

**CITY OF MARQUETTE, MICHIGAN**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**Fiscal Year Ended September 30, 2025**

**CITY OF MARQUETTE, MICHIGAN**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
Fiscal Year Ended September 30, 2025

**CITY COMMISSION**  
Paul Schloegel, Mayor

Jeremy Ottaway  
Sally Davis  
Cary Gottlieb  
Jessica Hanley  
Michael Larson  
Cody Mayer

**CITY MANAGER**  
Karen Kovacs

**PREPARED BY**  
Financial Services Department

**CHIEF FINANCIAL OFFICER**  
Mary Schlicht

CITY OF MARQUETTE, MICHIGAN

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March 27, 2026



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, 2025, 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, 2025. 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 provisions 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.

### *Tax Abatement Programs*

The City participates in tax abatement programs authorized under Michigan law to encourage redevelopment of underutilized and environmentally challenged properties. Through the Brownfield Redevelopment Financing Act, the City and its Brownfield Redevelopment Authority capture incremental property taxes generated by redevelopment projects to reimburse eligible environmental remediation and site preparation costs. While these agreements temporarily reduce property tax revenues, they are intended to return blighted or obsolete properties to productive use, stimulate private investment, expand the City's tax base, and support long-term economic growth. As redevelopment is completed and reimbursement periods expire, the City benefits from the full taxable value of the improved properties, creating a positive long-term fiscal impact.

### *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 in order to provide funding for capital improvement projects and maintenance of existing capital assets.

### *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 2025 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 2025 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 2025 continued to be:

- Infrastructure repairs, maintenance, 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, 2024. This is the 39<sup>th</sup> 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 its 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**

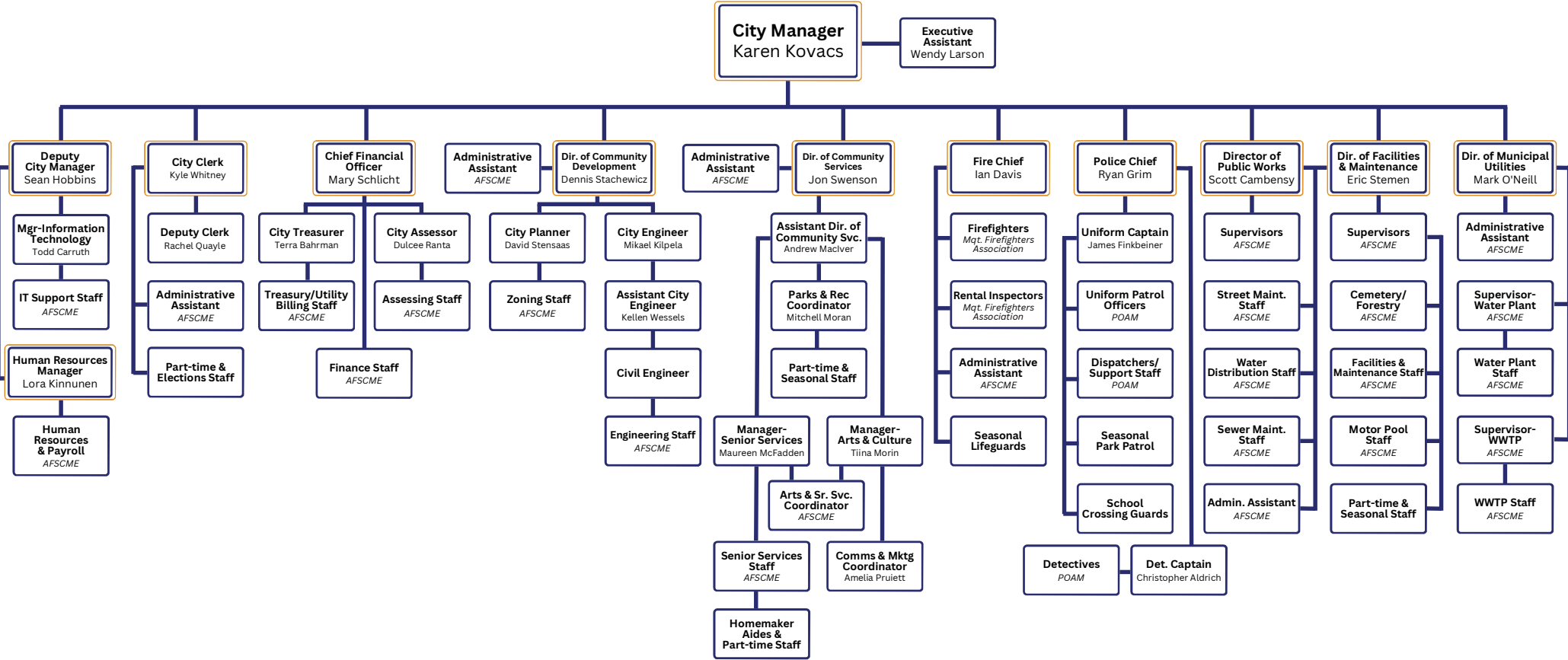
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# CITY OF MARQUETTE



**CITY OF MARQUETTE, MICHIGAN  
ADMINISTRATIVE STAFF**

**CITY MANAGER**

Karen Kovacs

**EXECUTIVE ASSISTANT**

Wendy Larson

**CITY ATTORNEY**

Suzanne Larsen

**CHIEF FINANCIAL OFFICER**

Mary Schlicht

**DEPUTY CITY MANAGER**

Sean Hobbins

**Information Services Division**

Todd Carruth

**Human Resources Division**

Lora Kinnunen

**CITY CLERK**

Kyle Whitney

**DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT**

Dennis Stachewicz

**Engineering Division**

Mikael Kilpela

Kellen Wessels

**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

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## 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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 86 percent, 87 percent, and 82 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of September 30, 2025. 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.

#### ***Change in Accounting Principle***

As described in Note Q to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

### ***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.
- 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.

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

### ***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 Other Supplemental Information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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, 2024, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. We did not audit the financial statements of the Board of Light and Power, which represent 87 percent, 88 percent, and 88 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 comparative financial statements for the year ended September 30, 2024, 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

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

underlying accounting and other records used to prepare the 2024 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 2024 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, as listed in the table of contents, 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 27, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Anderson, Tackman & Company, PLLC*  
Certified Public Accountants

March 27, 2026

## 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, 2025. 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

- The City's overall net position increased by \$7,931,069 as a result of this fiscal year's operations. This change was primarily driven by business-type activities where net position increased by \$5,758,023 or 11.64%, reflecting rate increases intended to build reserves for upcoming capital improvements, and additionally by our governmental activities where net position increased by \$2,173,046 or 4.90%.
- During the year, the City had expenses for governmental activities that were \$22,598,171 more than the \$16,302,351 generated in program revenues. Governmental activities continue to rely on general revenues to fund services. Program revenues covered approximately 42% of governmental activity expenses, leaving a funding gap of \$22,598,171 that was supported by general revenues such as property taxes and state shared revenue.
- The City's business-type activities had expenses that were \$5,825,538 less than the \$21,911,661 generated in program revenues.

Overall, the City's financial position strengthened during fiscal year 2025. Business-type activities generated strong operating results due to previously implemented utility rate adjustments and stable operating costs. Governmental activities experienced more modest growth and continue to rely on general revenues, such as property taxes and state shared revenue, to fund core services.

#### 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

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

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.

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

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

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.

### 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, 2025, and 2024.

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 45,298,914	\$ 43,661,107	\$ 22,113,471	\$ 19,049,256	\$ 67,412,385	\$ 62,710,363
Capital assets, net	87,750,123	89,521,843	61,937,059	62,316,456	149,687,182	151,838,299
<b>Total Assets</b>	<b>133,049,037</b>	<b>133,182,950</b>	<b>84,050,530</b>	<b>81,365,712</b>	<b>217,099,567</b>	<b>214,548,662</b>
Deferred outflows of resources	6,476,491	8,806,956	784,041	758,502	7,260,532	9,565,458
Current liabilities	6,559,863	5,487,092	5,503,604	5,805,757	12,063,467	11,292,849
Noncurrent liabilities	67,662,210	71,819,149	23,749,172	26,571,645	91,411,382	98,390,794
<b>Total Liabilities</b>	<b>74,222,073</b>	<b>77,306,241</b>	<b>29,252,776</b>	<b>32,377,402</b>	<b>103,474,849</b>	<b>109,683,643</b>
Deferred inflows of resources	18,818,007	20,371,263	341,861	264,901	19,159,868	20,636,164
<b>Net Position:</b>						
Net investment in capital assets	53,299,361	52,228,067	45,338,721	44,219,146	98,638,082	96,447,213
Restricted	12,394,241	7,282,893	-	5,736,185	12,394,241	13,019,078
Unrestricted	(19,208,154)	(15,198,558)	9,901,213	(473,420)	(9,306,941)	(15,671,978)
<b>Total Net Position</b>	<b>\$ 46,485,448</b>	<b>\$ 44,312,402</b>	<b>\$ 55,239,934</b>	<b>\$ 49,481,911</b>	<b>\$ 101,725,382</b>	<b>\$ 93,794,313</b>

Net position of the City’s governmental activities stood at \$46,485,448. *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 remained negative at \$(19,208,154).

The \$(19,208,154) 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.

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

The City's unrestricted net position for governmental activities remains negative primarily due to long-term liabilities, including debt and pension-related obligations used to finance capital infrastructure. This condition is common for governments that finance major assets through long-term borrowing and does not indicate an immediate liquidity concern.

The net position of our business-type activities stood at \$55,239,934. The City can generally only use the net position to finance continuing operations of the water and sewer and other enterprise operations.

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 2025 and 2024.

**Table 2**  
**Change in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 8,780,139	\$ 9,185,165	\$ 21,380,927	\$ 19,547,792	\$ 30,161,066	\$ 28,732,957
Operating grants and contributions	5,338,073	5,174,566	-	-	5,338,073	5,174,566
Capital grants and contributions	2,184,139	6,953,115	530,734	1,051,884	2,714,873	8,004,999
General revenues:						
Property taxes	20,065,545	18,997,582	-	-	20,065,545	18,997,582
Unrestricted State sources	3,516,305	3,430,604	-	-	3,516,305	3,430,604
Investment earnings	658,694	814,571	306,208	324,786	964,902	1,139,357
Sale of capital assets	1,462	123,870	-	-	1,462	123,870
Miscellaneous	155,488	322,630	-	82,786	155,488	405,416
Total Revenues	40,699,845	45,002,103	22,217,869	21,007,248	62,917,714	66,009,351
Program Expenses:						
General government	3,264,367	3,579,486	-	-	3,264,367	3,579,486
Public health and safety	11,044,130	10,278,769	-	-	11,044,130	10,278,769
Public works	14,653,199	13,961,657	413,326	406,759	15,066,525	14,368,416
Health and welfare	992,123	969,614	-	-	992,123	969,614
Community and economic development	3,086,995	2,644,529	-	-	3,086,995	2,644,529
Recreation and culture	2,694,052	6,929,851	1,151,022	1,037,062	3,845,074	7,966,913
Interest on long-term debt	430,373	504,516	-	-	430,373	504,516
Depreciation - unallocated	2,735,283	2,823,804	-	-	2,735,283	2,823,804
Water supply	-	-	5,750,996	5,545,413	5,750,996	5,545,413
Sewage disposal	-	-	7,040,569	6,774,472	7,040,569	6,774,472
Stormwater utility	-	-	1,730,210	1,811,780	1,730,210	1,811,780
Total Expenses	38,900,522	41,692,226	16,086,123	15,575,486	54,986,645	57,267,712
Excess (deficiency) before transfers	1,799,323	3,309,877	6,131,746	5,431,762	7,931,069	8,741,639
Transfers	373,723	261,314	(373,723)	(261,314)	-	-
Increase (decrease) in net position	2,173,046	3,571,191	5,758,023	5,170,448	7,931,069	8,741,639
Net position, beginning, as restated	44,312,402	40,741,211	49,481,911	44,311,463	93,794,313	85,052,674
Net Position, Ending	\$ 46,485,448	\$ 44,312,402	\$ 55,239,934	\$ 49,481,911	\$ 101,725,382	\$ 93,794,313

The City's total revenues were \$62,917,714. The total cost of all programs and services was \$54,986,645, leaving an increase in net position of \$7,931,069. Total revenues decreased by (\$3,091,637) or (4.7%) compared to the prior year. The most significant changes were due to the decrease in capital grant and contributions, which decreased (\$5,290,126) or (66.1%). Capital grants were for one-time activities that occurred in the prior fiscal year. Total expenses decreased by (\$2,281,067) or (4.0%). Again, the most

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

significant changes occurred in Recreation and Culture, where one-time construction projects were incurred in the prior year. The decrease in capital grants and related expenses reflects the completion of several one-time capital projects in the prior fiscal year and is not indicative of a reduction in ongoing operating revenues or service levels.

Our analysis below separately considers the operations of governmental and business-type activities:

### ***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 2025, inflation was greater than 5% so taxable values also increased 5% which contributed to the increase in property tax revenues.
- Property Tax revenues increased \$702,434 or 5.5% primarily due to the inflation factor on taxable values, mentioned above.

##### 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 and State grants increased \$182,809 or 126.8% in fiscal year 2025 as the City received increased support from the State for public safety training and equipment. The Port Infrastructure Grant that started in fiscal year 2024 is ongoing in fiscal year 2025.

##### 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

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

is based upon the estimated SEV of State facilities located within the City, such as the prison, university, and various other State facilities.

- State Shared Revenues increased modestly over the prior year by \$74,678 or 2.2%.

### 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 a contractual agreement with regional education, and for various services provided at special events held within the City.

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. This function had expenditures increase \$ 683,939 or 6.6% due to contractual wage increases in FY'25.
- Public Works is comprised of Public Works Maintenance, Engineering, and Cemetery. This function had expenditures increase \$347,220 or 6.2% due to contractual wage increases in FY'25.
- 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.

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.

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

Overall, the General Fund experienced positive operating results in fiscal year 2025. Growth in property tax revenues and investment income, combined with expenditure savings and timing delays in certain capital purchases, contributed to the increase in fund balance for the year.

### **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. As a result, General Fund transfers remain an essential and ongoing funding source to maintain the City's transportation infrastructure.

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.

### **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-through agent in this regard. These revenues and corresponding expenditures are variable from year to year based on the permitted landfill activity during the year. Revenues in this fund decreased by (\$501,510) or (11.1%), and expenditures decreased (\$299,606) or (7.0%) primarily due to decreased user needs. In the previous year, there was a large demolition project in the City, see notes in the Construction Fund, that contributed to the increased activity in that fiscal year. This activity reflects the variability of demand-driven services.

### **Local Development Finance Authority Fund**

Tax Increment Financing (TIF) revenue is collected in accordance with LDFA Public Act 281 of 1986 and is used to support the City's SmartZone initiative, which focuses on creating and sustaining high-technology jobs and advancing local economic development. Captured taxes are distributed contractually to implement SmartZone programs and services.

TIF revenues increased by \$352,968 (18.2%), with related expenditures increasing by \$358,718 (18.8%) compared to the prior fiscal year. Although the City's annual tax capture contribution remains capped at \$400,000, the year-over-year increase reflects growth in taxable values within the capture area, which generated higher incremental tax revenue available for SmartZone activities.

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

### **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 a playground, a demolition project to create space for residential and multi-use developments, engineering and design services for a cultural center / trailhead and bandshell replacement, and a reserve of funds for the reconstruction of a trucking corridor. The demolition project and the playground construction project, mentioned previously, were completed early in FY'25 and are a contributing factor to the decreased revenues and expenditures from the previous fiscal year. Revenues in this fund decreased (\$4,906,338) or (71.4%), and expenditures correspondingly decreased (\$4,320,334) or (63.3%). These decreases reflect the cyclical nature of capital project funding and construction activity.

### **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.

**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, Health and Welfare, Community and Economic Development, and Recreation and Cultures – 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	\$ 3,264,367	\$ 1,857,104
Public health and safety	11,044,130	10,516,007
Public works	14,653,199	2,159,956
Health and welfare	992,123	292,408
Community and economic development	3,086,995	2,974,529
Recreation and culture	2,694,052	1,632,511

Public Health and Safety and Public Works continue to represent the largest governmental functions, reflecting the City’s commitment to maintaining essential public services and infrastructure.

***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.

Business-type activities generated positive operating results in fiscal year 2025, primarily due to multi-year utility rate adjustments designed to strengthen financial sustainability and fund future capital improvements.

**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.

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

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 an income-generating rental property.

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.

Overall, enterprise fund performance is largely driven by rate structures, usage levels, and weather-related demand.

### 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 \$19,628,751, a decrease of \$(792,220) from the beginning of the year.

The Major Street and Trunkline Fund and the Construction d account for \$908,747 and \$533,275, respectively of the current year's overall decrease in fund balance. Whereas the Local Street Fund, Sanitation Fund, Local Development Finance Authority Fund combined with the Other Governmental Funds only account for \$(66,423) of the current year's change. As expounded upon below, this year's overall decrease in fund balance of \$(792,220) was offset by an increase of \$684,396 in the General Fund:

#### 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 budgeted use of \$81,172 to the General Fund's fund balance for one-time capital asset acquisitions and contractual wage increases. Actual activity for fiscal year 2025 produced a contribution of \$684,396 to fund balance. This \$765,568 swing is due to an increase in property tax revenues, the revenues recorded in investment income, actual expenditures coming in less than what was budgeted, and to budgeted expenditures being deferred into the next fiscal year.

Despite the modest decrease, governmental fund balance levels remain consistent with the City's fund balance policy and continue to provide financial stability.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal year 2025, the City had \$149,687,182 invested in a variety of capital assets, including land and improvements, buildings and improvements, equipment, and infrastructure. (See Table 4 below)

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

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

	2025			Totals 2024
	Governmental Activities	Business-type Activities	Totals	
Land and construction in progress	\$ 15,924,506	\$ 2,443,999	\$ 18,368,505	\$ 18,790,840
Land improvements	8,723,069	5,416,656	14,139,725	13,181,328
Buildings and improvements	11,452,587	6,082,792	17,535,379	19,007,688
Furniture and equipment	5,369,205	1,282,080	6,651,285	6,160,500
Infrastructure	46,280,756	46,711,532	92,992,288	94,697,943
<b>Totals</b>	<b>\$ 87,750,123</b>	<b>\$ 61,937,059</b>	<b>\$ 149,687,182</b>	<b>\$ 151,838,299</b>

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

The City continues to invest in infrastructure and community development projects to support long-term service delivery.

