |
| Active employees | 95 | 8 |
| Total | 240 | 22 |

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, 2022:

| Division | Employer ¹ | Employee |
|------------------------------|-----------------------|----------|
| Primary Government: | | |
| 01 - Public Works | \$93,244 | 6.00% |
| 02 - Police Clerical | \$11,895 | 6.00% |
| 10 - Union | \$47,484 | 6.00% |
| 11 - PW Supervisor | \$48,351 | 6.00% |
| 15 - Senior Mgmt | \$95,862 | 0.00% |
| 16 - Middle Mgmt | \$21,905 | 5.00% |
| 91 - PW & Union aft 10/1/12 | 8.10% | 6.00% |
| Component Unit - Peter White | | |
| Public Library: | | |
| 07 - PW Lbry Snr | \$2,066 | 0.00% |
| 12 - Pwhite Lby | \$4,657 | 7.00% |
| 70 - PW Lbry Admin | \$3,015 | 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, 2022, 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, 2022 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: 7.00%, 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% | 7.00% | 4.20% | 2.50% | 2.70% |
| Global Fixed Income | 20.0% | 4.50% | 0.90% | 2.50% | 0.40% |
| Private Investments | 20.0% | 9.50% | 1.90% | 2.50% | 1.40% |
| | <u>100.0%</u> | | <u>7.00%</u> | | <u>4.50%</u> |

Discount rate:

The discount rate used to measure the total pension liability is 7.25% for 2022. 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 12/31/21 | \$ 69,555,686 | \$ 46,457,789 | \$ 23,097,897 |
| Changes for the Year: | | | |
| Service costs | 730,432 | - | 730,432 |
| Interest on total pension liability | 4,762,551 | - | 4,762,551 |
| Changes in benefits | - | - | - |
| Difference between expected and actual experience | 499,145 | - | 499,145 |
| Changes in assumption | - | - | - |
| Employer contributions | - | 3,422,782 | (3,422,782) |
| Employee contributions | - | 448,456 | (448,456) |
| Net investment income | - | (4,628,199) | 4,628,199 |
| Benefit payments, including employee refunds | (4,051,914) | (4,051,914) | - |
| Administrative expense | - | (81,679) | 81,679 |
| Other changes | 2,336 | - | 2,336 |
| Net Changes | <u>1,942,550</u> | <u>(4,890,554)</u> | <u>6,833,104</u> |
| Balances as of 12/31/22 | <u>\$ 71,498,236</u> | <u>\$ 41,567,235</u> | <u>\$ 29,931,001</u> |

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 12/31/21 | \$ 3,808,584 | \$ 3,075,816 | \$ 732,768 |
| Changes for the Year: | | | |
| Service costs | 45,909 | - | 45,909 |
| Interest on total pension liability | 279,957 | - | 279,957 |
| Changes in benefits | - | - | - |
| Difference between expected and actual experience | (42,690) | - | (42,690) |
| Changes in assumption | - | - | - |
| Employer contributions | - | 124,248 | (124,248) |
| Employee contributions | - | 23,449 | (23,449) |
| Net investment income | - | (320,381) | 320,381 |
| Benefit payments, including employee refunds | (268,109) | (268,109) | - |
| Administrative expense | - | (5,586) | 5,586 |
| Other changes | (11,889) | - | (11,889) |
| Net Changes | <u>3,178</u> | <u>(446,379)</u> | <u>449,557</u> |
| Balances as of 12/31/22 | <u>\$ 3,811,762</u> | <u>\$ 2,629,437</u> | <u>\$ 1,182,325</u> |
| Net Pension Liability (NPL): | | | |
| MERS - Primary Government | \$ 29,931,001 | | |
| Fire-Police - Primary Government | 17,247,289 | (See Note M) | |
| NPL reported in statement of net position | <u>\$ 47,178,290</u> | | |
| Net Pension Liability (NPL): | | | |
| MERS - Component Unit - PWPL | \$ 1,182,325 | | |
| MERS - Component Unit - BLP | 12,234,910 | (See Note N) | |
| NPL reported in statement of net position | <u>\$ 13,417,235</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 7.25%, as well as what the employer’s Net Pension Liability would be using a discount rate that is 1-percentage point lower (6.25%) or 1% higher (8.25%) than the current rate.

| | Primary Government | | |
|---------------------------------------|----------------------|----------------------|----------------------|
| | 1% | Current | 1% |
| | Decrease | Discount Rate | Increase |
| | 6.25% | 7.25% | 8.25% |
| Net Pension Liability at 12/31/22 | \$ 29,931,001 | \$ 29,931,001 | \$ 29,931,001 |
| Change in Net Pension liability (NPL) | 9,358,739 | - | (7,830,016) |
| Calculated NPL | <u>\$ 39,289,740</u> | <u>\$ 29,931,001</u> | <u>\$ 22,100,985</u> |

| | Component Unit - Peter White Public Library | | |
|---------------------------------------|---|---------------------|-------------------|
| | 1% | Current | 1% |
| | Decrease | Discount Rate | Increase |
| | 6.25% | 7.25% | 8.25% |
| Net Pension Liability at 12/31/22 | \$ 1,182,325 | \$ 1,182,325 | \$ 1,182,325 |
| Change in Net Pension liability (NPL) | 404,159 | - | (342,133) |
| Calculated NPL | <u>\$ 1,586,484</u> | <u>\$ 1,182,325</u> | <u>\$ 840,192</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, 2023, the employer recognized pension expense/(benefit) of \$1,631,901 for the primary government and \$243,461 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 | \$ 483,068 | \$ (183,567) | \$ - | \$ (60,403) |
| Differences in assumptions | 984,718 | (145,602) | 42,570 | - |
| (Excess) Deficit Investment Returns | 3,682,305 | - | 235,323 | - |
| Subtotal | <u>5,150,091</u> | <u>(329,169)</u> | <u>277,893</u> | <u>(60,403)</u> |
| Contributions subsequent to the measurement date* | - | - | 64,968 | - |
| Total | <u>\$ 5,150,091</u> | <u>\$ (329,169)</u> | <u>\$ 342,861</u> | <u>\$ (60,403)</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, 2024.

| | |
|-------------------------------------|------------------------|
| Aggregate Pension expense/(benefit) | |
| MERS - Primary Government | \$ 1,631,901 |
| Fire-Police - Primary Government | 1,306,750 (see Note M) |
| TOTAL | <u>\$ 2,938,651</u> |

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 |
|---------------------------------|------------------------------|--|
| 2023 | \$ 1,305,799 | \$ 12,616 |
| 2024 | 858,469 | 27,743 |
| 2025 | 1,059,279 | 69,368 |
| 2026 | 1,597,375 | 107,763 |
| 2027 | - | - |
| Thereafter | - | - |
| Total | <u>\$ 4,820,922</u> | <u>\$ 217,490</u> |

Primary Government
All Pension Plans

| | Deferred Outflows of Resources | Deferred (Inflows) of Resources |
|--|--------------------------------------|---------------------------------------|
| Deferred amounts related to pension: | | |
| Primary government - MERS | \$ 5,150,091 | \$ (329,169) |
| Primary government - Fire-Police (See Note M) | 7,673,785 | (4,059,000) |
| Deferred amounts related to pension reported in Statement of Net Position | <u>\$ 12,823,876</u> | <u>\$ (4,388,169)</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 | \$ 277,893 | \$ (60,403) | |
| Component Unit - Board of Light and Power | 3,822,389 | - | (See Note N) |
| Deferred amounts related to pension reported in Statement of Net Position | <u>\$ 4,100,282</u> | <u>\$ (60,403)</u> | |

Contributions subsequent to the measurement date

| | |
|---|---------------------|
| Component Unit - Peter White Public Library | \$ 64,968 |
| Component Unit - Board of Light and Power | 1,349,994 |
| Contributions subsequent to measurement date reported in Statement of Net Position | <u>\$ 1,414,962</u> |

Payable to Pension Plan:

At September 30, 2023, 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, 2023.

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, 2023 was \$4,023,821; the City’s total payroll was \$13,071,707.

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, 2022, the latest actuarial valuation date:

| Group | |
|---|-----|
| Retirees and beneficiaries currently receiving benefits | 78 |
| Vested terminated members | 2 |
| Active employees: | |
| Fire | 27 |
| Police | 33 |
| TOTAL | 140 |

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, 2023, 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 15 years for police and 15 years for fire.

During the year ended September 30, 2023, September 30, 2022, and September 30, 2021, contributions totaling \$1,707,745; \$1,748,700, and \$1,742,470, 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 fair value of investments over a five year period.

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

Concentrations of Investments

Principal Pooled Funds:

| | |
|---|--------------|
| AllSpring Core Bond CIT N | \$ 3,631,719 |
| Principal/Dodge & Cox Intermediate Bond CIT N | \$ 3,592,669 |
| Principal/Federated Total Return Bond CIT N | \$ 3,627,232 |
| Principal/Blackrock S&P Midcap Index CIT N | \$ 3,242,768 |
| Principal/Blackrock S&P 500 Index CIT N | \$ 4,797,702 |

Mutual Funds - Corporate Bonds:

| | |
|---|--------------|
| Metropolitan West Total Return Bond Fund Class I #512 | \$ 3,594,537 |
|---|--------------|

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

The components of the net pension liability of the City at December 31, 2022, the most recent actuarial, is as follows:

| | |
|---|----------------------|
| | <u>2022</u> |
| Total pension liability | \$ 55,539,847 |
| Plan fiduciary net position | <u>38,292,558</u> |
| City's net pension liability | <u>\$ 17,247,289</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 68.9% |

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of December 31, 2022, with a measurement date of September 30, 2023, 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, 2022 valuation. These tables were adjusted backwards to 2010 with the MP-2021 scale. A base year of 2010 with future mortality improvements using scale MP-2021 was used.

- Pre-Retirement: Pub-2010, Amounted Weighted, Safety, Employee Mortality Tables
- Healthy Post-Retirement: Pub-2010, Amounted Weighted, Safety, Healthy Retiree Mortality Tables
- Disabled Retirement: Pub-2010, Amounted Weighted, Safety, Disabled Retiree 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 4.63%; 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 (a) | Plan Fiduciary Net Pension (b) | Net Pension Liability (a)-(b) |
| Changes in Net Pension Liability | | | |
| Balances at 09/30/22 | \$ 52,849,182 | \$ 35,181,618 | \$ 17,667,564 |
| Changes for the Year: | | | |
| Service costs | 1,175,182 | - | 1,175,182 |
| Interest on total pension liability | 3,495,810 | - | 3,495,810 |
| Changes in benefits | - | - | - |
| Difference between expected and actual experience | 845,642 | - | 845,642 |
| Changes in assumption | 468,013 | - | 468,013 |
| Employer contributions | - | 1,707,745 | (1,707,745) |
| Employee contributions | - | 255,359 | (255,359) |
| Net investment income | - | 4,462,421 | (4,462,421) |
| Benefit payments, including employee refunds | (3,293,982) | (3,293,982) | - |
| Administrative expense | - | (20,603) | 20,603 |
| Other changes | - | - | - |
| Net Changes | <u>2,690,665</u> | <u>3,110,940</u> | <u>(420,275)</u> |
| Balances as of 09/30/23 | <u>\$ 55,539,847</u> | <u>\$ 38,292,558</u> | <u>\$ 17,247,289</u> |

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

| | Deferred Outflows of Resources | Deferred (Inflows) of Resources |
|-------------------------------------|--------------------------------------|---------------------------------------|
| Differences in experience | \$ 807,351 | \$ (187,331) |
| Differences in assumptions | 377,544 | - |
| (Excess) Deficit Investment Returns | 6,488,890 | (3,871,669) |
| Total | <u>\$ 7,673,785</u> | <u>\$ (4,059,000)</u> |

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

| Plan Year Ended September 30, | Amount |
|----------------------------------|---------------------|
| 2024 | \$ 673,419 |
| 2025 | 1,063,582 |
| 2026 | 2,004,281 |
| 2027 | (170,477) |
| 2028 | 43,980 |
| Thereafter | - |
| Total | <u>\$ 3,614,785</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 09/30/23 | \$ 17,247,289 | \$ 17,247,289 | \$ 17,247,289 |
| Change in Net Pension Liability (NPL) | 6,808,881 | - | (5,640,431) |
| Calculated NPL | <u>\$ 24,056,170</u> | <u>\$ 17,247,289</u> | <u>\$ 11,606,858</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, 2022, measurement date, the following employees were covered by the benefit terms:

| | |
|---|------------|
| Inactive plan members or beneficiaries currently receiving benefits | 102 |
| Inactive plan members entitled to but not yet receiving benefits | 4 |
| Active plan members | <u>19</u> |
| Total inactive and active plan members | <u>125</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, 2023, contributions made by the Board totaled \$1,800,018.

Net Pension Liability

The Board’s Net Pension Liability was measured as of December 31, 2022, 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, 2022 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:
7.00 percent, net of investment and administrative expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0 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 a version of Pub-2010 tables with future mortality improvements using MP-2019 scale applied fully generationally from Pub-2010 base year of 2010.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study completed in 2020 covering the years 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:

| <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% | 4.20% | 2.70% |
| Global Fixed Income | 20.00% | 0.90% | 0.40% |
| Private Investments | 20.00% | 1.90% | 1.40% |
| Inflation | | | 2.50% |
| Administrative fee | | | |
| | <u>100.00%</u> | | <u>7.00%</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 7.25 percent for 2022. 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, 2021 | \$44,997,458 | \$38,527,849 | \$ 6,469,609 |
| Changes for the Year: | | | |
| Service Cost | 167,397 | - | 167,397 |
| Interest on Total Pension Liability | 3,144,855 | - | 3,144,855 |
| Changes in benefits | - | - | - |
| Difference between expected and actual experience | 287,279 | - | 287,279 |
| Changes in assumptions | - | - | - |
| Employer Contributions | - | 1,800,018 | (1,800,018) |
| Employee Contributions | - | 83,546 | (83,546) |
| Net investment income | - | (3,979,349) | 3,979,349 |
| Benefit payments, including employee refunds | (3,407,679) | (3,407,679) | - |
| Administrative expense | - | (69,985) | 69,985 |
| Other changes | - | - | - |
| Net changes | <u>191,852</u> | <u>(5,573,449)</u> | <u>5,765,301</u> |
| Balances as of December 31, 2022 | <u>\$45,189,310</u> | <u>\$32,954,400</u> | <u>\$ 12,234,910</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 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

| | 1% Decrease | Current | 1% Increase |
|--|---------------|--------------------------|--------------|
| | (6.25%) | Discount Rate (7.25%) | (8.25%) |
| Net Pension Liability at December 31, 2022 | \$ 16,809,943 | \$ 12,234,910 | \$ 8,338,312 |

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, 2023, the Board recognized pension expense of \$2,317,491. The employer reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred (Inflows) of Resources</u> |
|---|---|--|
| Differences in experience | \$ 288,397 | \$ - |
| Differences in assumptions | 485,825 | - |
| Excess/Deficit in investment returns | <u>3,048,167</u> | <u>-</u> |
| Subtotal | 3,822,389 | - |
| Contributions subsequent to the measurement date* | <u>1,349,994</u> | <u>-</u> |
| Total | <u>\$ 5,172,383</u> | <u>\$ -</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 9/30/24.

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) | |
|---|---------------------|
| <u>Plan Year Ended December 31,</u> | <u>Amount</u> |
| 2023 | \$ 926,998 |
| 2024 | 660,824 |
| 2025 | 891,602 |
| 2026 | 1,342,965 |
| Thereafter | - |
| Total | <u>\$ 3,822,389</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, 2023 there were 15 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 \$204,923 during the current year and employees contributed \$59,264. 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, 2023, combined contributions by the Board totaled \$574,811 and combined contributions by the employees totaled \$231,404.

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 \$10,779 during the current year and employee contributed \$2,487. The employees under the plan are immediately vested. At September 30, 2023, 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 \$34,523 during the current year and employee contributed \$14,385. The employees covered under this plan are vested after three years of service. At September 30, 2023, there were 8 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, 2023 are as follows:

| | <u>Benefit Leave and Vacation</u> | <u>Sick</u> | <u>Total</u> |
|----------------------------|---------------------------------------|-------------------|---------------------|
| PRIMARY GOVERNMENT: | | | |
| Current portion | \$ 498,726 | \$ 164,031 | \$ 662,757 |
| Long-term portion | 1,197,196 | 246,047 | 1,443,243 |
| TOTAL | <u>\$ 1,695,922</u> | <u>\$ 410,078</u> | <u>\$ 2,106,000</u> |
| COMPONENT UNITS: | | | |
| Current portion | \$ 720,310 | \$ 519,660 | \$ 1,239,970 |
| Long-term portion | 67,840 | - | 67,840 |
| TOTAL | <u>\$ 788,150</u> | <u>\$ 519,660</u> | <u>\$ 1,307,810</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, 2023, by the City is \$2,964,013.

Summary financial information as of and for the fiscal year ended June 30, 2023, the latest available report, is as follows:

| | |
|--|---------------|
| Total Assets | \$ 21,424,040 |
| Deferred Outflows of Resources | 710,244 |
| Total Liabilities | 12,254,238 |
| Deferred Inflows of Resources | - |
| Total Net Position | 9,880,046 |
| Total Operating Revenues | 4,707,000 |
| Total Operating Expenses | 6,398,034 |
| Total Nonoperating Revenues (Expenses) | (14,600) |
| Change in Net Position | (1,705,634) |

NOTE 5 – 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, 2023 | | | | | |
|---|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------|
| | 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 15, 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* | |
| <i>* if married prior to retirement</i> | | | | | | |
| 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, 2023 valuation:

| | Public Works | City Hall | Supervisory | Police | Fire | Department Heads | Middle Management | Total |
|------------------|--------------|-----------|-------------|-----------|-----------|------------------|-------------------|------------|
| Retirees | 6 | 4 | 3 | 13 | 8 | 22 | 12 | 68 |
| Active Employees | 19 | 10 | 5 | 11 | 10 | 3 | 4 | 62 |
| Total | <u>25</u> | <u>14</u> | <u>8</u> | <u>24</u> | <u>18</u> | <u>25</u> | <u>16</u> | <u>130</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, 2023.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2023. The following actuarial assumptions were used in the measurement:

| | |
|---------------------------------|---|
| Annual wage increases: | 3.25% (for purposes of allocating liability) |
| Inflation: | 2.50% |
| Investment rate of return: | 7.00% |
| 20-year Aa Municipal bond rate: | 4.87% |
| 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, 2023 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Rate of Return</u> |
|---------------------|--------------------------|--|
| Global equity | 60.0% | 4.50% |
| Global fixed income | 20.0% | 2.00% |
| Private assets | 20.0% | 7.00% |

The sum of each target allocation times its long-term expected rate is 7.00%.

NOTE T – OTHER POST EMPLOYMENT BENEFITS (Continued):

Discount Rate:

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the City will make annual contributions to the OPEB trust in the amount of \$120,000 for the next seven years while continuing to pay benefits from general operating funds. At that point, the City will use assets to pay benefits. Based on this assumption, the plan’s fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members, there is no cross-over point or depletion date, and produces a single equivalent discount rate equal to the expected rate of return. This discount rate is used to determine the Total OPEB Liability. The discount rate used as of September 30, 2022 was 5.56%.

Changes in Net OPEB Liability

| Calculating the Net OPEB Liability - Primary Government | | | |
|--|-------------------------|--------------------------------|-----------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| | (a) | (b) | (a) - (b) |
| Balance at September 30, 2022 | \$ 5,663,145 | \$ 1,369,530 | \$ 4,293,615 |
| Changes during the year: | | | |
| Service cost (beginning of year) | 29,523 | - | 29,523 |
| Interest | 306,543 | - | 306,543 |
| Experience (gains)/losses | (291,762) | - | (291,762) |
| Change in actuarial assumptions | (622,654) | - | (622,654) |
| Contributions to OPEB trust | - | 381,251 | (381,251) |
| Contributions/benefit paid from general operating funds | - | 358,643 | (358,643) |
| Net investment income | - | 166,690 | (166,690) |
| Benefit payments | (358,643) | (358,643) | - |
| Administrative expenses | - | (3,252) | 3,252 |
| Other changes | - | - | - |
| Total changes | <u>(936,993)</u> | <u>544,689</u> | <u>(1,481,682)</u> |
| Balance at September 30, 2023 | <u>\$ 4,726,152</u> | <u>\$ 1,914,219</u> | <u>\$ 2,811,933</u> |

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, 6.00% | Current Discount Rate, 7.00% | 1% Increase, 8.00% |
|-----------------------------|-----------------------|------------------------------------|-----------------------|
| <u>Discount</u> | | | |
| Total OPEB Liability | \$ 5,132,910 | \$ 4,726,151 | \$ 4,376,081 |
| Plan Fiduciary Net Position | 1,914,218 | 1,914,218 | 1,914,218 |
| Net OPEB Liability | <u>\$ 3,218,692</u> | <u>\$ 2,811,933</u> | <u>\$ 2,461,863</u> |
| | 1% Decrease | Current Trend | 1% Increase |
| <u>Trend</u> | | | |
| Total OPEB Liability | \$ 4,523,255 | \$ 4,726,151 | \$ 4,903,547 |
| Plan Fiduciary Net Position | 1,914,218 | 1,914,218 | 1,914,218 |
| Net OPEB Liability | <u>\$ 2,609,037</u> | <u>\$ 2,811,933</u> | <u>\$ 2,989,329</u> |

Actuarially Determined Contribution

Actuarially Determined Contribution for the Fiscal Year Ending September 30, 2023 are as follows:

| | |
|---|-------------------|
| Service Cost (End of Year) | \$ 29,523 |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 4,266,954 |
| Amortization Factor, 30 Years | 14.0772 |
| Amortization of UAAL | \$ 303,111 |
| Interest to End of Year | \$ 18,495 |
| Actuarially Determined Contributions (ADC) | \$ 351,128 |
| OPEB Expense – GASB 75 | |

Below are the components of the Total OPEB Expense under GASB 75 for 2023.

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of September 30, 2023 is \$1,914,218.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|------------------------------------|--------------------------------------|-------------------------------------|
| Experience (Gains)/Losses | \$ - | \$ (530,974) |
| Changes of Assumptions | - | (975,136) |
| Investment Earnings (Gains)/Losses | 85,641 | - |
| TOTAL | <u>\$ 85,641</u> | <u>\$ (1,506,110)</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</u> <u>September 30,</u> | <u>Amount</u> <u>Recognized</u> |
|---|------------------------------------|
| 2024 | \$ (852,048) |
| 2025 | (467,820) |
| 2026 | (89,347) |
| 2027 | (11,254) |
| 2028 | - |
| Thereafter | - |
| | <u>\$ (1,420,469)</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, 2023 and 2022, the Board contributed \$712,246 and \$745,667, respectively, to the plan representing current premiums, and an additional \$100,000 and \$100,000, respectively, to the RHFV.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (October 1, 2021):

| | Active Employees | Retirees & Spouses | Total |
|----------------------|---------------------|-----------------------|-------|
| Covered participants | 60 | 147 | 207 |

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: | 3.00% |
| Discount rate: | 6.60% |
| Inflation: | 2.50% |
| Investment rate of return, net of inflation: | 4.10% |
| Municipal bond index: | 4.87% |
| 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 |
|---------------------|-------------------|-----------------------------------|--|
| Global Equity | 60.00% | 4.10% | 2.46% |
| Global Fixed Income | 20.00% | 1.82% | 0.36% |
| Private Investments | 20.00% | 6.38% | 1.28% |
| Inflation | | | 2.50% |
| Administrative Fee | | | |
| | 100.00% | | 6.60% |

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, 2023, 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, 2022 | \$ 15,518,144 | \$ 11,732,303 | \$ 3,785,841 |
| Changes for the year: | | | |
| Service cost | 198,621 | - | 198,621 |
| Interest on Total Pension Liability | 1,013,802 | - | 1,013,802 |
| Changes in benefits | - | - | - |
| Difference between expected and actual experience | (246,405) | - | (246,405) |
| Changes in assumptions | 158,642 | - | 158,642 |
| Employer contributions | - | 795,931 | (795,931) |
| Participant contributions | - | 16,315 | (16,315) |
| Projected investment income | - | 776,814 | (776,814) |
| Difference between expected and actual earnings | - | 610,805 | (610,805) |
| Benefit payments, including employee refunds | (712,246) | (712,246) | - |
| Administrative expense | - | (24,797) | 24,797 |
| Other changes | - | - | - |
| Net changes | <u>412,414</u> | <u>1,462,822</u> | <u>(1,050,408)</u> |
| Balances at September 30, 2023 | <u>\$ 15,930,558</u> | <u>\$ 13,195,125</u> | <u>\$ 2,735,433</u> |

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 | \$ 17,899,033 | \$ 15,930,558 | \$ 14,302,622 |
| Fiduciary net position | <u>13,195,125</u> | <u>13,195,125</u> | <u>13,195,125</u> |
| Net OPEB Liability | <u>\$ 4,703,908</u> | <u>\$ 2,735,433</u> | <u>\$ 1,107,497</u> |
| Plan fiduciary position as a percentage of the total OPEB liability | <u>73.7%</u> | <u>82.8%</u> | <u>92.3%</u> |

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 | \$ 13,964,259 | \$ 15,930,558 | \$ 18,343,656 |
| Fiduciary net position | 13,195,125 | 13,195,125 | 13,195,125 |
| Net OPEB Liability | <u>\$ 769,134</u> | <u>\$ 2,735,433</u> | <u>\$ 5,148,531</u> |
| Plan fiduciary position as a percentage of the total OPEB liability | <u>94.5%</u> | <u>82.8%</u> | <u>71.9%</u> |

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2023, the Board recognized an OPEB gain/credit of \$57,346.

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 | \$ - | \$ (390,680) |
| Differences in assumptions | 119,277 | (582,978) |
| Excess/Deficit in investment returns | 1,631,387 | (1,023,651) |
| Total | <u>\$ 1,750,664</u> | <u>\$ (1,997,309)</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 |
|------------------------------|-----------------------------|------------------------------|--|---------------------|
| 2024 | \$ (210,680) | \$ (312,273) | \$ 157,028 | \$ (365,925) |
| 2025 | (115,942) | (186,174) | 152,683 | (149,433) |
| 2026 | (62,224) | 33,565 | 420,186 | 391,527 |
| 2027 | (1,834) | 1,181 | (122,161) | (122,814) |
| Total | <u>\$ (390,680)</u> | <u>\$ (463,701)</u> | <u>\$ 607,736</u> | <u>\$ (246,645)</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, 2023.

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, 2023. 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 \$1,489,266.

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, 2023, is as follows:

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, 2023, the City abated \$2,108,346 under this program.

NOTE Z – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS:

The City is involved in two arrangements that qualify as subscription-based information technology arrangements (SBITA). Below is a summary of the nature of these arrangements. These arrangements qualify as right-to-use subscription assets as the City has the control of the right to use another party’s information technology software and the non-cancelable term of the arrangement surpasses one year. The present values are discounted using an interest rate of 1.875% based on the City’s incremental borrowing rate.

The right-to-use asset and the related activity are included in the Capital Assets footnote. The net subscription-based (right-to-use) asset value is as follows:

| | Balance at <u>9/30/2022</u> | <u>Additions</u> | <u>Disposals</u> | Balance at <u>9/30/2023</u> |
|---------------------------------------|--------------------------------|------------------|------------------|--------------------------------|
| Subscription based (Right to Use) | \$ - | \$ 109,519 | \$ - | \$ 109,519 |
| Less: Accumulated Amortization | - | 41,521 | - | 41,521 |
| Net Subscription based (Right to Use) | <u>\$ -</u> | <u>\$ 67,998</u> | <u>\$ -</u> | <u>\$ 67,998</u> |

The subscription liability and related activity are presented in the Long-Term Debt footnote.

| Asset Type: | Remaining Term of Arrangement: |
|---------------------|--------------------------------|
| Mapping Software | 2 years |
| Cloud Video Storage | 1 year |

The net present value of future minimum payments as of September 30, 2023, are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|------|------------------|-----------------|--------------------------|
| 2024 | \$ 46,352 | \$ 1,399 | \$ 47,751 |
| 2025 | 28,221 | 529 | 28,750 |
| 2026 | - | - | - |
| 2027 | - | - | - |
| 2028 | - | - | - |
| | <u>\$ 74,573</u> | <u>\$ 1,928</u> | <u>\$ 76,501</u> |

NOTE AA – BUDGET VIOLATIONS:

Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. If during a fiscal year, it appears that actual and probable revenues are less than estimated revenues that will result in expenditures exceed available appropriates that the legislative body should adopt recommendations that would prevent expenditures from exceeding available revenues. For the purposes of this Act a “budget” does not include:

- a) A fund for which the local unit acts as a trustee or agent.
- b) An internal service fund.
- c) An enterprise fund.
- d) A capital project fund.
- e) A debt service fund.

In the body of the financial statements, the City’s actual expenditures and budgeted expenditures have been shown on an activity level. Except as noted below, for the year ended September 30, 2023, none of the required funds (General Fund and Special Revenue Funds) had expenditures over appropriations based on the activity level:

| Fund/Function/Activity | Final Budget | Actual | Variance |
|---|--------------|-----------|----------|
| General Fund | | | |
| <i>General Government</i> | | | |
| City Commission | \$ 90,160 | \$ 95,588 | \$ 5,428 |
| Treasurer | 360,800 | 380,573 | 19,773 |
| Other general government | 823,220 | 823,804 | 584 |
| <i>Public Safety</i> | | | |
| Police | 5,526,027 | 5,689,882 | 163,855 |
| Rental Inspector | 107,110 | 159,692 | 52,582 |
| <i>Community and Economic Development</i> | | | |
| Planning and zoning | 598,348 | 608,378 | 10,030 |
| Transfers out | 3,015,170 | 3,736,898 | 721,728 |
| Major Street and Trunkline Fund | | | |
| <i>Public Works</i> | | | |
| Administration | 200,770 | 200,772 | 2 |
| Transfers out | 1,119,370 | 1,388,843 | 269,473 |
| Local Street Fund | | | |
| <i>Public Works</i> | | | |
| Routine Maintenance | 746,340 | 818,239 | 71,899 |
| Sidewalks | 96,840 | 96,932 | 92 |
| Administration | 70,400 | 70,404 | 4 |
| Local Development Finance Authority Fund | | | |
| <i>Community and Economic Development</i> | | | |
| Strategic Development | 1,498,880 | 1,536,217 | 37,337 |

NOTE AA – BUDGET VIOLATIONS (Continued):

| <u>Fund/Function/Activity</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------------|---------------------|---------------|-----------------|
| Drug Forfeiture Fund | | | |
| <i>Public Safety</i> | | | |
| Drug Forfeiture | \$ - | \$ 14,096 | \$ 14,096 |
| Road Maintenance Fund | | | |
| <i>Public Works</i> | | | |
| Capital outlay | 121,430 | 126,467 | 5,037 |
| Criminal Justice Training Fund | | | |
| <i>Public Safety</i> | | | |
| Criminal Justice Training | 3,600 | 8,793 | 5,193 |

NOTE AB – 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 May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 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. 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. This statement is effective for periods beginning after June 15, 2022. The City has activities that meet the criteria for GASB 96; such information is disclosed in Note Z.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for the periods beginning after June 15, 2022. As the City has activities that meet the criteria for GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the requirements of this statement have been implemented in the current year. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the periods beginning after June 15, 2023. The City does not participate in derivative instruments and does not have any material activity under Statement 53 that is within the scope of the remaining section of this statement; therefore, the other sections of this Statement are not applicable to the City.

Other Recently Issued Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. GASB 91 provides 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. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. This Statement was originally effective for periods beginning after December 15, 2020. However, under GASB 95, the effective date was postponed by 12 months, to periods beginning after December 15, 2021. The City does not have obligations that meet the criteria under GASB 91; therefore, GASB 91 is not applicable to the City.

NOTE AB – NEW GASB STANDARDS (Continued):

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. GASB 94 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. This statement is effective for periods beginning after June 15, 2022. The City does not have activities that meet the criteria for GASB 94; therefore, GASB 94 is not applicable to the City.

NOTE AC – 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 100: Accounting Changes and Error Corrections – An Amendment of GASB Stmt No. 62 *Effective for fiscal years beginning after June 15, 2023 (City's fiscal year 2024)*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101: Compensated Absences *Effective for fiscal years beginning after December 15, 2023 (City's fiscal year 2025)*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used

NOTE AC – UPCOMING STANDARDS (Continued):

for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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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)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Change in total pension liability | | | | | | | | | |
| Service cost | \$ 730,432 | \$ 658,809 | \$ 691,166 | \$ 840,544 | \$ 825,143 | \$ 791,722 | \$ 771,441 | \$ 738,493 | \$ 800,374 |
| Interest | 4,762,551 | 4,826,506 | 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 | 499,145 | (99,786) | (182,168) | 323,056 | (52,849) | (1,166,996) | 408,568 | (229,603) | - |
| Changes in assumptions | - | 2,517,350 | 1,899,801 | 1,988,572 | - | - | - | 3,096,299 | - |
| Benefit payments, including refunds of member contributions | (4,051,914) | (3,899,269) | (3,613,388) | (3,265,088) | (3,060,342) | (2,909,065) | (2,653,291) | (2,414,733) | (2,402,573) |
| Other | 2,336 | (306) | (1,191,444) | - | - | - | - | (1) | 31,851 |
| Net change in total pension liability | 1,942,550 | 4,003,304 | 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 | 69,555,686 | 65,552,382 | 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) | 71,498,236 | 69,555,686 | 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 | 3,422,782 | 3,222,786 | 2,741,566 | 2,667,614 | 2,453,865 | 2,455,778 | 3,272,268 | 1,796,218 | 1,685,684 |
| Contributions – member | 448,456 | 274,489 | 277,745 | 295,696 | 277,569 | 259,468 | 303,659 | 223,767 | 242,337 |
| Net investment income | (4,628,199) | 5,664,899 | 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 | (4,051,914) | (3,899,269) | (3,613,388) | (3,265,088) | (3,060,342) | (2,909,065) | (2,653,291) | (2,414,733) | (2,402,573) |
| Administrative expense | (81,679) | (64,826) | (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 | (4,890,554) | 5,198,079 | 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 | 46,457,789 | 41,259,710 | 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) | 41,567,235 | 46,457,789 | 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) | \$ 29,931,001 | \$ 23,097,897 | \$ 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 | 58.14% | 66.79% | 62.94% | 58.89% | 56.43% | 61.62% | 56.06% | 51.40% | 61.20% |
| Covered payroll | \$ 5,321,247 | \$ 5,097,329 | \$ 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 | 562.48% | 453.14% | 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% |
| 9/30/2022 | 3,548,664 | 3,596,364 | (47,700) | 5,838,150 | 61.60% |
| 9/30/2023 | 3,751,836 | 3,794,424 | (42,588) | 5,526,986 | 68.65% |

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)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Change in total pension liability | | | | | | | | | |
| Service cost | \$ 45,909 | \$ 48,398 | \$ 52,368 | \$ 38,312 | \$ 37,610 | \$ 48,532 | \$ 47,489 | \$ 36,106 | \$ 40,728 |
| Interest | 279,957 | 276,563 | 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 | (42,690) | (95,831) | 57,246 | 14,725 | (2,409) | (71,536) | 25,151 | (11,226) | - |
| Changes in assumptions | - | 127,710 | 151,620 | 90,638 | - | - | - | 151,384 | - |
| Benefit payments, including refunds of member contributions | (268,109) | (281,444) | (270,647) | (215,515) | (191,797) | (181,797) | (178,595) | (131,851) | (127,594) |
| Other | (11,889) | (1,577) | (93,938) | - | - | - | - | - | (236) |
| Net change in total pension liability | 3,178 | 73,819 | 107,968 | 135,450 | 43,743 | 61,448 | 147,741 | 232,230 | 145,335 |
| Total pension liability, beginning of year | 3,808,584 | 3,734,765 | 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) | 3,811,762 | 3,808,584 | 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 | 124,248 | 117,462 | 175,399 | 173,752 | 111,800 | 105,420 | 114,790 | 91,549 | 86,041 |
| Contributions – member | 23,449 | 26,716 | 35,224 | 28,244 | 25,376 | 27,289 | 25,132 | 24,237 | 23,982 |
| Net investment income | (320,381) | 391,706 | 329,195 | 309,695 | (94,393) | 287,973 | 227,136 | (31,166) | 134,124 |
| Benefit payments, including refunds of member contributions | (268,109) | (281,444) | (270,647) | (215,515) | (191,797) | (181,797) | (178,595) | (131,851) | (127,594) |
| Administrative expense | (5,586) | (4,490) | (5,141) | (5,317) | (4,700) | (4,562) | (4,489) | (4,534) | (4,565) |
| Other | - | (1) | - | - | - | - | - | - | (9,984) |
| Net change in plan fiduciary net position | (446,379) | 249,949 | 264,030 | 290,859 | (153,714) | 234,323 | 183,974 | (51,765) | 102,004 |
| Plan fiduciary net position, beginning of year | 3,075,816 | 2,825,867 | 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) | 2,629,437 | 3,075,816 | 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) | \$ 1,182,325 | \$ 732,768 | \$ 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 | 68.98% | 80.76% | 75.66% | 70.64% | 65.05% | 70.33% | 64.69% | 61.96% | 68.46% |
| Covered payroll | \$ 332,488 | \$ 359,746 | \$ 390,288 | \$ 389,790 | \$ 256,766 | \$ 212,190 | \$ 189,316 | \$ 264,754 | \$ 282,696 |
| Net pension liability as a percentage of covered payroll | 355.60% | 203.69% | 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% |
| 9/30/2022 | 118,560 | 118,560 | - | 359,746 | 32.96% |
| 9/30/2023 | 129,936 | 129,936 | - | 285,303 | 45.54% |

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

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Change in total pension liability | | | | | | | | | | |
| Service cost | \$ 1,175,182 | \$ 1,101,426 | \$ 1,038,593 | \$ 1,042,143 | \$ 980,498 | \$ 922,981 | \$ 902,641 | \$ 935,088 | \$ 1,363,210 | \$ 1,205,537 |
| Interest | 3,495,810 | 3,400,723 | 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 term: | | | | | | | | | | |
| Differences between expected and actual experience | - | - | - | - | - | - | - | - | - | - |
| Changes in assumptions | 845,642 | 51,052 | 218,662 | (953,751) | 230,811 | (849,687) | 1,606,199 | (53,654) | - | - |
| Benefit payments, including refunds of member contributions | 468,013 | - | - | - | - | 2,025,918 | (426,851) | - | - | - |
| Other | (3,293,982) | (3,068,761) | (2,749,365) | (2,582,244) | (2,410,032) | (2,449,187) | (2,227,030) | (2,408,213) | (1,828,055) | (2,317,636) |
| Net change in total pension liability | <u>2,690,665</u> | <u>1,484,440</u> | <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>52,849,182</u> | <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> | <u>36,180,680</u> |
| Total pension liability, end of year (a) | <u>55,539,847</u> | <u>52,849,182</u> | <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 - employee | 1,707,745 | 1,748,700 | 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 - member | 255,359 | 253,763 | 232,295 | 224,770 | 216,333 | 207,809 | 197,431 | 170,668 | 167,220 | 212,560 |
| Net investment income | 4,462,421 | (7,872,012) | 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 | (3,293,982) | (3,068,761) | (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 expenses | (20,603) | (20,693) | (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>3,110,940</u> | <u>(8,959,003)</u> | <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>35,181,618</u> | <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> | <u>26,157,155</u> |
| Plan fiduciary net position, end of year (b) | <u>38,292,558</u> | <u>35,181,618</u> | <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>\$ 17,247,289</u> | <u>\$ 17,667,564</u> | <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 | 68.95% | 66.57% | 85.94% | 75.72% | 71.22% | 72.29% | 73.07% | 70.89% | 68.49% | 74.76% |
| Covered payroll | \$ 4,023,821 | \$ 4,130,349 | \$ 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 | 428.63% | 427.75% | 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

| 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% |
| 9/30/2022 | 1,748,700 | 1,748,700 | - | 4,484,418 | 39.00% |
| 9/30/2023 | 1,707,745 | 1,707,745 | - | 4,023,821 | 42.44% |

**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)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Change in total pension liability | | | | | | | | | |
| Service cost | \$ 167,397 | \$ 181,213 | \$ 216,877 | \$ 216,007 | \$ 243,983 | \$ 263,927 | \$ 263,370 | \$ 253,706 | \$ 275,493 |
| Interest | 3,144,855 | 3,162,801 | 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 | 287,279 | 290,631 | (867,330) | (642,954) | (27,628) | (147,591) | 161,831 | 433,467 | - |
| Changes in assumptions | - | 1,457,474 | 1,255,356 | 1,344,399 | - | - | - | 2,151,921 | - |
| Benefit payments, including refunds of member contributions | (3,407,679) | (3,239,718) | (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 | 191,852 | 1,852,401 | 552,232 | 886,607 | 162,397 | 182,631 | 570,365 | 2,937,825 | 448,658 |
| Total pension liability, beginning of year | 44,997,458 | 43,145,057 | 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 | 45,189,310 | 44,997,458 | 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 | 1,800,018 | 1,922,323 | 1,915,918 | 3,152,985 | 4,366,887 | 4,605,575 | 2,874,280 | 2,541,239 | 2,071,376 |
| Contributions – member | 83,546 | 99,455 | 105,640 | 104,553 | 105,447 | 116,706 | 165,913 | 132,551 | 165,536 |
| Net investment income | (3,979,349) | 4,863,699 | 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 | (3,407,679) | (3,239,718) | (3,177,232) | (3,246,137) | (3,256,943) | (3,128,036) | (3,008,305) | (2,914,389) | (2,808,219) |
| Administrative expense | (69,985) | (55,799) | (64,061) | (66,316) | (56,324) | (50,670) | (47,663) | (47,681) | (48,283) |
| Other | - | - | - | - | - | - | - | - | - |
| Net change in plan fiduciary net position | (5,573,449) | 3,589,960 | 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 | 38,527,849 | 34,937,889 | 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 | 32,954,400 | 38,527,849 | 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 | <u>\$ 12,234,910</u> | <u>\$ 6,469,609</u> | <u>\$ 8,207,168</u> | <u>\$ 10,463,379</u> | <u>\$ 13,369,259</u> | <u>\$ 13,190,813</u> | <u>\$ 17,770,099</u> | <u>\$ 19,597,730</u> | <u>\$ 16,046,663</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 72.93% | 85.62% | 80.98% | 75.43% | 67.94% | 68.25% | 57.04% | 51.96% | 57.61% |
| Covered payroll | \$ 1,868,887 | \$ 2,109,620 | \$ 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 | 654.66% | 306.67% | 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 | \$ 1,696,863 | \$ 2,071,376 | \$ (374,513) | \$ 2,861,350 | 72.39% |
| 9/30/2016 | 1,962,600 | 2,541,239 | (578,639) | 3,096,739 | 82.06% |
| 9/30/2017 | 1,080,924 | 2,874,280 | (1,793,356) | 3,140,861 | 91.51% |
| 9/30/2018 | 1,390,320 | 4,605,575 | (3,215,255) | 3,351,949 | 137.40% |
| 9/30/2019 | 1,398,372 | 4,366,887 | (2,968,515) | 3,191,125 | 136.84% |
| 9/30/2020 | 1,670,712 | 3,152,985 | (1,482,273) | 2,453,014 | 128.54% |
| 9/30/2021 | 1,683,348 | 1,915,918 | (232,570) | 2,426,996 | 78.94% |
| 9/30/2022 | 1,696,824 | 1,922,323 | (225,499) | 2,109,620 | 91.12% |
| 9/30/2023 | 1,757,328 | 1,800,018 | (42,690) | 1,868,887 | 96.31% |

City of Marquette, Michigan

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

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

| <u>Fiscal Year Ended</u> | <u>Defined Benefit Pension Plans</u> | | <u>Defined Benefit OPEB Plans</u> | |
|--------------------------|--------------------------------------|--------------------|---|---------------------------------|
| | <u>MERS</u> | <u>Police/Fire</u> | <u>City of Marquette Retiree Medical Plan</u> | <u>Board of Light and Power</u> |
| | 9/30/2015 | 6.13% | 5.80% | 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% |
| 9/30/2022 | 13.97% | 10.60% | (13.97%) | (13.48%) |
| 9/30/2023 | (10.61%) | 4.50% | 10.81% | 11.81% |

City of Marquette Michigan
Required Supplementary Information

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

(Ultimately ten years will be displayed)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Change in total OPEB liability | | | | | | |
| Service cost | \$ 29,523 | \$ 47,631 | \$ 81,352 | \$ 71,444 | \$ 62,583 | \$ 102,520 |
| Interest | 306,543 | 266,569 | 263,486 | 336,366 | 316,299 | 266,247 |
| Change in benefit terms | - | - | - | - | - | - |
| Differences between expected and actual experience | (291,762) | 11,013 | (1,167,057) | (58,676) | (276,093) | (34,706) |
| Changes in assumptions | (622,654) | (757,706) | (854,124) | 1,088,300 | 621,649 | (1,080,597) |
| Benefit payments, including refunds of member contributions | (358,643) | (377,070) | (321,777) | (320,257) | (309,059) | (320,638) |
| Other | - | - | - | - | - | - |
| Net change in total OPEB liability | <u>(936,993)</u> | <u>(809,563)</u> | <u>(1,998,120)</u> | <u>1,117,177</u> | <u>415,379</u> | <u>(1,067,174)</u> |
| Total OPEB liability, beginning of year | <u>5,663,145</u> | <u>6,472,708</u> | <u>8,470,828</u> | <u>7,353,651</u> | <u>6,938,272</u> | <u>8,005,446</u> |
| Total OPEB liability, end of year (a) | <u>4,726,152</u> | <u>5,663,145</u> | <u>6,472,708</u> | <u>8,470,828</u> | <u>7,353,651</u> | <u>6,938,272</u> |
| Change in plan fiduciary net position | | | | | | |
| Contributions to OPEB trust | 381,251 | 406,284 | 248,955 | 180,473 | 118,098 | 363,761 |
| Contributions/benefits paid from general operation fund | 358,643 | 377,070 | 321,777 | 320,257 | 309,059 | 320,638 |
| Net investment income | 166,690 | (196,773) | 187,417 | 54,035 | 12,517 | 1,527 |
| Benefit payments, including refunds of member contributions | (358,643) | (377,070) | (321,777) | (320,257) | (309,059) | (320,638) |
| Administrative expense | (3,252) | (2,401) | (1,861) | (1,335) | (862) | (305) |
| Other | - | - | - | - | - | - |
| Net change in plan fiduciary net position | <u>544,689</u> | <u>207,110</u> | <u>434,511</u> | <u>233,173</u> | <u>129,753</u> | <u>364,983</u> |
| Plan fiduciary net position, beginning of year | <u>1,369,530</u> | <u>1,162,420</u> | <u>727,909</u> | <u>494,736</u> | <u>364,983</u> | <u>-</u> |
| Plan fiduciary net position, end of year (b) | <u>1,914,219</u> | <u>1,369,530</u> | <u>1,162,420</u> | <u>727,909</u> | <u>494,736</u> | <u>364,983</u> |
| Net OPEB liability, end of year (a)-(b) | <u>\$ 2,811,933</u> | <u>\$ 4,293,615</u> | <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 | 40.50% | 24.18% | 17.96% | 8.59% | 6.73% | 5.26% |
| Covered payroll | \$ 5,087,311 | \$ 5,778,509 | \$ 6,050,892 | \$ 5,796,720 | \$ 5,887,794 | \$ 6,037,621 |
| Net OPEB liability as a percentage of covered payroll | 55.27% | 74.30% | 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% |
| 9/30/2022 | 377,070 | 783,354 | (406,284) | 5,778,509 | 13.56% |
| 9/30/2023 | 358,643 | 739,894 | (381,251) | 5,087,311 | 14.54% |

**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)**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Change in total OPEB liability | | | | | | |
| Service cost | \$ 198,621 | \$ 192,585 | \$ 221,380 | \$ 213,893 | \$ 224,487 | \$ 216,372 |
| Interest | 1,013,802 | 990,384 | 1,065,143 | 1,042,100 | 1,301,180 | 1,283,786 |
| Change in benefit terms | - | (63,492) | - | (2,585,154) | - | - |
| Differences between expected and actual experience | (246,405) | (145,149) | (319,293) | (652,672) | - | - |
| Changes in assumptions | 158,642 | (779,141) | (547,473) | (501,268) | - | - |
| Benefit payments, including refunds of member contributions | (712,246) | (745,667) | (757,957) | (1,063,250) | (1,190,487) | (1,306,364) |
| Other | - | - | - | - | - | - |
| Net change in total OPEB liability | <u>412,414</u> | <u>(550,480)</u> | <u>(338,200)</u> | <u>(3,546,351)</u> | <u>335,180</u> | <u>193,794</u> |
| Total OPEB liability, beginning of year | <u>15,518,144</u> | <u>16,068,624</u> | <u>16,406,824</u> | <u>19,953,175</u> | <u>19,617,995</u> | <u>19,424,201</u> |
| Total OPEB liability, end of year (a) | <u>15,930,558</u> | <u>15,518,144</u> | <u>16,068,624</u> | <u>16,406,824</u> | <u>19,953,175</u> | <u>19,617,995</u> |
| Change in plan fiduciary net position | | | | | | |
| Contributions – employer | 795,931 | 830,363 | 843,017 | 1,347,539 | 3,290,487 | 4,306,364 |
| Contributions – member | 16,315 | 15,304 | 14,940 | 15,711 | - | - |
| Net investment income | 1,387,619 | (1,819,816) | 2,086,655 | 671,305 | 350,782 | 184,882 |
| Benefit payments, including refunds of member contributions | (712,246) | (745,667) | (757,957) | (1,063,250) | (1,190,487) | (1,306,364) |
| Administrative expense | (24,797) | (23,609) | (23,035) | (19,423) | (17,378) | (15,234) |
| Other | - | - | - | - | - | - |
| Net change in plan fiduciary net position | <u>1,462,822</u> | <u>(1,743,425)</u> | <u>2,163,620</u> | <u>951,882</u> | <u>2,433,404</u> | <u>3,169,648</u> |
| Plan fiduciary net position, beginning of year | <u>11,732,303</u> | <u>13,475,728</u> | <u>11,312,108</u> | <u>10,360,226</u> | <u>7,926,822</u> | <u>4,757,174</u> |
| Plan fiduciary net position, end of year (b) | <u>13,195,125</u> | <u>11,732,303</u> | <u>13,475,728</u> | <u>11,312,108</u> | <u>10,360,226</u> | <u>7,926,822</u> |
| Net OPEB liability, end of year (a)-(b) | <u>\$ 2,735,433</u> | <u>\$ 3,785,841</u> | <u>\$ 2,592,896</u> | <u>\$ 5,094,716</u> | <u>\$ 9,592,949</u> | <u>\$ 11,691,173</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 82.83% | 75.60% | 83.86% | 68.95% | 51.92% | 40.41% |
| Covered payroll | \$ 6,261,937 | \$ 5,927,350 | \$ 5,901,711 | \$ 6,055,138 | \$ 5,512,678 | \$ 5,313,424 |
| Net OPEB liability as a percentage of covered payroll | 43.68% | 63.87% | 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 | 3,272,408 | (1,943,959) | 5,512,678 | 59.36% |
| 9/30/2020 | 680,949 | 1,347,539 | (666,590) | 6,055,138 | 22.25% |
| 9/30/2021 | 704,783 | 843,017 | (138,234) | 5,901,711 | 14.28% |
| 9/30/2022 | 358,198 | 830,363 | (472,165) | 5,923,404 | 14.02% |
| 9/30/2023 | 368,944 | 795,931 | (426,987) | 6,261,937 | 12.71% |

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, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 6,686,611 | \$ 8,450,243 |
| Investments | 5,608,032 | 5,415,777 |
| Receivables: | | |
| Taxes: | | |
| Current | 668,154 | 561,208 |
| Delinquent, net | 18,487 | 18,710 |
| Accounts | 523,916 | 549,510 |
| Special assessment | - | - |
| Due from other authorities | 4,307,855 | 2,623,039 |
| Due from other funds | - | 137 |
| Due from other governments | 544,303 | 666,614 |
| Inventories | 111,731 | 116,148 |
| Prepaid expenditures | <u>360,520</u> | <u>180,380</u> |
| TOTAL ASSETS | <u>18,829,609</u> | <u>18,581,766</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 18,829,609</u> | <u>\$ 18,581,766</u> |
| LIABILITIES | | |
| Accounts payable | \$ 224,024 | \$ 667,084 |
| Accrued wages payable | 241,155 | 204,454 |
| Accrued compensated absences | 660,623 | 670,558 |
| Due to other governmental units | 286 | 372 |
| Due to other authorities | 250 | 7,645 |
| Customer deposits payable | 43,439 | 39,135 |
| Unearned revenue | <u>-</u> | <u>24,479</u> |
| TOTAL LIABILITIES | <u>1,169,777</u> | <u>1,613,727</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Taxes levied for a subsequent period | 9,318,285 | 8,725,353 |
| Special assessments | <u>-</u> | <u>-</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>9,318,285</u> | <u>8,725,353</u> |
| FUND BALANCE | | |
| Non-spendable | 472,251 | 296,528 |
| Restricted | 57,500 | 57,500 |
| Assigned | 1,050,205 | 999,789 |
| Unassigned | <u>6,761,591</u> | <u>6,888,869</u> |
| TOTAL FUND BALANCE | <u>8,341,547</u> | <u>8,242,686</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 18,829,609</u> | <u>\$ 18,581,766</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|--|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Property Taxes: | | | | |
| Real property taxes | \$ 10,666,530 | \$ 10,697,724 | \$ 31,194 | \$ 9,024,076 |
| Personal property taxes | 682,540 | 692,598 | 10,058 | 612,767 |
| Interest and penalty | 15,000 | 24,108 | 9,108 | 23,269 |
| Administrative collection fees | 355,010 | 385,136 | 30,126 | 350,741 |
| Total Property Taxes | 11,719,080 | 11,799,566 | 80,486 | 10,010,853 |
| Industrial Facilities Tax Act | 20 | 19 | (1) | 3,341 |
| Marijuana Tax | 200,000 | 207,365 | 7,365 | 225,814 |
| Payments in Lieu of Taxes: | | | | |
| MSHDA | - | 41,751 | 41,751 | 35,078 |
| Board of Light and Power | 2,500,000 | 2,413,891 | (86,109) | 2,433,803 |
| Public Housing Authority | 35,300 | - | (35,300) | 59,000 |
| Sault Tribe Housing Authority | - | 453 | 453 | - |
| Marquette Area Wastewater Treatment Facility | 304,700 | 255,948 | (48,752) | 218,136 |
| Grandview | - | - | - | - |
| Water Supply Fund | 657,390 | 657,396 | 6 | 636,456 |
| Sewage Disposal Fund | 563,350 | 563,352 | 2 | 537,576 |
| Total Payment in Lieu of Taxes | 4,060,740 | 3,932,791 | (127,949) | 3,920,049 |
| Federal and State Grants: | | | | |
| UPSET | 18,500 | 16,785 | (1,715) | 18,839 |
| OJP - Bullet Proof Vests Program | - | 397 | 397 | 296 |
| USDT - SLFRF | - | 24,479 | 24,479 | 1,000,000 |
| DNR - Snowmobile Grant | 2,000 | 2,000 | - | 2,000 |
| MNRTF - Kids Cove Grant | 600,000 | - | (600,000) | - |
| NEA - Promotof of the Arts Partnership | - | - | - | 8,000 |
| Council for Arts and Culture - State | 24,000 | 2,952 | (21,048) | 7,600 |
| Protect MI Pension Grant - State | 704,420 | 704,412 | (8) | - |
| MCOLES - Public Safety Assistance Program | - | 48,000 | 48,000 | - |
| MEDC - RRC Technical Assistance Program | - | 7,500 | 7,500 | - |
| MACC - Art Week Grant | 19,680 | 16,728 | (2,952) | - |
| HAVA Cares Act - Voting Hardware Grant | - | 9,746 | 9,746 | - |
| SRT - Body Worn Camera Grant | - | 1,547 | 1,547 | - |
| Total Federal and State Grants | 1,368,600 | 834,546 | (534,054) | 1,036,735 |
| State-Shared Revenues: | | | | |
| Fire protection - State facility | 956,500 | 962,363 | 5,863 | 972,934 |
| Sales and use tax | 2,421,920 | 2,534,983 | 113,063 | 2,525,088 |
| Liquor licenses | 21,500 | 30,312 | 8,812 | 36,437 |
| Total State-Shared Revenues | 3,399,920 | 3,527,658 | 127,738 | 3,534,459 |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|-------------------|-------------------|--|-------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| Intergovernmental Revenues: | | | | |
| Tribal Revenue Sharing | \$ - | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Shared Services | - | - | - | - |
| Total Intergovernmental Revenues | - | 10,000 | 10,000 | 10,000 |
| Licenses and Permits: | | | | |
| Business licenses and permits | 42,000 | 51,005 | 9,005 | 32,520 |
| Non-business licenses and permits | 54,890 | 53,347 | (1,543) | 67,372 |
| Total Licenses and Permits | 96,890 | 104,352 | 7,462 | 99,892 |
| Charges for Services: | | | | |
| Fees | 237,430 | 393,220 | 155,790 | 356,976 |
| Cemetery foundations and grave openings | 48,540 | 40,600 | (7,940) | 57,450 |
| Services to other funds | 2,342,980 | 2,385,993 | 43,013 | 2,210,359 |
| Total Charges for Services | 2,628,950 | 2,819,813 | 190,863 | 2,624,785 |
| Sales | 31,020 | 51,619 | 20,599 | 57,719 |
| Use and Admission Fees: | | | | |
| Community Center use | 25,000 | 36,680 | 11,680 | 19,092 |
| Ballfields | 12,000 | 9,013 | (2,987) | 10,250 |
| Total use and Admission Fees | 37,000 | 45,693 | 8,693 | 29,342 |
| Fines and Forfeits | 91,800 | 132,471 | 40,671 | 104,220 |
| Rentals: | | | | |
| Land and building rental | 54,800 | 63,637 | 8,837 | 40,430 |
| Parking rentals - lots | 1,550 | 5,295 | 3,745 | 4,751 |
| Equipment rent | 46,000 | 23,258 | (22,742) | 27,338 |
| Total Rentals | 102,350 | 92,190 | (10,160) | 72,519 |
| Sale of Capital Assets | - | 115 | 115 | 40,109 |
| Contributions from Private Sources | 1,018,850 | 91,018 | (927,832) | 125,500 |
| Investment Income | - | 387,399 | 387,399 | (121,604) |
| Reimbursements | 82,500 | 120,535 | 38,035 | 209,776 |
| Other revenues | 27,050 | 102,280 | 75,230 | 92,465 |
| TOTAL REVENUES | 24,864,770 | 24,259,430 | (605,340) | 22,075,974 |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| City commission | 90,160 | 95,588 | (5,428) | 128,920 |
| City manager | 738,320 | 660,012 | 78,308 | 629,668 |
| Finance department | 524,810 | 491,017 | 33,793 | 488,606 |
| City clerk | 366,630 | 350,860 | 15,770 | 321,305 |
| Treasurer | 360,800 | 380,573 | (19,773) | 312,824 |
| Assessing department | 454,090 | 448,579 | 5,511 | 416,027 |
| Elections | 93,440 | 92,899 | 541 | 101,894 |
| Building and grounds | 304,016 | 275,715 | 28,301 | 276,348 |
| City attorney | 310,090 | 269,043 | 41,047 | 327,651 |
| Human resources | 513,940 | 508,636 | 5,304 | 475,809 |
| Other general government | 823,220 | 823,804 | (584) | 117,350 |
| Total General Government | 4,579,516 | 4,396,726 | 182,790 | 3,596,402 |
| Public Safety: | | | | |
| Police | 5,526,027 | 5,689,882 | (163,855) | 5,314,848 |
| Fire | 3,829,230 | 3,616,332 | 212,898 | 3,737,625 |
| Rental inspector | 107,110 | 159,692 | (52,582) | 82,121 |
| Waterfront safety | 98,980 | 61,681 | 37,299 | 79,893 |
| Total Public Safety | 9,561,347 | 9,527,587 | 33,760 | 9,214,487 |
| Public Works: | | | | |
| Department of public works | 3,669,286 | 3,529,953 | 139,333 | 3,400,378 |
| Engineering | 1,453,350 | 1,414,087 | 39,263 | 1,300,358 |
| Cemetery | 243,055 | 196,361 | 46,694 | 205,326 |
| Total Public Works | 5,365,691 | 5,140,401 | 225,290 | 4,906,062 |
| Community and Economic Development: | | | | |
| Planning and zoning | 598,348 | 608,378 | (10,030) | 496,850 |
| Total Community and Economic Development | 598,348 | 608,378 | (10,030) | 496,850 |
| Recreation and Culture: | | | | |
| Parks and recreation department | 1,944,005 | 498,516 | 1,445,489 | 510,222 |
| Arts and cultural | 336,620 | 264,018 | 72,602 | 229,486 |
| Total Recreation and Culture | 2,280,625 | 762,534 | 1,518,091 | 739,708 |
| TOTAL EXPENDITURES | 22,385,527 | 20,435,626 | 1,949,901 | 18,953,509 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 2,479,243 | 3,823,804 | 1,344,561 | 3,122,465 |

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, 2023

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|---------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in: | | | | |
| Cemetery Trust Fund | \$ - | \$ 11,955 | \$ 11,955 | \$ 709 |
| Transfers (out): | | | | |
| Major Street and Trunkline Fund | (926,990) | - | 926,990 | (606,597) |
| Local Street Fund | (836,760) | (1,331,562) | (494,802) | (2,050,776) |
| Public Art Fund | - | (30,400) | (30,400) | (30,420) |
| Lakeshore and Lighthouse Park Fund | - | (123,553) | (123,553) | (191,551) |
| Lakeview Arena Fund | (299,000) | (298,971) | 29 | (491,665) |
| Motor Pool Fund | - | (1,000,000) | (1,000,000) | - |
| Energy Enhancements Fund | (597,800) | (597,795) | 5 | (648,524) |
| High Street Debt Service Fund | (400) | (402) | (2) | (401) |
| 2012 Capital Improvements Debt Service Fund | - | - | - | (776) |
| 2014 Capital Improvements Debt Service Fund | (37,770) | (37,767) | 3 | (38,004) |
| 2016 Capital Improvements Debt Service Fund | (85,130) | (85,131) | (1) | (316,779) |
| 2017 Capital Improvements Debt Service Fund | (50,030) | (50,030) | - | (50,142) |
| 2018 Capital Improvements Debt Service Fund | (132,600) | (132,600) | - | (131,300) |
| 2019 Capital Improvements Debt Service Fund | (14,200) | (14,200) | - | (14,500) |
| 2020 Capital Improvements Debt Service Fund | (33,600) | (33,600) | - | (34,600) |
| 2021 Capital Improvements Debt Service Fund | (890) | (887) | 3 | (819) |
| TOTAL OTHER FINANCING SOURCES (USES) | (3,015,170) | (3,724,943) | (709,773) | (4,606,145) |
| CHANGES IN FUND BALANCE | (535,927) | 98,861 | 634,788 | (1,483,680) |
| Fund balance, beginning of year | 8,242,686 | 8,242,686 | - | 9,726,366 |
| FUND BALANCE, END OF YEAR | \$ 7,706,759 | \$ 8,341,547 | \$ 634,788 | \$ 8,242,686 |

CITY OF MARQUETTE, MICHIGAN
MAJOR STREET AND TRUNKLINE FUND
COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | 2023 | 2022 |
|---|--------------|--------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,560,599 | \$ 1,814,897 |
| Accounts receivable | - | - |
| Due from State | 313,731 | 326,692 |
| Prepaid expenditures | - | - |
| TOTAL ASSETS | 1,874,330 | 2,141,589 |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,874,330 | \$ 2,141,589 |
| LIABILITIES | | |
| Accounts payable | \$ 37,037 | \$ 96,123 |
| Accrued wages payable | 4,299 | 4,667 |
| Due to other funds | - | - |
| TOTAL LIABILITIES | 41,336 | 100,790 |
| DEFERRED INFLOWS OF RESOURCES | - | - |
| FUND BALANCE | | |
| Non-spendable | - | - |
| Restricted | 1,832,994 | 2,040,799 |
| TOTAL FUND BALANCE | 1,832,994 | 2,040,799 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 1,874,330 | \$ 2,141,589 |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|--------------------|---------------------|--|---------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| Federal sources | \$ - | \$ 1,077,829 | \$ 1,077,829 | \$ 2,880 |
| State sources | 2,271,770 | 2,053,026 | (218,744) | 2,283,429 |
| Charges for services | - | - | - | - |
| Reimbursements | - | 21,921 | 21,921 | 8,878 |
| Investment income | - | 30,429 | 30,429 | 702 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | 2,271,770 | 3,183,205 | 911,435 | 2,295,889 |
| EXPENDITURES: | | | | |
| Public Works: | | | | |
| Routine maintenance | 797,975 | 603,879 | 194,096 | 777,619 |
| Winter maintenance | 785,940 | 698,267 | 87,673 | 789,421 |
| State trunkline | 53,760 | 37,583 | 16,177 | 45,731 |
| Administration | 200,770 | 200,772 | (2) | 129,996 |
| Total Public Works | <u>1,838,445</u> | <u>1,540,501</u> | <u>297,944</u> | <u>1,742,767</u> |
| Capital Outlay: | | | | |
| Construction | 2,240,393 | 461,666 | 1,778,727 | 164,918 |
| Total Capital Outlay | <u>2,240,393</u> | <u>461,666</u> | <u>1,778,727</u> | <u>164,918</u> |
| Debt Service: | | | | |
| Bond issuance costs | - | - | - | 26,730 |
| TOTAL EXPENDITURES | 4,078,838 | 2,002,167 | 2,076,671 | 1,934,415 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,807,068) | 1,181,038 | 2,988,106 | 361,474 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bond issuance | - | - | - | 1,380,000 |
| Refunding bonds | - | - | - | - |
| Premium on bond issuance | - | - | - | 122,500 |
| Premium on refunded bond issuance | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in | 923,820 | - | (923,820) | 606,597 |
| Transfers (out) | (1,119,370) | (1,388,843) | (269,473) | (854,165) |
| TOTAL OTHER FINANCING SOURCES (USES) | (195,550) | (1,388,843) | (1,193,293) | 1,254,932 |
| CHANGES IN FUND BALANCE | (2,002,618) | (207,805) | 1,794,813 | 1,616,406 |
| Fund balance, beginning of year | 2,040,799 | 2,040,799 | - | 424,393 |
| FUND BALANCE, END OF YEAR | \$ 38,181 | \$ 1,832,994 | \$ 1,794,813 | \$ 2,040,799 |

CITY OF MARQUETTE, MICHIGAN

LOCAL STREET FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 495,630 | \$ 1,167,505 |
| Accounts receivable | - | - |
| Due from State | 221,737 | 113,532 |
| Prepaid expenditures | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 717,367 | 1,281,037 |
| | <hr/> | <hr/> |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 717,367 | \$ 1,281,037 |
| | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES | | |
| Accounts payable | \$ 11,029 | \$ 68,130 |
| Accrued wages payable | 7,956 | 3,845 |
| Due to other funds | - | 137 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 18,985 | 72,112 |
| | <hr/> | <hr/> |
| DEFERRED INFLOWS OF RESOURCES | - | - |
| | <hr/> | <hr/> |
| FUND BALANCE | | |
| Non-spendable | - | - |
| Restricted | 698,382 | 1,208,925 |
| | <hr/> | <hr/> |
| TOTAL FUND BALANCE | 698,382 | 1,208,925 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 717,367 | \$ 1,281,037 |
| | <hr/> <hr/> | <hr/> <hr/> |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|--------------------|--------------------|--|---------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| State sources | \$ 1,027,800 | \$ 928,216 | \$ (99,584) | \$ 1,054,114 |
| Reimbursements | - | - | - | 1,065 |
| Investment income | - | 11,434 | 11,434 | 554 |
| TOTAL REVENUES | 1,027,800 | 939,650 | (88,150) | 1,055,733 |
| EXPENDITURES: | | | | |
| Public Works: | | | | |
| Routine maintenance | 746,340 | 818,239 | (71,899) | 819,810 |
| Winter maintenance | 775,940 | 746,452 | 29,488 | 679,106 |
| Sidewalks | 96,840 | 96,932 | (92) | 83,034 |
| Administration | 70,400 | 70,404 | (4) | 42,000 |
| Total Public Works | <u>1,689,520</u> | <u>1,732,027</u> | <u>(42,507)</u> | <u>1,623,950</u> |
| Capital Outlay: | | | | |
| Construction | 750,000 | 675,133 | 74,867 | 334,644 |
| Total Capital Outlay | <u>750,000</u> | <u>675,133</u> | <u>74,867</u> | <u>334,644</u> |
| Debt Service: | | | | |
| Bond issuance costs | - | - | - | 10,452 |
| TOTAL EXPENDITURES | 2,439,520 | 2,407,160 | 32,360 | 1,969,046 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,411,720) | (1,467,510) | (55,790) | (913,313) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bond issuance | - | - | - | 540,000 |
| Refunding bonds | - | - | - | - |
| Premium on bond issuance | - | - | - | 47,934 |
| Premium on refunding bond issue | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in | 1,194,520 | 1,793,430 | 598,910 | 2,050,776 |
| Transfers (out) | (836,760) | (836,463) | 297 | (872,503) |
| TOTAL OTHER FINANCING SOURCES (USES) | 357,760 | 956,967 | 599,207 | 1,766,207 |
| CHANGES IN FUND BALANCE | (1,053,960) | (510,543) | 543,417 | 852,894 |
| Fund balance, beginning of year | 1,208,925 | 1,208,925 | - | 356,031 |
| FUND BALANCE, END OF YEAR | \$ 154,965 | \$ 698,382 | \$ 543,417 | \$ 1,208,925 |

CITY OF MARQUETTE, MICHIGAN

CONSTRUCTION FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 3,735,124 | \$ 3,686,705 |
| Due from other authorities | 44,441 | 47,741 |
| Due from other governments | 819,787 | - |
| Prepaid expenditures | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>4,599,352</u> | <u>3,734,446</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>\$ 4,599,352</u></u> | <u><u>\$ 3,734,446</u></u> |
| LIABILITIES | | |
| Cash overdraft | \$ - | \$ - |
| Accounts payable | 826,203 | 1,438,521 |
| Accrued wages payable | <u>-</u> | <u>377</u> |
| TOTAL LIABILITIES | <u>826,203</u> | <u>1,438,898</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| FUND BALANCE | | |
| Non-spendable | - | - |
| Assigned | <u>3,773,149</u> | <u>2,295,548</u> |
| TOTAL FUND BALANCE | <u>3,773,149</u> | <u>2,295,548</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u><u>\$ 4,599,352</u></u> | <u><u>\$ 3,734,446</u></u> |

CITY OF MARQUETTE, MICHIGAN

CONSTRUCTION FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|---------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Federal sources | \$ 1,965,330 | \$ 1,931,633 | \$ (33,697) | \$ - |
| Investment income | - | 54,910 | 54,910 | 6,107 |
| Sale of capital assets | - | - | - | - |
| Reimbursements | - | 1,749,169 | 1,749,169 | 2,291,797 |
| Private contributions | - | - | - | 2,700,000 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | <u>1,965,330</u> | <u>3,735,712</u> | <u>1,770,382</u> | <u>4,997,904</u> |
| EXPENDITURES: | | | | |
| Capital Outlay: | | | | |
| Construction | 307,979 | 318,344 | (10,365) | 3,714,179 |
| Public Works: | | | | |
| Other supplies and charges | 1,965,330 | 1,939,767 | 25,563 | 6,152 |
| Total Capital Outlay | <u>2,273,309</u> | <u>2,258,111</u> | <u>15,198</u> | <u>3,720,331</u> |
| TOTAL EXPENDITURES | <u>2,273,309</u> | <u>2,258,111</u> | <u>15,198</u> | <u>3,720,331</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(307,979)</u> | <u>1,477,601</u> | <u>1,785,580</u> | <u>1,277,573</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>(307,979)</u> | <u>1,477,601</u> | <u>1,785,580</u> | <u>1,277,573</u> |
| Fund balance, beginning of year | <u>2,295,548</u> | <u>2,295,548</u> | <u>-</u> | <u>1,017,975</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 1,987,569</u> | <u>\$ 3,773,149</u> | <u>\$ 1,785,580</u> | <u>\$ 2,295,548</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.

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.

OPIOID SETTLEMENT FUND: To account for the funds received from the State of Michigan for opioid remediation as defined in the program.