**Debt**

At year-end, the City had \$56,108,324 in bonds, notes and lease obligations outstanding as depicted in Table 5 below, which shows total bonded debt as of September 30, 2025.

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

	2025			Totals 2024
	Governmental Activities	Business-type Activities	Totals	
General obligation bonds	\$ 11,183,521	\$ 19,595,534	\$ 30,779,055	\$ 35,836,933
Contracts and notes payable	23,291,845	767,324	24,059,169	25,191,544
<b>Totals</b>	<b>\$ 34,475,366</b>	<b>\$ 20,362,858</b>	<b>\$ 54,838,224</b>	<b>\$ 61,028,477</b>

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 G.

Scheduled principal repayments and strategic borrowing continue to support the City’s long-term capital investment strategy.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS**

The City’s elected and appointed officials considered many factors when setting the fiscal year 2026 budget, including the global and national economies. Below are a few of these factors:

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

- State Revenue Sharing remains a budgetary concern, although recent trends are starting to show slight increases.
- The General Fund tax levy decreased to 17.4076 mills for the 2026 fiscal year budget. However, increases in tax revenues are budgeted based on taxable value changes over the previous year.
  - Taxable value is determined by the City Assessor as of December 31<sup>st</sup> 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.
- The City is focused on stabilizing the General Fund's unrestricted fund balance. A fund balance policy was approved in 2010 and continues to be at the forefront of budgetary planning. The policy uses benchmarks to ensure that adequate resources are available for maintaining services, while also identifying when it is appropriate to utilize those resources for capital 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.

These factors will continue to influence future budgets and long-term financial planning.

### **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](http://www.marquettemi.gov).

**CITY OF MARQUETTE, MICHIGAN**  
**BASIC FINANCIAL STATEMENTS**

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

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

CITY OF MARQUETTE, MICHIGAN

STATEMENT OF NET POSITION

September 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 20,216,774	\$ 13,359,857	\$ 33,576,631	\$ 51,343,643
Investments	6,673,811	-	6,673,811	18,291,808
Receivables (net)	12,016,185	2,475,468	14,491,653	4,479,024
Inventory	276,516	99,332	375,848	4,922,219
Prepaid expenses and other assets	534,312	124,488	658,800	682,293
<b>TOTAL CURRENT ASSETS</b>	<b>39,717,598</b>	<b>16,059,145</b>	<b>55,776,743</b>	<b>79,718,987</b>
Non-current Assets:				
Restricted assets	1,219,842	453,970	1,673,812	13,683,319
Accrued interest	-	-	-	5,653
Investment in UPPPA	-	-	-	7,500,380
Investment in joint venture	4,361,474	5,600,356	9,961,830	-
Leases receivable	-	-	-	-
Net OPEB asset	-	-	-	3,230,185
Capital assets:				
Land and construction in progress	15,924,506	2,443,998	18,368,504	27,222,327
Other capital assets, net of depreciation	71,825,617	59,493,061	131,318,678	91,842,605
Total Capital Assets	87,750,123	61,937,059	149,687,182	119,064,932
<b>TOTAL NON-CURRENT ASSETS</b>	<b>93,331,439</b>	<b>67,991,385</b>	<b>161,322,824</b>	<b>143,484,469</b>
<b>TOTAL ASSETS</b>	<b>133,049,037</b>	<b>84,050,530</b>	<b>217,099,567</b>	<b>223,203,456</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	24,604	50,820	75,424	-
Deferred amounts related to pension	6,241,285	725,378	6,966,663	3,069,463
Employer contributions subsequent to measurement date	-	-	-	1,508,819
Deferred amounts related to OPEB	210,602	7,843	218,445	945,792
Receivables for developer obligations	-	-	-	60,401,139
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,476,491</b>	<b>784,041</b>	<b>7,260,532</b>	<b>65,925,213</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Cash overdraft	-	-	-	-
Accounts payable	1,598,596	1,774,095	3,372,691	6,027,495
Accrued wages payable	322,663	59,297	381,960	475,159
Accrued liabilities	347,721	291,497	639,218	1,180,082
Compensated absences	954,695	-	954,695	1,673,762
Customer deposits payable	54,788	15,575	70,363	2,051,192
Due to primary government	-	-	-	12,602
Grants received in advance	-	-	-	-
Current portion of bonds, notes, SBITAs, and leases	3,281,400	3,363,140	6,644,540	4,812,000
Other current liabilities	-	-	-	442,965
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,559,863</b>	<b>5,503,604</b>	<b>12,063,467</b>	<b>16,675,257</b>
Non-current Liabilities:				
Compensated absences	1,664,946	340,808	2,005,754	48,469
Other post-employment benefits (OPEB) liability	1,277,231	73,162	1,350,393	-
Net pension liability	33,526,067	5,065,384	38,591,451	10,603,709
Long-term portion of bonds, notes, SBITAs and leases	31,193,966	16,999,718	48,193,684	83,177,430
Long-term obligations to others	-	1,270,100	1,270,100	25,318,004
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>67,662,210</b>	<b>23,749,172</b>	<b>91,411,382</b>	<b>119,147,612</b>
<b>TOTAL LIABILITIES</b>	<b>74,222,073</b>	<b>29,252,776</b>	<b>103,474,849</b>	<b>135,822,869</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes levied for a subsequent period	12,979,215	-	12,979,215	7,051,092
Special assessments	-	-	-	-
Deferred amounts related to leases	-	-	-	-
Deferred amounts related to OPEB	328,848	14,617	343,465	3,908,350
Deferred amounts related to pension	5,509,944	327,244	5,837,188	1,479,904
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>18,818,007</b>	<b>341,861</b>	<b>19,159,868</b>	<b>12,439,346</b>
<b>NET POSITION</b>				
Net investment in capital assets	53,299,361	45,338,721	98,638,082	65,118,681
Restricted for:				
Debt services	-	-	-	-
Capital outlay	1,241,955	-	1,241,955	-
Nonexpendable	1,066,679	-	1,066,679	-
Other activities:				
Board of Light and Power - OPEB	-	-	-	3,230,185
Board of Light and Power	-	-	-	10,632,607
Brownfield Redevelopment Authority	-	-	-	7,752,677
Non-major special revenues	10,085,607	-	10,085,607	-
Non-major component units	-	-	-	2,905,434
Unrestricted	(19,208,154)	9,901,213	(9,306,941)	51,226,870
<b>TOTAL NET POSITION</b>	<b>\$ 46,485,448</b>	<b>\$ 55,239,934</b>	<b>\$ 101,725,382</b>	<b>\$ 140,866,454</b>

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

CITY OF MARQUETTE, MICHIGAN

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2025

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 3,264,367	\$ 1,313,722	\$ 93,541	\$ -	\$ (1,857,104)	\$ -	\$ (1,857,104)	\$ -
Public health and safety	11,044,130	104,990	316,158	106,975	(10,516,007)	-	(10,516,007)	-
Public works	14,653,199	6,385,694	4,173,543	1,934,006	(2,159,956)	-	(2,159,956)	-
Health and welfare	992,123	-	699,715	-	(292,408)	-	(292,408)	-
Community and economic development	3,086,995	77,850	34,616	-	(2,974,529)	-	(2,974,529)	-
Recreation and culture	2,694,052	897,883	20,500	143,158	(1,632,511)	-	(1,632,511)	-
Interest on long-term debt	430,373	-	-	-	(430,373)	-	(430,373)	-
Depreciation - unallocated	2,735,283	-	-	-	(2,735,283)	-	(2,735,283)	-
<b>Total Governmental Activities</b>	<b>38,900,522</b>	<b>8,780,139</b>	<b>5,338,073</b>	<b>2,184,139</b>	<b>(22,598,171)</b>	<b>-</b>	<b>(22,598,171)</b>	<b>-</b>
Business-Type Activities:								
Water supply	5,750,996	7,096,926	-	215,385	-	1,561,315	1,561,315	-
Sewage disposal	7,040,569	8,753,769	-	-	-	1,713,200	1,713,200	-
Stormwater utility	1,730,210	3,826,300	-	270,349	-	2,366,439	2,366,439	-
Public works	413,326	408,805	-	-	-	(4,521)	(4,521)	-
Recreation and culture	1,151,022	1,295,127	-	45,000	-	189,105	189,105	-
<b>Total Business-Type Activities</b>	<b>16,086,123</b>	<b>21,380,927</b>	<b>-</b>	<b>530,734</b>	<b>-</b>	<b>5,825,538</b>	<b>5,825,538</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 54,986,645</b>	<b>\$ 30,161,066</b>	<b>\$ 5,338,073</b>	<b>\$ 2,714,873</b>	<b>(22,598,171)</b>	<b>5,825,538</b>	<b>(16,772,633)</b>	<b>-</b>
<b>Component Units:</b>								
Board of Light and Power	\$ 34,485,833	\$ 42,361,696	\$ -	\$ 556,857	-	-	-	8,432,720
Brownfield Redevelopment Authority	1,810,335	-	10,603	-	-	-	-	(1,799,732)
Non-Major Component Units	4,483,994	744,678	1,721,967	-	-	-	-	(2,017,349)
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 40,780,162</b>	<b>\$ 43,106,374</b>	<b>\$ 1,732,570</b>	<b>\$ 556,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,615,639</b>
General Revenues:								
Taxes:								
					16,278,999	-	16,278,999	6,796,192
					3,786,546	-	3,786,546	-
					3,516,305	-	3,516,305	-
					658,694	306,208	964,902	3,723,618
					1,462	-	1,462	46,292
					155,488	-	155,488	449,483
					373,723	(373,723)	-	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>24,771,217</b>	<b>(67,515)</b>	<b>24,703,702</b>	<b>11,015,585</b>
<b>CHANGE IN NET POSITION</b>					<b>2,173,046</b>	<b>5,758,023</b>	<b>7,931,069</b>	<b>15,631,224</b>
Net position, beginning of year					<b>44,312,402</b>	<b>49,481,911</b>	<b>93,794,313</b>	<b>125,235,230</b>
<b>NET POSITION, END OF YEAR</b>					<b>\$ 46,485,448</b>	<b>\$ 55,239,934</b>	<b>\$ 101,725,382</b>	<b>\$ 140,866,454</b>

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

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2025

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Sanitation Fund	Local Development Finance Authority Fund	Construction Fund	Other Governmental Funds	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 3,882,054	\$ 902,197	\$ 270,879	\$ 1,269,959	\$ 2,646,463	\$ 3,323,641	\$ 3,831,451	\$ 16,126,644
Investments	6,114,278	-	-	-	-	-	559,533	6,673,811
Taxes receivable, net	967,846	-	-	-	-	-	16,248	984,094
Accounts receivable	306,602	-	-	316,207	-	-	25,270	648,079
Due from other authorities	9,028,634	-	-	-	-	165,923	-	9,194,557
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	533,179	197,241	63,861	-	-	361,106	13,697	1,169,084
Inventories	276,516	-	-	-	-	-	-	276,516
Prepaid expenditures	357,211	-	-	-	-	-	30,726	387,937
<b>TOTAL ASSETS</b>	<b>21,466,320</b>	<b>1,099,438</b>	<b>334,740</b>	<b>1,586,166</b>	<b>2,646,463</b>	<b>3,850,670</b>	<b>4,476,925</b>	<b>35,460,722</b>
<b>DEFERRED OUTFLOWS OR RESOURCES</b>								
	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 21,466,320</b>	<b>\$ 1,099,438</b>	<b>\$ 334,740</b>	<b>\$ 1,586,166</b>	<b>\$ 2,646,463</b>	<b>\$ 3,850,670</b>	<b>\$ 4,476,925</b>	<b>\$ 35,460,722</b>
<b>LIABILITIES</b>								
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	352,139	170,060	6,349	398,240	-	558,067	55,064	1,539,919
Accrued wages payable	266,382	5,131	10,683	1,842	-	-	19,316	303,354
Accrued compensated absences	943,362	-	-	-	-	-	11,333	954,695
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	86	-	-	-	-	-	-	86
Due to other authorities	-	-	-	-	-	-	-	-
Customer deposits payable	54,702	-	-	-	-	-	-	54,702
Unearned revenue	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,616,671</b>	<b>175,191</b>	<b>17,032</b>	<b>400,082</b>	<b>-</b>	<b>558,067</b>	<b>85,713</b>	<b>2,852,756</b>
<b>DEFERRED INFLOWS OR RESOURCES</b>								
Taxes levied for a subsequent period	10,326,304	-	-	-	2,447,871	-	205,040	12,979,215
Special assessments	-	-	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>10,326,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,447,871</b>	<b>-</b>	<b>205,040</b>	<b>12,979,215</b>
<b>FUND BALANCE</b>								
Non-spendable	633,727	-	-	-	-	-	1,097,405	1,731,132
Restricted	-	924,247	317,708	-	198,592	-	2,919,202	4,359,749
Committed	-	-	-	-	-	-	3,965	3,965
Assigned	588,429	-	-	1,186,084	-	3,292,603	165,600	5,232,716
Unassigned	8,301,189	-	-	-	-	-	-	8,301,189
<b>TOTAL FUND BALANCE</b>	<b>9,523,345</b>	<b>924,247</b>	<b>317,708</b>	<b>1,186,084</b>	<b>198,592</b>	<b>3,292,603</b>	<b>4,186,172</b>	<b>19,628,751</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 21,466,320</b>	<b>\$ 1,099,438</b>	<b>\$ 334,740</b>	<b>\$ 1,586,166</b>	<b>\$ 2,646,463</b>	<b>\$ 3,850,670</b>	<b>\$ 4,476,925</b>	<b>\$ 35,460,722</b>

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

**CITY OF MARQUETTE, MICHIGAN**

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

September 30, 2025

**Total Fund Balances for Governmental Funds** \$ 19,628,751

*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). 92,111,597

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	\$ 4,256,876	
Restricted assets	1,219,842	
Current liabilities	<u>(77,986)</u>	5,398,732

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	21,806,440	
Net pension liability - Fire/Police Retirement System	11,719,627	
Deferred (outflows) of resources related to net pension liability	(6,178,055)	
Employer contributions subsequent to measurement date	-	
Deferred inflows of resources related to net pension liability	<u>5,446,714</u>	(32,794,726)

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	1,277,231	
Deferred (outflows) related to other post-employment benefits	(210,602)	
Deferred inflows related to other post-employment benefits	<u>328,848</u>	(1,395,477)

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	\$ 1,800,262	
Current portion of notes and contracts payable	1,481,138	
Accrued interest on bonds	347,721	
Compensated absences	1,664,946	
Bonds payable	9,383,259	
Long-term contracts and notes payable	21,810,707	
Deferred amount on refundings	<u>(24,604)</u>	(36,463,429)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 46,485,448

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

CITY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2025

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Sanitation Fund	Local Development Finance Authority Fund	Construction Fund	Other Governmental Funds	Total
<b>REVENUES:</b>								
Taxes and penalties	\$ 13,736,381	\$ -	\$ -	\$ -	\$ 2,276,900	\$ -	\$ 264,701	\$ 16,277,982
State sources	3,782,847	2,593,247	1,133,296	-	-	155,117	151,996	7,816,503
Federal sources	87,245	-	-	-	-	994,660	59,961	1,141,866
Charges for services	2,763,051	-	-	3,980,219	-	-	73,203	6,816,473
Sales	69,529	-	-	-	-	-	-	69,529
Use and admission fees	41,806	-	-	-	-	-	645,710	687,516
Rentals	94,312	-	-	-	-	-	78,349	172,661
Licenses and permits	96,231	-	-	-	-	-	-	96,231
Fines and forfeiture	97,797	-	-	-	-	-	-	97,797
Sales of assets	1,462	-	-	-	-	-	-	1,462
Reimbursements	104,139	35,093	26,000	-	-	-	4,255	169,487
Investment income	431,114	27,766	7,244	30,373	18,750	54,299	105,009	674,555
Payment in lieu of taxes	3,786,546	-	-	-	-	-	-	3,786,546
Private contribution	205,271	-	-	-	-	767,144	156,415	1,128,830
Intergovernmental revenues	10,000	-	-	-	-	-	521,095	531,095
Special assessments	-	-	-	-	-	-	-	-
Other revenues	104,843	300,000	-	15,710	-	-	63,111	483,664
<b>TOTAL REVENUES</b>	<b>25,412,574</b>	<b>2,956,106</b>	<b>1,166,540</b>	<b>4,026,302</b>	<b>2,295,650</b>	<b>1,971,220</b>	<b>2,123,805</b>	<b>39,952,197</b>
<b>EXPENDITURES:</b>								
Current operations:								
General government	3,450,288	-	-	-	-	-	2,590	3,452,878
Public safety	11,055,229	-	-	-	-	-	27,396	11,082,625
Public works	5,976,272	1,562,479	1,720,254	3,990,937	-	-	-	13,249,942
Health and welfare	-	-	-	-	-	-	1,011,738	1,011,738
Community and economic development	816,610	-	-	-	2,270,385	-	-	3,086,995
Recreation and culture	789,901	-	-	-	-	-	866,748	1,656,649
Capital outlay	-	1,015,959	232,680	-	-	2,504,495	194,783	3,947,917
Debt Service:								
Professional services	-	-	-	-	-	-	-	-
Principal payments	-	-	-	-	-	-	1,714,824	1,714,824
Interest and fiscal changes	-	-	-	-	-	-	466,382	466,382
<b>TOTAL EXPENDITURES</b>	<b>22,088,300</b>	<b>2,578,438</b>	<b>1,952,934</b>	<b>3,990,937</b>	<b>2,270,385</b>	<b>2,504,495</b>	<b>4,284,461</b>	<b>39,669,950</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,324,274</b>	<b>377,668</b>	<b>(786,394)</b>	<b>35,365</b>	<b>25,265</b>	<b>(533,275)</b>	<b>(2,160,656)</b>	<b>282,247</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	62,783	-	1,585,851	-	-	-	2,601,761	4,250,395
Transfers (out)	(2,702,661)	(1,286,415)	(780,131)	-	-	-	(555,655)	(5,324,862)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,639,878)</b>	<b>(1,286,415)</b>	<b>805,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,046,106</b>	<b>(1,074,467)</b>
<b>CHANGES IN FUND BALANCE</b>	<b>684,396</b>	<b>(908,747)</b>	<b>19,326</b>	<b>35,365</b>	<b>25,265</b>	<b>(533,275)</b>	<b>(114,550)</b>	<b>(792,220)</b>
Fund balance, beginning of year	8,838,949	1,832,994	298,382	1,150,719	173,327	3,825,878	4,300,722	20,420,971
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 9,523,345</b>	<b>\$ 924,247</b>	<b>\$ 317,708</b>	<b>\$ 1,186,084</b>	<b>\$ 198,592</b>	<b>\$ 3,292,603</b>	<b>\$ 4,186,172</b>	<b>\$ 19,628,751</b>

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

**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, 2025

**Net Change in Fund Balances - Total Governmental Funds** \$ (792,220)

*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 \$3,414,750

Capital outlays	\$ 4,957,002	
Change in joint venture	747,643	
Contributed capital	-	
Basis of disposed asset	-	
Depreciation expense	(6,705,627)	(1,000,982)

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.