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.

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

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.

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

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

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

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

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.

2021 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2021 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2021. These bonds, totaling \$7,660,000 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, and to refund the 2011 and 2012 Capital Improvement Bonds.

2022 CAPITAL IMPROVEMENTS DEBT SERVICE FUND: This fund was established in 2022 to account for the retirement of the Limited Tax General Obligation Bonds, Series 2022. These bonds, totaling \$6,000,000 were issued for the purpose of paying the cost of certain capital improvements including major street and local street improvements, Phase 2 of the Lakeshore Blvd Relocation Project, and Hemlock Park Development.

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, 2023

| | Special Revenue Funds | Debt Service Funds | Permanent Fund | Total |
|--|-----------------------------|--------------------------|-------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 6,823,813 | \$ - | \$ 433,349 | \$ 7,257,162 |
| Investments | - | - | 549,880 | 549,880 |
| Taxes receivable | 11,654 | - | - | 11,654 |
| Accounts receivable | 218,933 | - | 9,850 | 228,783 |
| Due from other authorities | - | - | - | - |
| Due from other funds | - | - | - | - |
| Due from other governments | 125,220 | - | - | 125,220 |
| Prepaid expenditures | 27,735 | - | - | 27,735 |
| TOTAL ASSETS | <u>7,207,355</u> | <u>-</u> | <u>993,079</u> | <u>8,200,434</u> |
| DEFERRED OUTFLOWS OR RESOURCES | | | | |
| | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 7,207,355</u> | <u>\$ -</u> | <u>\$ 993,079</u> | <u>\$ 8,200,434</u> |
| LIABILITIES | | | | |
| Cash overdraft | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 337,893 | - | - | 337,893 |
| Accrued wages payable | 14,866 | - | - | 14,866 |
| Accrued compensated absences | 2,134 | - | - | 2,134 |
| TOTAL LIABILITIES | <u>354,893</u> | <u>-</u> | <u>-</u> | <u>354,893</u> |
| DEFERRED INFLOWS OR RESOURCES | | | | |
| | 1,789,406 | - | - | 1,789,406 |
| FUND BALANCE | | | | |
| Non-spendable | 27,735 | - | 993,079 | 1,020,814 |
| Restricted | 3,844,568 | - | - | 3,844,568 |
| Committed | 31,491 | - | - | 31,491 |
| Assigned | 1,159,262 | - | - | 1,159,262 |
| TOTAL FUND BALANCE | <u>5,063,056</u> | <u>-</u> | <u>993,079</u> | <u>6,056,135</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 7,207,355</u> | <u>\$ -</u> | <u>\$ 993,079</u> | <u>\$ 8,200,434</u> |

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, 2023

| | Special Revenue Funds | Debt Service Funds | Permanent Fund | Total |
|---|-----------------------------|--------------------------|-------------------|---------------------|
| REVENUES: | | | | |
| Taxes and penalties | \$ 1,791,206 | \$ - | \$ - | \$ 1,791,206 |
| State sources | 92,824 | - | - | 92,824 |
| Charge for services | 2,276,948 | - | 33,475 | 2,310,423 |
| Use and admission fees | 588,144 | - | - | 588,144 |
| Rentals | 85,636 | - | - | 85,636 |
| Licenses and permits | - | - | - | - |
| Fines and forfeiture | 3,219 | - | - | 3,219 |
| Sales of assets | - | - | - | - |
| Reimbursements | 10,062 | - | - | 10,062 |
| Investment income | 114,988 | - | 11,955 | 126,943 |
| Payment in lieu of taxes | - | - | - | - |
| Private contribution | 500,036 | - | - | 500,036 |
| Intergovernmental revenues | 523,252 | - | - | 523,252 |
| Special assessments | - | - | - | - |
| Other revenues | 22,742 | - | - | 22,742 |
| | <u>6,009,057</u> | <u>-</u> | <u>45,430</u> | <u>6,054,487</u> |
| TOTAL REVENUES | | | | |
| EXPENDITURES: | | | | |
| Current operations: | | | | |
| General government | 1,295 | - | - | 1,295 |
| Public safety | 22,889 | - | - | 22,889 |
| Public works | 2,175,465 | - | - | 2,175,465 |
| Health and welfare | 923,880 | - | - | 923,880 |
| Community and economic development | 1,536,217 | - | - | 1,536,217 |
| Recreation and culture | 785,042 | - | - | 785,042 |
| Capital outlay | 194,734 | - | - | 194,734 |
| Debt service: | | | | |
| Professional services | - | - | - | - |
| Principal payments | - | 1,898,166 | - | 1,898,166 |
| Interest and fiscal charges | - | 593,294 | - | 593,294 |
| | <u>5,639,522</u> | <u>2,491,460</u> | <u>-</u> | <u>8,130,982</u> |
| TOTAL EXPENDITURES | | | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>369,535</u> | <u>(2,491,460)</u> | <u>45,430</u> | <u>(2,076,495)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bond issuance | - | - | - | - |
| Premium on bond issuance | - | - | - | - |
| Transfers in | 329,371 | 2,491,460 | - | 2,820,831 |
| Transfers (out) | (554,061) | - | (11,955) | (566,016) |
| | <u>(224,690)</u> | <u>2,491,460</u> | <u>(11,955)</u> | <u>2,254,815</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | | | | |
| CHANGES IN FUND BALANCE | 144,845 | - | 33,475 | 178,320 |
| Fund balance, beginning of year | 4,918,211 | - | 959,604 | 5,877,815 |
| FUND BALANCE, END OF YEAR | <u>\$ 5,063,056</u> | <u>\$ -</u> | <u>\$ 993,079</u> | <u>\$ 6,056,135</u> |

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

September 30, 2023

| | 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 | Opioid Settlement Fund | Senior Services Fund | Lakeview Arena Fund | Total |
|--|-------------------|---------------------|--|--|----------------------|----------------------------|-----------------------|------------------------------|--------------------------------|------------------------|----------------------|---------------------|---------------------|
| ASSETS | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 144,311 | \$ 1,006,808 | \$ 1,748,484 | \$ 13,002 | \$ 96,321 | \$ - | \$ 1,734,971 | \$ 1,333,711 | \$ 596 | \$ 12,420 | \$ 570,098 | \$ 163,091 | \$ 6,823,813 |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes receivable | - | - | - | - | - | - | - | - | - | - | 11,654 | - | 11,654 |
| Accounts receivable | - | 201,608 | - | 5,243 | - | - | - | - | - | - | - | 12,082 | 218,933 |
| Due from other authorities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | - | - | - | 6,269 | - | 116,678 | 2,273 | 125,220 |
| Prepaid expenditures | - | - | - | - | - | - | - | - | 560 | - | 5,584 | 21,591 | 27,735 |
| TOTAL ASSETS | 144,311 | 1,208,416 | 1,748,484 | 18,245 | 96,321 | - | 1,734,971 | 1,333,711 | 7,425 | 12,420 | 704,014 | 199,037 | 7,207,355 |
| DEFERRED OUTFLOWS OR RESOURCES | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 144,311 | \$ 1,208,416 | \$ 1,748,484 | \$ 18,245 | \$ 96,321 | \$ - | \$ 1,734,971 | \$ 1,333,711 | \$ 7,425 | \$ 12,420 | \$ 704,014 | \$ 199,037 | \$ 7,207,355 |
| LIABILITIES | | | | | | | | | | | | | |
| Cash overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 264 | 293,729 | - | - | 467 | - | - | - | 562 | - | 4,422 | 38,449 | 337,893 |
| Accrued wages payable | - | 1,237 | - | - | - | - | - | - | - | - | 10,022 | 3,607 | 14,866 |
| Accrued compensated absences | - | - | - | - | - | - | - | - | - | - | - | 2,134 | 2,134 |
| TOTAL LIABILITIES | 264 | 294,966 | - | - | 467 | - | - | - | 562 | - | 14,444 | 44,190 | 354,893 |
| DEFERRED INFLOWS OR RESOURCES | | | | | | | | | | | | | |
| Taxes levied for a subsequent period | - | - | 1,606,172 | - | - | - | - | - | - | - | 183,234 | - | 1,789,406 |
| FUND BALANCE | | | | | | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | - | - | 560 | - | 5,584 | 21,591 | 27,735 |
| Restricted | - | - | 142,312 | 18,245 | 95,854 | - | 1,734,971 | 1,333,711 | 6,303 | 12,420 | 500,752 | - | 3,844,568 |
| Committed | - | - | - | - | - | - | - | - | - | - | - | 31,491 | 31,491 |
| Assigned | 144,047 | 913,450 | - | - | - | - | - | - | - | - | - | 101,765 | 1,159,262 |
| TOTAL FUND BALANCE | 144,047 | 913,450 | 142,312 | 18,245 | 95,854 | - | 1,734,971 | 1,333,711 | 6,863 | 12,420 | 506,336 | 154,847 | 5,063,056 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 144,311 | \$ 1,208,416 | \$ 1,748,484 | \$ 18,245 | \$ 96,321 | \$ - | \$ 1,734,971 | \$ 1,333,711 | \$ 7,425 | \$ 12,420 | \$ 704,014 | \$ 199,037 | \$ 7,207,355 |

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, 2023

| | 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 | Opioid Settlement Fund | Senior Services Fund | Lakeview Arena Fund | Total |
|---|-------------------|-------------------|--|--|----------------------|----------------------------|-----------------------|------------------------------|--------------------------------|------------------------|----------------------|---------------------|---------------------|
| REVENUES: | | | | | | | | | | | | | |
| Taxes and penalties | \$ - | \$ - | \$ 1,560,182 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 231,024 | \$ - | \$ 1,791,206 |
| State sources | - | - | - | - | - | - | - | - | 11,617 | - | 54,489 | 26,718 | 92,824 |
| Charge for services | - | 2,245,557 | - | 21,591 | - | - | - | - | - | - | - | 9,800 | 2,276,948 |
| Use and admission fees | - | - | - | - | - | - | - | - | - | - | - | 588,144 | 588,144 |
| Rentals | - | - | - | - | - | - | - | - | - | - | - | 85,636 | 85,636 |
| Licenses and permits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | 3,219 | - | - | - | - | - | - | - | 3,219 |
| Sales of assets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reimbursements | - | - | - | - | - | - | - | - | - | - | - | 10,062 | 10,062 |
| Investment income | 3,249 | 15,072 | 10,769 | 529 | 2,196 | - | 38,582 | 29,010 | 10 | 174 | 12,080 | 3,317 | 114,988 |
| Payment in lieu of taxes | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Private contribution | - | - | - | - | - | - | 333,333 | 133,333 | - | - | 33,370 | - | 500,036 |
| Intergovernmental revenues | - | - | - | - | - | - | - | - | - | - | 523,252 | - | 523,252 |
| Special assessments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other revenues | - | 2,272 | - | - | - | - | - | - | - | 12,246 | 7,510 | 714 | 22,742 |
| TOTAL REVENUES | 3,249 | 2,262,901 | 1,570,951 | 22,120 | 5,415 | - | 371,915 | 162,343 | 11,627 | 12,420 | 861,725 | 724,391 | 6,009,057 |
| EXPENDITURES: | | | | | | | | | | | | | |
| Current operations: | | | | | | | | | | | | | |
| General government | - | - | - | 1,295 | - | - | - | - | - | - | - | - | 1,295 |
| Public safety | - | - | - | - | 14,096 | - | - | - | 8,793 | - | - | - | 22,889 |
| Public works | - | 2,175,465 | - | - | - | - | - | - | - | - | - | - | 2,175,465 |
| Health and welfare | - | - | - | - | - | - | - | - | - | - | 923,880 | - | 923,880 |
| Community and economic development | - | - | 1,536,217 | - | - | - | - | - | - | - | - | - | 1,536,217 |
| Recreation and culture | 2,371 | - | - | - | - | - | - | - | - | - | - | 782,671 | 785,042 |
| Capital outlay | 7,294 | 39,392 | - | - | - | - | 126,467 | 14,244 | - | - | - | 7,337 | 194,734 |
| Debt service: | | | | | | | | | | | | | |
| Professional services | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal payments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 9,665 | 2,214,857 | 1,536,217 | 1,295 | 14,096 | - | 126,467 | 14,244 | 8,793 | - | 923,880 | 790,008 | 5,639,522 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (6,416) | 48,044 | 34,734 | 20,825 | (8,681) | - | 245,448 | 148,099 | 2,834 | 12,420 | (62,155) | (65,617) | 369,535 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | | | | |
| Bond issuance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Premium on bond issuance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers in | 30,400 | - | - | - | - | - | - | - | - | - | - | 298,971 | 329,371 |
| Transfers (out) | - | - | - | (19,650) | - | - | (211,896) | (23,544) | - | - | - | (298,971) | (554,061) |
| TOTAL OTHER FINANCING SOURCES (USES) | 30,400 | - | - | (19,650) | - | - | (211,896) | (23,544) | - | - | - | - | (224,690) |
| CHANGES IN FUND BALANCE | 23,984 | 48,044 | 34,734 | 1,175 | (8,681) | - | 33,552 | 124,555 | 2,834 | 12,420 | (62,155) | (65,617) | 144,845 |
| Fund balance, beginning of year | 120,063 | 865,406 | 107,578 | 17,070 | 104,535 | - | 1,701,419 | 1,209,156 | 4,029 | - | 568,491 | 220,464 | 4,918,211 |
| FUND BALANCE, END OF YEAF | \$ 144,047 | \$ 913,450 | \$ 142,312 | \$ 18,245 | \$ 95,854 | \$ - | \$ 1,734,971 | \$ 1,333,711 | \$ 6,863 | \$ 12,420 | \$ 506,336 | \$ 154,847 | \$ 5,063,056 |

CITY OF MARQUETTE, MICHIGAN

PUBLIC ART FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 144,311 | \$ 138,133 |
| Accounts receivable | - | - |
| Due from other funds | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 144,311 | 138,133 |
| | <hr/> | <hr/> |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 144,311</u> | <u>\$ 138,133</u> |
| | <hr/> | <hr/> |
| LIABILITIES | | |
| Accounts payable | \$ 264 | \$ 18,070 |
| Accrued wages payable | - | - |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 264 | 18,070 |
| | <hr/> | <hr/> |
| DEFERRED INFLOWS OF RESOURCES | - | - |
| | <hr/> | <hr/> |
| FUND BALANCE | | |
| Assigned | 144,047 | 120,063 |
| | <hr/> | <hr/> |
| TOTAL FUND BALANCE | 144,047 | 120,063 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 144,311</u> | <u>\$ 138,133</u> |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Investment income | - | 3,249 | 3,249 | 348 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | - | 3,249 | 3,249 | 348 |
| EXPENDITURES: | | | | |
| Recreation and Culture: | | | | |
| Personnel services | - | - | - | - |
| Supplies and contractual | 30,400 | 2,371 | 28,029 | 23,635 |
| Total Recreation and Culture | 30,400 | 2,371 | 28,029 | 23,635 |
| Capital outlay | - | 7,294 | (7,294) | - |
| TOTAL EXPENDITURES | 30,400 | 9,665 | 20,735 | 23,635 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (30,400) | (6,416) | 23,984 | (23,287) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 30,400 | 30,400 | - | 30,420 |
| TOTAL OTHER FINANCING SOURCES (USES) | 30,400 | 30,400 | - | 30,420 |
| CHANGES IN FUND BALANCE | - | 23,984 | 23,984 | 7,133 |
| Fund balance, beginning of year | 120,063 | 120,063 | - | 112,930 |
| FUND BALANCE, END OF YEAR | \$ 120,063 | \$ 144,047 | \$ 23,984 | \$ 120,063 |

CITY OF MARQUETTE, MICHIGAN

SANITATION FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,006,808 | \$ 917,779 |
| Accounts receivable | 201,608 | 311,660 |
| Due from State | <u>-</u> | <u>247,499</u> |
| TOTAL ASSETS | <u>1,208,416</u> | <u>1,476,938</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>\$ 1,208,416</u></u> | <u><u>\$ 1,476,938</u></u> |
| LIABILITIES | | |
| Accounts payable | \$ 293,729 | \$ 609,746 |
| Accrued wages payable | <u>1,237</u> | <u>1,786</u> |
| TOTAL LIABILITIES | <u>294,966</u> | <u>611,532</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| FUND BALANCE | | |
| Assigned | <u>913,450</u> | <u>865,406</u> |
| TOTAL FUND BALANCE | <u>913,450</u> | <u>865,406</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u><u>\$ 1,208,416</u></u> | <u><u>\$ 1,476,938</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|-------------------|-------------------|--|-------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| State sources | \$ - | \$ - | \$ - | \$ 247,499 |
| Charges for services | 2,390,590 | 2,245,557 | (145,033) | 2,779,306 |
| Investment income | 300 | 15,072 | 14,772 | 2,067 |
| Private contribution | - | - | - | 91,541 |
| Other revenues | 5,000 | 2,272 | (2,728) | 2,019 |
| TOTAL REVENUES | 2,395,890 | 2,262,901 | (132,989) | 3,122,432 |
| EXPENDITURES: | | | | |
| Public Works: | | | | |
| Personnel services | 310,700 | 309,889 | 811 | 295,870 |
| Supplies and contractual | 2,085,190 | 1,865,576 | 219,614 | 2,381,769 |
| Other supplies and charges | - | - | - | - |
| Total Public Works | 2,395,890 | 2,175,465 | 220,425 | 2,677,639 |
| Capital outlay | - | 39,392 | (39,392) | 342,546 |
| TOTAL EXPENDITURES | 2,395,890 | 2,214,857 | 181,033 | 3,020,185 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 48,044 | 48,044 | 102,247 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| CHANGES IN FUND BALANCE | - | 48,044 | 48,044 | 102,247 |
| Fund balance, beginning of year | 865,406 | 865,406 | - | 763,159 |
| FUND BALANCE, END OF YEAR | \$ 865,406 | \$ 913,450 | \$ 48,044 | \$ 865,406 |

CITY OF MARQUETTE, MICHIGAN

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,748,484 | \$ 1,315,384 |
| Taxes receivable | - | - |
| Accounts receivable | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 1,748,484 | 1,315,384 |
| | <hr/> | <hr/> |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,748,484 | \$ 1,315,384 |
| | <hr/> | <hr/> |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ - |
| Accrued wages payable | - | - |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | - | - |
| | <hr/> | <hr/> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Taxes levied for a subsequent period | 1,606,172 | 1,207,806 |
| | <hr/> | <hr/> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,606,172 | 1,207,806 |
| | <hr/> | <hr/> |
| FUND BALANCE | | |
| Restricted | 142,312 | 107,578 |
| | <hr/> | <hr/> |
| TOTAL FUND BALANCE | 142,312 | 107,578 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 1,748,484 | \$ 1,315,384 |
| | <hr/> | <hr/> |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Taxes and penalties | \$ 1,498,880 | \$ 1,560,182 | \$ 61,302 | \$ 1,271,432 |
| Investment income | - | 10,769 | 10,769 | 1,416 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | 1,498,880 | 1,570,951 | 72,071 | 1,272,848 |
| EXPENDITURES: | | | | |
| Community and Economic Development: | | | | |
| Supplies and contractual | 1,498,880 | 1,536,217 | (37,337) | 1,277,187 |
| TOTAL EXPENDITURES | 1,498,880 | 1,536,217 | (37,337) | 1,277,187 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 34,734 | 34,734 | (4,339) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| CHANGES IN FUND BALANCE | - | 34,734 | 34,734 | (4,339) |
| Fund balance, beginning of year | 107,578 | 107,578 | - | 111,917 |
| FUND BALANCE, END OF YEAR | \$ 107,578 | \$ 142,312 | \$ 34,734 | \$ 107,578 |

CITY OF MARQUETTE, MICHIGAN

PUBLIC EDUCATION GOVERNMENT (PEG) FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 13,002 | \$ 11,574 |
| Accounts receivable | 5,243 | 5,496 |
| Prepaid expenditures | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>18,245</u> | <u>17,070</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 18,245</u> | <u>\$ 17,070</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 | - | - |
| Restricted | <u>18,245</u> | <u>17,070</u> |
| TOTAL FUND BALANCE | <u>18,245</u> | <u>17,070</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 18,245</u> | <u>\$ 17,070</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|------------------|-------------------|--|-------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| Charges for services | \$ 21,030 | \$ 21,591 | \$ 561 | \$ 21,887 |
| Investment income | 20 | 529 | 509 | 36 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | 21,050 | 22,120 | 1,070 | 21,923 |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| Supplies and contractual | 3,400 | 1,295 | 2,105 | 3,152 |
| Other supplies and charges | - | - | - | - |
| Total General Government | 3,400 | 1,295 | 2,105 | 3,152 |
| Capital outlay | - | - | - | - |
| TOTAL EXPENDITURES | 3,400 | 1,295 | 2,105 | 3,152 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 17,650 | 20,825 | 3,175 | 18,771 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers (out) | (17,650) | (19,650) | (2,000) | (14,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | (17,650) | (19,650) | (2,000) | (14,000) |
| CHANGES IN FUND BALANCE | - | 1,175 | 1,175 | 4,771 |
| Fund balance, beginning of year | 17,070 | 17,070 | - | 12,299 |
| FUND BALANCE, END OF YEAR | \$ 17,070 | \$ 18,245 | \$ 1,175 | \$ 17,070 |

CITY OF MARQUETTE, MICHIGAN

DRUG FORFEITURE FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 96,321 | \$ 104,535 |
| Accounts receivable | - | - |
| | <u>96,321</u> | <u>104,535</u> |
| TOTAL ASSETS | <u>96,321</u> | <u>104,535</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 96,321</u> | <u>\$ 104,535</u> |
| LIABILITIES | | |
| Cash overdraft | \$ - | \$ - |
| Accounts payable | 467 | - |
| | <u>467</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>467</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| FUND BALANCE | | |
| Restricted | <u>95,854</u> | <u>104,535</u> |
| | <u>95,854</u> | <u>104,535</u> |
| TOTAL FUND BALANCE | <u>95,854</u> | <u>104,535</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 96,321</u> | <u>\$ 104,535</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|-------------------|-------------------|--|-------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| Fines and forfeiture | \$ - | \$ 3,219 | \$ 3,219 | \$ 162,762 |
| Investment income | - | 2,196 | 2,196 | 193 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | - | 5,415 | 5,415 | 162,955 |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| Supplies and contractual | - | 14,096 | (14,096) | 73,806 |
| Other supplies and charges | - | - | - | - |
| Total Public Safety | - | 14,096 | (14,096) | 73,806 |
| Capital outlay | - | - | - | - |
| TOTAL EXPENDITURES | - | 14,096 | (14,096) | 73,806 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | (8,681) | (8,681) | 89,149 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| CHANGES IN FUND BALANCE | - | (8,681) | (8,681) | 89,149 |
| Fund balance, beginning of year | 104,535 | 104,535 | - | 15,386 |
| FUND BALANCE, END OF YEAR | \$ 104,535 | \$ 95,854 | \$ (8,681) | \$ 104,535 |

CITY OF MARQUETTE, MICHIGAN

ROAD MAINTENANCE FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,734,971 | \$ 1,734,776 |
| Accounts receivable | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>1,734,971</u> | <u>1,734,776</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 1,734,971</u> | <u>\$ 1,734,776</u> |
| LIABILITIES | | |
| Accounts payable | <u>\$ -</u> | <u>\$ 33,357</u> |
| TOTAL LIABILITIES | <u>-</u> | <u>33,357</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| FUND BALANCE | | |
| Restricted | <u>1,734,971</u> | <u>1,701,419</u> |
| TOTAL FUND BALANCE | <u>1,734,971</u> | <u>1,701,419</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 1,734,971</u> | <u>\$ 1,734,776</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|---------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ 38,582 | \$ 38,582 | \$ 4,099 |
| Private contribution | 333,330 | 333,333 | 3 | 500,000 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | 333,330 | 371,915 | 38,585 | 504,099 |
| EXPENDITURES: | | | | |
| Public Works: | | | | |
| Personnel services | - | - | - | - |
| Supplies and contractual | - | - | - | - |
| Total Public Works | - | - | - | - |
| Capital outlay | 121,430 | 126,467 | (5,037) | 51,934 |
| TOTAL EXPENDITURES | 121,430 | 126,467 | (5,037) | 51,934 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 211,900 | 245,448 | 33,548 | 452,165 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | (211,900) | (211,896) | 4 | (212,004) |
| TOTAL OTHER FINANCING SOURCES (USES) | (211,900) | (211,896) | 4 | (212,004) |
| CHANGES IN FUND BALANCE | - | 33,552 | 33,552 | 240,161 |
| Fund balance, beginning of year | 1,701,419 | 1,701,419 | - | 1,461,258 |
| FUND BALANCE, END OF YEAR | \$ 1,701,419 | \$ 1,734,971 | \$ 33,552 | \$ 1,701,419 |

CITY OF MARQUETTE, MICHIGAN
ROAD SAFETY IMPROVEMENT FUND
COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | 2023 | 2022 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,333,711 | \$ 1,209,156 |
| Accounts receivable | - | - |
| TOTAL ASSETS | 1,333,711 | 1,209,156 |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,333,711 | \$ 1,209,156 |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ - |
| TOTAL LIABILITIES | - | - |
| DEFERRED INFLOWS OF RESOURCES | - | - |
| FUND BALANCE | | |
| Restricted | 1,333,711 | 1,209,156 |
| TOTAL FUND BALANCE | 1,333,711 | 1,209,156 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 1,333,711 | \$ 1,209,156 |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|---------------------|---------------------|--|---------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ 29,010 | \$ 29,010 | \$ 2,857 |
| Private contribution | 133,330 | 133,333 | 3 | 200,000 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | 133,330 | 162,343 | 29,013 | 202,857 |
| EXPENDITURES: | | | | |
| Public Works: | | | | |
| Personnel services | - | - | - | - |
| Supplies and contractual | - | - | - | - |
| Total Public Works | - | - | - | - |
| Capital outlay | 109,780 | 14,244 | 95,536 | - |
| TOTAL EXPENDITURES | 109,780 | 14,244 | 95,536 | - |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 23,550 | 148,099 | 124,549 | 202,857 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers (out) | (23,550) | (23,544) | 6 | (23,556) |
| TOTAL OTHER FINANCING SOURCES (USES) | (23,550) | (23,544) | 6 | (23,556) |
| CHANGES IN FUND BALANCE | - | 124,555 | 124,555 | 179,301 |
| Fund balance, beginning of year | 1,209,156 | 1,209,156 | - | 1,029,855 |
| FUND BALANCE, END OF YEAR | \$ 1,209,156 | \$ 1,333,711 | \$ 124,555 | \$ 1,209,156 |

CITY OF MARQUETTE, MICHIGAN
CRIMINAL JUSTICE TRAINING FUND
COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | 2023 | 2022 |
|---|-----------------|-----------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 596 | \$ 1,292 |
| Due from State | 6,269 | 2,078 |
| Prepaid expenditures | 560 | 659 |
| TOTAL ASSETS | 7,425 | 4,029 |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 7,425 | \$ 4,029 |
| LIABILITIES | | |
| Accounts payable | \$ 562 | \$ - |
| TOTAL LIABILITIES | 562 | - |
| DEFERRED INFLOWS OF RESOURCES | - | - |
| FUND BALANCE | | |
| Non-spendable | 560 | 659 |
| Restricted | 6,303 | 3,370 |
| TOTAL FUND BALANCE | 6,863 | 4,029 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 7,425 | \$ 4,029 |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|-----------------|-------------------|--|-------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| State sources | \$ 3,600 | \$ 11,617 | \$ 8,017 | \$ 4,006 |
| Investment income | - | 10 | 10 | 3 |
| Other revenues | - | - | - | - |
| TOTAL REVENUES | 3,600 | 11,627 | 8,027 | 4,009 |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| Supplies and contractual | 3,600 | 8,793 | (5,193) | 2,528 |
| Other supplies and charges | - | - | - | - |
| TOTAL EXPENDITURES | 3,600 | 8,793 | (5,193) | 2,528 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 2,834 | 2,834 | 1,481 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| CHANGES IN FUND BALANCE | - | 2,834 | 2,834 | 1,481 |
| Fund balance, beginning of year | 4,029 | 4,029 | - | 2,548 |
| FUND BALANCE, END OF YEAR | \$ 4,029 | \$ 6,863 | \$ 2,834 | \$ 4,029 |

CITY OF MARQUETTE, MICHIGAN

OPIOID SETTLEMENT FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|------------------|-------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 12,420 | \$ - |
| Accounts receivable | - | - |
| Prepaid expenditures | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 12,420 | - |
| | <hr/> | <hr/> |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| | <hr/> | <hr/> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 12,420</u> | <u>\$ -</u> |
| | <hr/> | <hr/> |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ - |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | - | - |
| | <hr/> | <hr/> |
| DEFERRED INFLOWS OF RESOURCES | - | - |
| | <hr/> | <hr/> |
| FUND BALANCE | | |
| Non-spendable | - | - |
| Restricted | 12,420 | - |
| | <hr/> | <hr/> |
| TOTAL FUND BALANCE | 12,420 | - |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 12,420</u> | <u>\$ -</u> |
| | <hr/> | <hr/> |

CITY OF MARQUETTE, MICHIGAN

OPIOID SETTLEMENT FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|---------------|-------------------|--|-------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ 174 | \$ 174 | \$ - |
| Other revenues | 10,820 | 12,246 | 1,426 | - |
| TOTAL REVENUES | 10,820 | 12,420 | 1,600 | - |
| EXPENDITURES: | | | | |
| Health and Welfare: | | | | |
| Supplies and contractual | 10,820 | - | 10,820 | - |
| Other supplies and charges | - | - | - | - |
| TOTAL EXPENDITURES | 10,820 | - | 10,820 | - |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 12,420 | 12,420 | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| CHANGES IN FUND BALANCE | - | 12,420 | 12,420 | - |
| Fund balance, beginning of year | - | - | - | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ 12,420 | \$ 12,420 | \$ - |

CITY OF MARQUETTE, MICHIGAN

SENIOR SERVICES FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 570,098 | \$ 848,868 |
| Taxes receivable | 11,654 | 8,857 |
| Accounts receivable | - | 2,079 |
| Due from other governments | 116,678 | 4,419 |
| Prepaid expenditures | <u>5,584</u> | <u>1,231</u> |
| TOTAL ASSETS | <u>704,014</u> | <u>865,454</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 704,014</u> | <u>\$ 865,454</u> |
| LIABILITIES | | |
| Accounts payable | \$ 4,422 | \$ 12,824 |
| Accrued wages payable | <u>10,022</u> | <u>9,852</u> |
| TOTAL LIABILITIES | <u>14,444</u> | <u>22,676</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Taxes levied for a subsequent period | <u>183,234</u> | <u>274,287</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>183,234</u> | <u>274,287</u> |
| FUND BALANCE | | |
| Non-spendable | 5,584 | 1,231 |
| Restricted | <u>500,752</u> | <u>567,260</u> |
| TOTAL FUND BALANCE | <u>506,336</u> | <u>568,491</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 704,014</u> | <u>\$ 865,454</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Property Taxes: | | | | |
| Real property tax | \$ 217,800 | \$ 218,382 | \$ 582 | \$ 208,801 |
| Personal property tax | 12,190 | 12,225 | 35 | 12,349 |
| Interest and penalty on taxes | - | 417 | 417 | 394 |
| Administrative collection fees | - | - | - | - |
| Total Property Taxes | <u>229,990</u> | <u>231,024</u> | <u>1,034</u> | <u>221,544</u> |
| Industrial Facilities Tax | - | - | - | 77 |
| State sources | 66,000 | 54,489 | (11,511) | 69,899 |
| Investment income | - | 12,080 | 12,080 | 1,846 |
| Private contribution | 31,000 | 33,370 | 2,370 | 37,816 |
| Intergovernmental revenues | 410,000 | 523,252 | 113,252 | 409,060 |
| Other revenues | 11,600 | 7,510 | (4,090) | 12,038 |
| TOTAL REVENUES | <u>748,590</u> | <u>861,725</u> | <u>113,135</u> | <u>752,280</u> |
| EXPENDITURES: | | | | |
| Health and Welfare: | | | | |
| State Home Care Service: | | | | |
| Personnel services | 85,100 | 73,016 | 12,084 | 91,205 |
| Supplies and contractual | 16,820 | 14,648 | 2,172 | 12,592 |
| Other supplies and charges | - | - | - | - |
| Total State Home Care Service | <u>101,920</u> | <u>87,664</u> | <u>14,256</u> | <u>103,797</u> |
| MCCOA - Allocation to Senior Services: | | | | |
| Personnel services | 719,510 | 682,796 | 36,714 | 638,943 |
| Supplies and contractual | 154,310 | 135,963 | 18,347 | 99,806 |
| Other supplies and charges | 18,000 | 17,457 | 543 | 17,143 |
| Total MCCOA - allocation to Senior Services | <u>891,820</u> | <u>836,216</u> | <u>55,604</u> | <u>755,892</u> |
| TOTAL EXPENDITURES | <u>993,740</u> | <u>923,880</u> | <u>69,860</u> | <u>859,689</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(245,150)</u> | <u>(62,155)</u> | <u>182,995</u> | <u>(107,409)</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>(245,150)</u> | <u>(62,155)</u> | <u>182,995</u> | <u>(107,409)</u> |
| Fund balance, beginning of year | 568,491 | 568,491 | - | 675,900 |
| FUND BALANCE, END OF YEAR | <u>\$ 323,341</u> | <u>\$ 506,336</u> | <u>\$ 182,995</u> | <u>\$ 568,491</u> |

CITY OF MARQUETTE, MICHIGAN

LAKEVIEW ARENA FUND

COMPARATIVE BALANCE SHEET

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 163,091 | \$ 247,758 |
| Accounts receivable | 12,082 | 3,060 |
| Due from State | 2,273 | - |
| Prepaid expenditures | <u>21,591</u> | <u>20,667</u> |
| TOTAL ASSETS | <u>199,037</u> | <u>271,485</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 199,037</u> | <u>\$ 271,485</u> |
| LIABILITIES | | |
| Accounts payable | \$ 38,449 | \$ 44,608 |
| Accrued wages payable | 3,607 | 2,687 |
| Accrued compensated absences | <u>2,134</u> | <u>3,726</u> |
| TOTAL LIABILITIES | <u>44,190</u> | <u>51,021</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| FUND BALANCE | | |
| Non-spendable | 21,591 | 20,667 |
| Restricted | - | - |
| Committed | 31,491 | 28,759 |
| Assigned | <u>101,765</u> | <u>171,038</u> |
| TOTAL FUND BALANCE | <u>154,847</u> | <u>220,464</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 199,037</u> | <u>\$ 271,485</u> |

CITY OF MARQUETTE, MICHIGAN

LAKEVIEW ARENA FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|-------------------|-------------------|--|-------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| REVENUES: | | | | |
| State sources | \$ 28,760 | \$ 26,718 | \$ (2,042) | \$ - |
| Charges for services | 10,000 | 9,800 | (200) | 10,900 |
| Use and admission fees: | | | | |
| Ice arena use | 467,000 | 520,600 | 53,600 | 387,602 |
| Arena events | 72,000 | 67,544 | (4,456) | 49,770 |
| Total use and admission fees | <u>539,000</u> | <u>588,144</u> | <u>49,144</u> | <u>437,372</u> |
| Rentals | 74,000 | 85,636 | 11,636 | 67,587 |
| Sale of assets | - | - | - | - |
| Reimbursements | - | 10,062 | 10,062 | 3,498 |
| Investment income | 200 | 3,317 | 3,117 | 312 |
| Other revenues | 244,060 | 714 | (243,346) | 8 |
| TOTAL REVENUES | <u>896,020</u> | <u>724,391</u> | <u>(171,629)</u> | <u>519,677</u> |
| EXPENDITURES: | | | | |
| Recreation and Culture: | | | | |
| Personnel services | 283,050 | 200,335 | 82,715 | 174,978 |
| Supplies and contractual | 593,356 | 582,336 | 11,020 | 514,507 |
| Other supplies and charges | - | - | - | 832 |
| Total Recreation and Culture | <u>876,406</u> | <u>782,671</u> | <u>93,735</u> | <u>690,317</u> |
| Capital outlay | 19,614 | 7,337 | 12,277 | - |
| TOTAL EXPENDITURES | <u>896,020</u> | <u>790,008</u> | <u>106,012</u> | <u>690,317</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>(65,617)</u> | <u>(65,617)</u> | <u>(170,640)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bond issuance | - | - | - | - |
| Premium on bond issuance | - | - | - | - |
| Bond issuance expense | - | - | - | - |
| Transfers in | 299,000 | 298,971 | (29) | 491,665 |
| Transfers (out) | (299,000) | (298,971) | 29 | (316,665) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>175,000</u> |
| CHANGES IN FUND BALANCE | <u>-</u> | <u>(65,617)</u> | <u>(65,617)</u> | <u>4,360</u> |
| Fund balance, beginning of year | 220,464 | 220,464 | - | 216,104 |
| FUND BALANCE, END OF YEAR | <u>\$ 220,464</u> | <u>\$ 154,847</u> | <u>\$ (65,617)</u> | <u>\$ 220,464</u> |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

September 30, 2023

| | High Street Fund | 2011 Capital Improvements Fund | 2012 Capital Improvements Fund | 2013 Capital Improvements Fund | 2014 Capital Improvements Fund | 2015 Capital Improvements Fund | 2016 Capital Improvements Fund | 2017 Capital Improvements Fund | 2018 Capital Improvements Fund | 2019 Capital Improvements Fund | 2020 Capital Improvements Fund | 2021 Capital Improvements Fund | 2022 Capital Improvements Fund | Total |
|---------------------------|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------|
| ASSETS | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Prepaid expenditures | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| LIABILITIES | | | | | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL LIABILITIES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE | | | | | | | | | | | | | | |
| Assigned | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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, 2023

| | High Street Fund | 2011 Capital Improvements Fund | 2012 Capital Improvements Fund | 2013 Capital Improvements Fund | 2014 Capital Improvements Fund | 2015 Capital Improvements Fund | 2016 Capital Improvements Fund | 2017 Capital Improvements Fund | 2018 Capital Improvements Fund | 2019 Capital Improvements Fund | 2020 Capital Improvements Fund | 2021 Capital Improvements Fund | 2022 Capital Improvements Fund | Total |
|---|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------|
| REVENUES: | | | | | | | | | | | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reimbursements | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL REVENUES | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| EXPENDITURES: | | | | | | | | | | | | | | |
| Debt Service: | | | | | | | | | | | | | | |
| Professional services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal payments | 11,681 | - | - | 74,400 | 84,600 | 72,307 | 220,498 | 551,960 | 230,000 | 90,000 | 210,000 | 239,120 | 113,600 | 1,898,166 |
| Interest and fiscal changes | 1,189 | - | - | 13,032 | 28,700 | 7,696 | 73,561 | 150,864 | 61,200 | 30,750 | 76,400 | 92,627 | 57,275 | 593,294 |
| TOTAL EXPENDITURES | 12,870 | - | - | 87,432 | 113,300 | 80,003 | 294,059 | 702,824 | 291,200 | 120,750 | 286,400 | 331,747 | 170,875 | 2,491,460 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (12,870) | - | - | (87,432) | (113,300) | (80,003) | (294,059) | (702,824) | (291,200) | (120,750) | (286,400) | (331,747) | (170,875) | (2,491,460) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | | | | | |
| Transfers in | 12,870 | - | - | 87,432 | 113,300 | 80,003 | 294,059 | 702,824 | 291,200 | 120,750 | 286,400 | 331,747 | 170,875 | 2,491,460 |
| TOTAL OTHER FINANCING SOURCES (USES) | 12,870 | - | - | 87,432 | 113,300 | 80,003 | 294,059 | 702,824 | 291,200 | 120,750 | 286,400 | 331,747 | 170,875 | 2,491,460 |
| 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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-----------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 11,480 | 11,681 | (201) | 11,478 |
| Interest and fiscal charges | 1,280 | 1,189 | 91 | 1,376 |
| TOTAL EXPENDITURES | <u>12,760</u> | <u>12,870</u> | <u>(110)</u> | <u>12,854</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(12,760)</u> | <u>(12,870)</u> | <u>110</u> | <u>(12,854)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 400 | 402 | 2 | 401 |
| Local Street Fund | 12,360 | 12,468 | 108 | 12,453 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>12,760</u> | <u>12,870</u> | <u>110</u> | <u>12,854</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

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-----------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | - | - | - | - |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | - | - | - | 74,000 |
| Interest and fiscal charges | - | - | - | 1,480 |
| TOTAL EXPENDITURES | - | - | - | 75,480 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | - | (75,480) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| Major Street and Trunkline Fund | - | - | - | 28,305 |
| Local Street Fund | - | - | - | 47,175 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | 75,480 |
| CHANGES IN FUND BALANCE | - | - | - | - |
| Fund balance, beginning of year | - | - | - | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ - | \$ - | \$ - |

CITY OF MARQUETTE, MICHIGAN

2012 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|--------------|-------------------|--|-------------------|
| | 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 | - | - | - | 84,915 |
| Interest and fiscal charges | - | - | - | 1,273 |
| TOTAL EXPENDITURES | - | - | - | 86,188 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | - | (86,188) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | - | - | - | 776 |
| Major Street and Trunkline Fund | - | - | - | 30,800 |
| Local Street Fund | - | - | - | 54,612 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | 86,188 |
| 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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-----------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | - | - | - | - |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 74,400 | 74,400 | - | 71,300 |
| Interest and fiscal charges | 13,040 | 13,032 | 8 | 15,180 |
| TOTAL EXPENDITURES | 87,440 | 87,432 | 8 | 86,480 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (87,440) | (87,432) | (8) | (86,480) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| Major Street and Trunkline Fund | 53,590 | 53,587 | (3) | 53,004 |
| Local Street Fund | 33,850 | 33,845 | (5) | 33,476 |
| TOTAL OTHER FINANCING SOURCES (USES) | 87,440 | 87,432 | (8) | 86,480 |
| CHANGES IN FUND BALANCE | - | - | - | - |
| Fund balance, beginning of year | - | - | - | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ - | \$ - | \$ - |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 84,600 | 84,600 | - | 82,800 |
| Interest and fiscal charges | 28,700 | 28,700 | - | 31,212 |
| TOTAL EXPENDITURES | <u>113,300</u> | <u>113,300</u> | <u>-</u> | <u>114,012</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(113,300)</u> | <u>(113,300)</u> | <u>-</u> | <u>(114,012)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 37,770 | 37,767 | (3) | 38,004 |
| Major Street and Trunkline Fund | 25,150 | 25,177 | 27 | 25,336 |
| Local Street Fund | 47,210 | 47,209 | (1) | 47,505 |
| Lakeview Arena Fund | 3,170 | 3,147 | (23) | 3,167 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>113,300</u> | <u>113,300</u> | <u>-</u> | <u>114,012</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-----------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 72,310 | 72,307 | 3 | 70,707 |
| Interest and fiscal charges | 7,700 | 7,696 | 4 | 9,152 |
| TOTAL EXPENDITURES | <u>80,010</u> | <u>80,003</u> | <u>7</u> | <u>79,859</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(80,010)</u> | <u>(80,003)</u> | <u>(7)</u> | <u>(79,859)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| Major Street and Trunkline Fund | 20,370 | 20,371 | 1 | 20,335 |
| Local Street Fund | 59,640 | 59,632 | (8) | 59,524 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>80,010</u> | <u>80,003</u> | <u>(7)</u> | <u>79,859</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

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | - | - | - | - |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 220,500 | 220,498 | 2 | 431,302 |
| Interest and fiscal charges | 73,560 | 73,561 | (1) | 95,126 |
| TOTAL EXPENDITURES | 294,060 | 294,059 | 1 | 526,428 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (294,060) | (294,059) | (1) | (526,428) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 85,130 | 85,131 | 1 | 316,779 |
| Major Street and Trunkline Fund | 70,190 | 70,190 | - | 70,759 |
| Local Street Fund | 138,740 | 138,738 | (2) | 138,890 |
| TOTAL OTHER FINANCING SOURCES (USES) | 294,060 | 294,059 | (1) | 526,428 |
| CHANGES IN FUND BALANCE | - | - | - | - |
| Fund balance, beginning of year | - | - | - | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ - | \$ - | \$ - |

CITY OF MARQUETTE, MICHIGAN

2017 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | - | - | - | - |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 551,960 | 551,960 | - | 539,850 |
| Interest and fiscal charges | 150,890 | 150,864 | 26 | 172,457 |
| TOTAL EXPENDITURES | 702,850 | 702,824 | 26 | 712,307 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (702,850) | (702,824) | (26) | (712,307) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 50,030 | 50,030 | - | 50,142 |
| Major Street and Trunkline Fund | 196,670 | 196,664 | (6) | 200,699 |
| Local Street Fund | 106,680 | 106,672 | (8) | 108,478 |
| Road Maintenance Fund | 211,900 | 211,896 | (4) | 212,004 |
| Road Safety Fund | 23,550 | 23,544 | (6) | 23,556 |
| Lakeview Arena Fund | 114,020 | 114,018 | (2) | 117,428 |
| TOTAL OTHER FINANCING SOURCES (USES) | 702,850 | 702,824 | (26) | 712,307 |
| CHANGES IN FUND BALANCE | - | - | - | - |
| Fund balance, beginning of year | - | - | - | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ - | \$ - | \$ - |

CITY OF MARQUETTE, MICHIGAN

2018 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 230,000 | 230,000 | - | 225,000 |
| Interest and fiscal charges | 61,200 | 61,200 | - | 68,650 |
| TOTAL EXPENDITURES | <u>291,200</u> | <u>291,200</u> | <u>-</u> | <u>293,650</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(291,200)</u> | <u>(291,200)</u> | <u>-</u> | <u>(293,650)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 132,600 | 132,600 | - | 131,300 |
| Major Street and Trunkline Fund | 95,000 | 95,000 | - | 97,250 |
| Local Street Fund | 63,600 | 63,600 | - | 65,100 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>291,200</u> | <u>291,200</u> | <u>-</u> | <u>293,650</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

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 90,000 | 90,000 | - | 90,000 |
| Interest and fiscal charges | 30,750 | 30,750 | - | 33,450 |
| TOTAL EXPENDITURES | <u>120,750</u> | <u>120,750</u> | <u>-</u> | <u>123,450</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(120,750)</u> | <u>(120,750)</u> | <u>-</u> | <u>(123,450)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 14,200 | 14,200 | - | 14,500 |
| Major Street and Trunkline Fund | 66,050 | 66,050 | - | 67,550 |
| Local Street Fund | 40,500 | 40,500 | - | 41,400 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>120,750</u> | <u>120,750</u> | <u>-</u> | <u>123,450</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

2020 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | - | - | - | - |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 210,000 | 210,000 | - | 200,000 |
| Interest and fiscal charges | 76,400 | 76,400 | - | 84,400 |
| TOTAL EXPENDITURES | 286,400 | 286,400 | - | 284,400 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (286,400) | (286,400) | - | (284,400) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 33,600 | 33,600 | - | 34,600 |
| Major Street and Trunkline Fund | 136,400 | 136,400 | - | 135,200 |
| Local Street Fund | 95,600 | 95,600 | - | 93,200 |
| Lakeview Arena Fund | 20,800 | 20,800 | - | 21,400 |
| TOTAL OTHER FINANCING SOURCES (USES) | 286,400 | 286,400 | - | 284,400 |
| CHANGES IN FUND BALANCE | - | - | - | - |
| Fund balance, beginning of year | - | - | - | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ - | \$ - | \$ - |

CITY OF MARQUETTE, MICHIGAN

2021 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 239,120 | 239,120 | - | 228,590 |
| Interest and fiscal charges | 92,630 | 92,627 | 3 | 67,846 |
| TOTAL EXPENDITURES | <u>331,750</u> | <u>331,747</u> | <u>3</u> | <u>296,436</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(331,750)</u> | <u>(331,747)</u> | <u>(3)</u> | <u>(296,436)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| General Fund | 890 | 887 | (3) | 819 |
| Major Street and Trunkline Fund | 140,720 | 140,720 | - | 124,927 |
| Local Street Fund | 190,140 | 190,140 | - | 170,690 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>331,750</u> | <u>331,747</u> | <u>(3)</u> | <u>296,436</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

2022 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| TOTAL REVENUES | - | - | - | - |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | 113,600 | 113,600 | - | - |
| Interest and fiscal charges | 57,280 | 57,275 | 5 | - |
| TOTAL EXPENDITURES | 170,880 | 170,875 | 5 | - |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (170,880) | (170,875) | (5) | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer in: | | | | |
| Major Street and Trunkline Fund | 122,820 | 122,816 | (4) | - |
| Local Street Fund | 48,060 | 48,059 | (1) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 170,880 | 170,875 | (5) | - |
| 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, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---------------------------|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 433,349 | \$ 412,303 |
| Investments | 549,880 | 547,301 |
| Accounts receivable | 9,850 | - |
| | <u>993,079</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 993,079</u> | <u>\$ 959,604</u> |
| | | |
| FUND BALANCE | | |
| Non-spendable | <u>\$ 993,079</u> | <u>\$ 959,604</u> |

CITY OF MARQUETTE, MICHIGAN

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2023

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | <u>2023</u> | <u>2022</u> |
|---|--------------------------|--------------------------|
| REVENUES: | | |
| Charges for services | \$ 33,475 | \$ 22,500 |
| Investment income | <u>11,955</u> | <u>709</u> |
| TOTAL REVENUES | <u>45,430</u> | <u>23,209</u> |
| OTHER FINANCING SOURCES (USES): | | |
| Transfers in | - | - |
| Transfers (out) | <u>(11,955)</u> | <u>(709)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(11,955)</u> | <u>(709)</u> |
| CHANGES IN FUND BALANCE | 33,475 | 22,500 |
| Fund balance, beginning of year | <u>959,604</u> | <u>937,104</u> |
| FUND BALANCE, END OF YEAR | <u><u>\$ 993,079</u></u> | <u><u>\$ 959,604</u></u> |

CITY OF MARQUETTE, MICHIGAN
ENTERPRISE FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

The function of the Enterprise Funds is to record the financing, acquisition, operation and maintenance of City activities that are predominantly self-supporting from user charges.

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

The Major Enterprise Funds of the City are the Water Supply Fund, the Sewage Disposal Fund, and the Stormwater Utility Fund. The Non-major Enterprise Funds of the City are the Tourist Park Fund, 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, 2023 and 2022

| | 2023 | 2022 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,627,673 | \$ 1,601,814 |
| Accounts receivable | 832,789 | 641,886 |
| Special assessments receivable | 2,341 | 2,341 |
| Due from other governments | 3,749 | 5,410 |
| Prepaid expense | 53,710 | 35,539 |
| TOTAL CURRENT ASSETS | 2,520,262 | 2,286,990 |
| Non-current Assets | | |
| Restricted Assets: | | |
| OPEB Reserve | 89,341 | 136,419 |
| Compensated absences reserve | 250,085 | 238,980 |
| Total Restricted Assets | 339,426 | 375,399 |
| Land and other non-depreciable assets | 17,725 | 17,725 |
| Construction in progress | 20,729 | 80,261 |
| Other capital assets, net of depreciation | 23,554,840 | 23,949,132 |
| TOTAL NON-CURRENT ASSETS | 23,932,720 | 24,422,517 |
| TOTAL ASSETS | 26,452,982 | 26,709,507 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amount on refunding | 52,068 | 75,953 |
| Deferred outflows related to pension | 800,108 | 457,388 |
| Deferred outflows related to OPEB | 2,721 | 5,429 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 854,897 | 538,770 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | 94,735 | 105,913 |
| Accrued wages payable | 27,686 | 24,807 |
| Customer deposits payable | - | - |
| Accrued interest payable | 103,685 | 113,814 |
| Current portion of long-term debt | 1,197,673 | 1,157,231 |
| TOTAL CURRENT LIABILITIES | 1,423,779 | 1,401,765 |
| Non-current Liabilities: | | |
| Compensated absences | 250,085 | 238,980 |
| Other post-employment benefits (OPEB) | 89,341 | 136,419 |
| Net pension liability | 3,816,900 | 2,801,112 |
| Bonds payable | 5,434,461 | 6,562,133 |
| Loan payable | 554,840 | 629,840 |
| Unamortized bond premium | 639,829 | 744,340 |
| TOTAL NON-CURRENT LIABILITIES | 10,785,456 | 11,112,824 |
| TOTAL LIABILITIES | 12,209,235 | 12,514,589 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Special assessments | 2,341 | 2,341 |
| Deferred inflows related to pension | 25,107 | 455,582 |
| Deferred inflows related to OPEB | 47,853 | 40,692 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 75,301 | 498,615 |
| NET POSITION | | |
| Net investment in capital assets | 16,653,801 | 15,416,466 |
| Restricted for: | | |
| Capital outlay | 835,242 | 386,939 |
| Unrestricted | (2,465,700) | (1,568,332) |
| TOTAL NET POSITION | \$ 15,023,343 | \$ 14,235,073 |

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, 2023

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|----------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| General customers | \$ 4,104,210 | \$ 4,495,231 | \$ 391,021 | \$ 4,053,033 |
| Public authorities | 112,000 | 128,087 | 16,087 | 109,081 |
| Non-tax customers | 1,544,000 | 1,498,568 | (45,432) | 1,374,928 |
| City departments | 112,000 | 133,416 | 21,416 | 157,888 |
| Charges for services | - | 19,863 | 19,863 | 11,545 |
| Reimbursements | - | 3,582 | 3,582 | 4,792 |
| Other revenues | 87,700 | 54,487 | (33,213) | 95,196 |
| TOTAL OPERATING REVENUES | 5,959,910 | 6,333,234 | 373,324 | 5,806,463 |
| OPERATING EXPENSES: | | | | |
| Personnel services | 1,868,960 | 1,979,319 | (110,359) | 1,650,263 |
| Supplies and contractual | 1,171,590 | 1,115,577 | 56,013 | 1,239,950 |
| Capital outlay | - | - | - | - |
| Provision for depreciation | 1,566,000 | 1,604,289 | (38,289) | 1,508,981 |
| Other supplies and charges | 657,390 | 657,396 | (6) | 637,488 |
| TOTAL OPERATING EXPENSES | 5,263,940 | 5,356,581 | (92,641) | 5,036,682 |
| OPERATING INCOME (LOSS) | 695,970 | 976,653 | 280,683 | 769,781 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | 2,500 | 40,796 | 38,296 | 2,502 |
| Interest expense | (286,490) | (212,664) | 73,826 | (235,790) |
| Bond issuance expense | - | - | - | (6,968) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (283,990) | (171,868) | 112,122 | (240,256) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 411,980 | 804,785 | 392,805 | 529,525 |
| Federal grant - capital grant | - | 133,708 | 133,708 | 9,938 |
| State grant - capital grant | 5,000 | - | (5,000) | 923 |
| Transfers in | - | - | - | - |
| Transfers (out) | - | (150,223) | (150,223) | (162,971) |
| CHANGE IN NET POSITION | 416,980 | 788,270 | 371,290 | 377,415 |
| Net position, beginning of year | 14,235,073 | 14,235,073 | - | 13,857,658 |
| NET POSITION, END OF YEAR | \$ 14,652,053 | \$ 15,023,343 | \$ 371,290 | \$ 14,235,073 |

CITY OF MARQUETTE, MICHIGAN

SEWAGE DISPOSAL FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 3,733,631 | \$ 3,397,668 |
| Accounts receivable | 1,025,046 | 835,764 |
| Special assessments receivable | 2,341 | 2,341 |
| Due from State | - | - |
| Inventory | 40,186 | 46,695 |
| Prepaid expense | <u>50,308</u> | <u>36,550</u> |
| TOTAL CURRENT ASSETS | <u>4,851,512</u> | <u>4,319,018</u> |
| Non-current Assets | | |
| Restricted Assets: | | |
| OPEB Reserve | 63,012 | 96,215 |
| Compensated absences reserve | <u>68,784</u> | <u>71,249</u> |
| Total Restricted Assets | <u>131,796</u> | <u>167,464</u> |
| Investment in Wastewater Facility | 4,453,432 | 4,049,985 |
| Land and other non-depreciable assets | 20,594 | 20,594 |
| Construction in progress | 2,193 | 181,351 |
| Other capital assets, net of depreciation | <u>20,178,742</u> | <u>20,607,990</u> |
| TOTAL NON-CURRENT ASSETS | <u>24,786,757</u> | <u>25,027,384</u> |
| TOTAL ASSETS | <u>29,638,269</u> | <u>29,346,402</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amount on refunding | 32,698 | 46,030 |
| Deferred outflows related to pension | 395,014 | 157,962 |
| Deferred outflows related to OPEB | <u>1,919</u> | <u>3,829</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>429,631</u> | <u>207,821</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Cash overdraft | - | - |
| Accounts payable | 377,815 | 1,463,629 |
| Accrued wages payable | 11,516 | 10,901 |
| Customer deposits payable | - | - |
| Accrued interest payable | 121,280 | 128,307 |
| Current portion of long-term debt | <u>1,397,370</u> | <u>1,347,927</u> |
| TOTAL CURRENT LIABILITIES | <u>1,907,981</u> | <u>2,950,764</u> |
| Non-current Liabilities: | | |
| Compensated absences | 68,784 | 71,249 |
| Other post-employment benefits (OPEB) | 63,012 | 96,215 |
| Net pension liability | 2,204,039 | 1,769,113 |
| Long term payable to other authorities | 25,096 | 1,217,108 |
| Bonds payable | 6,258,874 | 7,371,244 |
| Loan payable | 527,484 | 812,484 |
| Unamortized bond premium | <u>724,336</u> | <u>835,982</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>9,871,625</u> | <u>12,173,395</u> |
| TOTAL LIABILITIES | <u>11,779,606</u> | <u>15,124,159</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Special assessments | 2,341 | 2,341 |
| Deferred inflows related to pension | 45,285 | 139,290 |
| Deferred inflows related to OPEB | <u>33,750</u> | <u>28,700</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>81,376</u> | <u>170,331</u> |
| NET POSITION | | |
| Net investment in capital assets | 12,156,023 | 10,488,328 |
| Restricted for: | | |
| Capital outlay | 829,860 | - |
| Unrestricted | <u>5,221,035</u> | <u>3,771,405</u> |
| TOTAL NET POSITION | <u>\$ 18,206,918</u> | <u>\$ 14,259,733</u> |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|----------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| General customers | \$ 5,751,660 | \$ 6,128,187 | \$ 376,527 | \$ 5,851,415 |
| Public authorities | 148,000 | 168,524 | 20,524 | 147,279 |
| Non-tax customers | 1,800,000 | 1,777,203 | (22,797) | 1,780,741 |
| City departments | 85,600 | 89,690 | 4,090 | 135,790 |
| Charges for services | 9,000 | 6,538 | (2,462) | 7,744 |
| Rentals | 1,000 | 1,000 | - | 1,000 |
| Reimbursements | 4,000 | 4,230 | 230 | 6,152 |
| Other revenues | 4,000 | 13,668 | 9,668 | 12,423 |
| TOTAL OPERATING REVENUES | 7,803,260 | 8,189,040 | 385,780 | 7,942,544 |
| OPERATING EXPENSES: | | | | |
| Personnel services | 794,260 | 766,077 | 28,183 | 670,822 |
| Supplies and contractual | 3,518,101 | 3,012,873 | 505,228 | 3,509,029 |
| Capital outlay | - | - | - | - |
| Provision for depreciation | 1,222,000 | 1,286,731 | (64,731) | 1,205,688 |
| Other supplies and charges | 563,350 | 563,352 | (2) | 537,576 |
| TOTAL OPERATING EXPENSES | 6,097,711 | 5,629,033 | 468,678 | 5,923,115 |
| OPERATING INCOME (LOSS) | 1,705,549 | 2,560,007 | 854,458 | 2,019,429 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | 3,000 | 68,399 | 65,399 | 5,544 |
| Interest expense | (319,220) | (239,022) | 80,198 | (257,586) |
| Operating gain from Marquette Area | - | - | - | - |
| Wastewater Treatment Facility | - | 1,595,459 | 1,595,459 | 252,259 |
| Bond issuance expense | - | - | - | (10,452) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (316,220) | 1,424,836 | 1,741,056 | (10,235) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 1,389,329 | 3,984,843 | 2,595,514 | 2,009,194 |
| Federal grant - capital grant | - | 85,092 | 85,092 | - |
| State grant - capital grant | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers (out) | (122,750) | (122,750) | - | (133,167) |
| CHANGE IN NET POSITION | 1,266,579 | 3,947,185 | 2,680,606 | 1,876,027 |
| Net position, beginning of year | 14,259,733 | 14,259,733 | - | 12,383,706 |
| NET POSITION, END OF YEAR | \$ 15,526,312 | \$ 18,206,918 | \$ 2,680,606 | \$ 14,259,733 |

CITY OF MARQUETTE, MICHIGAN

STORMWATER UTILITY FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 4,009,767 | \$ 3,764,911 |
| Accounts receivable | 94,761 | 76,518 |
| Due from other governments | - | 133,902 |
| Inventory | - | - |
| Prepaid expense | <u>51</u> | <u>101</u> |
| TOTAL CURRENT ASSETS | <u>4,104,579</u> | <u>3,975,432</u> |
| Non-current Assets | | |
| Restricted Assets: | | |
| Compensated absences reserve | 28,928 | 28,814 |
| Total Restricted Assets | <u>28,928</u> | <u>28,814</u> |
| Construction in progress | 50,320 | 446,960 |
| Other capital assets, net of depreciation | <u>12,797,390</u> | <u>12,871,580</u> |
| TOTAL NON-CURRENT ASSETS | <u>12,876,638</u> | <u>13,347,354</u> |
| TOTAL ASSETS | <u>16,981,217</u> | <u>17,322,786</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amount on refunding | <u>27,196</u> | <u>34,183</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>27,196</u> | <u>34,183</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Cash overdraft | - | - |
| Accounts payable | 48,997 | 69,177 |
| Accrued wages payable | 2,579 | 4,253 |
| Accrued interest payable | 150,377 | 108,997 |
| Current portion of long-term debt | <u>956,027</u> | <u>953,180</u> |
| TOTAL CURRENT LIABILITIES | <u>1,157,980</u> | <u>1,135,607</u> |
| Non-current Liabilities: | | |
| Compensated absences | 28,928 | 28,814 |
| Bonds payable | 8,066,228 | 9,022,253 |
| Unamortized bond premium | <u>996,568</u> | <u>1,117,531</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>9,091,724</u> | <u>10,168,598</u> |
| TOTAL LIABILITIES | <u>10,249,704</u> | <u>11,304,205</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 8,282,474 | 5,611,983 |
| Restricted for: | | |
| Capital outlay | 5,426,391 | 3,352,224 |
| Unrestricted | <u>(6,950,156)</u> | <u>(2,911,443)</u> |
| TOTAL NET POSITION | <u>\$ 6,758,709</u> | <u>\$ 6,052,764</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|---------------------|---------------------|--|---------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| General customers | \$ 1,220,000 | \$ 1,267,621 | \$ 47,621 | \$ 1,063,391 |
| Public authorities | 63,000 | 58,336 | (4,664) | 56,051 |
| Non-tax customers | 341,000 | 371,143 | 30,143 | 300,166 |
| City departments | 739,000 | 662,558 | (76,442) | 582,814 |
| Reimbursements | - | - | - | 775 |
| Other revenues | - | 2,452 | 2,452 | 2,534 |
| TOTAL OPERATING REVENUES | 2,363,000 | 2,362,110 | (890) | 2,005,731 |
| OPERATING EXPENSES: | | | | |
| Routine Maintenance and Administration: | | | | |
| Personnel services | 279,950 | 248,935 | 31,015 | 229,748 |
| Supplies and contractual | 422,790 | 200,703 | 222,087 | 165,675 |
| Capital outlay | - | - | - | - |
| Provision for depreciation | 1,120,800 | 1,101,743 | 19,057 | 1,058,481 |
| Other supplies and charges | - | - | - | - |
| TOTAL OPERATING EXPENSES | 1,823,540 | 1,551,381 | 272,159 | 1,453,904 |
| OPERATING INCOME (LOSS) | 539,460 | 810,729 | 271,269 | 551,827 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | - | 54,644 | 54,644 | 2,250 |
| Interest expense | (359,740) | (287,066) | 72,674 | (188,640) |
| Bond issuance expense | - | - | - | (61,549) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (359,740) | (232,422) | 127,318 | (247,939) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 179,720 | 578,307 | 398,587 | 303,888 |
| Federal grant - capital grant | - | 127,638 | 127,638 | 142,831 |
| State grant - capital grant | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers (out) | - | - | - | - |
| CHANGE IN NET POSITION | 179,720 | 705,945 | 526,225 | 446,719 |
| Net position, beginning of year | 6,052,764 | 6,052,764 | - | 5,606,045 |
| NET POSITION, END OF YEAR | \$ 6,232,484 | \$ 6,758,709 | \$ 526,225 | \$ 6,052,764 |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

September 30, 2023

| | Tourist Park Fund | Lakeshore and Lighthouse Park Fund | Fuel System Fund | Marinas Fund | Total |
|---|----------------------|--|---------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 1,229,462 | \$ 60,384 | \$ 72,169 | \$ 11,068 | \$ 1,373,083 |
| Due from State | - | - | - | 259,688 | 259,688 |
| Accounts receivable | 701 | 9,692 | 20,929 | 5,561 | 36,883 |
| Due from local units | - | - | 786 | - | 786 |
| Inventory | - | - | 61,754 | 22,148 | 83,902 |
| Prepaid expense | 520 | 175 | - | 5,553 | 6,248 |
| TOTAL CURRENT ASSETS | 1,230,683 | 70,251 | 155,638 | 304,018 | 1,760,590 |
| Non-current Assets: | | | | | |
| Restricted Assets: | | | | | |
| Replacement Maintenance Fund | - | - | - | 40,000 | 40,000 |
| Compensated absences reserve | 266 | - | - | - | 266 |
| Total Restricted Assets | 266 | - | - | 40,000 | 40,266 |
| Other capital assets, net of depreciation | 285,543 | 1,052,698 | 200,645 | 3,054,933 | 4,593,819 |
| Construction in progress | 32,012 | - | - | - | 32,012 |
| TOTAL NON-CURRENT ASSETS | 317,821 | 1,052,698 | 200,645 | 3,094,933 | 4,666,097 |
| TOTAL ASSETS | 1,548,504 | 1,122,949 | 356,283 | 3,398,951 | 6,426,687 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| | - | - | - | - | - |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Cash overdraft | - | - | - | - | - |
| Accounts payable | 13,931 | 1,170 | 26,586 | 14,758 | 56,445 |
| Accrued wages payable | 2,959 | - | - | 1,546 | 4,505 |
| Customer deposits payable | - | - | - | 15,445 | 15,445 |
| Accrued interest payable | - | 8,418 | - | 9,771 | 18,189 |
| Current portion of long-term debt | - | 105,000 | - | 75,000 | 180,000 |
| TOTAL CURRENT LIABILITIES | 16,890 | 114,588 | 26,586 | 116,520 | 274,584 |
| Non-current Liabilities: | | | | | |
| Compensated absences | 266 | - | - | - | 266 |
| Bonds payable | - | 450,000 | - | 595,046 | 1,045,046 |
| TOTAL NON-CURRENT LIABILITIES | 266 | 450,000 | - | 595,046 | 1,045,312 |
| TOTAL LIABILITIES | 17,156 | 564,588 | 26,586 | 711,566 | 1,319,896 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| | - | - | - | - | - |
| NET POSITION | | | | | |
| Net investment in capital assets | 317,555 | 647,916 | 200,645 | 2,384,887 | 3,551,003 |
| Restricted for: | | | | | |
| Capital outlay | - | 150,218 | - | - | 150,218 |
| Unrestricted | 1,213,793 | (239,773) | 129,052 | 302,498 | 1,405,570 |
| TOTAL NET POSITION | \$ 1,531,348 | \$ 558,361 | \$ 329,697 | \$ 2,687,385 | \$ 5,106,791 |