1,714,824

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.

179,222

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

36,009

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)	\$ 1,162,677	
Pension liability expense	260,661	
Pension liability expense - Fire/Police Retirement	344,331	
Compensated absences	(462,910)	1,304,759

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

Change in net position	\$ (1,059,005)	
Capital outlays	(1,565,459)	
Capital contribution	-	
Basis of disposed asset	-	
Depreciation expense	3,414,750	
Other post-employment benefits (OPEB)	(28,323)	
Pension liability expense	(25,248)	
Compensated absences	(5,281)	731,434

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 2,173,046

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

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

September 30, 2025

	Business-Type Activities Enterprise Funds				Total	Governmental
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds		Internal Service Funds
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 2,670,110	\$ 4,667,673	\$ 3,775,807	\$ 2,246,267	\$ 13,359,857	\$ 4,090,130
Accounts receivable	988,413	1,151,528	221,950	31,813	2,393,704	20,371
Special assessments receivable	-	1,480	-	-	1,480	-
Due from other governments	2,127	-	75,936	134	78,197	-
Due from local units	-	-	-	2,087	2,087	-
Due from other authorities	-	-	-	-	-	-
Inventory	-	41,616	-	57,716	99,332	-
Prepaid expense	60,722	52,476	39	11,251	124,488	146,375
<b>TOTAL CURRENT ASSETS</b>	<b>3,721,372</b>	<b>5,914,773</b>	<b>4,073,732</b>	<b>2,349,268</b>	<b>16,059,145</b>	<b>4,256,876</b>
Non-current Assets:						
Restricted Assets	286,606	122,081	1,292	43,991	453,970	1,219,842
Investment in joint venture	-	5,600,356	-	-	5,600,356	-
Land and other non-depreciable assets	17,725	23,655	2,162,353	240,265	2,443,998	2,519,888
Other capital assets, net of depreciation	22,403,523	19,655,467	13,096,881	4,337,190	59,493,061	34,324,208
<b>TOTAL NON-CURRENT ASSETS</b>	<b>22,707,854</b>	<b>25,401,559</b>	<b>15,260,526</b>	<b>4,621,446</b>	<b>67,991,385</b>	<b>38,063,938</b>
<b>TOTAL ASSETS</b>	<b>26,429,226</b>	<b>31,316,332</b>	<b>19,334,258</b>	<b>6,970,714</b>	<b>84,050,530</b>	<b>42,320,814</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amount on refunding	21,137	14,525	15,158	-	50,820	-
Deferred outflows related to pension	462,928	262,450	-	-	725,378	442,406
Deferred outflows related to OPEB	4,599	3,244	-	-	7,843	3,335
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>488,664</b>	<b>280,219</b>	<b>15,158</b>	<b>-</b>	<b>784,041</b>	<b>445,741</b>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable	21,203	1,109,426	381,392	262,074	1,774,095	58,677
Accrued wages payable	32,265	10,962	6,811	9,259	59,297	19,309
Customer deposits payable	-	-	-	15,575	15,575	-
Accrued interest payable	72,709	87,197	118,735	12,856	291,497	-
Current portion of long-term debt	1,019,503	1,145,041	1,003,596	195,000	3,363,140	1,481,138
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,145,680</b>	<b>2,352,626</b>	<b>1,510,534</b>	<b>494,764</b>	<b>5,503,604</b>	<b>1,559,124</b>
Non-current Liabilities:						
Compensated absences	243,702	91,823	1,292	3,991	340,808	119,047
Other post employment benefits (OPEB)	42,904	30,258	-	-	73,162	31,111
Net pension liability	3,131,825	1,933,559	-	-	5,065,384	2,294,454
Long term payable to other authorities	-	1,270,100	-	-	1,270,100	-
Bonds payable	4,043,294	4,683,964	6,858,675	646,461	16,232,394	-
Loan payable	399,840	367,484	-	-	767,324	-
Subscription Liability	-	-	-	-	-	58,743
Leases payable	-	-	-	-	-	21,751,964
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,861,565</b>	<b>8,377,188</b>	<b>6,859,967</b>	<b>650,452</b>	<b>23,749,172</b>	<b>24,255,319</b>
<b>TOTAL LIABILITIES</b>	<b>9,007,245</b>	<b>10,729,814</b>	<b>8,370,501</b>	<b>1,145,216</b>	<b>29,252,776</b>	<b>25,814,443</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Special assessment	-	-	-	-	-	-
Deferred inflows related to pension	209,083	118,161	-	-	327,244	129,035
Deferred inflows related to OPEB	8,571	6,046	-	-	14,617	6,214
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>217,654</b>	<b>124,207</b>	<b>-</b>	<b>-</b>	<b>341,861</b>	<b>135,249</b>
<b>NET POSITION</b>						
Net investment in capital assets	16,979,748	13,497,158	7,412,121	3,735,994	41,625,021	13,552,251
Restricted for:						
Debt service	-	-	-	-	-	-
Fuel system reserve	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	713,243	7,245,372	3,566,794	2,089,504	13,614,913	3,264,612
<b>TOTAL NET POSITION</b>	<b>\$ 17,692,991</b>	<b>\$ 20,742,530</b>	<b>\$ 10,978,915</b>	<b>\$ 5,825,498</b>	<b>\$ 55,239,934</b>	<b>\$ 16,816,863</b>

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

CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2025

	Business-Type Activities Enterprise Funds				Total	Governmental
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds		Internal Service Funds
<b>OPERATING REVENUES:</b>						
Water sales	\$ 6,959,996	\$ -	\$ -	\$ -	\$ 6,959,996	\$ -
Sewage disposal	-	8,721,024	-	-	8,721,024	-
Charges for services	25,704	10,754	3,122,701	56,228	3,215,387	7,880
Other operating revenue	111,226	21,991	703,599	1,647,704	2,484,520	5,310,434
<b>TOTAL OPERATING REVENUES</b>	<b>7,096,926</b>	<b>8,753,769</b>	<b>3,826,300</b>	<b>1,703,932</b>	<b>21,380,927</b>	<b>5,318,314</b>
<b>OPERATING EXPENSES:</b>						
Personnel services	2,108,187	846,711	155,830	331,653	3,442,381	1,282,278
Supplies and contractual	1,251,304	3,963,013	201,259	938,976	6,354,552	2,667,753
Capital outlay	-	-	-	2,628	2,628	-
Provision for depreciation / amortization	1,605,166	1,343,320	1,178,362	267,088	4,393,936	3,414,750
Other supplies and charges	658,512	566,076	-	-	1,224,588	-
<b>TOTAL OPERATING EXPENSES</b>	<b>5,623,169</b>	<b>6,719,120</b>	<b>1,535,451</b>	<b>1,540,345</b>	<b>15,418,085</b>	<b>7,364,781</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,473,757</b>	<b>2,034,649</b>	<b>2,290,849</b>	<b>163,587</b>	<b>5,962,842</b>	<b>(2,046,467)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Investment income	61,867	107,254	57,350	79,737	306,208	120,426
Interest expense	(127,827)	(140,583)	(194,759)	(24,003)	(487,172)	(643,263)
Gain (Loss) on sale of capital asset	-	-	-	-	-	24,564
Contributions from other authorities	-	-	-	-	-	194,031
Operating gain (loss) from Marquette Area Wastewater Treatment Facility	-	(180,866)	-	-	(180,866)	-
Lease - Interest	-	-	-	-	-	(156,486)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(65,960)</b>	<b>(214,195)</b>	<b>(137,409)</b>	<b>55,734</b>	<b>(361,830)</b>	<b>(460,728)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>1,407,797</b>	<b>1,820,454</b>	<b>2,153,440</b>	<b>219,321</b>	<b>5,601,012</b>	<b>(2,507,195)</b>
Federal grant - capital grant	215,385	-	270,349	-	485,734	-
State grant - capital grant	-	-	-	45,000	45,000	-
Contributed capital	-	-	-	-	-	-
Transfers in	-	-	-	28,115	28,115	1,448,190
Transfers (out)	(204,095)	(166,770)	-	(30,973)	(401,838)	-
<b>CHANGE IN NET POSITION</b>	<b>1,419,087</b>	<b>1,653,684</b>	<b>2,423,789</b>	<b>261,463</b>	<b>5,758,023</b>	<b>(1,059,005)</b>
Net position, beginning of year	16,273,904	19,088,846	8,555,126	5,564,035	49,481,911	17,875,868
<b>NET POSITION, END OF YEAR</b>	<b>\$ 17,692,991</b>	<b>\$ 20,742,530</b>	<b>\$ 10,978,915</b>	<b>\$ 5,825,498</b>	<b>\$ 55,239,934</b>	<b>\$ 16,816,863</b>

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

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CITY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2025

	Business-Type Activities Enterprise Funds				Total	Governmental Activities
	Water Supply Fund	Sewage Disposal Fund	Stormwater Utility Fund	Non-major Enterprise Funds		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from fees and charges for services	\$ 7,236,668	\$ 8,687,180	\$ 3,237,286	\$ 92,196	\$ 19,253,330	\$ 7,343
Other operating revenues	100,934	21,991	703,599	1,600,505	2,427,029	5,320,052
Cash payments to employees for services	(2,207,807)	(888,333)	(182,443)	(324,496)	(3,603,079)	(1,339,876)
Cash payments to suppliers for goods and services	(2,065,811)	(4,817,004)	(335,830)	(773,402)	(7,992,047)	(1,885,467)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,063,984</b>	<b>3,003,834</b>	<b>3,422,612</b>	<b>594,803</b>	<b>10,085,233</b>	<b>2,102,052</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Transfers in	-	-	-	28,115	28,115	1,448,189
Transfers (out)	(204,095)	(166,770)	-	(30,973)	(401,838)	-
Contributions from other authorities	-	-	-	-	-	194,031
State and Federal grants	-	-	-	-	-	-
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>(204,095)</b>	<b>(166,770)</b>	<b>-</b>	<b>(2,858)</b>	<b>(373,723)</b>	<b>1,642,220</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Principal payments on long-term debt	(976,595)	(1,100,554)	(960,796)	(185,000)	(3,222,945)	(1,351,594)
Interest paid on long-term debt	(219,878)	(254,252)	(324,517)	(36,182)	(834,829)	(799,748)
Cash payments for capital assets	(569,631)	(582,520)	(2,521,879)	(340,509)	(4,014,539)	(1,031,240)
Proceeds from sale of capital assets	-	-	-	-	-	47,660
State and Federal grants	215,385	-	270,349	45,000	530,734	-
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,550,719)</b>	<b>(1,937,326)</b>	<b>(3,536,843)</b>	<b>(516,691)</b>	<b>(7,541,579)</b>	<b>(3,134,922)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest income	61,867	107,254	57,350	79,737	306,208	120,426
(Increase) decrease in restricted assets:						
Replacement maintenance reserve	-	-	-	-	-	(15,915)
OPEB reserve	20,021	14,122	-	-	34,143	14,515
Compensated absences reserve	(18,691)	(19,131)	27,535	(3,233)	(13,520)	5,281
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>63,197</b>	<b>102,245</b>	<b>84,885</b>	<b>76,504</b>	<b>326,831</b>	<b>124,307</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,372,367</b>	<b>1,001,983</b>	<b>(29,346)</b>	<b>151,758</b>	<b>2,496,762</b>	<b>733,657</b>
Cash and cash equivalents, beginning of year	1,297,743	3,665,690	3,805,153	2,094,509	10,863,095	3,356,473
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,670,110</b>	<b>\$ 4,667,673</b>	<b>\$ 3,775,807</b>	<b>\$ 2,246,267</b>	<b>\$ 13,359,857</b>	<b>\$ 4,090,130</b>
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Gain on investment from Marquette Wastewater Treatment Facility	\$ -	\$ (180,866)	\$ -	\$ -	\$ (180,866)	\$ -
Increase in right-to-use leased assets	-	-	-	-	-	446,913
(Increase) in right-to-use lease liability	-	-	-	-	-	(446,913)
(Decrease) in right-to-use SBITA	-	-	-	-	-	87,306
Decrease in right-to-use SBITA liability	-	-	-	-	-	(87,306)
<b>TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ (180,866)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (180,866)</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 1,473,757	\$ 2,034,649	\$ 2,290,849	\$ 163,587	\$ 5,962,842	\$ (2,046,467)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation / amortization	1,605,166	1,343,320	1,178,362	267,088	4,393,936	3,414,750
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	195	(43,118)	(115,442)	(10,340)	(168,705)	9,081
(Increase) decrease in special assessments receivable	2,341	861	-	-	3,202	-
(Increase) decrease in due from other governments	240,481	-	230,027	(991)	469,517	-
(Increase) decrease in inventory	-	1,338	-	(3,355)	(2,017)	-
(Increase) decrease in prepaid expenses	2,984	(791)	5	(4,911)	(2,713)	825,335
Increase (decrease) in accounts payable	(158,979)	(288,462)	(134,576)	176,468	(405,549)	(43,049)
Increase (decrease) in accrued wages payable	6,378	1,021	922	3,924	12,245	1,254
Increase (decrease) in customer deposits payable	-	-	-	100	100	-
Increase (decrease) in compensated absences	18,691	19,131	(27,535)	3,233	13,520	(5,281)
Increase (decrease) in net pension liability	(85,631)	(34,226)	-	-	(119,857)	(25,248)
Increase (decrease) in other post-employment benefits (OPEB)	(39,058)	(27,548)	-	-	(66,606)	(28,323)
Increase (decrease) in deferred inflows - special assessments	(2,341)	(2,341)	-	-	(4,682)	-
<b>NET ADJUSTMENTS</b>	<b>1,590,227</b>	<b>969,185</b>	<b>1,131,763</b>	<b>431,216</b>	<b>4,122,391</b>	<b>4,148,519</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 3,063,984</b>	<b>\$ 3,003,834</b>	<b>\$ 3,422,612</b>	<b>\$ 594,803</b>	<b>\$ 10,085,233</b>	<b>\$ 2,102,052</b>

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

**CITY OF MARQUETTE, MICHIGAN**

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2025

	<b>Pension Trust Fund Fund</b>	<b>Custodial Funds</b>
	<b>Fire-Police Pension Trust Fund</b>	<b>Custodial Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 997,509	\$ 3,137,083
Investments		
Domestic Corporation Bonds	4,528,338	-
Common, Pooled Fund	42,679,530	-
Accounts receivable	-	6,399
Taxes receivable	-	2,588,170
Accrued interest receivable	16,033	-
	<b>TOTAL ASSETS</b>	<b>5,731,652</b>
	-	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	-	-
<b>LIABILITIES</b>		
Accounts payable	23,803	2,530,419
Due to State	-	326,878
Due to other governments	-	1,257,777
Due to local units	-	1,085,364
Other liabilities	-	140,003
	<b>TOTAL LIABILITIES</b>	<b>5,340,441</b>
	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	-	-
<b>NET POSITION</b>		
Restricted for:		
Pensions	48,197,607	-
Individuals, organizations, and other governments	-	391,211
	<b>TOTAL NET POSITION</b>	<b>391,211</b>
	<b>\$ 48,197,607</b>	<b>\$ 391,211</b>

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, 2025

	<b>Pension Trust Fund</b>	<b>Custodial Funds</b>
	<b>Fire-Police Pension Trust Fund</b>	<b>Custodial Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 2,003,579	\$ -
Employee	273,955	-
	<hr/>	<hr/>
Total Contributions	2,277,534	-
	<hr/>	<hr/>
Investment Income:		
Net appreciation (depreciation) in fair value of investments	3,878,739	-
Interest and dividends	148,881	-
	<hr/>	<hr/>
Net Investment Income	4,027,620	-
	<hr/>	<hr/>
Other Additions:		
Collections for individuals, organizations, and other governments	-	976,878
Property tax collections for other governments	-	28,961,650
	<hr/>	<hr/>
Total Other Additions	-	29,938,528
	<hr/>	<hr/>
<b>TOTAL ADDITIONS</b>	<b>6,305,154</b>	<b>29,938,528</b>
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Benefits and annuity withdrawals	3,760,193	-
Administrative expenses	21,078	-
Payments to individuals, organizations, and other governments	-	1,088,705
Payments of property tax collections for other governments	-	28,961,650
	<hr/>	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>3,781,271</b>	<b>30,050,355</b>
	<hr/>	<hr/>
<b>CHANGE IN NET POSITION</b>	<b>2,523,883</b>	<b>(111,827)</b>
	<hr/>	<hr/>
Net position, beginning of year	45,673,724	503,038
	<hr/>	<hr/>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 48,197,607</b>	<b>\$ 391,211</b>
	<hr/>	<hr/>