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, 2023

| | Tourist Park Fund | Lakeshore and Lighthouse Park Fund | Fuel System Fund | Marinas Fund | Total |
|---|----------------------|--|---------------------|---------------------|---------------------|
| OPERATING REVENUES: | | | | | |
| Charges for services | \$ 25,470 | \$ 16,950 | \$ - | \$ 8,400 | \$ 50,820 |
| Sales | 32,143 | - | 495,838 | 117,906 | 645,887 |
| Use and admission fees | 576,846 | 35,191 | - | 47,569 | 659,606 |
| Rentals | - | - | - | 337,978 | 337,978 |
| Fines and forfeiture | - | - | - | 1,140 | 1,140 |
| Reimbursements | 743 | - | - | 2,671 | 3,414 |
| Other revenues | 262 | - | 32,572 | 3,035 | 35,869 |
| TOTAL OPERATING REVENUES | 635,464 | 52,141 | 528,410 | 518,699 | 1,734,714 |
| OPERATING EXPENSES: | | | | | |
| Personnel services | 117,330 | 975 | 500 | 88,251 | 207,056 |
| Supplies and contractual | 202,389 | 13,941 | 511,680 | 307,481 | 1,035,491 |
| Capital outlay | - | - | - | - | - |
| Provision for depreciation | 16,240 | 50,416 | 15,435 | 158,007 | 240,098 |
| Other supplies and charges | - | - | - | - | - |
| TOTAL OPERATING EXPENSES | 335,959 | 65,332 | 527,615 | 553,739 | 1,482,645 |
| OPERATING INCOME (LOSS) | 299,505 | (13,191) | 795 | (35,040) | 252,069 |
| NON-OPERATING REVENUES (EXPENSES): | | | | | |
| Investment income | 24,138 | 1,287 | 2,191 | 18,616 | 46,232 |
| Interest expense | - | (22,157) | - | (14,345) | (36,502) |
| Bond issuance expense | - | - | - | - | - |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 24,138 | (20,870) | 2,191 | 4,271 | 9,730 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 323,643 | (34,061) | 2,986 | (30,769) | 261,799 |
| Federal grant - capital grant | - | - | - | - | - |
| State grant - capital grant | - | - | - | 255,970 | 255,970 |
| Contributed capital | - | - | - | - | - |
| Transfers in | - | 123,553 | - | - | 123,553 |
| Transfers (out) | (8,986) | - | - | (13,811) | (22,797) |
| CHANGE IN NET POSITION | 314,657 | 89,492 | 2,986 | 211,390 | 618,525 |
| Net position, beginning of year | 1,216,691 | 468,869 | 326,711 | 2,475,995 | 4,488,266 |
| NET POSITION, END OF YEAR | \$ 1,531,348 | \$ 558,361 | \$ 329,697 | \$ 2,687,385 | \$ 5,106,791 |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2023

| | 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 | \$ 24,769 | \$ 51,346 | \$ - | \$ 129,746 | \$ 205,861 |
| Other operating revenues | 609,994 | - | 530,161 | 250,611 | 1,390,766 |
| Cash payments to employees for services | (119,261) | (1,043) | (500) | (88,269) | (209,073) |
| Cash payments to suppliers for goods and services | (219,113) | (14,255) | (492,409) | (299,059) | (1,024,836) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 296,389 | 36,048 | 37,252 | (6,971) | 362,718 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | | |
| Increase (decrease) in cash overdraft | - | - | - | - | - |
| Transfers in | - | 123,553 | - | - | 123,553 |
| Transfers (out) | (8,986) | - | - | (13,811) | (22,797) |
| State and Federal grants | - | - | - | - | - |
| NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES | (8,986) | 123,553 | - | (13,811) | 100,756 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Principal payments on bonds | - | (100,000) | - | (75,000) | (175,000) |
| Interest paid on bonds | - | (23,553) | - | (24,574) | (48,127) |
| Proceeds from issuance of bonds | - | - | - | - | - |
| Premium on issuance of bonds | - | - | - | - | - |
| Cash payments for bond issuance expenses | - | - | - | - | - |
| Cash payments for capital assets | (23,866) | - | - | (497,658) | (521,524) |
| State and Federal grants | - | - | - | 255,970 | 255,970 |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (23,866) | (123,553) | - | (341,262) | (488,681) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest income | 24,138 | 1,287 | 2,191 | 18,616 | 46,232 |
| (Increase) decrease in restricted assets: | | | | | |
| Replacement maintenance reserve | - | - | - | - | - |
| Compensated absences reserve | 1,830 | - | - | - | 1,830 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 25,968 | 1,287 | 2,191 | 18,616 | 48,062 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 289,505 | 37,335 | 39,443 | (343,428) | 22,855 |
| Cash and cash equivalents, beginning of year | 939,957 | 23,049 | 32,726 | 354,496 | 1,350,228 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 1,229,462 | \$ 60,384 | \$ 72,169 | \$ 11,068 | \$ 1,373,083 |
| 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 | \$ 299,505 | \$ (13,191) | \$ 795 | \$ (35,040) | \$ 252,069 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 16,240 | 50,416 | 15,435 | 158,007 | 240,098 |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in due from State | - | - | - | (259,688) | (259,688) |
| (Increase) decrease in accounts receivable | (701) | (795) | 2,051 | 121,287 | 121,842 |
| (Increase) decrease in due from local units | - | - | (300) | - | (300) |
| (Increase) decrease in inventory | - | - | 20,291 | 8,547 | 28,838 |
| (Increase) decrease in prepaid expenses | (276) | 3 | - | (296) | (569) |
| Increase (decrease) in accounts payable | (16,448) | (317) | (1,020) | 171 | (17,614) |
| Increase (decrease) in accrued wages payable | (101) | (68) | - | (18) | (187) |
| Increase (decrease) in customer deposits payable | - | - | - | 59 | 59 |
| Increase (decrease) in compensated absences | (1,830) | - | - | - | (1,830) |
| NET ADJUSTMENTS | (3,116) | 49,239 | 36,457 | 28,069 | 110,649 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 296,389 | \$ 36,048 | \$ 37,252 | \$ (6,971) | \$ 362,718 |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - TOURIST PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,229,462 | \$ 939,957 |
| Accounts receivable | 701 | - |
| Due from local units | - | - |
| Inventory | - | - |
| Prepaid expense | 520 | 244 |
| | <u>1,230,683</u> | <u>940,201</u> |
| TOTAL CURRENT ASSETS | <u>1,230,683</u> | <u>940,201</u> |
| Non-current Assets | | |
| Restricted Assets: | | |
| Compensated absences reserve | 266 | 2,096 |
| Total Restricted Assets | <u>266</u> | <u>2,096</u> |
| Other capital assets, net of depreciation | 285,543 | 295,112 |
| Construction in progress | 32,012 | 14,817 |
| | <u>317,821</u> | <u>312,025</u> |
| TOTAL NON-CURRENT ASSETS | <u>317,821</u> | <u>312,025</u> |
| | <u>1,548,504</u> | <u>1,252,226</u> |
| TOTAL ASSETS | <u>1,548,504</u> | <u>1,252,226</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Cash overdraft | - | - |
| Accounts payable | 13,931 | 30,379 |
| Accrued wages payable | 2,959 | 3,060 |
| | <u>16,890</u> | <u>33,439</u> |
| TOTAL CURRENT LIABILITIES | <u>16,890</u> | <u>33,439</u> |
| Non-current Liabilities: | | |
| Compensated absences | 266 | 2,096 |
| | <u>266</u> | <u>2,096</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>266</u> | <u>2,096</u> |
| | <u>17,156</u> | <u>35,535</u> |
| TOTAL LIABILITIES | <u>17,156</u> | <u>35,535</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 317,555 | 309,929 |
| Restricted for: | | |
| Capital outlay | - | - |
| Unrestricted | 1,213,793 | 906,762 |
| | <u>1,213,793</u> | <u>906,762</u> |
| TOTAL NET POSITION | <u>\$ 1,531,348</u> | <u>\$ 1,216,691</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|---------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 25,000 | \$ 25,470 | \$ 470 | \$ 22,745 |
| Sales | 26,000 | 32,143 | 6,143 | 26,202 |
| Use and admission fees | 450,000 | 576,846 | 126,846 | 443,981 |
| Reimbursements | - | 743 | 743 | 687 |
| Other revenues | - | 262 | 262 | 371 |
| TOTAL OPERATING REVENUES | 501,000 | 635,464 | 134,464 | 493,986 |
| OPERATING EXPENSES: | | | | |
| Recreation and Culture: | | | | |
| Personnel services | 144,690 | 117,330 | 27,360 | 110,370 |
| Supplies and contractual | 284,165 | 202,389 | 81,776 | 241,211 |
| Other supplies and charges | - | - | - | - |
| Capital outlay | - | - | - | - |
| Provision for depreciation | 14,850 | 16,240 | (1,390) | 14,846 |
| TOTAL OPERATING EXPENSES | 443,705 | 335,959 | 107,746 | 366,427 |
| OPERATING INCOME (LOSS) | 57,295 | 299,505 | 242,210 | 127,559 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | 1,000 | 24,138 | 23,138 | 2,190 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 1,000 | 24,138 | 23,138 | 2,190 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 58,295 | 323,643 | 265,348 | 129,749 |
| State grant - capital grant | - | - | - | 45,000 |
| Transfers in (out) | (8,990) | (8,986) | 4 | (9,749) |
| CHANGE IN NET POSITION | 49,305 | 314,657 | 265,352 | 165,000 |
| Net position, beginning of year | 1,216,691 | 1,216,691 | - | 1,051,691 |
| NET POSITION, END OF YEAR | \$ 1,265,996 | \$ 1,531,348 | \$ 265,352 | \$ 1,216,691 |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - LAKESHORE AND LIGHTHOUSE PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 60,384 | \$ 23,049 |
| Accounts receivable | 9,692 | 8,897 |
| Due from local units | - | - |
| Inventory | - | - |
| Prepaid expense | <u>175</u> | <u>178</u> |
| TOTAL CURRENT ASSETS | <u>70,251</u> | <u>32,124</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 | 1,052,698 | 1,103,114 |
| Construction in progress | <u>-</u> | <u>-</u> |
| TOTAL NON-CURRENT ASSETS | <u>1,052,698</u> | <u>1,103,114</u> |
| TOTAL ASSETS | <u>1,122,949</u> | <u>1,135,238</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | 1,170 | 1,487 |
| Accrued wages payable | - | 68 |
| Accrued interest payable | 8,418 | 9,814 |
| Current portion of long-term debt | <u>105,000</u> | <u>100,000</u> |
| TOTAL CURRENT LIABILITIES | <u>114,588</u> | <u>111,369</u> |
| Non-current Liabilities: | | |
| Bonds payable | <u>450,000</u> | <u>555,000</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>450,000</u> | <u>555,000</u> |
| TOTAL LIABILITIES | <u>564,588</u> | <u>666,369</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 647,916 | 597,045 |
| Restricted for: | | |
| Capital outlay | 150,218 | 148,931 |
| Unrestricted | <u>(239,773)</u> | <u>(277,107)</u> |
| TOTAL NET POSITION | <u>\$ 558,361</u> | <u>\$ 468,869</u> |

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, 2023

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 79,520 | \$ 16,950 | \$ (62,570) | \$ 15,509 |
| Use and admission fees | - | 35,191 | 35,191 | 20,700 |
| TOTAL OPERATING REVENUES | <u>79,520</u> | <u>52,141</u> | <u>(27,379)</u> | <u>36,209</u> |
| OPERATING EXPENSES: | | | | |
| Recreation and Culture: | | | | |
| Personnel services | 2,720 | 975 | 1,745 | 2,464 |
| Supplies and contractual | 2,240 | 13,941 | (11,701) | 48 |
| Capital outlay | - | - | - | - |
| Provision for depreciation | 51,000 | 50,416 | 584 | 46,196 |
| TOTAL OPERATING EXPENSES | <u>55,960</u> | <u>65,332</u> | <u>(9,372)</u> | <u>48,708</u> |
| OPERATING INCOME (LOSS) | <u>23,560</u> | <u>(13,191)</u> | <u>(36,751)</u> | <u>(12,499)</u> |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | - | 1,287 | 1,287 | 208 |
| Interest expense | (23,560) | (22,157) | 1,403 | (25,355) |
| Bond issuance expense | - | - | - | - |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>(23,560)</u> | <u>(20,870)</u> | <u>2,690</u> | <u>(25,147)</u> |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | <u>-</u> | <u>(34,061)</u> | <u>(34,061)</u> | <u>(37,646)</u> |
| Federal Grant - capital grant | - | - | - | - |
| Transfers in | - | 123,553 | 123,553 | 191,551 |
| CHANGE IN NET POSITION | <u>-</u> | <u>89,492</u> | <u>89,492</u> | <u>153,905</u> |
| Net position, beginning of year | <u>468,869</u> | <u>468,869</u> | <u>-</u> | <u>314,964</u> |
| NET POSITION, END OF YEAR | <u>\$ 468,869</u> | <u>\$ 558,361</u> | <u>\$ 89,492</u> | <u>\$ 468,869</u> |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - FUEL SYSTEM FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 72,169 | \$ 32,726 |
| Accounts receivable | 20,929 | 22,980 |
| Due from local units | 786 | 486 |
| Inventory | 61,754 | 82,045 |
| Prepaid expense | <u>-</u> | <u>-</u> |
| TOTAL CURRENT ASSETS | <u>155,638</u> | <u>138,237</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>200,645</u> | <u>216,080</u> |
| TOTAL NON-CURRENT ASSETS | <u>200,645</u> | <u>216,080</u> |
| TOTAL ASSETS | <u>356,283</u> | <u>354,317</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Cash overdraft | - | - |
| Accounts payable | 26,586 | 27,606 |
| Accrued wages payable | <u>-</u> | <u>-</u> |
| TOTAL CURRENT LIABILITIES | <u>26,586</u> | <u>27,606</u> |
| Non-current Liabilities: | | |
| Compensated absences | <u>-</u> | <u>-</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>26,586</u> | <u>27,606</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 200,645 | 216,080 |
| Restricted for: | | |
| Capital outlay | - | - |
| Unrestricted | <u>129,052</u> | <u>110,631</u> |
| TOTAL NET POSITION | <u>\$ 329,697</u> | <u>\$ 326,711</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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|--|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Sales | 540,400 | 495,838 | (44,562) | 482,198 |
| Use and admission fees | - | - | - | - |
| Reimbursements | - | - | - | - |
| Other revenues | 29,480 | 32,572 | 3,092 | 32,097 |
| TOTAL OPERATING REVENUES | 569,880 | 528,410 | (41,470) | 514,295 |
| OPERATING EXPENSES: | | | | |
| Public Works: | | | | |
| Personnel services | 1,580 | 500 | 1,080 | 470 |
| Supplies and contractual | 552,870 | 511,680 | 41,190 | 492,783 |
| Other supplies and charges | - | - | - | - |
| Capital outlay | - | - | - | - |
| Provision for depreciation | 15,430 | 15,435 | (5) | 15,434 |
| TOTAL OPERATING EXPENSES | 569,880 | 527,615 | 42,265 | 508,687 |
| OPERATING INCOME (LOSS) | - | 795 | 795 | 5,608 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Contributed capital | - | - | - | - |
| Investment income | - | 2,191 | 2,191 | 204 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | - | 2,191 | 2,191 | 204 |
| CHANGE IN NET POSITION | - | 2,986 | 2,986 | 5,812 |
| Net position, beginning of year | 326,711 | 326,711 | - | 320,899 |
| NET POSITION, END OF YEAR | \$ 326,711 | \$ 329,697 | \$ 2,986 | \$ 326,711 |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - MARINAS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 11,068 | \$ 354,496 |
| Due from State | 259,688 | - |
| Accounts receivable | 5,561 | 126,848 |
| Inventory | 22,148 | 30,695 |
| Prepaid expense | <u>5,553</u> | <u>5,257</u> |
| TOTAL CURRENT ASSETS | <u>304,018</u> | <u>517,296</u> |
| Non-current Assets | | |
| Restricted Assets: | | |
| Bond Reserve Fund | - | - |
| Bond and Interest Redemption Fund | - | - |
| Replacement Maintenance Fund | <u>40,000</u> | <u>40,000</u> |
| Total Restricted Assets | <u>40,000</u> | <u>40,000</u> |
| Other capital assets, net of depreciation | 3,054,933 | 2,700,998 |
| Construction in progress | <u>-</u> | <u>14,284</u> |
| TOTAL NON-CURRENT ASSETS | <u>3,094,933</u> | <u>2,755,282</u> |
| TOTAL ASSETS | <u>3,398,951</u> | <u>3,272,578</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | 14,758 | 14,587 |
| Accrued wages payable | 1,546 | 1,564 |
| Customer deposits payable | 15,445 | 15,386 |
| Accrued interest payable | 9,771 | 10,708 |
| Current portion of long-term debt | <u>75,000</u> | <u>75,000</u> |
| TOTAL CURRENT LIABILITIES | <u>116,520</u> | <u>117,245</u> |
| Non-current Liabilities: | | |
| Bonds payable | 530,000 | 605,000 |
| Unamortized bond premium | <u>65,046</u> | <u>74,338</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>595,046</u> | <u>679,338</u> |
| TOTAL LIABILITIES | <u>711,566</u> | <u>796,583</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 2,384,887 | 1,960,944 |
| Restricted for: | | |
| Capital outlay | - | - |
| Unrestricted | <u>302,498</u> | <u>515,051</u> |
| TOTAL NET POSITION | <u>\$ 2,687,385</u> | <u>\$ 2,475,995</u> |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUND - MARINAS FUND

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

For the Fiscal Year Ended September 30, 2023

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|---|---------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | Variance with Final Budget Positive (Negative) | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 8,690 | \$ 8,400 | \$ (290) | \$ 7,980 |
| Sales | 100,000 | 117,906 | 17,906 | 121,847 |
| Use and admission fees | 42,500 | 47,569 | 5,069 | 46,205 |
| Rentals | 302,810 | 337,978 | 35,168 | 282,146 |
| Fines and forfeiture | 300 | 1,140 | 840 | 640 |
| Reimbursements | - | 2,671 | 2,671 | 118,916 |
| Other revenues | 2,300 | 3,035 | 735 | 3,239 |
| TOTAL OPERATING REVENUES | 456,600 | 518,699 | 62,099 | 580,973 |
| OPERATING EXPENSES: | | | | |
| Recreation and Culture: | | | | |
| Personnel services | 156,220 | 88,251 | 67,969 | 92,228 |
| Supplies and contractual | 282,450 | 307,481 | (25,031) | 241,338 |
| Capital outlay | - | - | - | - |
| Provision for depreciation | 215,250 | 158,007 | 57,243 | 150,553 |
| Other supplies and charges | - | - | - | - |
| TOTAL OPERATING EXPENSES | 653,920 | 553,739 | 100,181 | 484,119 |
| OPERATING INCOME (LOSS) | (197,320) | (35,040) | 162,280 | 96,854 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | 50 | 18,616 | 18,566 | 18 |
| Interest expense | (24,580) | (14,345) | 10,235 | (16,595) |
| Bond issuance expense | - | - | - | - |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (24,530) | 4,271 | 28,801 | (16,577) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | (221,850) | (30,769) | 191,081 | 80,277 |
| Federal grant - capital grant | - | - | - | - |
| State grant - capital grant | 235,660 | 255,970 | 20,310 | - |
| Transfers in | - | - | - | - |
| Transfers (out) | (13,810) | (13,811) | (1) | (14,983) |
| CHANGE IN NET POSITION | - | 211,390 | 211,390 | 65,294 |
| Net position, beginning of year | 2,475,995 | 2,475,995 | - | 2,410,701 |
| NET POSITION, END OF YEAR | \$ 2,475,995 | \$ 2,687,385 | \$ 211,390 | \$ 2,475,995 |

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, 2023

| | Technology Services Fund | Municipal Service Center Fund | Motor Vehicle Equipment Fund | Energy Enhancements Fund | Total |
|--|--------------------------------|--|---------------------------------------|--------------------------------|----------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 1,393,866 | \$ 825,885 | \$ 63,605 | \$ 90,025 | \$ 2,373,381 |
| Due from State | - | - | - | - | - |
| Accounts receivable | 1,822 | 1,450 | 210,071 | - | 213,343 |
| Due from local units | - | - | - | - | - |
| Due from other authorities | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| Prepaid expense | 39,967 | 16,027 | 901,800 | - | 957,794 |
| TOTAL CURRENT ASSETS | 1,435,655 | 843,362 | 1,175,476 | 90,025 | 3,544,518 |
| Non-current Assets: | | | | | |
| Restricted Assets: | | | | | |
| Equipment reserve | - | - | 1,038,047 | - | 1,038,047 |
| OPEB reserve | 8,283 | 4,139 | 79,780 | - | 92,202 |
| Compensated absences reserve | 24,465 | - | 52,361 | - | 76,826 |
| Total Restricted Assets | 32,748 | 4,139 | 1,170,188 | - | 1,207,075 |
| Land and other non-depreciable assets | - | 2,519,888 | - | - | 2,519,888 |
| Other capital assets, net of depreciation / amortization | 399,761 | 12,105,336 | 3,071,330 | 22,599,114 | 38,175,541 |
| TOTAL NON-CURRENT ASSETS | 432,509 | 14,629,363 | 4,241,518 | 22,599,114 | 41,902,504 |
| TOTAL ASSETS | 1,868,164 | 15,472,725 | 5,416,994 | 22,689,139 | 45,447,022 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows related to pension | 101,554 | 10,598 | 426,871 | - | 539,023 |
| Deferred outflows related to OPEB | 252 | 126 | 1,595 | - | 1,973 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 101,806 | 10,724 | 428,466 | - | 540,996 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Cash overdraft | - | - | - | - | - |
| Accounts payable | 16,501 | 22,070 | 38,086 | - | 76,657 |
| Accrued wages payable | 4,205 | 489 | 12,812 | - | 17,506 |
| Current portion of long-term debt | 137,414 | - | - | 896,055 | 1,033,469 |
| Accrued interest payable | - | - | - | - | - |
| TOTAL CURRENT LIABILITIES | 158,120 | 22,559 | 50,898 | 896,055 | 1,127,632 |
| Non-current Liabilities: | | | | | |
| Compensated absences | 24,465 | - | 79,780 | - | 104,245 |
| Other post employment benefits (OPEB) | 8,283 | 4,139 | 52,361 | - | 64,783 |
| Net pension liability | 415,011 | 148,014 | 1,929,666 | - | 2,492,691 |
| Subscription liability | 28,221 | - | - | - | 28,221 |
| Lease payable | 247,076 | - | - | 22,650,103 | 22,897,179 |
| TOTAL NON-CURRENT LIABILITIES | 723,056 | 152,153 | 2,061,807 | 22,650,103 | 25,587,119 |
| TOTAL LIABILITIES | 881,176 | 174,712 | 2,112,705 | 23,546,158 | 26,714,751 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to pension | 22,745 | 5,045 | 47,420 | - | 75,210 |
| Deferred inflows related to OPEB | 4,437 | 2,219 | 28,046 | - | 34,702 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 27,182 | 7,264 | 75,466 | - | 109,912 |
| NET POSITION | | | | | |
| Net investment in capital assets | (12,950) | 14,625,224 | 3,071,330 | (947,044) | 16,736,560 |
| Restricted for: | | | | | |
| Capital outlay | - | - | 829,081 | - | 829,081 |
| Unrestricted | 1,074,562 | 676,249 | (243,122) | 90,025 | 1,597,714 |
| TOTAL NET POSITION | \$ 1,061,612 | \$ 15,301,473 | \$ 3,657,289 | \$ (857,019) | \$ 19,163,355 |

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2023

| | Technology Services Fund | Municipal Service Center Fund | Motor Vehicle Equipment Fund | Energy Enhancements Fund | Total |
|---|--------------------------------|--|---------------------------------------|--------------------------------|----------------------|
| OPERATING REVENUES: | | | | | |
| Charges for services | \$ 5,085 | \$ - | \$ - | \$ - | \$ 5,085 |
| Sales | - | - | - | - | - |
| Rentals | 1,206,084 | 561,178 | 2,861,859 | - | 4,629,121 |
| Reimbursements | 267 | 1,829 | 210,111 | - | 212,207 |
| Other revenues | 1,374 | - | 31,260 | - | 32,634 |
| TOTAL OPERATING REVENUES | 1,212,810 | 563,007 | 3,103,230 | - | 4,879,047 |
| OPERATING EXPENSES: | | | | | |
| Administrative and General: | | | | | |
| Personnel services | 370,458 | 61,887 | 1,033,856 | - | 1,466,201 |
| Supplies and contractual | 470,979 | 442,668 | 1,516,357 | - | 2,430,004 |
| Provision for depreciation / amortization | 142,773 | 931,180 | 488,359 | 1,643,572 | 3,205,884 |
| Other supplies and charges | - | - | - | - | - |
| Total Administrative and General | <u>984,210</u> | <u>1,435,735</u> | <u>3,038,572</u> | <u>1,643,572</u> | <u>7,102,089</u> |
| Capital outlay | - | - | - | - | - |
| TOTAL OPERATING EXPENSES | 984,210 | 1,435,735 | 3,038,572 | 1,643,572 | 7,102,089 |
| OPERATING INCOME (LOSS) | 228,600 | (872,728) | 64,658 | (1,643,572) | (2,223,042) |
| NON-OPERATING REVENUES (EXPENSES): | | | | | |
| Investment income | 29,114 | 17,479 | 14,977 | 1,979 | 63,549 |
| Interest expense | - | - | - | (683,311) | (683,311) |
| Gain (Loss) on sale of capital asset | - | - | 96,842 | - | 96,842 |
| Contributions from other authorities | - | - | - | 142,815 | 142,815 |
| Lease - interest | (16,214) | - | - | - | (16,214) |
| Bond issuance expense | - | - | - | - | - |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 12,900 | 17,479 | 111,819 | (538,517) | (396,319) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 241,500 | (855,249) | 176,477 | (2,182,089) | (2,619,361) |
| Federal grant - capital grant | - | - | - | - | - |
| Transfers in | 19,650 | - | 1,000,000 | 1,054,571 | 2,074,221 |
| Transfers (out) | - | - | - | - | - |
| CHANGE IN NET POSITION | 261,150 | (855,249) | 1,176,477 | (1,127,518) | (545,140) |
| Net position, beginning of year, as restated | 800,462 | 16,156,722 | 2,480,812 | 270,499 | 19,708,495 |
| NET POSITION, END OF YEAR | \$ 1,061,612 | \$ 15,301,473 | \$ 3,657,289 | \$ (857,019) | \$ 19,163,355 |

CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2023

| | 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 | \$ 5,054 | \$ - | \$ - | \$ - | \$ 5,054 |
| Other operating revenues | 1,207,725 | 563,007 | 2,895,856 | - | 4,666,588 |
| Cash payments to employees for services | (344,046) | (55,072) | (916,545) | - | (1,315,663) |
| Cash payments to suppliers for goods and services | (526,937) | (441,880) | (1,526,204) | - | (2,495,021) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 341,796 | 66,055 | 453,107 | - | 860,958 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | | |
| Increase (decrease) in cash overdraft | - | - | (199,626) | - | (199,626) |
| Transfers in | 19,650 | - | 1,000,000 | 1,054,571 | 2,074,221 |
| Transfers (out) | - | - | - | - | - |
| Contributions from other authorities | - | - | - | 142,815 | 142,815 |
| NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES | 19,650 | - | 800,374 | 1,197,386 | 2,017,410 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Principal payments on long-term debt | (132,354) | - | - | (514,076) | (646,430) |
| Interest paid on long-term debt | (16,214) | - | - | (683,311) | (699,525) |
| Proceeds from issuance of debt | 315,430 | - | - | - | 315,430 |
| Premium on issuance of bonds | - | - | - | - | - |
| Cash payments for bond issuance expenses | - | - | - | - | - |
| Cash payments for capital assets | (315,430) | - | (284,597) | - | (600,027) |
| Proceeds from sale of capital assets | - | - | 96,842 | - | 96,842 |
| State and Federal grants | - | - | - | - | - |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (148,568) | - | (187,755) | (1,197,387) | (1,533,710) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest income | 29,114 | 17,479 | 14,977 | 1,979 | 63,549 |
| (Increase) decrease in restricted assets: | | | | | |
| Equipment reserve | - | - | (1,038,047) | - | (1,038,047) |
| OPEB reserve | 4,365 | 2,183 | 173 | - | 6,721 |
| Compensated absences reserve | (6,011) | - | 20,615 | - | 14,604 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 27,468 | 19,662 | (1,002,282) | 1,979 | (953,173) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 240,346 | 85,717 | 63,444 | 1,978 | 391,485 |
| Cash and cash equivalents, beginning of year | 1,153,520 | 740,168 | 161 | 88,047 | 1,981,896 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 1,393,866 | \$ 825,885 | \$ 63,605 | \$ 90,025 | \$ 2,373,381 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | |
| Operating income | \$ 228,600 | \$ (872,728) | \$ 64,658 | \$ (1,643,572) | \$ (2,223,042) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | |
| Depreciation / amortization | 142,773 | 931,180 | 488,359 | 1,643,572 | 3,205,884 |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in due from State | - | - | - | - | - |
| (Increase) decrease in accounts receivable | (31) | - | (207,374) | - | (207,405) |
| (Increase) decrease in due from local units | - | - | - | - | - |
| (Increase) decrease in inventory | - | - | - | - | - |
| (Increase) decrease in prepaid expenses | (33,026) | 226 | (10,750) | - | (43,550) |
| Increase (decrease) in accounts payable | (22,932) | 562 | 903 | - | (21,467) |
| Increase (decrease) in accrued wages payable | 102 | 205 | 2,828 | - | 3,135 |
| Increase (decrease) in customer deposits payable | - | - | - | - | - |
| Increase (decrease) in compensated absences | 6,011 | - | 6,804 | - | 12,815 |
| Increase (decrease) in net pension liability | 23,749 | 8,335 | 129,487 | - | 161,571 |
| Increase (decrease) in other post-employment benefits (OPEB) | (3,450) | (1,725) | (21,808) | - | (26,983) |
| NET ADJUSTMENTS | 113,196 | 938,783 | 388,449 | 1,643,572 | 3,084,000 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 341,796 | \$ 66,055 | \$ 453,107 | \$ - | \$ 860,958 |

CITY OF MARQUETTE, MICHIGAN

TECHNOLOGY SERVICES FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,393,866 | \$ 1,153,520 |
| Accounts receivable | 1,822 | 1,791 |
| Due from local units | - | - |
| Inventory | - | - |
| Prepaid expense | <u>39,967</u> | <u>6,941</u> |
| TOTAL CURRENT ASSETS | <u>1,435,655</u> | <u>1,162,252</u> |
| Non-current Assets | | |
| Restricted Assets: | | |
| OPEB reserve | 8,283 | 12,648 |
| Compensated absences reserve | <u>24,465</u> | <u>18,454</u> |
| Total Restricted Assets | <u>32,748</u> | <u>31,102</u> |
| Other capital assets, net of depreciation | <u>399,761</u> | <u>227,104</u> |
| TOTAL NON-CURRENT ASSETS | <u>432,509</u> | <u>258,206</u> |
| TOTAL ASSETS | <u>1,868,164</u> | <u>1,420,458</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pension | 101,554 | 26,460 |
| Deferred outflows related to OPEB | <u>252</u> | <u>503</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>101,806</u> | <u>26,963</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Cash overdraft | - | - |
| Accounts payable | 16,501 | 39,433 |
| Accrued wages payable | 4,205 | 4,103 |
| Subscription liability - due in one year | 46,352 | - |
| Lease liability - principal due in one year | <u>91,062</u> | <u>73,337</u> |
| TOTAL CURRENT LIABILITIES | <u>158,120</u> | <u>116,873</u> |
| Non-current Liabilities: | | |
| Compensated absences | 24,465 | 18,454 |
| Subscription liability - Principal | 28,221 | - |
| Lease liability - Principal | 247,076 | 156,298 |
| Other post employment benefits (OPEB) | 8,283 | 12,648 |
| Net pension liability | <u>415,011</u> | <u>315,571</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>723,056</u> | <u>502,971</u> |
| TOTAL LIABILITIES | <u>881,176</u> | <u>619,844</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to pension | 22,745 | 23,342 |
| Deferred inflows related to OPEB | <u>4,437</u> | <u>3,773</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>27,182</u> | <u>27,115</u> |
| NET POSITION | | |
| Net investment in capital assets | (12,950) | (2,531) |
| Restricted for: | | |
| Capital outlay | - | - |
| Unrestricted | <u>1,074,562</u> | <u>802,993</u> |
| TOTAL NET POSITION | <u>\$ 1,061,612</u> | <u>\$ 800,462</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, 2023

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|-------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 5,000 | \$ 5,085 | \$ 85 | \$ 5,864 |
| Rentals | 1,208,910 | 1,206,084 | (2,826) | 1,136,292 |
| Reimbursements | 1,360 | 267 | (1,093) | 213 |
| Other revenues | - | 1,374 | 1,374 | 1,833 |
| TOTAL OPERATING REVENUES | 1,215,270 | 1,212,810 | (2,460) | 1,144,202 |
| OPERATING EXPENSES: | | | | |
| Administrative and General: | | | | |
| Personnel services | 380,720 | 370,458 | 10,262 | 309,252 |
| Supplies and contractual | 699,090 | 470,979 | 228,111 | 563,684 |
| Other supplies and charges | - | - | - | - |
| Provision for depreciation / amortization | 136,960 | 142,773 | (5,813) | 105,671 |
| Total Administrative and General | 1,216,770 | 984,210 | 232,560 | 978,607 |
| Capital outlay | - | - | - | - |
| TOTAL OPERATING EXPENSES | 1,216,770 | 984,210 | 232,560 | 978,607 |
| OPERATING INCOME (LOSS) | (1,500) | 228,600 | 230,100 | 165,595 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | 1,500 | 29,114 | 27,614 | 2,719 |
| Lease and subscriptions - interest | - | (16,214) | (16,214) | (7,060) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 1,500 | 12,900 | 11,400 | (4,341) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | - | 241,500 | 241,500 | 161,254 |
| Transfers in | - | 19,650 | 19,650 | 14,000 |
| CHANGE IN NET POSITION | - | 261,150 | 261,150 | 175,254 |
| Net position, beginning of year | 800,462 | 800,462 | - | 625,208 |
| NET POSITION, END OF YEAR | \$ 800,462 | \$ 1,061,612 | \$ 261,150 | \$ 800,462 |

CITY OF MARQUETTE, MICHIGAN
MUNICIPAL SERVICE CENTER FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2023 and 2022

| | 2023 | 2022 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 825,885 | \$ 740,168 |
| Accounts receivable | 1,450 | 1,450 |
| Due from other authorities | - | - |
| Inventory | - | - |
| Prepaid expense | 16,027 | 16,253 |
| TOTAL CURRENT ASSETS | 843,362 | 757,871 |
| Non-current Assets | | |
| Restricted Assets: | | |
| OPEB reserve | 4,139 | 6,322 |
| Compensated absences reserve | - | - |
| Total Restricted Assets | 4,139 | 6,322 |
| Land and other non-depreciable assets | 2,519,888 | 2,519,888 |
| Other capital assets, net of depreciation | 12,105,336 | 13,036,516 |
| TOTAL NON-CURRENT ASSETS | 14,629,363 | 15,562,726 |
| TOTAL ASSETS | 15,472,725 | 16,320,597 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pension | 10,598 | 5,078 |
| Deferred outflows related to OPEB | 126 | 252 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 10,724 | 5,330 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Cash overdraft | - | - |
| Accounts payable | 22,070 | 21,508 |
| Accrued wages payable | 489 | 284 |
| TOTAL CURRENT LIABILITIES | 22,559 | 21,792 |
| Non-current Liabilities: | | |
| Compensated absences | - | - |
| Other post employment benefits (OPEB) | 4,139 | 6,322 |
| Net pension liability | 148,014 | 113,115 |
| TOTAL NON-CURRENT LIABILITIES | 152,153 | 119,437 |
| TOTAL LIABILITIES | 174,712 | 141,229 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to pension | 5,045 | 26,089 |
| Deferred inflows related to OPEB | 2,219 | 1,887 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 7,264 | 27,976 |
| NET POSITION | | |
| Net investment in capital assets | 14,625,224 | 15,556,404 |
| Restricted for: | | |
| Capital outlay | - | - |
| Unrestricted | 676,249 | 600,318 |
| TOTAL NET POSITION | \$ 15,301,473 | \$ 16,156,722 |

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, 2023
With Comparative Actual Amounts for the fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|--|----------------------|-------------------------|---|-------------------------|
| | Final Budget | Actual GAAP Basis | | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Rentals | 546,690 | 561,178 | 14,488 | 520,212 |
| Reimbursements | - | 1,829 | 1,829 | 2,090 |
| Other revenues | - | - | - | 14 |
| TOTAL OPERATING REVENUES | 546,690 | 563,007 | 16,317 | 522,316 |
| OPERATING EXPENSES: | | | | |
| Administrative and General: | | | | |
| Personnel services | 60,550 | 61,887 | (1,337) | 52,839 |
| Supplies and contractual | 493,279 | 442,668 | 50,611 | 425,514 |
| Provision for depreciation | 931,180 | 931,180 | - | 931,180 |
| Total Administrative and General | <u>1,485,009</u> | <u>1,435,735</u> | <u>49,274</u> | <u>1,409,533</u> |
| Capital outlay | - | - | - | - |
| TOTAL OPERATING EXPENSES | 1,485,009 | 1,435,735 | 49,274 | 1,409,533 |
| OPERATING INCOME (LOSS) | (938,319) | (872,728) | 65,591 | (887,217) |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | - | 17,479 | 17,479 | 1,803 |
| Interest expense | - | - | - | - |
| Gain (loss) on sale of capital asset | - | - | - | - |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | - | 17,479 | 17,479 | 1,803 |
| INCOME (LOSS) BEFORE TRANSFERS | (938,319) | (855,249) | 83,070 | (885,414) |
| Transfers In | - | - | - | - |
| CHANGE IN NET POSITION | (938,319) | (855,249) | 83,070 | (885,414) |
| Net position, beginning of year | 16,156,722 | 16,156,722 | - | 17,042,136 |
| NET POSITION, END OF YEAR | \$ 15,218,403 | \$ 15,301,473 | \$ 83,070 | \$ 16,156,722 |

CITY OF MARQUETTE, MICHIGAN
MOTOR VEHICLE EQUIPMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
September 30, 2023 and 2022

| | 2023 | 2022 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 63,605 | \$ 161 |
| Accounts receivable | 210,071 | 2,697 |
| Due from local units | - | - |
| Inventory | - | - |
| Prepaid expense | 901,800 | 891,050 |
| TOTAL CURRENT ASSETS | 1,175,476 | 893,908 |
| Non-current Assets | | |
| Restricted Assets: | | |
| Equipment reserve | 1,038,047 | - |
| OPEB reserve | 79,780 | 79,953 |
| Compensated absences reserve | 52,361 | 72,976 |
| Total Restricted Assets | 1,170,188 | 152,929 |
| Other capital assets, net of depreciation | 3,071,330 | 3,275,092 |
| TOTAL NON-CURRENT ASSETS | 4,241,518 | 3,428,021 |
| TOTAL ASSETS | 5,416,994 | 4,321,929 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pension | 426,871 | 196,011 |
| Deferred outflows related to OPEB | 1,595 | 3,182 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 428,466 | 199,193 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Cash overdraft | - | 199,626 |
| Accounts payable | 38,086 | 37,183 |
| Accrued wages payable | 12,812 | 9,984 |
| TOTAL CURRENT LIABILITIES | 50,898 | 246,793 |
| Non-current Liabilities: | | |
| Compensated absences | 79,780 | 72,976 |
| Other post employment benefits (OPEB) | 52,361 | 79,953 |
| Net pension liability | 1,929,666 | 1,387,476 |
| TOTAL NON-CURRENT LIABILITIES | 2,061,807 | 1,540,405 |
| TOTAL LIABILITIES | 2,112,705 | 1,787,198 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to pension | 47,420 | 229,263 |
| Deferred inflows related to OPEB | 28,046 | 23,849 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 75,466 | 253,112 |
| NET POSITION | | |
| Net investment in capital assets | 3,071,330 | 3,275,092 |
| Restricted for: | | |
| Capital outlay | 829,081 | - |
| Unrestricted | (243,122) | (794,280) |
| TOTAL NET POSITION | \$ 3,657,289 | \$ 2,480,812 |

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, 2023
With Comparative Actual Amounts for the fiscal Year Ended September 30, 2022

| | 2023 | | Variance with Final Budget Positive (Negative) | 2022 |
|---|---------------------|------------------------|---|-------------------------|
| | Final Budget | Actual GAAP 2697 | | Actual GAAP Basis |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Sales | - | - | - | - |
| Rentals | 3,037,860 | 2,861,859 | (176,001) | 2,804,230 |
| Reimbursements | - | 210,111 | 210,111 | 67,993 |
| Other revenues | 5,000 | 31,260 | 26,260 | 28,360 |
| TOTAL OPERATING REVENUES | 3,042,860 | 3,103,230 | 60,370 | 2,900,583 |
| OPERATING EXPENSES: | | | | |
| Administrative and General: | | | | |
| Personnel services | 1,009,090 | 1,033,856 | (24,766) | 892,724 |
| Supplies and contractual | 1,880,666 | 1,516,357 | 364,309 | 1,530,339 |
| Other supplies and charges | - | - | - | - |
| Provision for depreciation | 539,160 | 488,359 | 50,801 | 452,834 |
| Total Administrative and General | 3,428,916 | 3,038,572 | 390,344 | 2,875,897 |
| Capital outlay | - | - | - | 8,585 |
| TOTAL OPERATING EXPENSES | 3,428,916 | 3,038,572 | 390,344 | 2,884,482 |
| OPERATING INCOME (LOSS) | (386,056) | 64,658 | 450,714 | 16,101 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Contributed capital | - | - | - | - |
| Investment income | 1,000 | 14,977 | 13,977 | 1,520 |
| Gain (loss) on sale of capital asset | 5,000 | 96,842 | 91,842 | 52,504 |
| | | | | 199,626 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 6,000 | 111,819 | 105,819 | 54,024 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | (380,056) | 176,477 | 556,533 | 70,125 |
| Federal grant - capital grant | - | - | - | 829,081 |
| Transfers In | 380,056 | 1,000,000 | 619,944 | - |
| CHANGE IN NET POSITION | - | 1,176,477 | 1,176,477 | 899,206 |
| Net position, beginning of year | 2,480,812 | 2,480,812 | - | 1,581,606 |
| NET POSITION, END OF YEAR | \$ 2,480,812 | \$ 3,657,289 | \$ 1,176,477 | \$ 2,480,812 |

CITY OF MARQUETTE, MICHIGAN

ENERGY ENHANCEMENTS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 90,025 | \$ 88,047 |
| Due from State | - | - |
| Accounts receivable | - | - |
| Inventory | - | - |
| Prepaid expense | - | - |
| | <u>90,025</u> | <u>88,047</u> |
| TOTAL CURRENT ASSETS | <u>90,025</u> | <u>88,047</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 | 22,599,114 | 24,242,686 |
| Construction in progress | - | - |
| | <u>22,599,114</u> | <u>24,242,686</u> |
| TOTAL NON-CURRENT ASSETS | <u>22,599,114</u> | <u>24,242,686</u> |
| TOTAL ASSETS | <u>22,689,139</u> | <u>24,330,733</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 | 896,055 | 514,076 |
| Accrued interest payable | - | - |
| | <u>896,055</u> | <u>514,076</u> |
| TOTAL CURRENT LIABILITIES | <u>896,055</u> | <u>514,076</u> |
| Non-current Liabilities: | | |
| Lease payable | 22,650,103 | 23,546,158 |
| | <u>22,650,103</u> | <u>23,546,158</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>22,650,103</u> | <u>23,546,158</u> |
| TOTAL LIABILITIES | <u>23,546,158</u> | <u>24,060,234</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | (947,044) | 182,452 |
| Restricted for: | | |
| Capital outlay | - | - |
| Unrestricted | 90,025 | 88,047 |
| | <u>90,025</u> | <u>88,047</u> |
| TOTAL NET POSITION | <u>\$ (857,019)</u> | <u>\$ 270,499</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, 2023
With Comparative Actual Amounts for the fiscal Year Ended September 30, 2022

| | 2023 | | | 2022 |
|--|--------------------|---------------------|--|--------------------|
| | 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 | - | - | - | - |
| Other revenues | - | - | - | - |
| TOTAL OPERATING REVENUES | - | - | - | - |
| OPERATING EXPENSES: | | | | |
| Administrative and General: | | | | |
| Personnel services | - | - | - | - |
| Supplies and contractual | - | - | - | - |
| Provision for depreciation | 1,643,580 | 1,643,572 | 8 | 1,643,572 |
| Other supplies and charges | - | - | - | - |
| Total Administrative and General | <u>1,643,580</u> | <u>1,643,572</u> | <u>8</u> | <u>1,643,572</u> |
| Capital outlay | - | - | - | - |
| TOTAL OPERATING EXPENSES | 1,643,580 | 1,643,572 | 8 | 1,643,572 |
| OPERATING INCOME (LOSS) | (1,643,580) | (1,643,572) | 8 | (1,643,572) |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | - | 1,979 | 1,979 | 217 |
| Interest expense | (683,310) | (683,311) | (1) | (700,313) |
| Contributions from other authorities | 142,820 | 142,815 | (5) | 154,935 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (540,490) | (538,517) | 1,973 | (545,161) |
| INCOME (LOSS) BEFORE TRANSFERS | (2,184,070) | (2,182,089) | 1,981 | (2,188,733) |
| Transfers in | <u>2,184,070</u> | <u>1,054,571</u> | <u>(1,129,499)</u> | <u>1,144,064</u> |
| CHANGE IN NET POSITION | - | (1,127,518) | (1,127,518) | (1,044,669) |
| Net position, beginning of year | <u>270,499</u> | <u>270,499</u> | <u>-</u> | <u>1,315,168</u> |
| NET POSITION, END OF YEAR | \$ 270,499 | \$ (857,019) | \$ (1,127,518) | \$ 270,499 |

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 Custodial 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.

CITY OF MARQUETTE, MICHIGAN

FIRE-POLICE RETIREMENT SYSTEM PENSION TRUST FUND

COMPARATIVE STATEMENT OF PLAN NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 817,042 | \$ 1,061,455 |
| Investments | | |
| Domestic Corporation Bonds | 3,594,537 | 3,356,782 |
| Common, Pooled Fund | 33,888,218 | 30,774,108 |
| Accounts receivable | - | - |
| Accrued interest receivable | <u>16,460</u> | <u>14,509</u> |
| TOTAL ASSETS | <u>38,316,257</u> | <u>35,206,854</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Accounts payable | <u>23,699</u> | <u>25,236</u> |
| TOTAL LIABILITIES | <u>23,699</u> | <u>25,236</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Net position restricted for pensions | <u>38,292,558</u> | <u>35,181,618</u> |
| TOTAL NET POSITION | <u>\$ 38,292,558</u> | <u>\$ 35,181,618</u> |

CITY OF MARQUETTE, MICHIGAN

CUSTODIAL FUND

COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION

September 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|--------------------------|--------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,250,059 | \$ 9,118,054 |
| Accounts receivable | - | - |
| Taxes receivable - current | 1,706,649 | 1,404,590 |
| Taxes receivable - delinquent personal | <u>35,863</u> | <u>39,961</u> |
| TOTAL ASSETS | <u>2,992,571</u> | <u>10,562,605</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Accounts payable | 508,878 | 8,851,158 |
| Due to State | 230,121 | 193,934 |
| Due to other governments | 885,045 | 745,093 |
| Due to local units | 654,135 | 524,180 |
| Other liabilities | <u>239,113</u> | <u>248,240</u> |
| TOTAL LIABILITIES | <u>2,517,292</u> | <u>10,562,605</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Restricted for: | | |
| Individuals, organizations, and other governments | <u>475,279</u> | <u>-</u> |
| TOTAL NET POSITION | <u><u>\$ 475,279</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, 2023

| | <u>Land and Improvements</u> | <u>Buildings and Improvements</u> | <u>Furniture and Equipment</u> | <u>Other</u> | <u>Totals</u> |
|---|----------------------------------|---------------------------------------|------------------------------------|-----------------------------|------------------------------|
| Governmental Capital Assets: | | | | | |
| Land | \$ 12,577,746 | \$ - | \$ - | \$ - | \$ 12,577,746 |
| Land improvements | 8,804,912 | - | - | - | 8,804,912 |
| Buildings | - | 5,838,183 | - | - | 5,838,183 |
| Building improvements | - | 7,312,517 | - | - | 7,312,517 |
| Furniture and equipment | - | - | 1,856,727 | - | 1,856,727 |
| Infrastructure | 3,748,326 | - | - | 78,832,944 | 82,581,270 |
| Construction in progress | - | - | - | 1,074,314 | 1,074,314 |
| TOTAL | <u>\$ 25,130,984</u> | <u>\$ 13,150,700</u> | <u>\$ 1,856,727</u> | <u>\$ 79,907,258</u> | <u>\$ 120,045,669</u> |
| Investments in Governmental Capital Assets From: | | | | | |
| General fund | \$ 13,902,996 | \$ 5,450,546 | \$ 1,162,080 | \$ 32,628,197 | \$ 53,143,819 |
| 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 | 6,278 | 1,955,869 |
| Authorities, Boards and Commissions | 54,000 | 811,172 | - | - | 865,172 |
| Other funds | 7,293,327 | 2,164,934 | 265,455 | 46,725,021 | 56,448,737 |
| TOTAL | <u>\$ 25,130,984</u> | <u>\$ 13,150,700</u> | <u>\$ 1,856,727</u> | <u>\$ 79,907,258</u> | <u>\$ 120,045,669</u> |

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, 2023

| Function and Activity | Balance September 30, 2022 | Additions | Deductions | Transfers | Balance September 30, 2023 |
|--|----------------------------------|---------------------|-------------|-------------|----------------------------------|
| General Government | | | | | |
| City Commission | \$ 8,999 | \$ - | \$ - | \$ - | \$ 8,999 |
| Elections | 5,001 | - | - | - | 5,001 |
| Finance department | 13,186 | - | - | - | 13,186 |
| Treasurer | 5,978 | - | - | - | 5,978 |
| Information Systems | 100,535 | - | - | - | 100,535 |
| Building and grounds | 2,777,059 | - | - | - | 2,777,059 |
| Other City Property | 4,262,628 | - | - | - | 4,262,628 |
| Total General Government | 7,173,386 | - | - | - | 7,173,386 |
| Public Safety | | | | | |
| Police Department | 303,068 | 22,434 | - | - | 325,502 |
| Fire Department | 828,081 | - | - | - | 828,081 |
| Total Public Health and Safety | 1,131,149 | 22,434 | - | - | 1,153,583 |
| Public Works | | | | | |
| City Engineer | 164,803 | - | - | - | 164,803 |
| Department of public works | 10,971,748 | 13,610 | - | - | 10,985,358 |
| Infrastructure | 74,793,335 | 1,224,701 | - | 6,563,234 | 82,581,270 |
| Cemetery | 382,473 | - | - | - | 382,473 |
| Sanitation | 14,932 | - | - | - | 14,932 |
| Parking System | 2,475,516 | - | - | - | 2,475,516 |
| Total Public Works | 88,802,807 | 1,238,311 | - | 6,563,234 | 96,604,352 |
| Other: | | | | | |
| Recreation and culture | 13,989,533 | 7,337 | - | - | 13,996,870 |
| Other | 43,164 | - | - | - | 43,164 |
| Total Other | 14,032,697 | 7,337 | - | - | 14,040,034 |
| TOTAL GOVERNMENTAL CAPITAL ASSETS | 111,140,039 | 1,268,082 | - | 6,563,234 | 118,971,355 |
| Construction in progress | 7,295,333 | 342,215 | - | (6,563,234) | 1,074,314 |
| GRAND TOTAL | \$ 118,435,372 | \$ 1,610,297 | \$ - | \$ - | \$ 120,045,669 |

CITY OF MARQUETTE, MICHIGAN

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

September 30, 2023

| 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 department | 13,186 | - | - | - | - | 13,186 | - |
| Treasurer | 5,978 | - | - | - | - | 5,978 | - |
| Information Systems | 100,535 | - | - | - | - | 100,535 | - |
| Building and grounds | 2,777,059 | 100,008 | 128,596 | 1,395,545 | 1,075,052 | 77,858 | - |
| Other City Property | 4,262,628 | 4,197,653 | 19,817 | 45,158 | - | - | - |
| Total General Government | 7,173,386 | 4,297,661 | 148,413 | 1,440,703 | 1,075,052 | 211,557 | - |
| Public Safety | | | | | | | |
| Police Department | 325,502 | - | - | - | 10,037 | 315,465 | - |
| Fire Department | 828,081 | 32,296 | 14,663 | 164,005 | 221,194 | 395,923 | - |
| Total Public Safety | 1,153,583 | 32,296 | 14,663 | 164,005 | 231,231 | 711,388 | - |
| Public Works | | | | | | | |
| City Engineer | 164,803 | - | - | - | - | 164,803 | - |
| Department of public works | 10,985,358 | 6,519,976 | 3,635,696 | 542,795 | 260,080 | 26,811 | - |
| Infrastructure | 82,581,270 | - | - | - | - | - | 82,581,270 |
| Cemetery | 382,473 | 98,002 | 233,218 | 9,048 | 42,205 | - | - |
| Sanitation | 14,932 | 14,932 | - | - | - | - | - |
| Parking System | 2,475,516 | 753,874 | 70,131 | 1,320,171 | 235,396 | 95,944 | - |
| Total Public Works | 96,604,352 | 7,386,784 | 3,939,045 | 1,872,014 | 537,681 | 287,558 | 82,581,270 |
| Other: | | | | | | | |
| Recreation and culture | 13,996,870 | 861,005 | 4,702,791 | 2,361,461 | 5,450,637 | 620,976 | - |
| Other | 43,164 | - | - | - | 17,916 | 25,248 | - |
| Total Other | 14,040,034 | 861,005 | 4,702,791 | 2,361,461 | 5,468,553 | 646,224 | - |
| TOTAL GOVERNMENTAL CAPITAL ASSETS ASSOCIATED TO FUNCTIONS | 118,971,355 | \$ 12,577,746 | \$ 8,804,912 | \$ 5,838,183 | \$ 7,312,517 | \$ 1,856,727 | \$ 82,581,270 |
| Construction in progress | 1,074,314 | | | | | | |
| GRAND TOTAL | \$ 120,045,669 | | | | | | |

**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, 2023

| WATER SUPPLY FUND | | | | | | | | | | | | | | |
|--|--|--|--|---------------------------------|--|--|--|--|--|--|--|--|--|--|
| Maturities Year Ending September 30, | State Drinking Water Revolving Fund Loan 2009 | State Drinking Water Revolving Fund Loan 2011 | State Drinking Water Revolving Fund Loan 2015 | 2007 High Street Bonds | 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 Capital Improvements Bonds |
| 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 | \$ 17,700 |
| 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 | 18,600 |
| 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 | 19,500 |
| 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 | 20,400 |
| 2028 | 30,000 | 30,000 | 20,000 | 20,120 | 68,750 | 48,450 | - | 174,870 | 129,000 | 145,000 | 65,000 | 70,000 | 65,000 | 21,300 |
| 2029 | 30,000 | 30,000 | 20,000 | - | - | 50,150 | - | 37,400 | 134,000 | - | 70,000 | 75,000 | 68,000 | 22,500 |
| 2030 | 15,058 | 30,000 | 20,000 | - | - | 51,850 | - | 39,100 | 140,000 | - | 75,000 | 75,000 | 71,000 | 23,400 |
| 2031 | - | 30,000 | 20,000 | - | - | - | - | 40,800 | 145,000 | - | - | - | 75,000 | 24,600 |
| 2032 | - | 23,908 | 20,875 | - | - | - | - | - | 151,000 | - | - | - | 78,000 | 26,100 |
| 2033 | - | - | - | - | - | - | - | - | - | - | - | - | 80,000 | 27,300 |
| 2034 | - | - | - | - | - | - | - | - | - | - | - | - | 83,000 | 27,900 |
| 2035 | - | - | - | - | - | - | - | - | - | - | - | - | 85,000 | 28,800 |
| 2036 | - | - | - | - | - | - | - | - | - | - | - | - | 88,000 | 29,700 |
| 2037 | - | - | - | - | - | - | - | - | - | - | - | - | - | 30,900 |
| 2038 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | <u>\$ 190,058</u> | <u>\$ 263,908</u> | <u>\$ 170,875</u> | <u>\$ 96,292</u> | <u>\$ 326,250</u> | <u>\$ 323,850</u> | <u>\$ 351,722</u> | <u>\$ 921,240</u> | <u>\$ 1,421,470</u> | <u>\$ 660,000</u> | <u>\$ 455,000</u> | <u>\$ 475,000</u> | <u>\$ 1,192,610</u> | <u>\$ 338,700</u> |
| Interest Rates | 3% | 3% | 3% | 2% | 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% | 2.9 - 5.0% |
| Interest Dates | April and October | April and October | April and October | April and October | February and August | April and October | May and November | May and November | May and November | May and November | May and November | May and November | May and November | May and November |
| Date of original issue | 1/11/2010 | 6/24/2010 | 9/29/2014 | 3/29/2007 | 9/13/2013 | 9/30/2014 | 9/17/2015 | 11/3/2016 | 8/23/2017 | 7/31/2018 | 11/12/2019 | 6/23/2020 | 9/1/2021 | 8/24/2022 |
| Amount of original issue * | \$ 511,058 | \$ 529,507 | \$ 330,000 | \$ 342,318 | \$ 867,500 | \$ 615,400 | \$ 1,095,447 | \$ 1,625,015 | \$ 2,959,025 | \$ 1,220,000 | \$ 620,000 | \$ 645,000 | \$ 1,423,200 | \$ 360,000 |

* Applicable to fund

CITY OF MARQUETTE, MICHIGAN

SCHEDULE OF BONDS, AND NOTES PAYABLE -
ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 2023

| SEWAGE DISPOSAL FUND | | | | | | | | | | | | | |
|--|---|--|--|--|--|--|--|--|--|--|--|--|--|
| Maturities Year Ending September 30, | State Act 94 Clean Water Assistance Loan Payable | State Revolving Fund Loan 2009 | State Revolving Fund Loan 2011 | 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 Capital Improvements Bonds |
| 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 | \$ 26,550 |
| 2025 | - | 40,000 | 40,000 | 71,400 | 117,500 | 38,985 | 142,844 | 86,250 | 155,000 | 115,000 | 60,000 | 205,675 | 27,900 |
| 2026 | - | 40,000 | 40,000 | 72,800 | 122,200 | 40,582 | 150,184 | 90,000 | 160,000 | 120,000 | 65,000 | 215,025 | 29,250 |
| 2027 | - | 40,000 | 40,000 | 75,600 | 126,900 | - | 154,418 | 93,000 | 165,000 | 125,000 | 65,000 | 153,625 | 30,600 |
| 2028 | - | 40,000 | 40,000 | 77,000 | 133,950 | - | 162,886 | 96,750 | 175,000 | 130,000 | 70,000 | 65,000 | 31,950 |
| 2029 | - | 40,000 | 40,000 | - | 138,650 | - | 37,400 | 100,500 | - | 135,000 | 75,000 | 68,000 | 33,750 |
| 2030 | - | 40,699 | 40,000 | - | 143,350 | - | 39,100 | 105,000 | - | 140,000 | 75,000 | 71,000 | 35,100 |
| 2031 | - | - | 46,785 | - | - | - | 40,800 | 108,750 | - | - | - | 75,000 | 36,900 |
| 2032 | - | - | - | - | - | - | - | 113,250 | - | - | - | 78,000 | 39,150 |
| 2033 | - | - | - | - | - | - | - | - | - | - | - | 80,000 | 40,950 |
| 2034 | - | - | - | - | - | - | - | - | - | - | - | 83,000 | 41,850 |
| 2035 | - | - | - | - | - | - | - | - | - | - | - | 85,000 | 43,200 |
| 2036 | - | - | - | - | - | - | - | - | - | - | - | 88,000 | 44,550 |
| 2037 | - | - | - | - | - | - | - | - | - | - | - | - | 46,350 |
| 2038 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | <u>\$ 210,000</u> | <u>\$ 280,699</u> | <u>\$ 321,785</u> | <u>\$ 365,400</u> | <u>\$ 895,350</u> | <u>\$ 117,752</u> | <u>\$ 866,242</u> | <u>\$ 1,003,800</u> | <u>\$ 800,000</u> | <u>\$ 880,000</u> | <u>\$ 470,000</u> | <u>\$ 1,464,650</u> | <u>\$ 508,050</u> |
| Interest Rates | 2% | 3% | 3% | 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% | 2.9 - 5.0% |
| Interest Dates | April and October | April and October | April and October | February and August | April and October | May and November | May and November | May and November | May and November | May and November | May and November | May and November | May and November |
| Date of original | 3/9/2004 | 1/11/2010 | 6/24/2010 | 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 | 8/24/2022 |
| Amount of original issue * | \$ 3,470,000 | \$ 695,699 | \$ 706,785 | \$ 971,600 | \$ 1,701,400 | \$ 363,507 | \$ 1,525,612 | \$ 1,927,500 | \$ 1,465,000 | \$ 1,200,000 | \$ 635,000 | \$ 1,834,100 | \$ 540,000 |

* Applicable to fund

CITY OF MARQUETTE, MICHIGAN

SCHEDULE OF BONDS, AND NOTES PAYABLE -
ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 2023

| Maturities Year Ending September 30, | STORMWATER UTILITY FUND | | | | | | | | | | LAKESHORE AND LIGHTHOUSE PARK FUND | MARINAS FUND |
|--|---------------------------------|--|--|--|--|----------------------|--|--|--|--|--|--|
| | 2007 High Street 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 | 2022 Capital Improvements Bonds | 2018 Building Authority Bonds | 2019 Capital Improvements Bonds |
| 2024 | \$ 6,684 | \$ 39,200 | \$ 8,933 | \$ 138,025 | \$ 111,610 | \$ 135,000 | \$ 85,000 | \$ 125,000 | \$ 150,225 | \$ 156,350 | \$ 105,000 | \$ 75,000 |
| 2025 | 6,798 | 40,800 | 9,083 | 142,190 | 86,250 | 140,000 | 85,000 | 130,000 | 156,375 | 164,300 | 105,000 | 80,000 |
| 2026 | 6,912 | 41,600 | 9,394 | 149,515 | 90,000 | 145,000 | 90,000 | 135,000 | 163,925 | 172,250 | 110,000 | 85,000 |
| 2027 | 7,026 | 43,200 | - | 153,680 | 93,000 | 150,000 | 95,000 | 140,000 | 129,575 | 180,200 | 115,000 | 85,000 |
| 2028 | 7,244 | 44,000 | - | 162,010 | 96,750 | 160,000 | 100,000 | 145,000 | 91,000 | 188,150 | 120,000 | 90,000 |
| 2029 | - | - | - | 50,600 | 100,500 | - | 105,000 | 150,000 | 95,200 | 198,750 | - | 95,000 |
| 2030 | - | - | - | 52,900 | 105,000 | - | 105,000 | 160,000 | 99,400 | 206,700 | - | 95,000 |
| 2031 | - | - | - | 55,200 | 108,750 | - | - | - | 105,000 | 217,300 | - | - |
| 2032 | - | - | - | - | 113,250 | - | - | - | 109,200 | 230,550 | - | - |
| 2033 | - | - | - | - | - | - | - | - | 112,000 | 241,150 | - | - |
| 2034 | - | - | - | - | - | - | - | - | 116,200 | 246,450 | - | - |
| 2035 | - | - | - | - | - | - | - | - | 119,000 | 254,400 | - | - |
| 2036 | - | - | - | - | - | - | - | - | 123,200 | 262,350 | - | - |
| 2037 | - | - | - | - | - | - | - | - | - | 272,950 | - | - |
| 2038 | - | - | - | - | - | - | - | - | - | - | - | - |
| | <u>\$ 34,664</u> | <u>\$ 208,800</u> | <u>\$ 27,410</u> | <u>\$ 904,120</u> | <u>\$ 905,110</u> | <u>\$ 730,000</u> | <u>\$ 665,000</u> | <u>\$ 985,000</u> | <u>\$ 1,570,300</u> | <u>\$ 2,991,850</u> | <u>\$ 555,000</u> | <u>\$ 605,000</u> |
| Interest Rates | 2% | 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% | 2.9 - 5.0% | 2.65 - 3.81% | 3.0 - 4.0% |
| Interest Dates | April and October | 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 | May and November |
| Date of original issue | 3/29/2007 | 9/13/2013 | 9/17/2015 | 11/3/2016 | 8/23/2017 | 7/31/2018 | 11/12/2019 | 6/23/2020 | 9/1/2021 | 8/24/2022 | 7/31/2018 | 11/12/2019 |
| Amount of original issue * | \$ 123,234 | \$ 555,200 | \$ 78,809 | \$ 1,579,945 | \$ 1,465,325 | \$ 1,350,000 | \$ 895,000 | \$ 1,340,000 | \$ 1,852,550 | \$ 3,180,000 | \$ 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, 2023 and 2022

| | 2023 | 2022 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 8,707,100 | \$ 7,719,813 |
| Internally designated assets: | | |
| Customer electric rate stabilization fund | 25,000 | 1,500,000 |
| 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 | 7,508,442 | 7,628,287 |
| Debt service fund | 5,400,000 | 5,400,000 |
| Asset retirement obligation and environmental liability remediation fund | 1,800,000 | 1,800,000 |
| Replacement-risk retention fund | 4,550,000 | 4,550,000 |
| Improvement fund | 25,439,173 | 24,121,626 |
| Future generation fund | - | - |
| Accrued interest | 363,077 | 86,946 |
| Accounts receivable, net | 4,312,616 | 4,935,693 |
| Accrued interest receivable | - | - |
| Inventory | 3,749,696 | 2,156,039 |
| Prepaid expenses | 317,444 | 543,383 |
| | <u>65,172,548</u> | <u>63,441,787</u> |
| TOTAL CURRENT ASSETS | | |
| Non-current Assets: | | |
| Restricted Assets: | | |
| Unspent 2016A bond proceeds | - | - |
| Bond and interest redemption fund | 1,950,770 | 1,810,703 |
| Bond reserve fund | 5,455,493 | 5,461,865 |
| Customer deposits | 1,948,693 | 1,915,154 |
| Retiree health funding vehicle fund (Net OPEB asset) | - | - |
| Pinehill landfill fund | - | - |
| Asset retirement fund | 263,832 | 263,832 |
| Energy optimization fund | 392,096 | 402,758 |
| Accrued interest | 28,998 | 18,695 |
| | <u>10,039,882</u> | <u>9,873,007</u> |
| TOTAL RESTRICTED ASSETS | | |
| Investment in UPPPA | 6,103,959 | 5,794,916 |
| Property, plant, and equipment | 149,601,442 | 141,503,618 |
| Accumulated depreciation | <u>(54,083,936)</u> | <u>(49,156,084)</u> |
| | <u>111,661,347</u> | <u>108,015,457</u> |
| TOTAL NON-CURRENT ASSETS | | |
| | <u>176,833,895</u> | <u>171,457,244</u> |
| TOTAL ASSETS | | |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pension | 3,822,389 | 1,486,978 |
| Deferred outflows related to OPEB | 1,750,664 | 1,427,380 |
| Employer contributions subsequent to measurement | 1,349,994 | 1,350,011 |
| Deferred charge on refunding | - | - |
| | <u>6,923,047</u> | <u>4,264,369</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | | |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | 4,205,678 | 2,384,637 |
| Accrued liabilities | 324,562 | 264,397 |
| Compensated absences | 1,209,126 | 1,277,442 |
| Customer deposits payable | 1,955,418 | 1,922,911 |
| Other current liabilities | 410,716 | 419,758 |
| | <u>8,105,500</u> | <u>6,269,145</u> |
| TOTAL CURRENT LIABILITIES | | |
| Current Liabilities (payable from restricted assets): | | |
| Current maturities on bonds and capital lease | 3,040,000 | 2,895,000 |
| Revenue bond accrued interest payable | 596,365 | 632,553 |
| | <u>3,636,365</u> | <u>3,527,553</u> |
| TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS) | | |
| Non-current Liabilities: | | |
| Net pension liability | 12,234,910 | 6,469,609 |
| Net OPEB liability | 2,735,433 | 3,785,841 |
| Bonds payable | 50,540,000 | 53,580,000 |
| Unamortized bond premium | 4,720,486 | 5,491,777 |
| Reserve for equipment overhaul and landfill postclosure costs | 94,460 | 78,517 |
| | <u>70,325,289</u> | <u>69,405,744</u> |
| TOTAL NON-CURRENT LIABILITIES | | |
| | <u>82,067,154</u> | <u>79,202,442</u> |
| TOTAL LIABILITIES | | |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to OPEB | 1,997,309 | 1,493,208 |
| Deferred inflows related to pension | - | 2,912,416 |
| | <u>1,997,309</u> | <u>4,405,624</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | | |
| NET POSITION | | |
| Net investment in capital assets | 37,217,020 | 30,380,757 |
| Restricted for: | | |
| Other activities | 10,039,882 | 9,873,007 |
| Unrestricted | <u>52,435,577</u> | <u>51,859,783</u> |
| | <u>\$ 99,692,479</u> | <u>\$ 92,113,547</u> |
| TOTAL NET POSITION | | |

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, 2023

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| OPERATING REVENUES: | | |
| Electricity Sales: | | |
| Residential | \$ 16,815,090 | \$ 17,181,626 |
| Commercial | 27,151,627 | 27,175,313 |
| Sales to other utilities | 234,647 | 461,027 |
| Street lighting | 469,485 | 527,058 |
| Rent and other | <u>570,589</u> | <u>559,798</u> |
| TOTAL OPERATING REVENUES | <u>45,241,438</u> | <u>45,904,822</u> |
| OPERATING EXPENSES: | | |
| Administrative and general | 4,576,056 | 3,185,912 |
| Production | 16,556,389 | 14,111,510 |
| Purchased power | 4,763,194 | 7,440,727 |
| Distribution and transmission | 4,124,682 | 4,120,178 |
| Customer accounting | 842,228 | 895,595 |
| Payment in lieu of property taxes - City of Marquette | 2,413,642 | 2,450,980 |
| Provision for depreciation | <u>5,506,806</u> | <u>5,567,553</u> |
| TOTAL OPERATING EXPENSES | <u>38,782,997</u> | <u>37,772,455</u> |
| INCOME/(LOSS) FROM OPERATIONS | <u>6,458,441</u> | <u>8,132,367</u> |
| NON-OPERATING REVENUES (EXPENSES): | | |
| Investment income | 2,453,506 | 539,253 |
| Amortization of bond premium | - | - |
| Interest on long term debt | (1,722,734) | (1,825,562) |
| Bond issuance expense | - | - |
| Gain on sale of treasury note | - | - |
| Gain (Loss) on disposal of equipment | 51,887 | (46,261) |
| Other income | <u>235,512</u> | <u>217,419</u> |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>1,018,171</u> | <u>(1,115,151)</u> |
| CHANGE IN NET POSITION BEFORE SPECIAL ITEM | 7,476,612 | 7,017,216 |
| Special items | <u>-</u> | <u>1,884,829</u> |
| CHANGE IN NET POSITION AFTER SPECIAL ITEM | 7,476,612 | 8,902,045 |
| Capital contributions from customers | <u>102,320</u> | <u>332,275</u> |
| CHANGE IN NET POSITION | 7,578,932 | 9,234,320 |
| Net position, beginning of year | <u>92,113,547</u> | <u>82,879,227</u> |
| NET POSITION, END OF YEAR | <u>\$ 99,692,479</u> | <u>\$ 92,113,547</u> |

CITY OF MARQUETTE, MICHIGAN

BOARD OF LIGHT AND POWER ELECTRIC UTILITY

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2023

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 46,084,483 | \$ 45,242,352 |
| Cash paid to suppliers and employees | <u>(33,128,167)</u> | <u>(36,592,060)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>12,956,316</u> | <u>8,650,292</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition and construction of capital assets | (8,680,495) | (4,918,352) |
| Proceeds from sale of equipment | 55,605 | 97,896 |
| Principal payment on revenue bonds, notes payable and capital lease obligations | (2,895,000) | (2,760,000) |
| Capital contributions | 102,320 | 332,275 |
| Proceeds from issuance of long term debt | - | - |
| Premium on bond issuance | - | - |
| Cash payments for bond issuance expense | - | - |
| Income from special items | - | 1,884,828 |
| Interest paid on revenue bonds and notes payable | <u>(2,530,213)</u> | <u>(2,668,212)</u> |
| NET CASH (USED) FOR CAPITAL AND FINANCING ACTIVITIES | <u>(13,947,783)</u> | <u>(8,031,565)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Investment income | 1,842,542 | 772,472 |
| Proceeds from maturities and sales of investment securities | 22,100,492 | 22,851,477 |
| Purchase of investments | <u>(21,964,280)</u> | <u>(23,001,103)</u> |
| NET CASH (USED) BY INVESTING ACTIVITIES | <u>1,978,754</u> | <u>622,846</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 987,287 | 1,241,573 |
| Cash and cash equivalents, beginning of year | <u>7,719,813</u> | <u>6,478,240</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 8,707,100</u> | <u>\$ 7,719,813</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | <u>\$ 6,693,953</u> | <u>\$ 8,349,786</u> |
| Operating income | | |
| Adjustments to reconcile income to net cash provided by operating activities: | | |
| Depreciation | 5,506,806 | 5,567,553 |
| Changes in assets and liabilities: | | |
| (Increase)/Decrease in accounts receivable | 623,077 | (1,197,795) |
| (Increase)/Decrease in inventory | (1,593,657) | (100,916) |
| (Increase)/Decrease in prepaid expenses | 225,939 | (43,838) |
| Increase/(Decrease) in accounts payable | 1,821,041 | (33,222) |
| Increase/(Decrease) in accrued wages and related liabilities | 60,165 | (24,662) |
| Increase/(Decrease) in accrued sick and vacation | (68,316) | 19,596 |
| Increase in customer deposits, including accrued interest | 32,507 | 46,205 |
| (Decrease) in landfill site postclosure care cost liability | - | - |
| Increase/(Decrease) in other post-employment benefits (OPEB), and net pension liability | (352,100) | (1,731,325) |
| Increase in reserve for turbine overhaul and landfill postclosure costs | 15,943 | (17,167) |
| Increase/(Decrease) in other current liabilities | <u>(9,042)</u> | <u>(2,183,923)</u> |
| NET ADJUSTMENTS | <u>6,262,363</u> | <u>300,506</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 12,956,316</u> | <u>\$ 8,650,292</u> |

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
September 30, 2023

| | Governmental Activities |
|--|----------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 9,750,644 |
| Taxes receivable, net | 94,106 |
| Accounts receivable, net | 82 |
| Due from State | 5,732 |
| Due from primary government | - |
| Other assets | 1,112 |
| TOTAL CURRENT ASSETS | 9,851,676 |
| Non-current assets: | |
| Other capital assets, net of depreciation | 610,125 |
| TOTAL NON-CURRENT ASSETS | 610,125 |
| TOTAL ASSETS | 10,461,801 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Receivables for developer obligations | 72,246,832 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 72,246,832 |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 24,700 |
| Accrued liabilities | 766 |
| Accrued interest | 648,594 |
| Due to primary government | - |
| Bonds payable for capital assets- due in one year | 90,000 |
| Bonds payable for developer - due in one year | 980,000 |
| TOTAL CURRENT LIABILITIES | 1,744,060 |
| Non-current liabilities: | |
| Bonds payable for capital assets - due in more than one year | 450,000 |
| Bonds payable for developer - due in more than one year | 35,304,102 |
| Long term obligations to developers | 34,774,136 |
| TOTAL NON-CURRENT LIABILITIES | 70,528,238 |
| TOTAL LIABILITIES | 72,272,298 |
| DEFERRED INFLOWS OF RESOURCES | |
| Taxes levied for a subsequent period | 4,739,557 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 4,739,557 |
| NET POSITION | |
| Net investment in capital assets | 70,125 |
| Restricted | 5,626,653 |
| TOTAL NET POSITION | \$ 5,696,778 |

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

| Function / Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|--------------------------------------|-------------------------|---------------------------------|---|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | |
| Governmental Activities: | | | | |
| General government | \$ 3,215,864 | \$ - | \$ 44,128 | \$ (3,171,736) |
| Interest on long-term debt | 1,166,584 | - | - | (1,166,584) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 4,382,448 | \$ - | \$ 44,128 | (4,338,320) |
| General revenues: | | | | |
| Property taxes | | | | 2,934,506 |
| Interest and investment earnings | | | | 103,123 |
| Miscellaneous | | | | 253 |
| | | | Total General Revenues | 3,037,882 |
| | | | CHANGE IN NET POSITION | (1,300,438) |
| | | | Net position, beginning of year | 6,997,216 |
| | | | NET POSITION, END OF YEAR | \$ 5,696,778 |