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

## CITY OF MARQUETTE, MICHIGAN

## COMPONENT UNITS

## COMBINING STATEMENT OF NET POSITION

September 30, 2025

	Board of Light and Power	Brownfield Redevelopment Authority	Non-Major Component Units	Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 35,396,181	\$ 12,299,174	\$ 3,648,288	\$ 51,343,643
Investments	18,078,018	-	213,790	18,291,808
Receivables (net)	3,995,547	44,307	439,170	4,479,024
Inventory	4,922,219	-	-	4,922,219
Prepaid expenses and other assets	604,636	9	77,648	682,293
<b>TOTAL CURRENT ASSETS</b>	<b>62,996,601</b>	<b>12,343,490</b>	<b>4,378,896</b>	<b>79,718,987</b>
Non-current Assets:				
Restricted - cash and equivalents	5,123,747	-	488,127	5,611,874
Restricted - investments	5,503,207	-	2,568,238	8,071,445
Accrued interest	5,653	-	-	5,653
Investment in UPPPA	7,500,380	-	-	7,500,380
Leases receivable	-	-	-	-
Capital assets:				
Land and construction in progress	27,046,118	-	176,209	27,222,327
Other capital assets, net of depreciation	82,029,807	426,432	9,386,366	91,842,605
Total Capital Assets	109,075,925	426,432	9,562,575	119,064,932
<b>TOTAL NON-CURRENT ASSETS</b>	<b>127,208,912</b>	<b>426,432</b>	<b>12,618,940</b>	<b>140,254,284</b>
<b>TOTAL ASSETS</b>	<b>190,205,513</b>	<b>12,769,922</b>	<b>16,997,836</b>	<b>219,973,271</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	-	-	-	-
Deferred outflows related to pension	2,933,905	-	135,558	3,069,463
Deferred outflows related to OPEB	945,792	-	-	945,792
Employer contributions subsequent to measurement date	1,400,391	-	108,428	1,508,819
Receivables for developer obligations	-	60,401,139	-	60,401,139
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,280,088</b>	<b>60,401,139</b>	<b>243,986</b>	<b>65,925,213</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	5,970,408	10,830	46,257	6,027,495
Accrued liabilities	416,731	1,072	103,454	521,257
Compensated absences	1,579,473	-	94,289	1,673,762
Customer deposits payable	2,051,192	-	-	2,051,192
Due to primary government	-	-	12,602	12,602
Grants received in advance	-	-	-	-
Current portion of bonds, notes, SBITAs, and leases	3,355,000	1,075,000	411,399	4,841,399
Other current liabilities	931,993	615,557	-	1,547,550
<b>TOTAL CURRENT LIABILITIES</b>	<b>14,304,797</b>	<b>1,702,459</b>	<b>668,001</b>	<b>16,675,257</b>
Non-current Liabilities:				
Compensated absences	-	-	48,469	48,469
Net pension liability	9,547,078	-	1,056,631	10,603,709
Net OPEB liability (asset)	(3,230,185)	-	-	(3,230,185)
Long-term portion of bonds, notes, SBITAs and leases	47,294,804	33,392,578	2,490,048	83,177,430
Long-term obligations to others	-	25,318,004	-	25,318,004
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>53,611,697</b>	<b>58,710,582</b>	<b>3,595,148</b>	<b>115,917,427</b>
<b>TOTAL LIABILITIES</b>	<b>67,916,494</b>	<b>60,413,041</b>	<b>4,263,149</b>	<b>132,592,684</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to leases	-	-	-	-
Deferred inflows related to OPEB	3,908,350	-	-	3,908,350
Deferred inflows related to pension	1,479,448	-	456	1,479,904
Taxes levied for subsequent period	-	4,973,911	2,077,181	7,051,092
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,387,798</b>	<b>4,973,911</b>	<b>2,077,637</b>	<b>12,439,346</b>
<b>NET POSITION</b>				
Net investment in capital assets	58,426,121	31,432	6,661,128	65,118,681
Restricted for:				
Other activities	10,632,607	-	2,905,434	13,538,041
Unrestricted	53,122,581	7,752,677	1,334,474	62,209,732
<b>TOTAL NET POSITION</b>	<b>\$ 122,181,309</b>	<b>\$ 7,784,109</b>	<b>\$ 10,901,036</b>	<b>\$ 140,866,454</b>

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

CITY OF MARQUETTE, MICHIGAN

COMPONENT UNITS  
 COMBINING STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended September 30, 2025

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Board of Light and Power	Brownfield Redevelopment Authority	Non-Major Component Units	
<b>Component Units:</b>								
Board of Light and Power	\$ 34,485,833	\$ 42,361,696	\$ -	\$ 556,857	\$ 8,432,720	\$ -	\$ -	\$ 8,432,720
Brownfield Redevelopment Authority	1,810,335	-	10,603	-	-	(1,799,732)	-	(1,799,732)
Non-Major Component Units	4,483,994	744,678	1,721,967	-	-	-	(2,017,349)	(2,017,349)
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 40,780,162</u>	<u>\$ 43,106,374</u>	<u>\$ 1,732,570</u>	<u>\$ 556,857</u>	<u>8,432,720</u>	<u>(1,799,732)</u>	<u>(2,017,349)</u>	<u>4,615,639</u>
General Revenues:								
Property taxes					-	4,094,876	2,701,316	6,796,192
Interest and investment earnings					3,275,063	193,534	255,021	3,723,618
Other income					204,676	-	-	204,676
Gain on sale of capital assets					46,292	-	-	46,292
Amortization of bond premium					-	-	-	-
Miscellaneous					-	337	244,470	244,807
<b>TOTAL GENERAL REVENUES</b>					<u>3,526,031</u>	<u>4,288,747</u>	<u>3,200,807</u>	<u>11,015,585</u>
<b>CHANGE IN NET POSITION</b>					<u>11,958,751</u>	<u>2,489,015</u>	<u>1,183,458</u>	<u>15,631,224</u>
Net position, beginning of year					<u>110,222,558</u>	<u>5,295,094</u>	<u>9,717,578</u>	<u>125,235,230</u>
<b>NET POSITION, END OF YEAR</b>					<u>\$ 122,181,309</u>	<u>\$ 7,784,109</u>	<u>\$ 10,901,036</u>	<u>\$ 140,866,454</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.

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, 2024. No modifications have been made to the Development Fund’s financial

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

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, 2025, the Development Fund distributed \$71,662 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 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.

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

**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, 2025, the latest available report, is as follows:

Total Assets	\$ 3,727,620
Deferred Outflows of Resources	226,310
Total Liabilities	1,163,449
Deferred Inflows of Resources	18,548
Total Net Position	2,771,933
Total Operating Revenues	554,708
Total Operating Expenses	798,941
Total Non-Operating Revenues (Expenses)	86,633
Capital Grant Contributions	-
Net Increase (Decrease) in Net Position	(157,600)

**(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 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.

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

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.

#### ***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:

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

**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 **Sanitation Fund** accounts for the revenues and expenditures associated with recycling services, waste management services, and landfill usage.

The **Local Development Finance Authority Fund** accounts for the tax increment captured pursuant to the Local Development Financing Act, Public Act 281 of 1986 used to invest in activities which create and maintain jobs as well as promote growth in the tax based of the City.

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

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

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

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

so will not be recognized as an outflow of resources (expense/expenditures) until then. The government reports the following in this category:

- 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

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

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 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 27, 2026, 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.

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

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

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

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

**NOTE B – DEPOSITS AND INVESTMENTS:**

Cash Equivalents

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

	Primary Government	Component Units	Fiduciary Funds	Totals
Cash and cash equivalents:				
Unrestricted	\$ 33,576,631	\$ 51,343,643	\$ 3,743,381	\$ 88,663,655
Restricted	1,673,812	5,611,874	391,211	7,676,897
	<u>35,250,443</u>	<u>56,955,517</u>	<u>4,134,592</u>	<u>96,340,552</u>
Investments:				
Unrestricted	6,673,811	18,291,808	47,207,868	72,173,487
Restricted	-	8,071,445	-	8,071,445
	<u>6,673,811</u>	<u>26,363,253</u>	<u>47,207,868</u>	<u>80,244,932</u>
<b>TOTALS</b>	<u><u>\$ 41,924,254</u></u>	<u><u>\$ 83,318,770</u></u>	<u><u>\$ 51,342,460</u></u>	<u><u>\$ 176,585,484</u></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 \$96,340,552, and the bank balance was \$86,058,841. The bank balance is categorized as follows:

Amount insured by the FDIC or uncollateralized with securities held by the City in its name	\$ 26,881,968
Amount collateralized with securities held by the pledging financial institutions trust department in the City's name:	
Collateralized and uninsured	<u>59,176,873</u>
	<u><u>\$ 86,058,841</u></u>

Investments

As of September 30, 2025, the City had the following investments:

	Level	Fair Value	Investment Maturities (in Years)			
			Less than 1	1-5	6-10	More than 10
<b>PRIMARY GOVERNMENT:</b>						
Time deposits	2	\$ 1,031,751	\$ 355,457	\$ 676,294	\$ -	\$ -
Fixed income securities	1	<u>5,642,060</u>	<u>-</u>	<u>-</u>	<u>5,642,060</u>	<u>-</u>
<b>TOTAL INVESTMENTS</b>		<u><u>\$ 6,673,811</u></u>	<u><u>\$ 355,457</u></u>	<u><u>\$ 676,294</u></u>	<u><u>\$ 5,642,060</u></u>	<u><u>\$ -</u></u>

**NOTE B – DEPOSITS AND INVESTMENTS (Continued):**

	Level	Fair Value	Investment Maturities (in Years)			
			Less than 1	1-5	6-10	More than 10
<b>COMPONENT UNITS:</b>						
Peter White Public Library:						
Mutual Funds	1	\$ 2,193,386	\$ 2,193,386	\$ -	\$ -	\$ -
Equities	1	751	751	-	-	-
Exchange traded funds	1	587,891	587,891	-	-	-
		<u>2,782,028</u>	<u>2,782,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
Board of Light & Power:						
Money market mutual funds	2	\$ 4,007,951	\$ 4,007,951	\$ -	\$ -	\$ -
Government securities	1	14,063,276	14,063,276	-	-	-
Time deposits	2	5,509,998	5,509,998	-	-	-
		<u>23,581,225</u>	<u>23,581,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL INVESTMENTS</b>		<u>\$26,363,253</u>	<u>\$26,363,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FIDUCIARY FUNDS:</b>						
Common, Pooled Fund	1	\$38,446,289	\$38,446,289	\$ -	\$ -	\$ -
Mutual Funds - Equity	1	4,233,241	4,233,241	-	-	-
Mutual Funds - Corporate Bonds	1	4,528,338	4,528,338	-	-	-
		<u>\$47,207,868</u>	<u>\$47,207,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk**

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

**Credit Risk**

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

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

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

**NOTE B – DEPOSITS AND INVESTMENTS (Continued):**

*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:

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

	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
Cash and cash equivalents:								
Replacement and maintenance fund	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Equipment reserve	-	-	-	-	-	-	1,069,684	1,069,684
OPEB reserve	42,904	30,258	-	-	3,979	1,986	25,146	104,273
Compensated absences reserve	243,702	91,823	1,292	3,991	40,495	-	78,552	459,855
Subtotal	286,606	122,081	1,292	43,991	44,474	1,986	1,173,382	1,673,812
Investments	-	-	-	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 286,606</b>	<b>\$ 122,081</b>	<b>\$ 1,292</b>	<b>\$ 43,991</b>	<b>\$ 44,474</b>	<b>\$ 1,986</b>	<b>\$ 1,173,382</b>	<b>\$ 1,673,812</b>

	Component Unit		
	Board of Light and Power	Non-major Component Units	Total
Cash and cash equivalents:			
Bond interest and redemption fund	\$ 2,458,284	\$ -	\$ 2,458,284
Customer deposits	2,051,192	-	2,051,192
Asset retirement fund	264,318	-	264,318
Energy optimization fund	349,953	-	349,953
Carroll Paul Memorial Trust	-	10,276	10,276
Debt service	-	341,556	341,556
PWPL Development Fund	-	136,295	136,295
Subtotal	5,123,747	488,127	5,611,874
Investments			
Bond reserve	5,503,207	-	5,503,207
Carroll Paul Memorial Trust	-	982,188	982,188
PWPL Development Fund	-	1,586,050	1,586,050
Subtotal	5,503,207	2,568,238	8,071,445
<b>TOTALS</b>	<b>\$ 10,626,954</b>	<b>\$ 3,056,365</b>	<b>\$ 13,683,319</b>

## 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, 2025, by the City is \$5,600,356, 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, 2025, of the Facility, in the aggregate, is as follows:

Assets	\$34,211,716
Deferred outflows of resources	125,054
Liabilities	19,237,881
Deferred inflows of resources	15,118
Equity	15,083,771
Operating Revenues	2,644,102
Operating Expenses	3,262,416
Non-operating Revenues	2,871,999
Non-operating Expenses	(369,642)
Increase in net position	1,884,043
City's share of net gain (loss)	1,582,596

## NOTE E – LEASES:

The City and its component units have leased certain assets from various third parties. Some of the agreements qualify as intangible, right-to-use assets and not finance purchases, as ownership of the assets will not transfer at the end of the contract term. The initial term of these agreements exceeds one year. The City and its component units intend to exercise these agreements to the end of their respective terms; as such, these agreements qualify as long-term lease agreements.

At the commencement of the lease, the City initially measures the lease liability at the present value of the payments expected to be made during the lease term. The correlated asset is initially measured at the initial amount of the lease liability (adjusted for lease payments made at or before the lease commencement date) and subsequently amortized on a straight-line basis over its useful life. The right-to-use assets and related activities are included in Note I – Capital Assets.

The City and its component units have the following leases:

<u>Asset Description</u>	<u>Term</u>	<u>Payment Frequency</u>
Primary Government -		
Energy enhancement equipment	19 Years	Annually
Technology services equipment	1 - 5 Years	Annually
Motor Pool light-duty equipment	4 - 5 Years	Monthly
Component Units -		
DDA Xerox copier	60 months	Monthly
DDA Office lease	36 months	Monthly
PWPL Xerox copier	60 months	Monthly
PWPL Sharp copier	60 months	Monthly

### Energy Enhancements Lease - Lessee

The City has a lease for the various energy enhancement projects that have been undertaken by the City. This lease is accounted for in the Energy Enhancements Fund.

### Equipment Leases – Lessee

The City has entered into multiple leases for technology service equipment (i.e. phones, copiers, etc.); these leases are accounted for in the Technology Services Fund.

The City has entered into multiple leases for light duty equipment (i.e. vehicles); these leases are accounted for in the Motor Pool Fund.

Peter White Public Library is a lessee for various copier equipment.

The DDA is a lessee for various copier equipment and office space.

The lease liabilities and related activities, summarized below, are included in Note F – Long-Term Debt. Future principal and interest payment requirements related to these lease liabilities at September 30, 2025 are as follows:

**NOTE E – LEASES (Continued):**

Year Ending September 30,	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2026	\$ 1,452,575	\$ 760,119	\$ 29,399	\$ 599
2027	1,635,931	685,259	9,618	83
2028	1,633,118	619,070	7,309	21
2029	1,710,440	533,339	5,804	3
2030	1,626,285	476,697	1,621	-
2031-2035	10,022,163	1,631,785	-	-
2036-2040	5,124,027	219,152	-	-
	<u>\$ 23,204,539</u>	<u>\$ 4,925,421</u>	<u>\$ 53,751</u>	<u>\$ 706</u>

**NOTE F – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS:**

The City is involved in one arrangement that qualifies as subscription-based information technology arrangements (SBITA). Below is a summary of the nature of this arrangement. This arrangement qualifies 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 assets and related activities are included in Note I – Capital Assets.

<u>Asset Description</u>	<u>Term</u>	<u>Payment Frequency</u>
Primary Government - Mapping software	3 Years	Annually

The SBITA liability and related activities, summarized below, are included in Note F – Long-Term Debt. Future principal and interest payment requirements related to this liability at September 30, 2025 is as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 28,563	\$ 1,637
2027	29,099	110
2028	29,644	556
2029	-	-
2030	-	-
2031-2035	-	-
2036-2040	-	-
	<u>\$ 87,306</u>	<u>\$ 2,303</u>

**NOTE G – 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, 2025:

	Balance September 30, 2024	Additions	Deductions	Balance September 30, 2025	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES:</b>					
2007 High Street Bonds	\$ 49,743	\$ -	\$ (12,086)	\$ 37,657	\$ 12,289
2013 Capital Improvement Bonds					
Street Bonds Portion	328,600	-	(79,050)	249,550	80,600
2014 Capital Improvement Bonds	599,400	-	(90,000)	509,400	93,600
Add: Unamortized bond premium	36,138	-	(6,024)	30,114	
2015 Capital Improvement Bonds	154,209	-	(75,507)	78,702	78,702
Add: Unamortized bond premium	4,932	-	(2,468)	2,464	
2016 Capital Improvement Bonds					
Street Bonds Portion	645,000	-	(81,700)	563,300	86,000
Add: Unamortized bond premium	68,780	-	(9,826)	58,954	
Refunding Portion - 2006 & 2008 Street Bonds	683,808	-	(159,936)	523,872	168,096
Add: Unamortized bond premium	105,263	-	(26,316)	78,947	
2017 Capital Improvement Bonds					
Street Bonds Portion	2,645,000	-	(287,500)	2,357,500	300,000
Add: Unamortized bond premium	245,772	-	(30,722)	215,050	
2018 Capital Improvement Bonds	340,000	-	(80,000)	260,000	85,000
Add: Unamortized bond premium	22,315	-	(5,579)	16,736	
2018 Michigan Transportation Fund Bonds	720,000	-	(170,000)	550,000	180,000
Add: Unamortized bond premium	44,102	-	(11,025)	33,077	
2019 Capital Improvement Bonds	660,000	-	(100,000)	560,000	105,000
Add: Unamortized bond premium	69,491	-	(11,582)	57,909	
2020 Capital Improvement Bonds	280,000	-	(40,000)	240,000	45,000
Add: Unamortized bond premium	41,132	-	(6,855)	34,277	
2020 Michigan Transportation Fund Bonds	1,205,000	-	(180,000)	1,025,000	190,000
Add: Unamortized bond premium	176,400	-	(29,400)	147,000	
2021 Capital Improvements Bonds					
Capital Improvement Portion	1,390,400	-	(89,600)	1,300,800	94,400
Add: Unamortized bond premium	222,363	-	(18,530)	203,833	
Refunding Portion					
2011 Street Improvement Bonds	168,000	-	(82,000)	86,000	86,000
Add: Unamortized bond premium	15,415	-	(7,707)	7,708	
2012 Capital Improvement Bonds	274,725	-	(88,245)	186,480	91,575
Add: Unamortized bond premium	30,066	-	(10,022)	20,044	
2022 Capital Improvement Bonds	1,712,000	-	(99,200)	1,612,800	104,000
Add: Unamortized bond premium	147,709	-	(11,362)	136,347	
Energy Enhancements lease [see footnote "Leases"]	22,650,103	-	(983,528)	21,666,575	1,033,595
Equipment lease	1,430,895	446,913	(339,844)	1,537,964	418,980
IT Arrangements	28,221	87,306	(28,221)	87,306	28,563
Accrued Compensated Absences	1,922,506	1,375,209	(678,074)	2,619,641	954,695
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 39,117,488</b>	<b>\$ 1,909,428</b>	<b>\$ (3,931,909)</b>	<b>\$ 37,095,007</b>	<b>\$ 4,236,095</b>