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
COMPARATIVE BALANCE SHEET
September 30, 2023 and 2022

| | 2023 | 2022 |
|---|---------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 9,750,644 | \$ 10,551,210 |
| Taxes receivable, net | 94,106 | 124,057 |
| Accounts receivable, net | 82 | - |
| Due from State | 5,732 | |
| Other assets | 1,112 | 1,115 |
| TOTAL ASSETS | 9,851,676 | 10,676,382 |
| DEFERRED OUTFLOWS OF RESOURCES | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 9,851,676 | \$ 10,676,382 |
| LIABILITIES | | |
| Accounts payable | \$ 24,700 | \$ 7,838 |
| Accrued salaries and wages | 766 | 766 |
| Due to primary government | - | - |
| TOTAL LIABILITIES | 25,466 | 8,604 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Taxes levied for a subsequent period | 4,739,557 | 4,393,309 |
| FUND BALANCE | | |
| Restricted | 5,062,300 | 6,256,945 |
| Unassigned | 24,353 | 17,524 |
| TOTAL FUND BALANCE | 5,086,653 | 6,274,469 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 9,851,676 | \$ 10,676,382 |

CITY OF MARQUETTE, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

Total Fund Balances for Governmental Funds \$ 5,086,653

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>(675,732)</u> | 610,125 |

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

| | |
|---------------------------------------|------------|
| | 72,246,832 |
| Receivables for developer obligations | |

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

| | | |
|---|---------------------|---------------------|
| | (90,000) | |
| Current portion of bonds payable for capital assets | | |
| Current portion of bonds payable for developer | (980,000) | |
| Accrued interest on bonds | (648,594) | |
| Bonds payable for capital assets | (450,000) | |
| Bonds payable for developer | (35,304,102) | |
| Long term obligations to developers | <u>(34,774,136)</u> | <u>(72,246,832)</u> |

| | |
|--|---------------------|
| | <u>\$ 5,696,778</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | |

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, 2023
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2022

| | 2023 | 2022 |
|---------------------------------------|---|---------------------|
| REVENUES | | |
| Property taxes | \$ 6,214,343 | \$ 5,597,288 |
| State sources | 44,128 | - |
| Private contribution | - | 32,500 |
| Investment income | 103,123 | 14,126 |
| Other | 253 | - |
| | TOTAL REVENUES | 5,643,914 |
| EXPENDITURES | | |
| Current operations: | | |
| General government | 39,889 | 40,118 |
| Economic development: | | |
| Supplies and contractual | 5,195,009 | 7,843,522 |
| Capital outlay | - | - |
| Debt service | | |
| Principal retirement | 990,000 | 945,000 |
| Interest and fiscal charges | 1,324,765 | 1,383,749 |
| | TOTAL EXPENDITURES | 10,212,389 |
| | NET REVENUES OVER EXPENDITURES | (4,568,475) |
| OTHER FINANCING SOURCES (USES) | | |
| Bond issuance | - | 6,000,000 |
| Premium on bond issuance | - | 438,277 |
| | TOTAL OTHER FINANCING SOURCES (USES) | 6,438,277 |
| | NET CHANGE IN FUND BALANCE | 1,869,802 |
| Fund balance, beginning of year | 6,274,469 | 4,404,667 |
| | FUND BALANCE, END OF YEAR | \$ 6,274,469 |

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (1,187,816)

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) |

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental fund, an interest expenditure is reported when due. 14,919

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

Premiums on bonds are an other financing source in the fund when first issued, but these amounts are amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt. 143,262

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. -

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 990,000

Payment of long-term obligations to developers is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,131,656

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. (3,279,837)

| | |
|--|-----------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ (1,300,438) |
|--|-----------------------|

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
September 30, 2023

| | Downtown Development Authority | Peter White Public Library | Total |
|---|---|---|---------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,769,413 | \$ 1,435,707 | \$ 3,205,120 |
| Taxes receivable, net | 108,506 | 67,869 | 176,375 |
| Accounts receivable, net | 44,118 | 16,566 | 60,684 |
| Due from Federal | - | - | - |
| Lease receivable | - | 26,800 | 26,800 |
| Other assets | - | 61,344 | 61,344 |
| TOTAL CURRENT ASSETS | 1,922,037 | 1,608,286 | 3,530,323 |
| Non-current assets: | | | |
| Restricted cash and cash equivalents | - | 2,075,099 | 2,075,099 |
| Land and construction in progress | - | 114,704 | 114,704 |
| Lease receivable | - | 30,416 | 30,416 |
| Other capital assets, net of depreciation | 3,077,466 | 6,781,820 | 9,859,286 |
| TOTAL NON-CURRENT ASSETS | 3,077,466 | 9,002,039 | 12,079,505 |
| TOTAL ASSETS | 4,999,503 | 10,610,325 | 15,609,828 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pension | - | 277,893 | 277,893 |
| Employer contributions subsequent to measurement date | - | 64,968 | 64,968 |
| Receivables for developer obligations | - | - | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | - | 342,861 | 342,861 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 10,991 | 16,266 | 27,257 |
| Accrued liabilities | 10,742 | 70,874 | 81,616 |
| Accrued interest | 1,335 | - | 1,335 |
| Due to others | - | 7,234 | 7,234 |
| Grants received in advance | - | - | - |
| Compensated absences | 30,844 | - | 30,844 |
| Bonds payable - due in one year | 130,000 | 235,000 | 365,000 |
| Lease payable - due in one year | 1,502 | 3,211 | 4,713 |
| TOTAL CURRENT LIABILITIES | 185,414 | 332,585 | 517,999 |
| Non-current liabilities: | | | |
| Compensated absences | - | 67,840 | 67,840 |
| Net pension liability | - | 1,182,325 | 1,182,325 |
| Bonds payable | 524,000 | 2,754,620 | 3,278,620 |
| Lease payable | 5,962 | 23 | 5,985 |
| TOTAL NON-CURRENT LIABILITIES | 529,962 | 4,004,808 | 4,534,770 |
| TOTAL LIABILITIES | 715,376 | 4,337,393 | 5,052,769 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to leases | - | 53,904 | 53,904 |
| Deferred inflows related to pension | - | 60,403 | 60,403 |
| Taxes levied for a subsequent period | 792,666 | 965,982 | 1,758,648 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 792,666 | 1,080,289 | 1,872,955 |
| NET POSITION | | | |
| Net investment in capital assets | 2,416,002 | 3,903,670 | 6,319,672 |
| Restricted | - | 1,962,433 | 1,962,433 |
| Unrestricted | 1,075,459 | (330,599) | 744,860 |
| TOTAL NET POSITION | \$ 3,491,461 | \$ 5,535,504 | \$ 9,026,965 |

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

| 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 | \$ 1,596,015 | \$ 653,858 | \$ 75,000 | \$ (867,157) | \$ - | \$ (867,157) |
| Peter White Public Library | <u>2,729,787</u> | <u>172,351</u> | <u>1,361,513</u> | <u>-</u> | <u>(1,195,923)</u> | <u>(1,195,923)</u> |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 4,325,802</u> | <u>\$ 826,209</u> | <u>\$ 1,436,513</u> | <u>(867,157)</u> | <u>(1,195,923)</u> | <u>(2,063,080)</u> |
| General revenues: | | | | | | |
| Property taxes | | | | 1,054,389 | 1,240,334 | 2,294,723 |
| Interest and investment earnings | | | | 8,405 | 27,184 | 35,589 |
| Gain on the sale of capital assets | | | | - | - | - |
| Miscellaneous | | | | <u>115,603</u> | <u>36,662</u> | <u>152,265</u> |
| Total General Revenues | | | | <u>1,178,397</u> | <u>1,304,180</u> | <u>2,482,577</u> |
| CHANGE IN NET POSITION | | | | 311,240 | 108,257 | 419,497 |
| Net position, beginning of year, as restated | | | | <u>3,180,221</u> | <u>5,427,247</u> | <u>8,607,468</u> |
| NET POSITION, END OF YEAR | | | | <u>\$ 3,491,461</u> | <u>\$ 5,535,504</u> | <u>\$ 9,026,965</u> |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

September 30, 2023

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 1,769,413 |
| Taxes receivable, net | 108,506 |
| Accounts receivable, net | 44,118 |
| Due from Federal government | - |
| Due from primary government | - |
| Other assets | <u>-</u> |
| TOTAL CURRENT ASSETS | <u>1,922,037</u> |
| Non-current assets: | |
| Land and construction in progress | - |
| Other capital assets, net of depreciation | <u>3,077,466</u> |
| TOTAL NON-CURRENT ASSETS | <u>3,077,466</u> |
| TOTAL ASSETS | <u>4,999,503</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 10,991 |
| Accrued liabilities | 10,742 |
| Accrued interest | 1,335 |
| Grants received in advance | - |
| Compensated absences | 30,844 |
| Bonds payable - due in one year | 130,000 |
| Lease payable - due in one year | <u>1,502</u> |
| TOTAL CURRENT LIABILITIES | <u>185,414</u> |
| Non-current liabilities: | |
| Bonds payable - due in more than one year | 524,000 |
| Lease payable - due in more than one year | <u>5,962</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>529,962</u> |
| TOTAL LIABILITIES | <u>715,376</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Taxes levied for a subsequent period | <u>792,666</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>792,666</u> |
| NET POSITION | |
| Net investment in capital assets | 2,416,002 |
| Restricted | - |
| Unrestricted | <u>1,075,459</u> |
| TOTAL NET POSITION | <u><u>\$ 3,491,461</u></u> |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2023

| Function / Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|--------------------------------------|---------------------|------------------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental Activities: | | | | |
| General government | \$ 1,577,076 | \$ 653,858 | \$ 75,000 | \$ (848,218) |
| Interest on long-term debt | 18,939 | - | - | (18,939) |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 1,596,015</u> | <u>\$ 653,858</u> | <u>\$ 75,000</u> | <u>(867,157)</u> |
| | | | | |
| | | General revenues: | | |
| | | Property taxes | | 1,054,389 |
| | | Interest and investment earnings | | 8,405 |
| | | Gain on the sale of capital assets | | - |
| | | Miscellaneous | | <u>115,603</u> |
| | | Total General Revenues | | <u>1,178,397</u> |
| | | CHANGE IN NET POSITION | | 311,240 |
| | | Net position, beginning of year | | <u>3,180,221</u> |
| | | NET POSITION, END OF YEAR | | <u>\$ 3,491,461</u> |

CITY OF MARQUETTE, MICHIGAN
NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2023

| | General Fund | Total Governmental Funds |
|---|-------------------------|---|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,769,413 | \$ 1,769,413 |
| Taxes receivable, net | 108,506 | 108,506 |
| Accounts receivable, net | 44,118 | 44,118 |
| Grants receivable, net | - | - |
| Other assets | - | - |
| | 1,922,037 | 1,922,037 |
| TOTAL ASSETS | 1,922,037 | 1,922,037 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,922,037 | \$ 1,922,037 |
| LIABILITIES | | |
| Accounts payable | \$ 10,991 | \$ 10,991 |
| Accrued salaries and wages | 10,742 | 10,742 |
| Grants received in advance | - | - |
| | 21,733 | 21,733 |
| TOTAL LIABILITIES | 21,733 | 21,733 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Taxes levied for a subsequent period | 792,666 | 792,666 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 792,666 | 792,666 |
| FUND BALANCE | | |
| Restricted | - | - |
| Unassigned | 1,107,638 | 1,107,638 |
| TOTAL FUND BALANCE | 1,107,638 | 1,107,638 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 1,922,037 | \$ 1,922,037 |

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, 2023

Total Fund Balances for Governmental Funds \$ 1,107,638

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

| | | |
|--------------------------|--------------------|-----------|
| | 6,352,703 | |
| Cost of capital assets | | |
| Accumulated depreciation | <u>(3,275,237)</u> | 3,077,466 |

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

| | | |
|----------------------------------|----------------|--|
| | (130,000) | |
| Current portion of bonds payable | | |
| Bonds payable | (524,000) | |
| Current portion of lease payable | (1,502) | |
| Lease payable | (5,962) | |
| Compensated absences | (30,844) | |
| Accrued interest on bonds | <u>(1,335)</u> | |

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 3,491,461**

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, 2023

| | General Fund | Total Governmental Funds |
|---|-------------------------|---|
| REVENUES | | |
| Property taxes | \$ 1,054,389 | \$ 1,054,389 |
| Federal sources | - | - |
| State sources | 75,000 | 75,000 |
| Intergovernmental revenues | - | - |
| Charges for services | 606,140 | 606,140 |
| Rentals | 47,718 | 47,718 |
| Investment income | 8,405 | 8,405 |
| Other | 115,603 | 115,603 |
| | 1,907,255 | 1,907,255 |
| TOTAL REVENUES | 1,907,255 | 1,907,255 |
| EXPENDITURES | | |
| Current operations: | | |
| General government | 1,208,871 | 1,208,871 |
| Capital outlay | 357,529 | 357,529 |
| Debt service | | |
| Principal retirement | 127,512 | 127,512 |
| Interest and fiscal charges | 19,199 | 19,199 |
| | 1,713,111 | 1,713,111 |
| TOTAL EXPENDITURES | 1,713,111 | 1,713,111 |
| NET REVENUES OVER EXPENDITURES | 194,144 | 194,144 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | - | - |
| Transfers (out) | - | - |
| Bond issuance | - | - |
| Proceeds from borrowing | 7,976 | 7,976 |
| Refunding bonds | - | - |
| Payment to refunded bond escrow agent | - | - |
| | 7,976 | 7,976 |
| TOTAL OTHER FINANCING SOURCES (USES) | 7,976 | 7,976 |
| NET CHANGE IN FUND BALANCE | 202,120 | 202,120 |
| Fund balance, beginning of year | 905,518 | 905,518 |
| FUND BALANCE, END OF YEAR | \$ 1,107,638 | \$ 1,107,638 |

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 202,120

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 capital outlays exceeded depreciation in the current period.

| | | | |
|--|-----------------------------|------------|-------|
| | Capital outlays | \$ 267,915 | |
| | Depreciation expense | (259,680) | |
| | Net book value of disposals | <u>-</u> | 8,235 |

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 (7,976)

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. 260

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.

| | | | |
|--|--------|--|---------|
| | Bonds | | 127,000 |
| | Leases | | 512 |

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

| | | | |
|--|----------------------|--|-----------------|
| | Compensated absences | | <u>(18,911)</u> |
|--|----------------------|--|-----------------|

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 311,240

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

STATEMENT OF NET POSITION

September 30, 2023

| | Primary Government |
|---|----------------------------|
| | Governmental Activities |
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 1,435,707 |
| Taxes receivable, net | 67,869 |
| Accounts receivable, net | 16,566 |
| Prepaid expenses | 61,344 |
| Lease receivable | 26,800 |
| Non-current assets: | |
| Restricted cash and cash equivalents | 2,075,099 |
| Lease receivable | 30,416 |
| Land and construction in progress | 114,704 |
| Other capital assets, net of depreciation | 6,781,820 |
| | <hr/> |
| TOTAL ASSETS | 10,610,325 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pension | 277,893 |
| Employer contributions subsequent to measurement date | 64,968 |
| | <hr/> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 342,861 |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 16,266 |
| Accrued liabilities | 70,874 |
| Due to others | 7,234 |
| Non-current liabilities: | |
| Due or payable within one year | |
| Bonds payable | 235,000 |
| Lease payable | 3,211 |
| Due or payable after one year | |
| Bonds payable | 2,754,620 |
| Lease payable | 23 |
| Compensated absences | 67,840 |
| Net pension liability | 1,182,325 |
| | <hr/> |
| TOTAL LIABILITIES | 4,337,393 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to leases | 53,904 |
| Deferred inflows related to pension | 60,403 |
| Taxes levied for a subsequent period | 965,982 |
| | <hr/> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,080,289 |
| NET POSITION | |
| Net investment in capital assets | 3,903,670 |
| Restricted for: | |
| Debt services | 186,001 |
| Other activities | 1,776,432 |
| Unrestricted | (330,599) |
| | <hr/> |
| TOTAL NET POSITION | \$ 5,535,504 |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2023

| 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 | \$ 2,633,598 | \$ 172,351 | \$ 1,361,513 | \$ (1,099,734) |
| Interest on long-term debt | 96,189 | - | - | (96,189) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 2,729,787 | \$ 172,351 | \$ 1,361,513 | (1,195,923) |
| General revenues: | | | | |
| | | | | |
| | | | | 1,240,334 |
| | | | | 27,184 |
| | | | | - |
| | | | | 36,662 |
| | | | Total General Revenues | 1,304,180 |
| | | | CHANGE IN NET POSITION | 108,257 |
| | | | Net position, beginning of year, as restated | 5,427,247 |
| | | | NET POSITION, END OF YEAR | \$ 5,535,504 |

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2023

| | 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 | \$ 1,074,498 | \$ 96,848 | \$ 360,011 | \$ 177,119 | \$ 1,708,476 |
| Investments | 361,209 | 734,839 | - | 706,282 | 1,802,330 |
| Taxes receivable, net | 56,058 | - | 11,811 | - | 67,869 |
| Accounts receivable, net | 16,566 | - | - | - | 16,566 |
| Prepaid expenditures | 61,344 | - | - | - | 61,344 |
| TOTAL ASSETS | <u>1,569,675</u> | <u>831,687</u> | <u>371,822</u> | <u>883,401</u> | <u>3,656,585</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| | - | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 1,569,675</u> | <u>\$ 831,687</u> | <u>\$ 371,822</u> | <u>\$ 883,401</u> | <u>\$ 3,656,585</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 16,266 | \$ - | \$ - | \$ - | \$ 16,266 |
| Accrued salaries and wages | 20,724 | - | - | - | 20,724 |
| Due to others | 6,522 | - | 712 | - | 7,234 |
| TOTAL LIABILITIES | <u>43,512</u> | <u>-</u> | <u>712</u> | <u>-</u> | <u>44,224</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Taxes levied for a subsequent period | 780,873 | - | 185,109 | - | 965,982 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>780,873</u> | <u>-</u> | <u>185,109</u> | <u>-</u> | <u>965,982</u> |
| FUND BALANCE | | | | | |
| Non-spendable | 61,344 | - | - | - | 61,344 |
| Restricted for: | | | | | |
| Capital outlay | - | - | - | - | - |
| Debt retirement | - | - | 186,001 | - | 186,001 |
| Endowments | - | 831,687 | - | 883,401 | 1,715,088 |
| Unassigned | 683,946 | - | - | - | 683,946 |
| TOTAL FUND BALANCE | <u>745,290</u> | <u>831,687</u> | <u>186,001</u> | <u>883,401</u> | <u>2,646,379</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 1,569,675</u> | <u>\$ 831,687</u> | <u>\$ 371,822</u> | <u>\$ 883,401</u> | <u>\$ 3,656,585</u> |

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, 2023

Total Fund Balances for Governmental Funds \$ 2,646,379

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 | 14,296,316 | |
| Accumulated depreciation | <u>(7,399,792)</u> | 6,896,524 |

Lease receivables and deferred inflows related to leases used in governmental activities relate to future periods and as such are not reported in the funds.

| | | |
|--|-----------------|-------|
| Lease receivable within one year | 26,800 | |
| Lease receivable greater than one year | 30,416 | |
| Deferred amounts related to leases | <u>(53,904)</u> | 3,312 |

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

| | | |
|---|-----------------|-----------|
| Net pension liability | (1,182,325) | |
| Deferred (outflows) of resources related to net pension liability | 277,893 | |
| Employer contributions subsequent to measurement date | 64,968 | |
| Deferred inflows of resources related to net pension liability | <u>(60,403)</u> | (899,867) |

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 | (235,000) | |
| Bonds payable - due in more than one year | (2,515,000) | |
| Premium on bond | (239,620) | |
| Accrued interest on debt | (50,150) | |
| Lease payable - due in one year | (3,211) | |
| Lease payable - due in more than one year | (23) | |
| Compensated absences | <u>(67,840)</u> | <u>(3,110,844)</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 5,535,504

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, 2023

| | General Fund | Carroll Paul Memorial Trust Fund | Library Improvement Debt Fund | Peter White Public Library Development Fund | Total Governmental Funds |
|---|-------------------|----------------------------------|-------------------------------|---|--------------------------|
| REVENUES | | | | | |
| Property taxes | \$ 987,986 | \$ - | \$ 252,348 | \$ - | \$ 1,240,334 |
| Federal sources | - | - | - | - | - |
| State sources | 76,469 | - | - | - | 76,469 |
| Local sources | 641,531 | - | - | - | 641,531 |
| Charges for services | 41,717 | - | - | - | 41,717 |
| Fine and forfeiture | 96,713 | - | - | - | 96,713 |
| Rentals | 33,859 | - | - | - | 33,859 |
| Contributions from private sources | 220,722 | - | - | 422,791 | 643,513 |
| Investment income | 45,801 | 74,105 | - | (92,722) | 27,184 |
| Other revenues | 12,700 | - | - | - | 12,700 |
| TOTAL REVENUES | 2,157,498 | 74,105 | 252,348 | 330,069 | 2,814,020 |
| EXPENDITURES | | | | | |
| Recreation and Culture: | | | | | |
| Personnel services | 1,535,877 | - | - | - | 1,535,877 |
| Supplies | 449,075 | - | - | - | 449,075 |
| Other services and charges | 59,472 | 7,138 | 520 | 187,562 | 254,692 |
| Capital outlay | 92,317 | - | - | - | 92,317 |
| Debt service: | | | | | |
| Principal retirement | - | - | 230,000 | - | 230,000 |
| Interest and fiscal charges | - | - | 103,750 | - | 103,750 |
| TOTAL EXPENDITURES | 2,136,741 | 7,138 | 334,270 | 187,562 | 2,665,711 |
| NET REVENUES OVER EXPENDITURES | 20,757 | 66,967 | (81,922) | 142,507 | 148,309 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of fixed assets | - | - | - | - | - |
| Transfers in | 34,000 | - | - | - | 34,000 |
| Transfers (out) | - | (34,000) | - | - | (34,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | 34,000 | (34,000) | - | - | - |
| NET CHANGE IN FUND BALANCE | 54,757 | 32,967 | (81,922) | 142,507 | 148,309 |
| Fund balance, beginning of year | 690,533 | 798,720 | 267,923 | 740,894 | 2,498,070 |
| FUND BALANCE, END OF YEAR | \$ 745,290 | \$ 831,687 | \$ 186,001 | \$ 883,401 | \$ 2,646,379 |

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, 2023

| | | |
|---|--|------------------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$ 148,309 |
| <i>Amounts reported for governmental activities in the statement of activities is different because:</i> | | |
| 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 | \$ 10,740 |
| | Depreciation expense | (203,407) |
| | Net book value of disposals | <u>-</u> |
| | | (192,667) |
| 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. | | |
| | | 230,000 |
| Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| | | 4,111 |
| 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. | | |
| | | 3,450 |
| Payments received related to leases is revenue in the fund financial statements, but on the statement of net position these amounts reduce the outstanding lease receivable and deferred amounts related to leases. | | |
| | Lease principal received | (26,890) |
| | Amortization of deferred amounts related to leases | <u>26,952</u> |
| | | 62 |
| Some expenses such as accrued sick and vacation expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| | | 4,555 |
| 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 | <u>(113,525)</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | <u><u>\$ 108,257</u></u> |

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.

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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 | | | | | | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 * | 2014 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 51,784,839 | \$ 53,311,680 | \$ 53,359,482 | \$ 54,164,067 | \$ 55,333,265 | \$ 49,600,732 | \$ 48,649,613 | \$ 30,048,214 | \$ 23,971,445 | \$ 24,635,549 |
| Restricted | 1,822,160 | 959,604 | 937,104 | 886,004 | 940,606 | 4,126,444 | 2,861,425 | 792,364 | 1,482,626 | 1,873,995 |
| Unrestricted | <u>(12,865,788)</u> | <u>(12,922,935)</u> | <u>(16,596,933)</u> | <u>(20,039,124)</u> | <u>(18,705,841)</u> | <u>(15,008,382)</u> | <u>(13,670,347)</u> | <u>(9,917,153)</u> | <u>(7,948,501)</u> | <u>15,046,757</u> |
| Total Governmental Activities | | | | | | | | | | |
| Net Position | <u>\$ 40,741,211</u> | <u>\$ 41,348,349</u> | <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> |
| Business-Type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 40,643,301 | \$ 34,600,775 | \$ 34,952,221 | \$ 32,535,469 | \$ 32,475,063 | \$ 31,369,945 | \$ 31,098,570 | \$ 32,644,974 | \$ 33,683,601 | \$ 33,852,800 |
| Restricted | 7,241,711 | 3,888,094 | 2,349,695 | 320,602 | 328,361 | 1,705,053 | 837,004 | - | 1,661,848 | 2,714,043 |
| Unrestricted | <u>(2,789,251)</u> | <u>546,967</u> | <u>(1,356,252)</u> | <u>804,576</u> | <u>(1,814,623)</u> | <u>(1,309,536)</u> | <u>(309,010)</u> | <u>(524,411)</u> | <u>(2,604,078)</u> | <u>474,848</u> |
| Total Business-Type Activities | | | | | | | | | | |
| Net Position | <u>\$ 45,095,761</u> | <u>\$ 39,035,836</u> | <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> |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 92,428,140 | \$ 87,912,455 | \$ 88,311,703 | \$ 86,699,536 | \$ 87,808,328 | \$ 80,970,677 | \$ 79,748,183 | \$ 62,693,188 | \$ 57,655,046 | \$ 58,488,349 |
| Restricted | 9,063,871 | 4,847,698 | 3,286,799 | 1,206,606 | 1,268,967 | 5,831,497 | 3,698,429 | 792,364 | 3,144,474 | 4,588,038 |
| Unrestricted | <u>(15,655,039)</u> | <u>(12,375,968)</u> | <u>(17,953,185)</u> | <u>(19,234,548)</u> | <u>(20,520,464)</u> | <u>(16,317,918)</u> | <u>(13,979,357)</u> | <u>(10,441,564)</u> | <u>(10,552,579)</u> | <u>15,521,605</u> |
| Total Primary Government | | | | | | | | | | |
| Net Position | <u>\$ 85,836,972</u> | <u>\$ 80,384,185</u> | <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> |

* 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 | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 * |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General government | \$ 3,674,632 | \$ 5,986,476 | \$ 5,202,213 | \$ 6,076,249 | \$ 6,104,823 | \$ 5,524,941 | \$ 5,963,346 | \$ 6,592,257 | \$ 5,324,952 | \$ 5,581,640 |
| Public health & Safety | 11,066,285 | 10,239,684 | 8,490,968 | 8,910,951 | 8,880,337 | 7,984,991 | 8,373,965 | 10,154,891 | 8,058,601 | 8,866,452 |
| Public works | 14,901,635 | 4,462,348 | 4,242,062 | 4,785,208 | 5,554,637 | 4,450,990 | 4,810,726 | 3,425,157 | 3,457,197 | 4,302,325 |
| Health and welfare* | 994,869 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Highway and streets* | N/A | 4,369,537 | 3,289,477 | 3,614,699 | 3,946,829 | 2,919,733 | 2,100,706 | 3,288,402 | 2,688,985 | 3,089,215 |
| Social services* | N/A | 865,904 | 698,272 | 733,323 | 727,878 | 650,445 | 673,013 | 672,878 | 540,432 | 642,198 |
| Sanitation* | N/A | 2,926,202 | 2,659,886 | 2,190,637 | 1,998,223 | 1,820,786 | 2,012,645 | 2,960,919 | 1,915,016 | 1,914,121 |
| Community services / Recreation and culture | 3,967,537 | 1,642,630 | 1,426,698 | 1,478,958 | 1,570,778 | 1,445,068 | 1,460,830 | 1,472,744 | 1,396,090 | 1,866,955 |
| Interest on long-term debt | 592,967 | 570,014 | 591,032 | 784,210 | 742,496 | 710,415 | 659,470 | 765,649 | 702,786 | 887,454 |
| Depreciation - unallocated | 2,537,811 | 2,548,472 | 2,426,961 | 2,466,539 | 2,374,557 | 1,777,715 | 1,815,600 | 1,814,190 | 1,912,453 | 2,502,444 |
| Total Governmental Activities Expenses | \$ 37,735,736 | \$ 33,611,267 | \$ 29,027,569 | \$ 31,040,774 | \$ 31,900,558 | \$ 27,285,084 | \$ 27,870,303 | \$ 31,147,087 | \$ 25,996,512 | \$ 29,652,804 |
| Business-Type Activities | | | | | | | | | | |
| Water supply | 5,569,245 | 5,279,440 | 4,849,387 | 5,122,980 | 5,302,484 | 4,645,417 | 4,704,339 | 4,968,514 | 4,578,855 | 6,124,462 |
| Sewage disposal | 5,868,055 | 6,191,153 | 5,984,739 | 5,859,101 | 6,067,463 | 5,622,152 | 5,960,709 | 5,942,079 | 5,554,168 | 6,861,865 |
| Storm water utility | 1,838,447 | 1,704,093 | 1,629,951 | 1,731,442 | 1,562,628 | 1,535,566 | 1,348,498 | 1,245,744 | 1,242,712 | 1,511,338 |
| Public works | 527,615 | 508,687 | 285,254 | 323,404 | - | - | - | - | - | - |
| Community services / Recreation and culture | 991,532 | 941,204 | 1,008,301 | 914,792 | 1,212,776 | 1,084,168 | 710,244 | 591,369 | 586,703 | 1,075,127 |
| Total Business-Type Activities Expenses | 14,794,894 | 14,624,577 | 13,757,632 | 13,951,719 | 14,145,351 | 12,887,303 | 12,723,790 | 12,747,706 | 11,962,438 | 15,572,792 |
| Total Primary Government Expenses | \$ 52,530,630 | \$ 48,235,844 | \$ 42,785,201 | \$ 44,992,493 | \$ 46,045,909 | \$ 40,172,387 | \$ 40,594,093 | \$ 43,894,793 | \$ 37,958,950 | \$ 45,225,596 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General government | \$ 1,389,328 | \$ 1,361,028 | \$ 1,328,181 | \$ 1,258,904 | \$ 1,280,774 | \$ 1,179,745 | \$ 1,208,318 | \$ 1,134,353 | \$ 1,127,711 | \$ 1,359,826 |
| Public health | 139,646 | 355,216 | 202,535 | 169,654 | 237,949 | 262,901 | 269,667 | 184,015 | 198,196 | 245,345 |
| Public works | 3,330,605 | 1,461,635 | 1,415,191 | 1,341,016 | 1,433,183 | 1,252,931 | 1,220,582 | 1,179,029 | 1,278,331 | 1,595,786 |
| Sanitation* | N/A | 2,941,028 | 2,727,365 | 2,156,619 | 1,500,439 | 1,714,840 | 1,941,845 | 2,667,001 | 1,973,635 | 2,048,511 |
| Community services / Recreation and culture | 958,438 | 673,139 | 488,835 | 535,335 | 574,437 | 632,351 | 594,120 | 591,373 | 546,539 | 676,196 |
| Operating grants and contributions | 5,426,755 | 5,980,252 | 4,794,822 | 4,809,117 | 4,114,892 | 4,078,986 | 3,708,396 | 4,702,797 | 2,983,180 | 2,953,384 |
| Capital grants and contributions | 3,719,210 | 4,992,493 | 1,960,996 | 87,448 | 1,183,743 | 4,645,306 | 19,492,855 | 6,560,733 | 731,688 | 51,348 |
| Total Governmental Activities Program Revenues | 14,963,982 | 17,764,791 | 12,917,925 | 10,358,093 | 10,325,417 | 13,767,060 | 28,435,783 | 17,019,301 | 8,839,498 | 8,630,396 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Water supply | 6,333,234 | 5,806,463 | 5,372,627 | 5,346,110 | 5,112,320 | 4,397,111 | 4,310,181 | 4,341,749 | 4,190,347 | 5,061,909 |
| Sewage disposal | 8,189,040 | 7,942,544 | 7,353,821 | 7,412,178 | 7,074,400 | 5,421,289 | 5,515,000 | 5,195,249 | 4,144,417 | 6,809,593 |
| Storm water utility | 2,362,110 | 2,005,731 | 1,767,105 | 2,164,142 | 1,543,703 | 1,307,658 | 1,319,804 | 1,241,285 | 1,213,912 | 1,414,643 |
| Public works | 528,410 | 514,295 | 287,610 | 338,495 | - | - | - | - | - | - |
| Community services / Recreation and culture | 1,206,304 | 1,111,168 | 1,031,264 | 786,683 | 1,156,988 | 1,136,865 | 768,451 | 691,716 | 1,220,648 | 1,025,237 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 602,408 | 198,692 | 363,151 | 541,900 | 154,491 | 795,762 | 267,919 | 275,033 | 118,089 | 729,426 |
| Total Business-Type Activities Program Revenues | 19,221,506 | 17,578,893 | 16,175,578 | 16,589,508 | 15,041,912 | 13,058,685 | 12,181,355 | 11,745,032 | 10,887,413 | 14,840,808 |
| Total Primary Government Program Revenues | \$ 34,185,488 | \$ 35,343,684 | \$ 29,093,503 | \$ 26,947,601 | \$ 25,367,319 | \$ 26,825,745 | \$ 40,617,138 | \$ 28,764,333 | \$ 19,726,911 | \$ 23,471,204 |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | \$ (22,771,754) | \$ (15,846,476) | \$ (16,109,644) | \$ (20,682,681) | \$ (21,575,141) | \$ (13,518,024) | \$ 565,480 | \$ (14,127,786) | \$ (17,157,014) | \$ (21,022,408) |
| Business-Type Activities | 4,426,612 | 2,954,316 | 2,417,946 | 2,637,789 | 896,551 | 171,382 | (542,435) | (1,002,674) | (1,075,025) | (731,984) |
| Total Primary Government Net Expense | \$ (18,345,142) | \$ (12,892,160) | \$ (13,691,698) | \$ (18,044,892) | \$ (20,678,590) | \$ (13,346,642) | \$ 23,045 | \$ (15,130,460) | \$ (18,232,039) | \$ (21,754,392) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 13,798,136 | \$ 11,729,719 | \$ 10,859,716 | \$ 10,631,256 | \$ 10,309,858 | \$ 10,520,313 | \$ 10,327,997 | \$ 10,940,124 | \$ 10,319,719 | \$ 13,128,364 |
| Payments in lieu of taxes | 3,932,791 | 3,920,049 | 3,587,977 | 3,706,246 | 4,021,184 | 4,346,184 | 3,450,621 | 3,436,353 | 3,452,171 | 4,225,666 |
| Unrestricted state sources | 3,497,344 | 3,498,022 | 3,306,827 | 3,016,816 | 2,561,563 | 2,221,895 | 2,250,026 | 2,063,647 | 2,089,213 | 2,544,745 |
| Interest and investment earnings | 599,163 | (101,064) | 26,851 | 172,771 | 409,911 | 11,095 | 3,197 | 252,962 | 219,202 | 134,258 |
| Gain (loss) on sale of capital assets | 89 | 2,740 | 260,426 | 13,620 | 1,376,313 | - | - | 854,166 | 7,384 | 9,539 |
| Miscellaneous | 164,876 | 322,233 | 491,305 | 418,908 | 129,076 | 155,429 | 319,945 | 358,389 | 154,165 | 352,322 |
| Transfers | 172,217 | 129,319 | 265,248 | 165,981 | 1,616,472 | (18,720) | - | (360,000) | - | (166,410) |
| Total Governmental Activities | 22,164,616 | 19,501,018 | 18,798,350 | 18,125,598 | 20,424,377 | 17,236,196 | 16,351,786 | 17,545,641 | 16,241,854 | 20,228,484 |
| Business-Type Activities | | | | | | | | | | |
| Interest and investment earnings | 210,071 | 12,916 | 14,612 | 27,215 | 43,260 | 19,755 | 48,436 | 21,866 | 22,907 | 18,541 |
| Gain on sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 1,595,459 | 252,259 | 117,707 | 72,823 | - | - | - | - | - | - |
| Extraordinary item - Winter Storm Damage | - | - | - | - | - | - | - | - | - | (362,058) |
| Transfers | (172,217) | (129,319) | (265,248) | (165,981) | (1,616,472) | 18,720 | - | 360,000 | - | 166,410 |
| Total Business-Type Activities | 1,633,313 | 135,856 | (132,929) | (65,943) | (1,573,212) | 38,475 | 48,436 | 381,866 | 22,907 | (177,107) |
| Total Primary Government | \$ 23,797,929 | \$ 19,636,874 | \$ 18,665,421 | \$ 18,059,655 | \$ 18,851,165 | \$ 17,274,671 | \$ 16,400,222 | \$ 17,927,507 | \$ 16,264,761 | \$ 20,051,377 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (607,138) | \$ 3,654,542 | \$ 2,688,706 | \$ (2,557,083) | \$ (1,150,764) | \$ 3,718,172 | \$ 16,917,266 | \$ 3,417,855 | \$ (915,160) | \$ (793,924) |
| Business-type activities | 6,059,925 | 3,090,172 | 2,285,017 | 2,571,846 | (676,661) | 209,857 | (493,999) | (620,808) | (1,052,118) | (909,091) |
| Total Primary Government | \$ 5,452,787 | \$ 6,744,714 | \$ 4,973,723 | \$ 14,763 | \$ (1,827,425) | \$ 3,928,029 | \$ 16,423,267 | \$ 2,797,047 | \$ (1,967,278) | \$ (1,703,015) |