**NOTE G – LONG-TERM DEBT (Continued):**

	Balance September 30, 2024	Additions	Deductions	Balance September 30, 2025	Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES:</b>					
<u>WATER SUPPLY FUND:</u>					
State Drinking Water Revolving Fund Loan - 2009	\$ 165,058	\$ -	\$ (30,000)	\$ 135,058	\$ 30,000
State Drinking Water Revolving Fund Loan - 2011	233,908	-	(30,000)	203,908	30,000
State Drinking Water Revolving Fund Loan - 2015	155,875	-	(15,000)	140,875	20,000
2007 High Street Bonds	77,724	-	(18,885)	58,839	19,201
2013 Capital Improvements Bonds	265,000	-	(63,750)	201,250	65,000
2014 Capital Improvements Bonds	283,050	-	(42,500)	240,550	44,200
Add: Unamortized bond premium	16,005	-	(2,667)	13,338	
2015 Capital Improvements Bonds	237,747	-	(116,425)	121,322	121,322
Add: Unamortized bond premium	6,831	-	(3,415)	3,416	
2016 Capital Improvement Bonds					
Capital Improvement Portion	255,000	-	(32,300)	222,700	34,000
Add: Unamortized bond premium	27,192	-	(3,884)	23,308	
Refunding Portion - 2008 Street Bonds	517,465	-	(121,030)	396,435	127,205
Add: Unamortized bond premium	55,921	-	(13,980)	41,941	
2017 Capital Improvement Bonds					
Capital Improvement Portion	1,058,000	-	(115,000)	943,000	120,000
Add: Unamortized bond premium	98,309	-	(12,289)	86,020	
2018 Capital Improvement Bonds	540,000	-	(125,000)	415,000	130,000
Add: Unamortized bond premium	35,601	-	(8,900)	26,701	
2019 Capital Improvements Bonds	395,000	-	(60,000)	335,000	60,000
Add: Unamortized bond premium	41,751	-	(6,959)	34,792	
2020 Capital Improvements Bonds	415,000	-	(60,000)	355,000	65,000
Add: Unamortized bond premium	60,823	-	(10,137)	50,686	
2021 Capital Improvement Bonds					
Capital Improvement Portion	869,000	-	(56,000)	813,000	59,000
Add: Unamortized bond premium	138,977	-	(11,581)	127,396	
Refunding Portion					
2011 Street Improvement Bonds	46,200	-	(22,550)	23,650	23,650
Add: Unamortized bond premium	4,233	-	(2,117)	2,116	
2012 Capital Improvement Bonds	154,275	-	(49,555)	104,720	51,425
Add: Unamortized bond premium	21,979	-	(7,327)	14,652	
2022 Capital Improvements Bonds	321,000	-	(18,600)	302,400	19,500
Add: Unamortized bond premium	27,696	-	(2,131)	25,565	
Accrued Compensated Absences	225,011	151,941	(133,250)	243,702	97,481
TOTAL WATER SUPPLY FUND	6,749,631	151,941	(1,195,232)	5,706,340	1,116,984
<u>SEWAGE DISPOSAL FUND:</u>					
State Revolving Fund Loan -2009	240,699	-	(40,000)	200,699	40,000
State Revolving Fund Loan -2011	286,785	-	(40,000)	246,785	40,000
2013 Capital Improvements Bonds	296,800	-	(71,400)	225,400	72,800
2014 Capital Improvements Bonds	782,550	-	(117,500)	665,050	122,200
Add: Unamortized bond premium	44,250	-	(7,375)	36,875	
2015 Capital Improvements Bonds	79,567	-	(38,985)	40,582	40,582
Add: Unamortized bond premium	2,267	-	(1,134)	1,133	
2016 Capital Improvement Bonds					
Capital Improvement Portion	255,000	-	(32,300)	222,700	34,000
Add: Unamortized bond premium	27,193	-	(3,885)	23,308	
Refunding Portion - 2008 Street Bonds	472,632	-	(110,544)	362,088	116,184
Add: Unamortized bond premium	51,076	-	(12,769)	38,307	
2017 Capital Improvement Bonds					
Capital Improvement Portion	793,500	-	(86,250)	707,250	90,000
Add: Unamortized bond premium	73,733	-	(9,217)	64,516	
2018 Capital Improvement Bonds	655,000	-	(155,000)	500,000	160,000
Add: Unamortized bond premium	42,772	-	(10,693)	32,079	
2019 Capital Improvements Bonds	765,000	-	(115,000)	650,000	120,000
Add: Unamortized bond premium	80,790	-	(13,465)	67,325	
2020 Capital Improvements Bonds	410,000	-	(60,000)	350,000	65,000
Add: Unamortized bond premium	59,963	-	(9,994)	49,969	

**NOTE G – LONG-TERM DEBT (Continued):**

	Balance September 30, 2024	Additions	Deductions	Balance September 30, 2025	Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES:</b>					
<u>SEWAGE DISPOSAL FUND (Continued):</u>					
2021 Capital Improvement Bonds					
Capital Improvement Portion	\$ 869,000	\$ -	\$ (56,000)	\$ 813,000	\$ 59,000
Add: Unamortized bond premium	138,977	-	(11,581)	127,396	
Refunding Portion					
2011 Street Improvement Bonds	130,200	-	(63,550)	66,650	66,650
Add: Unamortized bond premium	11,927	-	(5,964)	5,963	
2012 Capital Improvement Bonds	268,125	-	(86,125)	182,000	89,375
Add: Unamortized bond premium	38,198	-	(12,732)	25,466	
2022 Capital Improvements Bonds	481,500	-	(27,900)	453,600	29,250
Add: Unamortized bond premium	41,543	-	(3,196)	38,347	
Accrued Compensated Absences	72,692	94,022	(74,891)	91,823	36,729
TOTAL SEWAGE DISPOSAL FUND	<u>7,471,739</u>	<u>94,022</u>	<u>(1,277,450)</u>	<u>6,288,311</u>	<u>1,181,770</u>
<u>STORMWATER UTILITY FUND:</u>					
2007 High Street Bonds	27,980	-	(6,798)	21,182	6,912
2013 Capital Improvements Bonds	169,600	-	(40,800)	128,800	41,600
2015 Capital Improvements Bonds	18,477	-	(9,083)	9,394	9,394
Add: Unamortized bond premium	491	-	(245)	246	
2016 Capital Improvement Bonds					
Capital Improvement Portion	345,000	-	(43,700)	301,300	46,000
Add: Unamortized bond premium	36,790	-	(5,256)	31,534	
Refunding Portion - 2006 & 2008 Street Bonds	421,095	-	(98,490)	322,605	103,515
Add: Unamortized bond premium	76,873	-	(19,218)	57,655	
2017 Capital Improvement Bonds					
Capital Improvement Portion	793,500	-	(86,250)	707,250	90,000
Add: Unamortized bond premium	73,733	-	(9,218)	64,515	
2018 MTF Bonds	595,000	-	(140,000)	455,000	145,000
Add: Unamortized bond premium	36,418	-	(9,106)	27,312	
2019 Capital Improvements Bonds	580,000	-	(85,000)	495,000	90,000
Add: Unamortized bond premium	61,078	-	(10,179)	50,899	
2020 Capital Improvements Bonds	860,000	-	(130,000)	730,000	135,000
Add: Unamortized bond premium	125,871	-	(20,979)	104,892	
2021 Capital Improvement Bonds					
Capital Improvement Portion	1,216,600	-	(78,400)	1,138,200	82,600
Add: Unamortized bond premium	194,568	-	(16,214)	178,354	
Refunding Portion					
2011 Street Improvement Bonds	75,600	-	(36,900)	38,700	38,700
Add: Unamortized bond premium	6,925	-	(3,462)	3,463	
2012 Capital Improvement Bonds	127,875	-	(41,075)	86,800	42,625
Add: Unamortized bond premium	18,217	-	(6,072)	12,145	
2022 Capital Improvements Bonds	2,835,500	-	(164,300)	2,671,200	172,250
Add: Unamortized bond premium	244,643	-	(18,818)	225,825	
Accrued Compensated Absences	28,827	1,292	(28,827)	1,292	517
TOTAL STORMWATER UTILITY FUND	<u>8,970,661</u>	<u>1,292</u>	<u>(1,108,390)</u>	<u>7,863,563</u>	<u>1,004,113</u>
<u>TOURIST PARK FUND:</u>					
Accrued Compensated Absences	626	3,233	-	3,859	1,544
TOTAL TOURIST PARK FUND	<u>626</u>	<u>3,233</u>	<u>-</u>	<u>3,859</u>	<u>1,544</u>
<u>LAKESHORE AND LIGHTHOUSE PARK FUND:</u>					
2018 Building Authority Bonds	450,000	-	(105,000)	345,000	110,000
TOTAL LAKESHORE AND LIGHTHOUSE PARK FUND	<u>450,000</u>	<u>-</u>	<u>(105,000)</u>	<u>345,000</u>	<u>110,000</u>
<u>MARINAS FUND:</u>					
2019 Capital Improvement Bonds	530,000	-	(80,000)	450,000	85,000
Add: Unamortized bond premium	55,754	-	(9,293)	46,461	
TOTAL MARINAS FUND	<u>585,754</u>	<u>-</u>	<u>(89,293)</u>	<u>496,461</u>	<u>85,000</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>\$ 24,228,411</u>	<u>\$ 250,488</u>	<u>\$ (3,775,365)</u>	<u>\$ 20,703,534</u>	<u>\$ 3,499,411</u>

**NOTE G – LONG-TERM DEBT (Continued):**

	Balance September 30, 2024	Additions	Deductions	Balance September 30, 2025	Due Within One Year
<b>COMPONENT UNITS:</b>					
Board of Light & Power:					
2016 Electric Utility Revenue Bonds	\$ 50,540,000	\$ -	\$ (3,195,000)	\$ 47,345,000	\$ 3,355,000
Add: Unamortized bond premium	3,990,052	-	(685,248)	3,304,804	
Compensated Absences	1,272,398	307,075	-	1,579,473	1,579,473
Total Board of Light & Power	<u>55,802,450</u>	<u>307,075</u>	<u>(3,880,248)</u>	<u>52,229,277</u>	<u>4,934,473</u>
Peter White Public Library:					
2017 Library Improvement Bonds	2,515,000	-	(250,000)	2,265,000	245,000
Add: Unamortized bond premium	215,658	-	(23,962)	191,696	
Equipment Leases	23	30,249	(4,511)	25,761	6,108
Compensated Absences	67,548	20,357	(429)	87,476	39,007
Total Peter White Public Library	<u>2,798,229</u>	<u>50,606</u>	<u>(278,902)</u>	<u>2,569,933</u>	<u>290,115</u>
Downtown Development Authority:					
2021 Refunding & TIF Bonds	524,000	-	(133,000)	391,000	137,000
Equipment Lease	50,560	-	(22,570)	27,990	23,291
Compensated Absences	41,031	14,251	-	55,282	
Total Downtown Development Authority	<u>615,591</u>	<u>14,251</u>	<u>(155,570)</u>	<u>474,272</u>	<u>160,291</u>
Brownfield Redevelopment Authority:					
2010 Capital Improvement Bonds	450,000	-	(55,000)	395,000	60,000
2010 Recovery Zone Facility Bonds	205,000	-	(25,000)	180,000	25,000
2016 Tax Increment Bonds	16,795,000	-	(100,000)	16,695,000	145,000
Add: Unamortized bond premium	1,309,426	-	(109,119)	1,200,307	
2017 Capital Improvement Bonds	500,000	-	(55,000)	445,000	55,000
Add: Unamortized bond premium	46,068	-	(5,758)	40,310	
2017 Tax Increment Bonds	9,605,000	-	(685,000)	8,920,000	705,000
2018 Capital Improvement Bonds	320,000	-	(75,000)	245,000	80,000
Add: Unamortized bond premium	21,270	-	(5,318)	15,952	
2021 Tax Increment Bonds	5,990,000	-	(5,000)	5,985,000	5,000
Add: Unamortized bond premium	369,076	-	(23,067)	346,009	
Total Brownfield Redevelopment Authority	<u>35,610,840</u>	<u>-</u>	<u>(1,143,262)</u>	<u>34,467,578</u>	<u>1,075,000</u>
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 94,827,110</u>	<u>\$ 371,932</u>	<u>\$ (5,457,982)</u>	<u>\$ 89,741,060</u>	<u>\$ 6,459,879</u>

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, \$119,047 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 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.

**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 G – 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

## **NOTE G – LONG-TERM DEBT (Continued):**

be defeased and the liability for those bonds has been removed from the Governmental Activities long-term debt balance.

Also, the irrevocable trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2025, \$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 G – 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. A portion of the proceeds was used to refund the 2003 Founders Landing Bonds. 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, 2025, \$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.

## **NOTE G – LONG-TERM DEBT (Continued):**

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

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

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

The irrevocable trust accounts for the assets and liability for the defeased bonds are not included in the City's financial statements. On September 30, 2024, \$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, 2025, \$1,720,000 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. A portion of the proceeds was issued to refund the 2009 Capital Improvement Bonds. 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.

**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.

## NOTE G – LONG-TERM DEBT (Continued):

**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, 2025, \$450,000 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.

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, 2025, \$890,000 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

## **NOTE G – LONG-TERM DEBT (Continued):**

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.

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

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

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

**NOTE G – LONG-TERM DEBT (Continued):**

**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, 2025, \$125,000 of the bonds outstanding are considered defeased.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt in the amount of \$12,040. This transaction was undertaken to reduce the total debt service payments and accordingly resulted in an economic gain of \$24,953.

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

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

**NOTE G – LONG-TERM DEBT (Continued):**

Annual maturities (excluding leases and SBITAs) 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	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
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	12,877	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164,800
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	37,657	249,550	509,400	78,702	563,300	523,872	2,357,500	260,000	550,000	560,000	240,000	1,025,000	1,300,800	272,480	1,612,800
Interest	1,630	11,179	50,026	1,200	70,004	32,017	344,650	21,000	44,200	57,600	29,400	126,200	295,344	16,594	443,606
	\$ 39,287	\$ 260,729	\$ 559,426	\$ 79,902	\$ 633,304	\$ 555,889	\$ 2,702,150	\$ 281,000	\$ 594,200	\$ 617,600	\$ 269,400	\$ 1,151,200	\$ 1,596,144	\$ 289,074	\$ 2,056,406

Annual maturities (excluding leases and SBITAs) on the Business-Type Activities are as follows:

WATER SUPPLY FUND																
Year Ending September 30,	State Drinking Water Revolving Fund Loan	State DWRP 2011 Loan	State DWRP 2015 Loan	2007 High Street Bonds	2013 Capital Improvements Bonds	2014 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2016 Refunding Bonds	2017 Capital Improvements 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
2026	\$ 30,000	\$ 30,000	\$ 20,000	\$ 19,201	\$ 65,000	\$ 44,200	\$ 121,322	\$ 34,000	\$ 127,205	\$ 120,000	\$ 130,000	\$ 60,000	\$ 65,000	\$ 59,000	\$ 75,075	\$ 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	53,295	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	135,058	203,908	140,875	58,839	201,250	240,550	121,322	222,700	396,435	943,000	415,000	335,000	355,000	813,000	128,370	302,400
Interest	11,880	19,272	6,326	2,546	9,016	16,099	1,838	32,130	32,160	156,720	33,800	34,900	43,600	184,590	8,332	83,172
	\$ 146,938	\$ 223,180	\$ 147,201	\$ 61,385	\$ 210,266	\$ 256,649	\$ 123,160	\$ 254,830	\$ 428,595	\$ 1,099,720	\$ 448,800	\$ 369,900	\$ 398,600	\$ 997,590	\$ 136,702	\$ 385,572

SEWAGE DISPOSAL FUND																
Year Ending September 30,	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 Bonds	2017 Capital Improvements 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		
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Principal	200,699	246,785	225,400	665,050	40,582	222,700	362,088	707,250	500,000	650,000	350,000	813,000	248,650	453,600		
Interest	15,085	25,345	10,099	44,509	600	32,133	29,374	117,540	40,600	67,000	43,200	184,590	15,504	124,764		
	\$ 215,784	\$ 272,130	\$ 235,499	\$ 709,559	\$ 41,182	\$ 254,833	\$ 391,462	\$ 824,790	\$ 540,600	\$ 717,000	\$ 393,200	\$ 997,590	\$ 264,154	\$ 578,364		

**NOTE G – LONG-TERM DEBT (Continued):**

**STORMWATER UTILITY FUND**

Year Ending September 30,	2007 High Street Bonds	2013 Capital Improvements Bonds	2015 Capital Improvements Bonds	2016 Capital Improvements Bonds	2016 Refunding 2006 & 2008 Bonds	2017 Capital Improvements 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
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	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-
Principal	21,182	128,800	9,394	301,300	322,605	707,250	455,000	495,000	730,000	1,138,200	125,500	2,671,200
Interest	917	5,770	112	43,470	26,170	117,540	37,000	51,100	90,000	258,426	7,670	698,530
	<u>\$ 22,099</u>	<u>\$ 134,570</u>	<u>\$ 9,506</u>	<u>\$ 344,770</u>	<u>\$ 348,775</u>	<u>\$ 824,790</u>	<u>\$ 492,000</u>	<u>\$ 546,100</u>	<u>\$ 820,000</u>	<u>\$ 1,396,626</u>	<u>\$ 133,170</u>	<u>\$ 3,369,730</u>

**LAKESHORE AND  
LIGHTHOUSE  
PARK FUND      MARINAS  
FUND**

Year Ending September 30,	2018 Building Authority Bonds	2019 Capital Improvements Bonds
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	-	-
2039	-	-
2040	-	-
Principal	345,000	450,000
Interest	26,265	46,200
	<u>\$ 371,265</u>	<u>\$ 496,200</u>

Annual maturities (excluding leases and SBITAs) 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	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
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	47,345,000	2,265,000	391,000	395,000	180,000	16,695,000	445,000	8,920,000	245,000	5,985,000
Interest	12,357,006	381,500	18,964	61,725	28,250	5,647,650	74,000	1,967,120	19,800	1,816,748
	<u>\$ 59,702,006</u>	<u>\$ 2,646,500</u>	<u>\$ 409,964</u>	<u>\$ 456,725</u>	<u>\$ 208,250</u>	<u>\$ 22,342,650</u>	<u>\$ 519,000</u>	<u>\$ 10,887,120</u>	<u>\$ 264,800</u>	<u>\$ 7,801,748</u>

**NOTE G – LONG-TERM DEBT (Continued):**

Annual principal and interest requirements (excluding leases and SBITAs) are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
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	3,179,503
2028	1,661,061	246,469	3,114,180	447,083	5,374,000	2,947,200
2029	1,144,600	183,585	2,000,400	325,488	5,470,000	2,701,974
2030	1,187,100	135,145	2,053,657	246,536	5,795,000	2,448,473
2031-2035	2,203,200	252,406	3,908,368	486,961	42,810,000	7,108,845
2036-2040	464,000	23,744	986,000	50,456	13,495,000	588,737
	<u>\$ 10,141,061</u>	<u>\$ 1,544,650</u>	<u>\$ 18,598,942</u>	<u>\$ 2,835,894</u>	<u>\$ 82,866,000</u>	<u>\$ 22,372,763</u>

**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>
<b>PRIMARY GOVERNMENT:</b>			
Local Street	\$ 1,086,326	General Fund	\$ 2,702,661
Non-major Governmental	776,044		
Internal Service Funds	812,176		
Non-major Business-Type	28,115		
Subtotal	<u>2,702,661</u>	Subtotal	<u>2,702,661</u>
General Fund	62,783	Major Street	1,286,415
Local Street	499,525	Local Street	780,131
Non-major Governmental	1,825,717	Non-major Governmental	321,479
Subtotal	<u>2,388,025</u>	Subtotal	<u>2,388,025</u>
Internal Service Funds	636,014	Non-major Governmental	234,176
		Water Supply	204,095
		Sewage Disposal	166,770
		Non-major Business-Type	30,973
Subtotal	<u>636,014</u>	Subtotal	<u>636,014</u>
<b>TOTAL REPORTING ENTITY</b>	<b><u>\$ 5,726,700</u></b>	<b>TOTAL REPORTING ENTITY</b>	<b><u>\$ 5,726,700</u></b>

**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, 2024	Additions	Disposals	Balance at September 30, 2025
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital Assets Not Being Depreciated				
Land	\$ 13,065,158	\$ -	\$ -	\$ 13,065,158
Construction in progress	2,754,438	2,659,965	(2,555,055)	2,859,348
Total Capital Assets, not being depreciated	<u>15,819,596</u>	<u>2,659,965</u>	<u>(2,555,055)</u>	<u>15,924,506</u>
Capital Assets Being Depreciated				
Land improvements	16,745,057	356,916	-	17,101,973
Buildings	23,586,525	-	-	23,586,525
Building improvements	7,405,918	55,304	-	7,461,222
Furniture and equipment	14,507,727	1,097,544	(340,198)	15,265,073
Infrastructure	78,207,440	2,808,110	-	81,015,550
Right-to-use assets / subscriptions				
Leased equipment	1,800,242	446,913	-	2,247,155
Energy enhancements lease	27,940,723	-	-	27,940,723
Subscription assets	79,433	87,306	(79,433)	87,306
Total Capital Assets, being depreciated	<u>170,273,065</u>	<u>4,852,093</u>	<u>(419,631)</u>	<u>174,705,527</u>
Less Accumulated Depreciation:				
Land improvements	(7,864,814)	(514,090)	-	(8,378,904)
Buildings	(11,918,778)	(1,039,276)	-	(12,958,054)
Building improvements	(6,502,029)	(135,077)	-	(6,637,106)
Furniture and equipment	(11,233,935)	(513,208)	318,029	(11,429,114)
Infrastructure	(51,608,252)	(2,438,512)	-	(54,046,764)
Right-to-use assets / subscriptions				
Leased equipment	(404,874)	(396,341)	-	(801,215)
Energy enhancements lease	(6,985,181)	(1,643,572)	-	(8,628,753)
Subscription assets	(52,955)	(26,478)	79,433	-
Total Accumulated Depreciation	<u>(96,570,818)</u>	<u>(6,706,554)</u>	<u>397,462</u>	<u>(102,879,910)</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 89,521,843</u>	<u>\$ 805,504</u>	<u>\$ (2,577,224)</u>	<u>\$ 87,750,123</u>

**NOTE I – CAPITAL ASSETS (Continued):**

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

Governmental Activity:		
General Government		\$ 10,716
Public Health and Safety		62,547
Public Works		182,983
Health and Welfare		-
Recreation and Culture		299,348
Depreciation - unallocated		2,735,283
Internal Service Funds charged to above activities		3,414,750
Total Depreciation Expense - Governmental Activities		<u>\$ 6,705,627</u>

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

	Balance at September 30, 2024	Additions	Disposals	Balance at September 30, 2025
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Capital Assets Not Subject to Depreciation:				
Land	\$ 38,319	\$ -	\$ -	\$ 38,319
Construction in progress	2,932,925	3,304,345	(3,831,590)	2,405,680
Total Capital Assets, not being depreciated	<u>2,971,244</u>	<u>3,304,345</u>	<u>(3,831,590)</u>	<u>2,443,999</u>
Capital Assets Subject to Depreciation:				
Land improvements	8,221,130	1,318,062	-	9,539,192
Building and building improvements	17,093,409	-	-	17,093,409
Furniture and equipment	7,222,193	27,503	-	7,249,696
Infrastructure	96,557,104	3,196,219	-	99,753,323
Total Capital Assets, being depreciated	<u>129,093,836</u>	<u>4,541,784</u>	<u>-</u>	<u>133,635,620</u>
Less Accumulated Depreciation:				
Land improvements	(3,920,045)	(202,491)	-	(4,122,536)
Building and building improvements	(10,657,357)	(353,260)	-	(11,010,617)
Furniture and equipment	(5,757,331)	(210,285)	-	(5,967,616)
Infrastructure	(49,413,891)	(3,627,900)	-	(53,041,791)
Total Accumulated Depreciation	<u>(69,748,624)</u>	<u>(4,393,936)</u>	<u>-</u>	<u>(74,142,560)</u>
<b>Business-Type Activities Capital Assets, net</b>	<u>\$ 62,316,456</u>	<u>\$ 3,452,193</u>	<u>\$ (3,831,590)</u>	<u>\$ 61,937,059</u>

**NOTE I – CAPITAL ASSETS (Continued):**

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

Business-Type Activities:	
Water Supply	\$ 1,605,166
Sewage Disposal	1,343,320
Stormwater Utility	1,178,362
Public Works	15,434
Recreation and Culture	251,654
Total Depreciation Expense - Business-Type Activities	<u>\$ 4,393,936</u>

A summary of Component Unit's capital assets as of September 30, 2025, is as follows:

	Board of Light and Power	Peter White Public Library	Downtown Development Authority	Brownfield Redevelopment Authority	Total Component Units
<b>COMPONENT UNITS:</b>					
Land	\$ 291,276	\$ 114,704	\$ -	\$ -	\$ 405,980
Construction in progress	26,754,842	-	61,505	-	26,816,347
Total Capital Assets, not being depreciated	<u>27,046,118</u>	<u>114,704</u>	<u>61,505</u>	<u>-</u>	<u>27,222,327</u>
Land improvements	-	190,310	5,569,258	1,285,857	7,045,425
Buildings and improvements	-	13,244,054	-	-	13,244,054
Furniture and equipment	146,557,920	1,043,885	905,380	-	148,507,185
Right to Use Assets:				-	
Leased building	-	-	63,428	-	63,428
Leased equipment	-	-	7,976	-	7,976
Total Capital Assets, being depreciated	<u>146,557,920</u>	<u>14,478,249</u>	<u>6,546,042</u>	<u>1,285,857</u>	<u>168,868,068</u>
Less Accumulated Depreciation:					
Land improvements	-	(96,464)	(3,466,854)	(859,425)	(4,422,743)
Buildings and improvements	-	(6,684,799)	-	-	(6,684,799)
Furniture and equipment	-	(1,018,534)	(327,028)	-	(1,345,562)
Right to Use Assets:					
Leased building	-	-	(40,524)	-	(40,524)
Leased equipment	-	-	(3,722)	-	(3,722)
Unallocated	(64,528,113)	-	-	-	(64,528,113)
Total Accumulated Depreciation	<u>(64,528,113)</u>	<u>(7,799,797)</u>	<u>(3,838,128)</u>	<u>(859,425)</u>	<u>(77,025,463)</u>
<b>Component Units Capital Assets, net</b>	<u>\$ 109,075,925</u>	<u>\$ 6,793,156</u>	<u>\$ 2,769,419</u>	<u>\$ 426,432</u>	<u>\$ 119,064,932</u>

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

Component Units:	
Board of Light and Power	\$ 5,692,901
Peter White Public Library	210,562
Downtown Development Authority	249,849
Brownfield Redevelopment Authority	71,071
Total Depreciation Expense - Component Units	<u>\$ 6,224,383</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 have reported deferred inflows of \$12,979,215. This amount relates to the 2025 tax levy.
2. The Component Units have reported deferred inflows of \$7,051,092 which relates to their portion of the 2025 tax levy.

**NOTE K – FUND BALANCES – GOVERNMENTAL FUNDS:**

As of September 30, 2025, 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, 2025, fund balances are composed of the following:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Funds	Total Governmental Funds
<b>Non-spendable:</b>						
Corpus	\$ -	\$ -	\$ -	\$ -	\$ 1,066,679	\$ 1,066,679
Loan Receivable	-	-	-	-	-	-
Inventory	276,516	-	-	-	-	276,516
Prepays	357,211	30,726	-	-	-	387,937
Total Non-spendable	<u>\$ 633,727</u>	<u>\$ 30,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,066,679</u>	<u>\$ 1,731,132</u>
<b>Restricted:</b>						
Major Street	\$ -	\$ 924,247	\$ -	\$ -	\$ -	\$ 924,247
Local Street	-	317,708	-	-	-	317,708
Fire Dept. - Lifesaving Equipment	-	-	-	-	-	-
Drug Dog	-	-	-	-	-	-
Native American Heritage Fund	-	-	-	-	-	-
Local Development Finance Authority Fund	-	198,592	-	-	-	198,592
Public Education Government (PEG) Fund	-	20,235	-	-	-	20,235
Drug Forfeiture Fund	-	99,247	-	-	-	99,247
MSHDA Downtown Rental Fund	-	-	-	-	-	-
Road Maintenance Fund	-	1,343,548	-	-	-	1,343,548
Road Safety Improvement Fund	-	1,093,366	-	-	-	1,093,366
Criminal Justice Training Fund	-	37,717	-	-	-	37,717
Opioid Settlement Fund	-	40,445	-	-	-	40,445
Senior Services Fund	-	284,644	-	-	-	284,644
Lakeview Arena Fund	-	-	-	-	-	-
Total Restricted	<u>\$ -</u>	<u>\$ 4,359,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,359,749</u>
Committed:	<u>\$ -</u>	<u>\$ 3,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,965</u>

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

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Funds	Total Governmental Funds
Assigned:						
Park / Trail Improvements	\$ 35,157	\$ -	\$ -	\$ -	\$ -	\$ 35,157
Capital Outlay / Contractual	553,272	-	-	3,292,603	-	3,845,875
Public Art Fund	-	88,125	-	-	-	88,125
Sanitation Fund	-	1,186,084	-	-	-	1,186,084
Lakeview Arena Fund	-	77,475	-	-	-	77,475
Total Assigned	<u>\$ 588,429</u>	<u>\$ 1,351,684</u>	<u>\$ -</u>	<u>\$ 3,292,603</u>	<u>\$ -</u>	<u>\$ 5,232,716</u>
Unassigned:	<u>\$ 8,301,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,301,189</u>

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. Net pension liabilities attributable to governmental activities will be liquidated primarily by the General, Technology Services, Municipal Service Center, and Motor Vehicle Equipment funds.

**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](http://www.mersofmich.com).

Benefits Provided:

		<b>2024 Valuation</b>			
<b>Primary Government</b>		<b><u>01-Public Works - Closed</u></b>	<b><u>02-Police Clerical - Closed</u></b>	<b><u>10-Union - Closed</u></b>	<b><u>11-PW Supervisor - Closed</u></b>
	<b>Benefit Multiplier</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
	<b>Normal Retirement Age</b>	60	60	60	60
	<b>Vesting</b>	10 years	10 years	6 years	10 years
	<b>Early Retirement (Unreduced)</b>	55/25	50/25	55/25	55/25
	<b>Early Retirement (Reduced)</b>	50/25 55/15	55/15	50/25 55/15	50/25 55/15
	<b>Final Average Compensation</b>	3 years	3 years	3 years	3 years
	<b>COLA for Future Retirees</b>	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)
	<b>Employee Contributions</b>	6%	6%	6%	6%
	<b>DC Plan for New Hires</b>	---	---	---	---
	<b>Act 88</b>	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)
		<b><u>15-Senior Mgmt - Closed</u></b>	<b><u>16-Middle Mgmt - Closed</u></b>	<b><u>91-PW &amp; Union aft 10/1/12 - Open</u></b>	
	<b>Benefit Multiplier</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.25% Multiplier (80% max)	
	<b>Normal Retirement Age</b>	60	60	60	
	<b>Vesting</b>	6 years	6 years	10 years	
	<b>Early Retirement (Unreduced)</b>	55/25	55/25	55/25	
	<b>Early Retirement (Reduced)</b>	50/25 55/15	50/25 55/15	50/25 55/15	
	<b>Final Average Compensation</b>	3 years	3 years	3 years	
	<b>COLA for Future Retirees</b>	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)	
	<b>Employee Contributions</b>	0%	3% under \$4,200; 5% over \$4,200	6%	
<b>DC Plan for New Hires</b>	7/1/1998	7/1/1998	---		
<b>Act 88</b>	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):**

**2024 Valuation**

	<u>7-PW Lbry Snr - Closed</u>	<u>12-P White Lby - Closed</u>	<u>70-PW Lbry Adm - Closed</u>
<b>Benefit Multiplier</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age</b>	60	60	60
<b>Vesting</b>	10 years	10 years	10 years
<b>Early Retirement (Unreduced)</b>	55/25	55/25	55/25
<b>Early Retirement (Reduced)</b>	50/25	50/25	50/25
	55/15	55/15	55/15
<b>Final Average Compensation</b>	5 years	5 years	5 years
<b>COLA for Future Retirees</b>	2.50% (Non-Compound)	N/A	N/A
<b>Employee Contributions</b>	0%	7%	6.70%
<b>DC Plan for New Hires</b>	6/1/2016	10/1/2019	10/1/2019
<b>Act 88</b>	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)	Yes (Adopted 2/8/1965)

Employees covered by benefit terms:

At the December 31, 2024, valuation date, the following employees were covered by the benefit terms:

	Primary Government	Component Unit PWPL
Inactive employees or beneficiaries currently receiving benefits	133	15
Inactive employees entitled to but not yet receiving benefits	13	1
Active employees	97	5
<b>Total</b>	<b>243</b>	<b>21</b>

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, 2024:

Division	Employer <sup>1</sup>	Employee
Primary Government:		
01 - Public Works	\$107,065	6.00%
02 - Police Clerical	\$12,041	6.00%
10 - Union	\$55,909	6.00%
11 - PW Supervisor	\$58,961	6.00%
15 - Senior Mgmt	\$33,054	0.00%
16 - Middle Mgmt	\$7,022	5.00%
91 - PW & Union aft 10/1/12	9.94%	6.00%
Component Unit - Peter White Public Library		
07 - PW Lbry Snr	\$2,575	0.00%
12 - Pwhite Lby	\$5,069	7.00%
70 - PW Lbry Admin	\$3,551	6.70%

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

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

Net Pension Liability:

The employer’s Net Pension Liability was measured as of December 31, 2024, 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, 2024, 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: 6.93%, net of investment and administrative expense, including inflation.