* 2014 is a 15-month fiscal year

* Change in Function/Program categories effective for FY23

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Fund | | | | | | | | | | |
| Non-spendable | \$ 472,251 | \$ 296,528 | \$ 757,803 | \$ 813,799 | \$ 723,433 | \$ 464,596 | \$ 470,349 | \$ 447,303 | \$ 414,088 | \$ 529,534 |
| Restricted | 57,500 | 57,500 | 2,315 | 7,095 | 33,512 | 44,694 | 47,996 | 64,618 | 177,559 | 223,793 |
| Assigned | 1,050,205 | 999,789 | 76,802 | 63,781 | 1,012,771 | 2,505,814 | 3,108,348 | 4,466,772 | 3,863,930 | 2,888,016 |
| Unassigned | 6,761,591 | 6,888,869 | 8,889,446 | 8,744,448 | 9,701,277 | 11,209,897 | 10,505,094 | 8,374,197 | 8,455,195 | 9,008,005 |
| Total General Fund | <u>\$ 8,341,547</u> | <u>\$ 8,242,686</u> | <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> |
| All Other Governmental Funds | | | | | | | | | | |
| Non-spendable | \$ 1,020,814 | \$ 981,502 | \$ 964,279 | \$ 912,788 | \$ 1,709,080 | \$ 846,152 | \$ 823,102 | \$ 787,786 | \$ 761,387 | \$ 744,640 |
| Restricted | 6,375,944 | 6,960,771 | 4,164,429 | 3,683,888 | 2,172,383 | 3,215,886 | 3,780,031 | 1,264,343 | 675,770 | 483,532 |
| Committed | 31,491 | 28,759 | - | - | - | - | - | - | - | - |
| Assigned | 4,932,411 | 3,452,055 | 2,008,151 | 1,766,043 | 1,671,205 | 4,900,651 | 3,064,309 | 2,441,230 | 2,674,404 | 1,914,986 |
| Total All Other Governmental Funds | <u>\$ 12,360,660</u> | <u>\$ 11,423,087</u> | <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> |

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

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|-------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 * |
| Revenues | | | | | | | | | | |
| Taxes | \$ 17,730,947 | \$ 15,653,110 | \$ 14,620,961 | \$ 14,404,842 | \$ 14,343,664 | \$ 14,893,186 | \$ 13,809,799 | \$ 14,410,979 | \$ 13,808,189 | \$ 17,400,992 |
| Federal and state sources | 10,445,732 | 8,233,021 | 6,989,478 | 6,646,994 | 5,478,353 | 5,196,314 | 4,815,572 | 4,481,616 | 4,435,086 | 4,996,865 |
| Fines and penalties | 135,690 | 266,982 | 144,836 | 136,438 | 117,468 | 200,056 | 190,549 | 70,643 | 118,012 | 136,239 |
| Charges for services | 5,130,236 | 5,459,378 | 5,008,770 | 4,502,351 | 4,346,650 | 3,978,758 | 4,165,062 | 4,868,257 | 4,265,660 | 4,565,487 |
| Special assessments | - | - | - | - | - | - | - | - | 14,114 | 14,114 |
| Intergovernmental | 533,252 | 419,060 | 408,331 | 399,971 | 394,032 | 384,429 | 366,022 | 343,530 | 332,069 | 383,980 |
| Investment income | 611,115 | (100,355) | 29,434 | 183,219 | 453,027 | (17,797) | (7,068) | 274,997 | 244,794 | 136,093 |
| Other revenues | 3,585,512 | 7,080,941 | 4,624,828 | 1,990,904 | 4,272,502 | 6,073,639 | 9,456,177 | 13,129,529 | 1,737,101 | 1,391,520 |
| Total Revenues | 38,172,484 | 37,012,137 | 31,826,638 | 28,264,719 | 29,405,696 | 30,708,585 | 32,796,113 | 37,579,551 | 24,955,025 | 29,025,290 |
| Expenditures | | | | | | | | | | |
| General government | 4,398,021 | 6,375,602 | 5,837,931 | 5,736,676 | 5,282,008 | 5,142,497 | 4,962,649 | 5,584,909 | 4,417,297 | 5,318,165 |
| Public health and safety | 9,550,476 | 9,290,821 | 9,040,069 | 8,726,266 | 8,389,447 | 8,075,826 | 7,607,896 | 7,366,980 | 7,278,038 | 8,802,764 |
| Public works | 12,528,161 | 3,888,203 | 4,061,935 | 4,369,473 | 5,445,760 | 5,893,127 | 5,855,742 | 3,963,721 | 3,742,907 | 4,350,493 |
| Health and welfare* | 923,880 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Highway and streets* | N/A | 3,366,717 | 2,210,387 | 2,806,970 | 3,142,470 | 2,662,169 | 2,163,482 | 2,248,698 | 2,587,576 | 3,206,071 |
| Social services and community development | 2,144,595 | 859,689 | 738,871 | 709,284 | 679,975 | 631,176 | 608,234 | 580,937 | 532,432 | 634,993 |
| Sanitation* | N/A | 2,677,639 | 2,342,953 | 1,967,031 | 1,809,277 | 1,753,570 | 1,969,565 | 2,644,699 | 1,892,278 | 1,946,799 |
| Community services / Recreation and culture | 1,547,576 | 1,475,660 | 1,490,952 | 1,290,591 | 1,361,966 | 1,250,025 | 1,246,046 | 1,279,432 | 1,111,815 | 1,437,392 |
| Capital outlay | 1,649,877 | 4,608,221 | 3,796,235 | 3,775,058 | 2,064,038 | 3,894,513 | 8,822,488 | 8,819,107 | 1,126,282 | 1,629,475 |
| Other expenditures | - | - | - | - | - | - | - | - | - | - |
| Special Assessments | - | - | - | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Professional and contractual | - | 37,182 | 38,123 | 81,096 | 3,580 | 14,234 | 79,538 | 320 | 17,127 | 31,950 |
| Principal | 1,898,166 | 2,109,942 | 1,819,699 | 1,737,981 | 5,287,438 | 1,898,635 | 1,572,463 | 2,745,388 | 1,459,316 | 1,427,363 |
| Interest | 593,294 | 581,602 | 615,032 | 558,281 | 804,410 | 656,674 | 597,847 | 789,199 | 710,837 | 795,144 |
| Total Expenditures | 35,234,046 | 35,271,278 | 31,992,187 | 31,758,707 | 34,270,369 | 31,872,446 | 35,485,950 | 36,023,390 | 24,875,905 | 29,580,609 |
| Excess of revenues over (under) expenditures | 2,938,438 | 1,740,859 | (165,549) | (3,493,988) | (4,864,673) | (1,163,861) | (2,689,837) | 1,556,161 | 79,120 | (555,319) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from borrowing | - | 1,920,000 | 2,550,150 | 3,340,000 | - | 2,405,000 | 9,582,578 | - | 712,237 | 4,512,900 |
| Premium on bond issuance | - | 170,434 | 379,973 | 478,372 | - | 166,042 | 1,082,241 | - | 24,675 | 78,578 |
| Receipts from other governments | - | - | - | - | - | - | - | - | - | - |
| Payments to other governments | - | - | - | - | - | - | - | - | - | - |
| Payments to escrow agent | - | - | (1,008,819) | - | - | - | (4,356,589) | - | - | (2,315,000) |
| Transfers in | 4,626,216 | 5,871,711 | 3,905,842 | 4,866,027 | 5,900,439 | 3,834,285 | 2,895,394 | 5,474,911 | 4,676,731 | 4,301,543 |
| Transfers out | (6,528,220) | (6,900,456) | (4,790,214) | (6,222,230) | (7,199,795) | (3,853,005) | (3,250,445) | (5,517,518) | (4,262,936) | (3,841,603) |
| Total Other Financing Sources (Uses) | (1,902,004) | 1,061,689 | 1,036,932 | 2,462,169 | (1,299,356) | 2,552,322 | 5,953,179 | (42,607) | 1,150,707 | 2,736,418 |
| Net change in fund balances | \$ 1,036,434 | \$ 2,802,548 | \$ 871,383 | \$ (1,031,819) | \$ (6,164,029) | \$ 1,388,461 | \$ 3,263,342 | \$ 1,513,554 | \$ 1,229,827 | \$ 2,181,099 |
| Debt Service as a Percentage of Non-capital Expenditures | 7.41% | 8.75% | 8.81% | 8.28% | 19.25% | 9.81% | 8.78% | 13.10% | 9.42% | 7.98% |

* Change in Function/Program categories effective for FY'23

* 2014 is a 15-month fiscal year

CITY OF MARQUETTE, MICHIGAN
 General Governmental Expenditures by Functions^(A)
 Last Ten Fiscal Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 * |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Government | \$ 4,398,021 | \$ 6,375,602 | \$ 5,837,931 | \$ 5,736,676 | \$ 5,282,008 | \$ 5,142,497 | \$ 4,962,649 | \$ 5,584,909 | \$ 4,417,297 | \$ 5,318,165 |
| Public Health and Safety | 9,550,476 | 9,290,821 | 9,040,069 | 8,726,266 | 8,389,447 | 8,075,826 | 7,607,896 | 7,366,980 | 7,278,038 | 8,802,764 |
| Public Works* | 10,588,394 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Health and Welfare* | 923,880 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Highways, Streets and Bridges* | N/A | 7,248,768 | 6,266,222 | 7,176,443 | 7,460,969 | 8,555,296 | 7,991,443 | 6,212,419 | 6,330,483 | 7,556,564 |
| Sanitation* | N/A | 2,677,639 | 2,342,953 | 1,967,031 | 1,809,277 | 1,753,570 | 1,969,565 | 2,644,699 | 1,892,278 | 1,946,799 |
| Social Services* | N/A | 859,689 | 738,871 | 709,284 | 679,975 | 631,176 | 608,234 | 580,937 | 532,432 | 634,993 |
| Community and economic development* | 2,144,595 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Recreation and Culture | 1,547,576 | 1,475,660 | 1,490,952 | 1,290,591 | 1,361,966 | 1,250,025 | 1,239,205 | 1,279,432 | 1,111,815 | 1,437,392 |
| Capital Outlay | 1,331,533 | 894,042 | 2,010,453 | 3,712,553 | 1,279,272 | 1,219,017 | 1,448,065 | 560,136 | 1,098,782 | 1,629,475 |
| Debt Service | - | 37,182 | 38,123 | 81,096 | - | 13,914 | 111,540 | - | 16,557 | 13,676 |
| TOTALS | \$ 30,484,475 | \$ 28,859,403 | \$ 27,765,574 | \$ 29,399,940 | \$ 26,262,914 | \$ 26,641,321 | \$ 25,938,597 | \$ 24,229,512 | \$ 22,677,682 | \$ 27,339,828 |

^(A) Includes General and Special Revenue Funds

* 2014 is a 15-month fiscal year

* Change in Function/Program categories effective for FY'23

CITY OF MARQUETTE, MICHIGAN

General Revenues by Sources ^(A)

Last Ten Fiscal Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 * |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property Taxes | \$ 13,798,156 | \$ 11,733,061 | \$ 11,032,984 | \$ 10,698,596 | \$ 10,322,480 | \$ 10,547,002 | \$ 10,359,178 | \$ 10,974,626 | \$ 10,356,018 | \$ 13,175,326 |
| Payments in lieu of property taxes | 3,932,791 | 3,920,049 | 3,587,977 | 3,706,246 | 4,021,184 | 4,346,184 | 3,450,621 | 3,436,353 | 3,452,171 | 4,225,666 |
| State and Federal sources | 8,514,099 | 8,233,021 | 6,989,478 | 6,646,994 | 5,478,353 | 5,196,314 | 4,815,572 | 4,481,616 | 4,435,086 | 4,996,865 |
| Intergovernmental revenue | 533,252 | 419,060 | 408,331 | 399,971 | 394,032 | 384,429 | 366,022 | 343,530 | 332,069 | 383,980 |
| Licenses and permits | 104,352 | 99,892 | 102,900 | 85,999 | 61,664 | 62,472 | 80,353 | 76,971 | 49,129 | 47,364 |
| Charges for services | 5,096,761 | 5,436,878 | 4,957,670 | 4,482,176 | 4,301,949 | 3,956,371 | 4,129,822 | 4,842,812 | 4,248,375 | 4,531,042 |
| Sales | 51,619 | 57,719 | 64,116 | 40,881 | 55,248 | 29,207 | 54,986 | 40,579 | 34,753 | 49,080 |
| Use and admission fees | 633,837 | 466,714 | 338,203 | 418,254 | 417,544 | 457,488 | 422,654 | 404,027 | 397,096 | 446,695 |
| Fines and forfeits | 135,690 | 266,982 | 144,836 | 136,438 | 117,468 | 200,056 | 190,549 | 70,643 | 118,012 | 136,239 |
| Rentals | 177,826 | 140,106 | 110,227 | 129,951 | 140,859 | 147,409 | 144,852 | 142,944 | 108,235 | 185,228 |
| Special assessments | - | - | - | - | - | - | - | - | 14,114 | 14,114 |
| Sale of assets | 115 | 40,109 | 895,405 | 13,620 | 895,523 | - | - | 8,800 | - | 9,540 |
| Contribution from private sources | 591,054 | 954,857 | 912,798 | 830,789 | 815,556 | 819,994 | 894,559 | 2,033,273 | 409,214 | 208,640 |
| Reimbursements | 152,518 | 223,217 | 307,734 | 350,267 | 393,830 | 127,856 | 232,822 | 168,869 | 142,552 | 303,668 |
| Investment income | 544,250 | (107,171) | 25,451 | 170,959 | 405,395 | 7,825 | 3,197 | 249,251 | 219,921 | 141,452 |
| Other revenue | 125,022 | 106,530 | 101,563 | 66,620 | 107,637 | 138,926 | 177,765 | 274,247 | 96,122 | 95,892 |
| TOTAL | \$ 34,391,342 | \$ 31,991,024 | \$ 29,979,673 | \$ 28,177,761 | \$ 27,928,722 | \$ 26,421,533 | \$ 25,322,952 | \$ 27,548,541 | \$ 24,412,867 | \$ 28,950,791 |

^(A) Includes General and Special Revenue Funds

* 2014 is a 15-month fiscal year

CITY OF MARQUETTE, MICHIGAN
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year Ended | Residential Property | Commercial Property | Industrial Property | Less: Tax Exempt Property | Total Taxable Assessed Value | Total Direct |
|--------------------|-------------------------|------------------------|------------------------|------------------------------|------------------------------------|-----------------|
| 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 |
| September 30, 2022 | 1,196,415,824 | 1,230,132,000 | 16,069,484 | 675,331,400 | 1,767,285,908 | 17.214 |
| September 30, 2023 | 1,365,845,400 | 1,291,858,600 | 18,547,400 | 675,331,400 | 2,000,920,000 | 19.706 |

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.

CITY OF MARQUETTE, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

| Fiscal Year Ended | City Direct Rates | | | | | Overlapping Rates * | | |
|--------------------|-------------------|----------------------|--------------|--------------------|--------------|---------------------------------------|---------------------|---------|
| | General Fund | Senior Services Fund | Library Fund | Debt Service Funds | Total Direct | Marquette Area Public School District | County of Marquette | Total |
| 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 |
| September 30, 2022 | 14.923 | 0.346 | 1.474 | 0.471 | 17.214 | 7.434 | 7.645 | 32.293 |
| September 30, 2023 | 17.5604 | 0.3453 | 1.4714 | 0.3286 | 19.7057 | 7.4136 | 7.6445 | 34.7638 |

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.

CITY OF MARQUETTE, MICHIGAN
Principal Property Tax Payers
Current Year and Nine Years Ago

| Taxpayer | 2023 | | | 2014 | | |
|--------------------------------------|------------------------|------|---|------------------------|------|---|
| | 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 | \$ 125,027,565 | 1 | 13.60% | \$ 59,176,100 | 2 | 8.35% |
| MIMG CL VIII Tourville Sub LLC | 12,631,820 | 2 | 1.37% | | | |
| HJ Larson & Associates, Inc | 7,877,100 | 3 | 0.86% | 4,552,962 | 7 | 0.64% |
| Semco Energy Gas Co | 7,276,641 | 4 | 0.79% | | | |
| Marquette Medical Dental Center | 6,978,582 | 5 | 0.76% | 11,738,448 | 3 | 1.66% |
| American Transmission Co. LLC | 6,785,398 | 6 | 0.74% | 5,025,500 | 5 | 0.71% |
| Veridea Group LLC | 6,671,799 | 7 | 0.73% | | | |
| Liberty Way Hospitality LLC | 5,731,418 | 8 | 0.62% | | | |
| The Landing Development Group II LLC | 4,545,686 | 9 | 0.49% | | | |
| Marquette Opportunity LLC | 4,503,975 | 10 | 0.49% | | | |
| WE Energies | | | | 108,347,000 | 1 | 15.29% |
| O'Dovero Properties | | | | 4,670,628 | 6 | 0.66% |
| Tourville, Inc. | | | | 4,395,942 | 8 | 0.62% |
| Pioneer Laboratories, Inc. | | | | 5,069,625 | 4 | 0.72% |
| TJ & RM Larson, Inc. | | | | 3,476,700 | 9 | 0.49% |
| Mill Creek Community LLC | | | | 3,141,199 | 10 | 0.44% |
| Total | \$ 188,029,984 | | 20.46% | \$ 209,594,104 | | 29.58% |

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 |
| 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% |
| September 30, 2022 | 13,749,810 | 13,566,651 | 98.67% | 15,546 | 13,582,197 | 98.78% |
| September 30, 2023 | 16,496,402 | 16,265,385 | 98.60% | 19,384 | 16,284,769 | 98.72% |

Source: Marquette City Treasurer's Department.

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 | Equipment Lease | IT Arrangements | Water Bonds | Sewer Bonds | Storm Water Bonds | Marina Bond | Lighthouse Park Bond | | | |
| 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 |
| 2022 | 14,395,378 | 2,891,353 | - | 73,308 | 24,060,234 | 229,635 | - | 9,017,591 | 10,321,606 | 11,058,781 | 754,338 | 655,000 | 73,457,224 | 8.10% | 3,561 |
| 2023 | 12,664,298 | 2,525,928 | - | 61,627 | 23,546,158 | 338,138 | 74,573 | 7,774,736 | 8,875,364 | 9,991,626 | 670,046 | 555,000 | 67,077,494 | 6.97% | 3,289 |

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 | | | |
| 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 |
| 2022 | | 17,589,674 | 1.00% | 862.49 |
| 2023 | | 15,664,564 | 0.78% | 753.61 |

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, 2023

| Governmental Unit | Overlapping Debt Outstanding | Estimated Percentage Applicable ^a | Estimated Share of Overlapping Debt |
|------------------------------------|---------------------------------|--|--|
| DIRECT DEBT | | | |
| City of Marquette | \$ 39,210,722 | 100.00% | \$ 39,210,722 |
| | | TOTAL DIRECT DEBT | <u>39,210,722</u> |
| OVERLAPPING DEBT | | | |
| County School District | 4,260,000 | 59.47% | 2,533,422 |
| Library Improvements | 2,750,000 | 100.00% | 2,750,000 |
| Tax Increment Bonds - DDA | 654,000 | 100.00% | 654,000 |
| 2010 Capital Improvement - BRFA | 505,000 | 100.00% | 505,000 |
| 2010 Recovery Zone Facility - BRFA | 230,000 | 100.00% | 230,000 |
| 2013 Capital Improvement - BRFA | 35,000 | 100.00% | 35,000 |
| 2016 Tax Increment Bonds - BRFA | 16,950,000 | 100.00% | 16,950,000 |
| 2017 Tax Increment Bonds - BRFA | 550,000 | 100.00% | 550,000 |
| 2017 Tax Increment Bonds - BRFA | 10,275,000 | 100.00% | 10,275,000 |
| 2018 Tax Increment Bonds - BRFA | 395,000 | 100.00% | 395,000 |
| 2021 Tax Increment Bonds - BRFA | 5,995,000 | 100.00% | <u>5,995,000</u> |
| | | TOTAL OVERLAPPING DEBT | <u>40,872,422</u> |
| | | TOTAL DIRECT AND OVERLAPPING DEBT | <u><u>\$ 80,083,144</u></u> |

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 | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 ^d | 2018 | 2017 | 2016 ^a | 2015 | 2014 |
| Debt Limit | \$ 114,445,434 | \$ 111,644,701 | \$ 111,240,218 | \$ 104,218,090 | \$ 102,967,138 | \$ 86,530,260 | \$ 87,023,820 | \$ 83,770,539 | \$ 83,141,190 | \$ 77,218,149 |
| Total net debt applicable to limit | <u>74,708,908</u> | <u>81,137,411</u> | <u>75,887,283</u> | <u>76,582,521</u> | <u>73,617,336</u> | <u>81,774,607</u> | <u>61,179,053</u> | <u>52,299,914</u> | <u>18,346,691</u> | <u>19,084,674</u> |
| Legal Debt Margin | <u>\$ 39,736,526</u> | <u>\$ 30,507,290</u> | <u>\$ 35,352,935</u> | <u>\$ 27,635,569</u> | <u>\$ 29,349,802</u> | <u>\$ 4,755,653</u> | <u>\$ 25,844,767</u> | <u>\$ 31,470,625</u> | <u>\$ 64,794,499</u> | <u>\$ 58,133,475</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 65.28% | 72.67% | 68.22% | 73.48% | 71.50% | 94.50% | 70.30% | 62.43% | 22.07% | 24.72% |

Legal Debt margin Calculation for Fiscal Year 2023:

| | |
|---|-------------------------|
| State Equalized Assessed Value (SEV) | \$ 948,256,320 |
| Add: | |
| Half of Act 198 Property | 47,344,962 |
| Revenue Sharing ^b | 146,148,322 |
| LCSA/PPT ^c | 2,704,733 |
| Total SEV | <u>\$ 1,144,454,337</u> |
| Debt limit (10% of total SEV) | 114,445,434 |
| Debt applicable to limit: | |
| Total debt included in | |
| Governmental Activities | 39,210,722 |
| Business-Type Activities | 27,866,772 |
| Component units | 38,339,000 |
| Less: | |
| Deferred amounts on bonds | |
| Governmental Activities | (1,439,902) |
| Business-Type Activities | (2,313,815) |
| Debt not subject to limit: | |
| Michigan transportation bonds | (2,995,000) |
| TELP capital lease | (23,546,158) |
| Equipment lease | (338,138) |
| IT Arrangements | (74,573) |
| Amount set aside for repayment of general obligation debt | - |
| Total net debt applicable to limit | <u>74,708,908</u> |
| Legal debt margin | <u>\$ 39,736,526</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 [LCSA] 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 | |
| 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) | - | - | - |
| 2022 | 5,808,965 | 5,036,682 | 772,283 | - | - | - | 580,991 | 484,119 | 96,872 | - | - | - |
| 2023 | 6,374,030 | 5,356,581 | 1,017,449 | - | - | - | 537,315 | 553,739 | (16,424) | - | - | - |

| Fiscal Year | Electric Utility Bonds | | | | | |
|---------------------|------------------------|--------------------------|--|--------------|------------|----------|
| | Gross Revenue | Less: Operating Expenses | Net Revenue Available for Debt Service | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 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 |
| 2022 | 45,904,822 | 37,772,455 | 8,132,367 | 2,760,000 | 2,668,212 | 1.50 |
| 2023 | 45,241,438 | 38,782,997 | 6,458,441 | 2,895,000 | 2,530,213 | 1.19 |

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.

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

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

| Year | Population | Personal Income | Per Capita Personal Income | Median Age | Education Level In Years of Schooling | School Enrollment | Unemployment Rate |
|------|------------|--------------------|-------------------------------|------------|---|----------------------|----------------------|
| 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% |
| 2022 | 20,394 | 962,168,526 | 47,179 | 28.6 | 12.8 | 3,245 | 4.2% |
| 2023 | 20,786 | 1,072,536,814 | 51,599 | 30.2 | 12.8 | 3,233 | 3.7% |

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 Educational Service Agency.

Unemployment provided by the Lake Superior Community Partnership.

* Data not available.

CITY OF MARQUETTE, MICHIGAN
Principal Employers
Current Year and Nine Years Ago

| Taxpayer | 2023 | | | 2014 | | |
|--|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| UP Health System - Marquette | 1,599 | 1 | 5.80% | 2,619 | 1 | 7.62% |
| Cleveland-Cliffs, Inc | 972 | 2 | 3.53% | 1,600 | 2 | 4.65% |
| Northern Michigan University | 914 | 3 | 3.32% | 918 | 3 | 2.67% |
| Upper Peninsula Medical Center | 603 | 4 | 2.19% | 625 | 4 | 1.82% |
| Marquette Area Public Schools | 410 | 5 | 1.49% | 382 | 7 | 1.11% |
| Wal-Mart Stores, Inc | 392 | 6 | 1.42% | 380 | 8 | 1.11% |
| UP Health System - Bell | 350 | 7 | 1.27% | 370 | 9 | 1.08% |
| Michigan Department of Corrections | 284 | 8 | 1.03% | 388 | 6 | 1.13% |
| Meijer | 270 | 9 | 0.98% | | | |
| Resolve Surgical Technologies (Formerly RTI) | 250 | 10 | 0.91% | | | |
| Westwood Mall Merchants | | | | 500 | 5 | 1.45% |
| American Eagle Airlines, Inc. | | | | 253 | 10 | 0.74% |
| Total | <u>6,044</u> | | <u>21.94%</u> | <u>8,035</u> | | <u>23.38%</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, | | | | | | | | | |
|---------------------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Government | | | | | | | | | | |
| Administration Services | 29 | 29 | 27 | 26 | 28 | 23 | 27 | 27 | 27 | 27 |
| Public Health and Safety | | | | | | | | | | |
| Police Officers | 38 | 39 | 39 | 39 | 38 | 39 | 38 | 37 | 39 | 38 |
| Firefighters and Officers | 28 | 28 | 27 | 24 | 26 | 26 | 26 | 26 | 26 | 26 |
| Public Works | 27 | 27 | 27 | 25 | 24 | 39 | 32 | 36 | 36 | 37 |
| Highway and Streets | 15 | 15 | 16 | 15 | 17 | 8 | 8 | 8 | 8 | 8 |
| Social Services | 4 | 4 | 4 | 4 | 2 | 4 | 4 | 4 | 4 | 4 |
| Recreation and Culture | 6 | 6 | 6 | 6 | 8 | 4 | 3 | 4 | 4 | 4 |
| Storm Water | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Motor Pool | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 7 | 7 | 7 |
| Water | 13 | 13 | 17 | 12 | 13 | 13 | 13 | 13 | 13 | 13 |
| Wastewater | 10 | 10 | 7 | 7 | 10 | 10 | 10 | 10 | 10 | 9 |
| Library | 12 | 15 | 12 | 10 | 12 | 13 | 13 | 12 | 13 | 13 |
| Total | <u>191</u> | <u>195</u> | <u>191</u> | <u>177</u> | <u>187</u> | <u>188</u> | <u>182</u> | <u>185</u> | <u>188</u> | <u>187</u> |

Source: City Human Resources Department

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

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 * |
| Police | | | | | | | | | | |
| Physical arrests | 449 | 522 | 602 | 532 | 585 | 518 | 749 | 666 | 903 | 1,418 |
| Parking violations | 5,328 | 5,460 | 5,529 | 3,007 | 5,080 | 5,701 | 5,825 | 3,438 | 5,401 | 7,057 |
| Traffic violations | 1,588 | 1,495 | 2,005 | 1,775 | 2,873 | 3,802 | 3,802 | 4,354 | 4,299 | 4,916 |
| Fire | | | | | | | | | | |
| Emergency responses | 2,664 | 2,539 | 2,223 | 2,255 | 2,258 | 2,213 | 1,635 | 1,323 | 923 | 1,030 |
| Fires extinguished | 23 | 28 | 39 | 28 | 18 | 18 | 22 | 21 | 22 | 31 |
| Inspections | 1,852 | 2,224 | 1,584 | 2,176 | 2,005 | 1,364 | 1,439 | 1,570 | 782 | 1,852 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per week) | 53.8 | 57.7 | 49.6 | 46.0 | 50.4 | 50.4 | 47.2 | 49.0 | 47.6 | 54.8 |
| Recycling (tons per week) | 14.8 | 15.3 | 15.6 | 16.0 | 9.7 | 11.3 | 12.5 | 13.4 | 14.9 | 15.0 |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | 1.0 | 1.5 | 1.6 | 1.6 | 1.4 | 0.9 | 4.3 | 2.8 | 3.0 | 5.6 |
| Potholes repaired | ** | ** | - | - | - | - | - | - | - | - |
| Parks and recreation | | | | | | | | | | |
| Total Campers | ** | ** | 15,000 | 10,938 | ** | ** | 27,880 | 26,715 | 22,867 | 18,744 |
| Beach Attendance | ** | ** | 22,220 | 14,000 | 19,213 | 26,261 | 20,829 | 19,285 | 32,952 | 16,943 |
| Library | | | | | | | | | | |
| Volumes in collection | 171,381 | 175,148 | 191,639 | 196,588 | 193,160 | 214,069 | 204,467 | 237,013 | 243,147 | 248,447 |
| Total volumes borrowed | 197,410 | 187,613 | 220,115 | 188,096 | 263,621 | 212,017 | 237,063 | 254,758 | 274,698 | 353,038 |
| Water | | | | | | | | | | |
| Consumers | 6,242 | 6,217 | 6,195 | 6,140 | 7,100 | 6,177 | 6,177 | 6,154 | 6,193 | 6,178 |
| Water mains breaks | 12 | 10 | 6 | 13 | - | - | - | - | - | - |
| Average daily consumption (millions of gallons) | 1.97 | 2.01 | 2.09 | 1.98 | 2.25 | 2.11 | 2.09 | 2.25 | 2.31 | 2.62 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (millions of gallons) | 2.86 | 2.51 | 2.69 | 3.22 | 3.00 | 3.06 | 3.06 | 3.03 | 3.22 | 3.19 |

* 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 | | | | | | | | | |
|-------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| 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) | 90.9 | 91.5 | 91.5 | 91.5 | 91.5 | 91.5 | 91.5 | 91.5 | 91.5 | 91.5 |
| Streetlights | 2,570 | 2,547 | 2,547 | 2,547 | 2,547 | 2,547 | 2,547 | 2,524 | 2,345 | 2,345 |
| Parks and recreation | | | | | | | | | | |
| Parks | 24 | 24 | 24 | 20 | 20 | 20 | 20 | 20 | 19 | 19 |
| Playfields | 13 | 13 | 13 | 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) | 99.8 | 99.8 | 98.8 | 98.8 | 98.8 | 98.8 | 98.8 | 98.8 | 98.7 | 98.7 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 88.9 | 88.8 | 88.8 | 88.8 | 88.8 | 88.8 | 88.8 | 88.8 | 88.7 | 88.7 |
| Storm sewers (miles) | 53.9 | 53.5 | 53.2 | 53.2 | 53.2 | 53.2 | 52.9 | 52.8 | 52.6 | 52.6 |

Source: Various City Departments

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CITY OF MARQUETTE, MICHIGAN

COMPLIANCE SUPPLEMENT



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

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

We have audited, in accordance with 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 the City of Marquette, Michigan (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2024. 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 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. 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 or significant deficiencies may exist that were not identified.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Report to Management letter as item 2023-001.

City of Marquette, Michigan's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Corrective Action Plan. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 26, 2024



City of Marquette, Michigan
Report to Management
For the Year Ended September 30, 2023

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, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

NON-COMPLIANCE

2023-001 – EXPENDITURES OVER APPROPRIATIONS

Criteria: Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. If during a fiscal year, it appears that

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

actual and probable revenues are less than estimated revenues that will result in expenditures exceeding available appropriations that the legislative body should adopt recommendations that would prevent expenditures from exceeding available revenues. For the purposes of this Act a “budget” does not include:

- a) A fund for which the local unit acts as a trustee or agent.
- b) An internal service fund.
- c) An enterprise fund.
- d) A capital project fund.
- e) A debt service fund.

Condition: As enumerated upon in the notes to the financial statements, for the year ended September 30, 2023, the City had expenditures over appropriated amounts based on the activity level in the General Fund and various Special Revenue Funds.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Effect: The City is not in compliance with State law.

Recommendation: The City should strictly control expenditures so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

Management Response: See separate Corrective Action Plan.

- Contact Person(s) Responsible for Correction:
 - Chief Financial Officer
- Anticipated Completion Date:
 - September 30, 2024

The City’s written response to the significant deficiencies identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 26, 2024



City of Marquette, Michigan
Communication with Those Charged with Governance
For the Year Ended September 30, 2023

March 26, 2024

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 the City of Marquette, Michigan (the City) for the year ended September 30, 2023. 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 5, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

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. As described in Note Z to the financial statements, the City changed accounting policies related to recording subscription-based IT arrangements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, *SBITA* in fiscal year 2022-2023. 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:

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

Management's estimates of the City's intangible right-to-use assets (such as leases and subscription-based information technology arrangements), amortization thereof, and related lease/subscription liabilities are based on amounts disclosed in the leasing documents and subscription contracts. The City uses the straight-line method for amortizing the intangible right-to-use assets. We evaluated the methods, assumptions, and data used to record the right-to-use assets, accumulated amortization of such assets, related lease/subscription liabilities, and the amortization expense of said liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

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 methods, assumptions, and data 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 methods, assumptions, and data 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 methods, assumptions, and data 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 methods, assumptions, and data 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 methods, assumptions, and data 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 methods, assumptions, and data used to develop the City's Net Other Post Employment Benefit Liability, based on information provided by Watkins Ross, in

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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.

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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. 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 26, 2024.

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.

Our consideration of internal control was for the limited purpose described in a separate letter 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 or significant deficiencies may exist that were not identified.

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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 instances of noncompliance or other matters that are

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required to be reported under *Government Auditing Standards* and which are described in the accompanying Report to Management letter as item 2023-001.

Upcoming Changes in Accounting Standards

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 information included in the Attachment and determine which standard(s) may be applicable to the City.

Other Matters

We applied certain limited procedures to management's discussion and analysis and 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 introductory and statistical sections, 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

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ATTACHMENT – UPCOMING GASB STANDARDS

For the Year Ended September 30, 2023

The Governmental Accounting Standards Board (GASB) routinely issues pronouncements to enhance accounting and financial reporting. Below are synopses of currently issued standards that may be applicable to the City. More information related to these standards can be found at www.gasb.org including full copies of the standards along with implementation guides and technical bulletins. We encourage management to review the following pronouncements to determine which standard(s) may be applicable to the City.

GASB 100: Accounting Changes and Error Corrections – An Amendment of GASB Stmt No. 62

Effective for fiscal years beginning after June 15, 2023 (City's fiscal year 2024)

The Board believes the requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

We do not expect this standard to have any significant effect on the City.

GASB 101: Compensated Absences

Effective for fiscal years beginning after December 15, 2023 (City's fiscal year 2025)

The Board believes the unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

We expect this standard to have a significant impact the City's future financial statements. Going forward the City will be required to review its definition of compensated absences and may be required to report additional types of leave that may not be reported under its current definition of compensated absences. The applicability of the standard to the various types of leave will be dependent upon the policies of the City and negotiated stipulations within its collective bargaining agreement(s). In addition to expanding the scope of *compensated absences*, this standard also requires that certain salary-related payments be included in the reported liability for financial statement purposes.

City of Marquette, Michigan
Corrective Action Plan
For the Year Ended September 30, 2023



2023-001 – EXPENDITURES OVER APPROPRIATIONS

Management Response: The City will adopt and amend the budget in accordance with the state's Uniform Budget Manual in which revenues are adopted by source, and expenditures are adopted by activity level.

Responsible Party:

- Chief Financial Officer
- City Manager

Anticipated Completion Date: September 30, 2024