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

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2021.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2019-2023.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	4.50%
Global Fixed Income	20.0%	2.00%
Private Investments	20.0%	7.00%
	100.0%	

Discount rate:

The discount rate used to measure the total pension liability is 7.18% for 2024. 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

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

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 Net Pension Liability:**

	Primary Government			Component Unit - Peter White Public Library		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability
	(a)	(b)	(a)-(b)	(a)	(b)	(a)-(b)
Balances at 12/31/23	\$ 73,713,729	\$ 46,233,990	\$ 27,479,739	\$ 3,858,808	\$ 2,741,847	\$ 1,116,961
Changes for the Year:						
Service costs	821,897	-	821,897	30,656	-	30,656
Interest on total pension liability	4,973,335	-	4,973,335	268,065	-	268,065
Changes in benefits	-	-	-	-	-	-
Difference between expected and actual experience	986,712	-	986,712	39,295	-	39,295
Changes in assumption	(239,029)	-	(239,029)	(13,495)	-	(13,495)
Employer contributions	-	3,687,074	(3,687,074)	-	172,974	(172,974)
Employee contributions	-	307,513	(307,513)	-	17,062	(17,062)
Net investment income	-	3,253,423	(3,253,423)	-	200,820	(200,820)
Benefit payments, including employee refunds	(4,233,843)	(4,233,843)	-	(281,232)	(281,232)	-
Administrative expense	-	(97,182)	97,182	-	(6,005)	6,005
Other changes	-	2	(2)	-	-	-
Net Changes	2,309,072	2,916,987	(607,915)	43,289	103,619	(60,330)
Balances as of 12/31/24	\$ 76,022,801	\$ 49,150,977	\$ 26,871,824	\$ 3,902,097	\$ 2,845,466	\$ 1,056,631

	Net Pension Liability		Aggregate Pension expense/(benefit)	
	Primary Government	Component Units	Primary Government	Component Units
	Municipal Employees Retirement System (MERS):			
City	\$ 26,871,824		\$ (380,518)	
Peter White Public Library		\$ 1,056,631		\$ (492)
Board of Light & Power [See Note N]		9,547,078		1,414,113
Fire - Police Retirement System [See Note M]	11,719,627		(344,331)	
NPL reported on the Statement of Net Position	\$ 38,591,451	\$ 10,603,709	\$ (724,849)	\$ 1,413,621

**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 7.18%, as well as what the employer’s Net Pension Liability would be using a discount rate that is 1% lower (6.18%) or 1% higher (8.18%) than the current rate.

	Primary Government			Component Unit - Peter White Public Library		
	1% Decrease	Current	1% Increase	1% Decrease	Current	1% Increase
	6.18%	7.18%	8.18%	6.18%	7.18%	8.18%
Net Pension Liability at 12/31/24	\$ 35,692,474	\$ 26,871,824	\$ 19,476,938	\$ 1,455,200	\$ 1,056,631	\$ 717,860

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.

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

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

For the year ended September 30, 2025, the employer recognized pension expense/(benefit) of \$(380,518) for the primary government and \$(492) for the component unit – Peter White Public Library). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Primary Government					
	Municipal Employees Retirement System (MERS)		Fire-Police Retirement System [See Note M]		Total	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 698,851	\$ -	\$ 1,658,533	\$ -	\$ 2,357,384	\$ -
Differences in assumptions	474,605	(455,958)	196,606	-	671,211	(455,958)
(Excess) Deficit Investment Returns	1,775,106	(321)	2,162,962	(5,380,909)	3,938,068	(5,381,230)
Subtotal	<u>2,948,562</u>	<u>(456,279)</u>	<u>4,018,101</u>	<u>(5,380,909)</u>	<u>6,966,663</u>	<u>(5,837,188)</u>
Contributions subsequent to the measurement date*	-	-	-	-	-	-
Total	<u>\$ 2,948,562</u>	<u>\$ (456,279)</u>	<u>\$ 4,018,101</u>	<u>\$ (5,380,909)</u>	<u>\$ 6,966,663</u>	<u>\$ (5,837,188)</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, 2026.

	Component Units					
	MERS - Peter White Public Library		Board of Light & Power [See Note N]		Total	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 25,129	\$ -	\$ 150,322	\$ (45,610)	\$ 175,451	\$ (45,610)
Differences in assumptions	-	(456)	97,651	(123,677)	97,651	(124,133)
(Excess) Deficit Investment Returns	110,429	-	2,685,932	(1,310,161)	2,796,361	(1,310,161)
Subtotal	<u>135,558</u>	<u>(456)</u>	<u>2,933,905</u>	<u>(1,479,448)</u>	<u>3,069,463</u>	<u>(1,479,904)</u>
Contributions subsequent to the measurement date*	108,428	-	1,400,391	-	1,508,819	-
Total	<u>\$ 243,986</u>	<u>\$ (456)</u>	<u>\$ 4,334,296</u>	<u>\$ (1,479,448)</u>	<u>\$ 4,578,282</u>	<u>\$ (1,479,904)</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, 2026.

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

Plan Year Ended December 31,	Deferred Outflows / (Inflows) of Resources by Year (To Be Recognized in Future Pension Expenses)					
	Primary Government			Component Units		
	Municipal Employees Retirement System	Fire-Police Retirement System [See Note M]	Total	Peter White Public Library	Board of Light & Power [See Note N]	Total
2025	\$ 1,229,987	\$ 901,366	\$ 2,131,353	\$ 63,703	\$ 777,648	\$ 841,351
2026	1,549,040	(1,273,392)	275,648	94,625	981,039	1,075,664
2027	(297,564)	(1,058,936)	(1,356,500)	(21,738)	(277,285)	(299,023)
2028	10,820	15,856	26,676	(1,488)	(26,945)	(28,433)
2029	-	52,298	52,298	-	-	-
Thereafter	-	-	-	-	-	-
Total	<u>\$ 2,492,283</u>	<u>\$ (1,362,808)</u>	<u>\$ 1,129,475</u>	<u>\$ 135,102</u>	<u>\$ 1,454,457</u>	<u>\$ 1,589,559</u>

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

**Payable to Pension Plan:**

At September 30, 2025, 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, 2025.

**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, 2025, was \$4,206,077; the City’s total payroll was \$14,395,327.

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, 2024, the latest actuarial valuation date:

Group	
Retirees and beneficiaries currently receiving benefits	86
Vested terminated members	2
Active employees:	
Fire	27
Police	32
TOTAL	147

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.

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

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

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, 2025, 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 13 years for police and 13 years for fire.

During the year ended September 30, 2025, September 30, 2024, and September 30, 2023, contributions totaling \$2,003,579; \$1,916,289, and \$1,707,745, 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.

**Concentrations of Investments**

Principal Pooled Funds:

AllSpring Core Bond CIT N	\$ 4,511,453
Principal/Dodge & Cox Intermediate Bond CIT N	\$ 4,520,904
Principal/Federated Total Return Bond CIT N	\$ 4,505,363
Principal/Blackrock S&P Midcap Index CIT N	\$ 4,057,847
Principal/Blackrock S&P 500 Index CIT N	\$ 6,137,532

Mutual Funds - Corporate Bonds:

Metropolitan West Total Return Bond Fund Class I #512	\$ 4,528,338
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**NOTE M – DEFINED BENEFIT PENSION PLAN – FIRE-POLICE RETIREMENT SYSTEM (Continued):**

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

The components of the net pension liability of the City at December 31, 2024, the most recent actuarial, is as follows:

	<u>2024</u>
Total pension liability	\$ 59,917,234
Plan fiduciary net position	<u>48,197,607</u>
City's net pension liability	<u>\$ 11,719,627</u>
Plan fiduciary net position as a percentage of the total pension liability	 80.4%

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation performed as of December 31, 2024, with a measurement date of September 30, 2025, 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, 2024 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.

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 4.90%; 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

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

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 09/30/24	\$ 58,036,701	\$ 45,673,724	\$ 12,362,977
Changes for the Year:			
Service costs	1,154,159	-	1,154,159
Interest on total pension liability	3,829,524	-	3,829,524
Changes in benefits	-	-	-
Difference between expected and actual experience	657,043	-	657,043
Changes in assumption	-	-	-
Employer contributions	-	2,003,579	(2,003,579)
Employee contributions	-	273,955	(273,955)
Net investment income	-	4,027,620	(4,027,620)
Benefit payments, including employee refunds	(3,760,193)	(3,760,193)	-
Administrative expense	-	(21,078)	21,078
Other changes	-	-	-
Net Changes	<u>1,880,533</u>	<u>2,523,883</u>	<u>(643,350)</u>
Balances as of 09/30/25	<u>\$ 59,917,234</u>	<u>\$ 48,197,607</u>	<u>\$ 11,719,627</u>

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 1,658,533	\$ -
Differences in assumptions	196,606	-
(Excess) Deficit Investment Returns	2,162,962	(5,380,909)
Total	<u>\$ 4,018,101</u>	<u>\$ (5,380,909)</u>

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

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

Plan Year Ended September 30,	Amount
2026	\$ 901,366
2027	(1,273,392)
2028	(1,058,936)
2029	15,856
2030	52,298
Thereafter	-
Total	\$ (1,362,808)

**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 09/30/25	\$ 11,719,627	\$ 11,719,627	\$ 11,719,627
Change in Net Pension Liability (NPL)	7,270,740	-	(6,020,304)
Calculated NPL	\$ 18,990,367	\$ 11,719,627	\$ 5,699,323

**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](http://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, 2024, measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	98
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>14</u>
Total inactive and active plan members	<u>113</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 equal to 4.7 percent of their annual salary to the plan. For the year ended September 30, 2025, contributions made by the Board totaled \$1,816,797.

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

***Net Pension Liability***

The Board’s Net Pension Liability was measured as of December 31, 2024, 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, 2024, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5 percent

Salary increases: 3.00% in the long term.

Investment rate of return: 6.93%, 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.

Mortality rates used were based on a version of Pub-2010 tables with future mortality improvements using MP-2021 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 2025 covering the years 2019-2023.

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global Equity	60.00%	4.20%	2.70%
Global Fixed Income	20.00%	0.90%	0.43%
Private Investments	20.00%	1.90%	1.30%
Inflation			2.50%
Administrative fee			
	100.00%		6.93%

***Discount Rate***

The discount rate used to measure the total pension liability is 7.18 percent for 2024. 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.

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

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, 2023	\$45,646,747	\$34,761,492	\$10,885,255
Changes for the Year:			
Service Cost	127,624	-	127,624
Interest on Total Pension Liability	3,151,471	-	3,151,471
Changes in benefits	-	-	-
Difference between expected and actual experience	(68,415)	-	(68,415)
Changes in assumptions	(185,515)	-	(185,515)
Employer Contributions	-	1,816,797	(1,816,797)
Employee Contributions	-	57,709	(57,709)
Net investment income	-	2,564,595	(2,564,595)
Benefit payments, including employee refunds	(3,636,398)	(3,636,398)	-
Administrative expense	-	(75,760)	75,760
Other changes	(2)	(1)	(1)
Net changes	<u>(611,235)</u>	<u>726,942</u>	<u>(1,338,177)</u>
Balances as of December 31, 2024	<u>\$45,035,512</u>	<u>\$35,488,434</u>	<u>\$9,547,078</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 7.18 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 (6.18 percent) or one percentage point higher (8.18 percent) than the current rate:

	Current		
	1% Decrease (6.18%)	Discount Rate (7.18%)	1% Increase (8.18%)
Net Pension Liability at December 31, 2024	\$13,955,923	\$9,547,078	\$5,777,290

The current discount rate shown 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, 2025, the Board recognized pension expense of \$1,414,113. The employer reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 150,322	\$ (45,610)
Differences in assumptions	97,651	(123,677)
Excess/Deficit in investment returns	2,685,932	(1,310,161)
Subtotal	2,933,905	(1,479,448)
Contributions subsequent to the measurement date*	1,400,391	-
Total	<u>\$ 4,334,296</u>	<u>\$ (1,479,448)</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 9/30/26.

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

Deferred (Inflows) and Deferred Outflows of Resources by Year (To Be Recognized in Future Pension Expenses)	
Plan Year Ended	
December 31,	Amount
2025	\$ 777,648
2026	981,039
2027	(277,285)
2028	(26,945)
Thereafter	-
Total	<u>\$ 1,454,457</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, 2025, there were 13 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 \$232,593 during the current year and employees contributed \$66,326. 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, 2025, combined contributions by the Board totaled \$664,802, and combined contributions by the employees totaled \$267,031.

### **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 \$11,589 during the current year and employee contributed \$2,674. The employees under the plan are immediately vested. At September 30, 2025, 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 \$44,130 during the current year, and employees contributed \$18,388. The employees covered under this plan are vested after three years of service. At September 30, 2025, there were 9 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:**

During the fiscal year ended September 30, 2025, the City implemented GASB Statement No. 101, Compensated Absences. GASB 101 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, if the leave is attributable to services already rendered and is more likely than not to be paid or settled.

Under GASB 101, the City recognizes a liability for compensated absences when:

- The leave is attributable to services already rendered,
- The leave accumulates, and
- It is more likely than not that the leave will be used for time off or otherwise paid or settled.

The liability is measured using the employee's current rate of pay as of the financial statement date and includes salary-related payments, where applicable.

**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. The City records a liability for sick leave that is more likely than not to be paid upon separation, in accordance with GASB 101.

**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. Vacation leave is attributable to services already rendered and is recognized as a liability when earned.

**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 City recognizes a liability for benefit leave that is more likely than not to be paid or settled.

**NOTE Q – ACCUMULATED COMPENSATED ABSENCES (Continued):**

**Compensatory Time** – Employees in certain classifications may earn compensatory time in lieu of overtime pay in accordance with collective bargaining agreements and City personnel policies. Compensatory time is earned at time-and-a-half for eligible overtime hours worked, and may be used as paid time off or paid in cash upon separation. Because compensatory time is attributable to services already rendered and is more likely than not to be used or paid, the City recognizes a liability for all accumulated compensatory time balances at year-end.

**Personal Leave** – Certain collective bargaining agreements provide employees with thirty (30) hours of personal leave effective January 1, 2009, and annually thereafter on the employee’s anniversary date (date of hire). Personal leave must be used during the anniversary year in which it was granted, may not be carried over to subsequent years, and may not be converted to cash or paid upon separation. Because personal leave is attributable to services rendered and is more likely than not to be used within the employee’s anniversary year, the City recognizes a current liability for all personal leave balances at year-end.

The total liability for compensated absences is measured using employees’ current salary rates as of September 30, 2025

The liabilities for accumulated, unpaid vacation, sick, benefit leave, personal, and compensatory time as of September 30, 2025, are as follows:

	Benefit Leave and Vacation	Sick	Compensatory and Personal Time	Total
<b>PRIMARY GOVERNMENT:</b>				
Current portion	\$ 578,405	\$ 204,337	\$ 171,953	\$ 954,695
Long-term portion	1,437,453	397,443	170,858	2,005,754
TOTAL	<u>\$ 2,015,858</u>	<u>\$ 601,780</u>	<u>\$ 342,811</u>	<u>\$ 2,960,449</u>
<b>COMPONENT UNITS:</b>				
Current portion	\$ 955,078	\$ 705,685	\$ 12,999	\$ 1,673,762
Long-term portion	48,469	-	-	48,469
TOTAL	<u>\$ 1,003,547</u>	<u>\$ 705,685</u>	<u>\$ 12,999</u>	<u>\$ 1,722,231</u>

The implementation of GASB Statement No. 101 did not result in a material restatement of beginning net position/fund balance.

**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, 2025, by the City is \$4,361,474.

Summary financial information as of and for the fiscal year ended June 30, 2025, the latest available report, is as follows:

Total Assets	\$ 25,968,212
Deferred Outflows of Resources	307,981
Total Liabilities	11,678,043
Deferred Inflows of Resources	59,903
Total Net Position	14,538,247
Total Operating Revenues	7,378,594
Total Operating Expenses	5,767,012
Total Nonoperating Revenues (Expenses)	134,419
Change in Net Position	1,746,001

**NOTE S – RISK MANAGEMENT:**

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

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

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

**NOTE T – OTHER POST EMPLOYMENT BENEFITS:**

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. Net OPEB liabilities attributable to governmental activities will be liquidated primarily by the General, Technology Services, Municipal Service Center, and Motor Vehicle Equipment funds.

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, 2025					
	Public Works	City Hall	Supervisory	Police	Fire	Department Heads
<b>Eligibility Requirements</b>						
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
<b>Summary of Benefits</b>						
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
<b>Spousal Coverage</b>	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
<b>Benefit End Date</b>						
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
<b>Changes Since Prior Valuation</b>	None	None	None	None	None	None

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

Summary of Plan Participants:

Membership of the plan consisted the following for the September 30, 2025, valuation:

	<u>Public Works</u>	<u>City Hall</u>	<u>Super-visors</u>	<u>Police</u>	<u>Fire</u>	<u>Dept Heads</u>	<u>Middle Mgmt</u>	<u>Total</u>
Retirees	6	5	3	15	10	20	13	72
Active Employees	<u>17</u>	<u>9</u>	<u>4</u>	<u>7</u>	<u>8</u>	<u>3</u>	<u>2</u>	<u>50</u>
Total	<u>23</u>	<u>14</u>	<u>7</u>	<u>22</u>	<u>18</u>	<u>23</u>	<u>15</u>	<u>122</u>

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.

**Assumptions and Methods**

The City’s OPEB liability is measured as of September 30, 2025.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2025. 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:	6.93% (including inflation)
20-year Aa Municipal bond rate:	4.50%
Mortality:	Public General and Public Safety 2016 Employee and Healthy Retiree, Headcount weighted
Improvement Scale:	IRS 2024 Adjusted Scale MP-2021

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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	60.0%	4.50%
Global fixed income	20.0%	2.16%
Private assets	20.0%	6.50%

The sum of each target allocation times its long-term expected rate is 6.93%.

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

Discount Rate:

The discount rate used to measure the total OPEB liability was 6.93%. 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 (with a higher contribution planned for 2026 of at least \$388,352) 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. As of September 30, 2025 the discount rate used to value OPEB liabilities was 6.93%.

**Changes in Net OPEB Liability**

Calculating the Net OPEB Liability - Primary Government			
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at September 30, 2024	\$ 4,736,268	\$ 2,755,758	\$ 1,980,510
Changes during the year:			
Service cost (beginning of year)	21,074	-	21,074
Interest	314,403	-	314,403
Experience (gains)/losses	290,950	-	290,950
Change in actuarial assumptions	21,972	-	21,972
Contributions to OPEB trust	-	500,179	(500,179)
Contributions/benefit paid from general operating funds	-	441,002	(441,002)
Net investment income	-	343,701	(343,701)
Benefit payments	(441,002)	(441,002)	-
Administrative expenses	-	(6,366)	6,366
Other changes	-	-	-
Total changes	<u>207,397</u>	<u>837,514</u>	<u>(630,117)</u>
Balance at September 30, 2025	<u>\$ 4,943,665</u>	<u>\$ 3,593,272</u>	<u>\$ 1,350,393</u>

**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:

	Discount Rate		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 5,337,061	\$ 4,943,665	\$ 4,601,528
Plan Fiduciary Net Position	3,593,272	3,593,272	3,593,272
Net OPEB Liability	<u>\$ 1,743,789</u>	<u>\$ 1,350,393</u>	<u>\$ 1,008,256</u>

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

	Trend Rate		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 4,809,051	\$ 4,943,665	\$ 5,058,530
Plan Fiduciary Net Position	3,593,272	3,593,272	3,593,272
Net OPEB Liability	<u>\$ 1,215,779</u>	<u>\$ 1,350,393</u>	<u>\$ 1,465,258</u>

**Actuarially Determined Contribution**

Actuarially Determined Contribution for the Fiscal Year Ending September 30, 2025, are as follows:

Service Cost (End of Year)	\$ 21,074
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,989,649
Amortization Factor, 30 Years	5.1079
Amortization of UAAL	\$ 389,524
Interest to End of Year	\$ 28,455
<b>Actuarially Determined Contributions (ADC)</b>	<b>\$ 439,055</b>

**OPEB Expense – GASB 75**

Below are the components of the Total OPEB Expense under GASB 75 for 2025.

Service Cost (Beginning of Year)	\$ 21,074
Interest on Total OPEB Liability	314,403
Experience (Gains)/Losses	(26,180)
Changes of Assumptions	(348,277)
Employee Contributions	-
Projected Earnings on OPEB Plan Investments	(207,278)
Investment Earnings (Gains)/Losses	(48,215)
Administrative Expenses	6,366
Other Changes in fiduciary Net Position	-
<b>Total OPEB Expense</b>	<b><u>\$ (288,107)</u></b>

**OPEB Plan Fiduciary Net Position**

The OPEB Plan Fiduciary Net Position as of September 30, 2025, is \$3,593,272.

**Deferred Inflows and Outflows of Resources Related to OPEB Plan**

	Deferred Outflows Of Resources	Deferred (Inflows) Of Resources
Experience (Gains)/Losses	\$ 191,988	\$ (47,227)
Changes of Assumptions	32,624	(93,486)
Investment Earnings (Gains)/Losses	-	(208,919)
<b>TOTAL</b>	<b><u>\$ 224,612</u></b>	<b><u>\$ (349,632)</u></b>

**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>
2026	\$ (44,198)
2027	19,237
2028	(72,776)
2029	(27,283)
2030	-
Thereafter	-
	<u>\$ (125,020)</u>

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

The Marquette Board of Light and Power maintains a single employer defined benefit healthcare plan that 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. A stand-alone financial report of the plan has not been issued.

***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, 2025, and 2024, the Board contributed \$334,918 and \$711,358, respectively, to the plan, representing the actuarial determine contribution for 2025 and the current premiums for 2024. In addition, for the fiscal years ended September 30, 2025 and 2024, the Board made additional discretionary contributions of \$-0- and \$100,000.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (October 1, 2023):

	Active Employees	Retirees & Spouses	Total
Covered participants	58	156	214

Net OPEB liability: The total OPEB liability as of October 1, 2023, 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:	4.06%
Healthcare cost trend rates:	4.50%

The actuarial assumptions used in the valuations were based on the results of the most recent actuarial experience study completed in 2025 covering the years 2019-2024.

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return	Expected Money Weighted Rate of Return
Global Equity	60.00%	4.16%	2.46%
Global Fixed Income	20.00%	2.00%	0.36%
Private Investments	20.00%	6.01%	1.28%
Inflation			2.50%
	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.

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.

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
	(a)	(b)	(a) - (b)
Balances at September 30, 2024	\$ 14,665,584	\$ 15,592,074	\$ (926,490)
Changes for the year:			
Service cost	204,112	-	204,112
Interest on Total Pension Liability	953,063	-	953,063
Changes in benefits	-	-	-
Difference between expected and actual experience	(140,537)	-	(140,537)
Changes in assumptions	(1,468,901)	-	(1,468,901)
Employer contributions	-	334,918	(334,918)
Participant contributions	-	37,076	(37,076)
Projected investment income	-	1,010,702	(1,010,702)
Difference between expected and actual earnings	-	538,850	(538,850)
Benefit payments, including employee refunds	(858,704)	(895,780)	37,076
Administrative expense	-	(33,038)	33,038
Other changes	-	-	-
Net changes	(1,310,967)	992,728	(2,303,695)
Balances at September 30, 2025	\$ 13,354,617	\$ 16,584,802	\$ (3,230,185)

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

***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	\$ 11,710,329	\$ 13,354,617	\$ 17,905,188
Fiduciary net position	16,584,802	16,584,802	16,584,802
Net OPEB liability / (asset)	<u>\$ (4,874,473)</u>	<u>\$ (3,230,185)</u>	<u>\$ 1,320,386</u>

***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	\$ 8,486,909	\$ 13,354,617	\$ 14,582,102
Fiduciary net position	16,584,802	16,584,802	16,584,802
Net OPEB liability / (asset)	<u>\$ (8,097,893)</u>	<u>\$ (3,230,185)</u>	<u>\$ (2,002,700)</u>

***OPEB Expense and Deferred Outflows of Resources Related to OPEB***

For the year ended September 30, 2025, the Board recognized an OPEB gain/credit of \$1,279,180.

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	\$ 362,899	\$ (165,879)
Differences in assumptions	40,546	(2,194,673)
(Excess)/Deficit in investment returns	542,347	(1,547,798)
Total	<u>\$ 945,792</u>	<u>\$ (3,908,350)</u>

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

Amounts reported as deferred outflows / (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
2026	\$ 121,699	\$ (1,061,047)	\$ 21,617	\$ (917,731)
2027	99,712	(838,147)	(520,730)	(1,259,165)
2028	(24,391)	(254,933)	(398,568)	(677,892)
2029	-	-	(107,770)	(107,770)
Total	<u>\$ 197,020</u>	<u>\$ (2,154,127)</u>	<u>\$ (1,005,451)</u>	<u>\$ (2,962,558)</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 \$1,000,000. Therefore, the City is required to have an audit in accordance with the Uniform Guidance for the fiscal year ended September 30, 2025.

**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, 2025. 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 \$5,265,028.

## **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, 2025, 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, 2025, the City abated \$2,242,757 under this program.

## REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF MARQUETTE, MICHIGAN**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive / (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 17,450,590	\$ 17,450,590	\$ 17,522,927	\$ 72,337
Federal grants	17,000	64,500	87,245	22,745
State grants and shared revenue	3,578,120	3,802,522	3,782,847	(19,675)
Intergovernmental revenues	-	-	10,000	10,000
Licenses and permits	101,940	101,940	96,231	(5,709)
Charges for services	2,722,540	2,722,540	2,763,051	40,511
Fines and forfeits	89,340	89,340	97,797	8,457
Interest and rentals	94,370	419,540	525,426	105,886
Other revenues	360,350	487,290	527,050	39,760
	<u>24,414,250</u>	<u>25,138,262</u>	<u>25,412,574</u>	<u>274,312</u>
<b>TOTAL REVENUES</b>				
<b>EXPENDITURES:</b>				
General government	3,639,940	3,681,950	3,450,288	231,662
Public safety	10,281,140	11,081,310	11,055,229	26,081
Public works	5,772,030	5,976,350	5,976,272	78
Community and economic development	797,200	862,200	816,610	45,590
Recreation and culture	811,140	838,024	789,901	48,123
	<u>21,301,450</u>	<u>22,439,834</u>	<u>22,088,300</u>	<u>351,534</u>
<b>TOTAL EXPENDITURES</b>				
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,112,800</u>	<u>2,698,428</u>	<u>3,324,274</u>	<u>625,846</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	62,783	62,783
Transfers (out)	(3,112,800)	(2,779,600)	(2,702,661)	76,939
	<u>(3,112,800)</u>	<u>(2,779,600)</u>	<u>(2,639,878)</u>	<u>139,722</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				
<b>CHANGES IN FUND BALANCE</b>	-	(81,172)	684,396	765,568
Fund balance, beginning of year	8,838,949	8,838,949	8,838,949	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 8,838,949</u>	<u>\$ 8,757,777</u>	<u>\$ 9,523,345</u>	<u>\$ 765,568</u>

**CITY OF MARQUETTE, MICHIGAN**

MAJOR STREET AND TRUNKLINE FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	2,391,700	2,391,700	2,593,247	201,547
Reimbursements	-	-	35,093	35,093
Investment income	-	-	27,766	27,766
Other revenues	-	-	300,000	300,000
<b>TOTAL REVENUES</b>	<u>2,391,700</u>	<u>2,391,700</u>	<u>2,956,106</u>	<u>564,406</u>
<b>EXPENDITURES:</b>				
Public Works	<u>3,568,304</u>	<u>3,568,304</u>	<u>2,578,438</u>	<u>989,866</u>
<b>TOTAL EXPENDITURES</b>	<u>3,568,304</u>	<u>3,568,304</u>	<u>2,578,438</u>	<u>989,866</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,176,604)</u>	<u>(1,176,604)</u>	<u>377,668</u>	<u>1,554,272</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	786,930	786,930	-	(786,930)
Transfers (out)	<u>(1,443,320)</u>	<u>(1,443,320)</u>	<u>(1,286,415)</u>	<u>156,905</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(656,390)</u>	<u>(656,390)</u>	<u>(1,286,415)</u>	<u>(630,025)</u>
<b>CHANGES IN FUND BALANCE</b>	<u>(1,832,994)</u>	<u>(1,832,994)</u>	<u>(908,747)</u>	<u>924,247</u>
Fund balance, beginning of year	<u>1,832,994</u>	<u>1,832,994</u>	<u>1,832,994</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 924,247</u>	<u>\$ 924,247</u>

**CITY OF MARQUETTE, MICHIGAN**

LOCAL STREET FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	1,034,310	1,034,310	1,133,296	98,986
Reimbursements	-	-	26,000	26,000
Investment income	-	-	7,244	7,244
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	1,034,310	1,034,310	1,166,540	132,230
<b>EXPENDITURES:</b>				
Public Works	2,064,553	2,094,082	1,952,934	141,148
<b>TOTAL EXPENDITURES</b>	2,064,553	2,094,082	1,952,934	141,148
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,030,243)	(1,059,772)	(786,394)	273,378
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,541,660	1,541,660	1,585,851	44,191
Transfers (out)	(780,270)	(780,270)	(780,131)	139
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	761,390	761,390	805,720	44,330
<b>CHANGES IN FUND BALANCE</b>	(268,853)	(298,382)	19,326	317,708
Fund balance, beginning of year	298,382	298,382	298,382	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 29,529	\$ -	\$ 317,708	\$ 317,708

**CITY OF MARQUETTE, MICHIGAN**

SANITATION FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	2,697,740	4,123,400	3,980,219	(143,181)
Reimbursements	-	-	30,373	30,373
Investment income	-	-	-	-
Other revenues	-	-	15,710	15,710
	<u>2,697,740</u>	<u>4,123,400</u>	<u>4,026,302</u>	<u>(97,098)</u>
<b>TOTAL REVENUES</b>				
	<u>2,697,740</u>	<u>4,123,400</u>	<u>4,026,302</u>	<u>(97,098)</u>
<b>EXPENDITURES:</b>				
Public Works	2,697,740	4,123,400	3,990,937	132,463
	<u>2,697,740</u>	<u>4,123,400</u>	<u>3,990,937</u>	<u>132,463</u>
<b>TOTAL EXPENDITURES</b>				
	<u>2,697,740</u>	<u>4,123,400</u>	<u>3,990,937</u>	<u>132,463</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>35,365</u>	<u>35,365</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>35,365</u>	<u>35,365</u>
Fund balance, beginning of year	<u>1,150,719</u>	<u>1,150,719</u>	<u>1,150,719</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,150,719</u>	<u>\$ 1,150,719</u>	<u>\$ 1,186,084</u>	<u>\$ 35,365</u>

**CITY OF MARQUETTE, MICHIGAN**

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and penalties	\$ 2,230,420	\$ 2,270,390	\$ 2,276,900	\$ 6,510
Investment income	-	-	18,750	18,750
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,230,420</u>	<u>2,270,390</u>	<u>2,295,650</u>	<u>25,260</u>
<b>EXPENDITURES:</b>				
Community and Economic Development	2,230,420	2,270,390	2,270,385	5
<b>TOTAL EXPENDITURES</b>	<u>2,230,420</u>	<u>2,270,390</u>	<u>2,270,385</u>	<u>5</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>25,265</u>	<u>25,265</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>25,265</u>	<u>25,265</u>
Fund balance, beginning of year	<u>173,327</u>	<u>173,327</u>	<u>173,327</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 173,327</u>	<u>\$ 173,327</u>	<u>\$ 198,592</u>	<u>\$ 25,265</u>

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

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

	2025	2024	2023	2022	2021
<b>Change in total pension liability</b>					
Service cost	\$ 821,897	\$ 767,668	\$ 730,432	\$ 658,809	\$ 691,166
Interest	4,973,335	4,896,609	4,762,551	4,826,506	4,636,268
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	986,712	123,128	499,145	(99,786)	(182,168)
Changes in assumptions	(239,029)	533,998	-	2,517,350	1,899,801
Benefit payments, including refunds of member contributions	(4,233,843)	(4,153,623)	(4,051,914)	(3,899,269)	(3,613,388)
Other	-	47,713	2,336	(306)	(1,191,444)
<b>Net change in total pension liability</b>	<u>2,309,072</u>	<u>2,215,493</u>	<u>1,942,550</u>	<u>4,003,304</u>	<u>2,240,235</u>
<b>Total pension liability, beginning of year</b>	<u>73,713,729</u>	<u>71,498,236</u>	<u>69,555,686</u>	<u>65,552,382</u>	<u>63,312,147</u>
<b>Total pension liability, end of year</b> (a)	<u>76,022,801</u>	<u>73,713,729</u>	<u>71,498,236</u>	<u>69,555,686</u>	<u>65,552,382</u>
<b>Change in plan fiduciary net position</b>					
Contributions – employer	3,687,074	3,366,129	3,422,782	3,222,786	2,741,566
Contributions – member	307,513	288,749	448,456	274,489	277,745
Contributions – State pension grant	-	704,412	-	-	-
Net investment income	3,253,423	4,530,436	(4,628,199)	5,664,899	4,644,084
Benefit payments, including refunds of member contributions	(4,233,843)	(4,153,623)	(4,051,914)	(3,899,269)	(3,613,388)
Administrative expense	(97,182)	(94,328)	(81,679)	(64,826)	(73,172)
Other	2	24,980	-	-	(1)
<b>Net change in plan fiduciary net position</b>	<u>2,916,987</u>	<u>4,666,755</u>	<u>(4,890,554)</u>	<u>5,198,079</u>	<u>3,976,834</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>46,233,990</u>	<u>41,567,235</u>	<u>46,457,789</u>	<u>41,259,710</u>	<u>37,282,876</u>
<b>Plan fiduciary net position, end of year</b> (b)	<u>49,150,977</u>	<u>46,233,990</u>	<u>41,567,235</u>	<u>46,457,789</u>	<u>41,259,710</u>
Net pension liability, end of year (a)-(b)	<u>\$ 26,871,824</u>	<u>\$ 27,479,739</u>	<u>\$ 29,931,001</u>	<u>\$ 23,097,897</u>	<u>\$ 24,292,672</u>
Plan fiduciary net position as a percentage of the total pension liability	64.65%	62.72%	58.14%	66.79%	62.94%
Covered payroll	\$ 5,948,887	\$ 5,545,536	\$ 5,321,247	\$ 5,097,329	\$ 4,994,831
Net pension liability as a percentage of covered payroll	451.71%	495.53%	562.48%	453.14%	486.36%

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

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

	2020	2019	2018	2017	2016
<b>Change in total pension liability</b>					
Service cost	\$ 840,544	\$ 825,143	\$ 791,722	\$ 771,441	\$ 738,493
Interest	4,550,490	4,395,359	4,333,875	4,130,063	3,841,488
Change in benefit terms	(2,609)	-	9,569	(8,853)	-
Differences between expected and actual experience	323,056	(52,849)	(1,166,996)	408,568	(229,603)
Changes in assumptions	1,988,572	-	-	-	3,096,299
Benefit payments, including refunds of member contributions	(3,265,088)	(3,060,342)	(2,909,065)	(2,653,291)	(2,414,733)
Other	-	-	-	-	(1)
<b>Net change in total pension liability</b>	<b>4,434,965</b>	<b>2,107,311</b>	<b>1,059,105</b>	<b>2,647,928</b>	<b>5,031,943</b>
<b>Total pension liability, beginning of year</b>	<b>58,877,182</b>	<b>56,769,871</b>	<b>55,710,766</b>	<b>53,062,838</b>	<b>48,030,895</b>
<b>Total pension liability, end of year</b> (a)	<b>63,312,147</b>	<b>58,877,182</b>	<b>56,769,871</b>	<b>55,710,766</b>	<b>53,062,838</b>
<b>Change in plan fiduciary net position</b>					
Contributions – employer	2,667,614	2,453,865	2,455,778	3,272,268	1,796,218
Contributions – member	295,696	277,569	259,468	303,659	223,767
Contributions – State pension grant	-	-	-	-	-
Net investment income	4,435,515	(1,360,225)	4,004,150	3,095,445	(420,230)
Benefit payments, including refunds of member contributions	(3,265,088)	(3,060,342)	(2,909,065)	(2,653,291)	(2,414,733)
Administrative expense	(75,740)	(66,152)	(63,420)	(61,304)	(61,269)
Other	-	-	(2)	4	(1,244,578)
<b>Net change in plan fiduciary net position</b>	<b>4,057,997</b>	<b>(1,755,285)</b>	<b>3,746,909</b>	<b>3,956,781</b>	<b>(2,120,825)</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>33,224,879</b>	<b>34,980,164</b>	<b>31,233,255</b>	<b>27,276,474</b>	<b>29,397,299</b>
<b>Plan fiduciary net position, end of year</b> (b)	<b>37,282,876</b>	<b>33,224,879</b>	<b>34,980,164</b>	<b>31,233,255</b>	<b>27,276,474</b>
Net pension liability, end of year (a)-(b)	<b>\$ 26,029,271</b>	<b>\$ 25,652,303</b>	<b>\$ 21,789,707</b>	<b>\$ 24,477,511</b>	<b>\$ 25,786,364</b>
Plan fiduciary net position as a percentage of the total pension liability	58.89%	56.43%	61.62%	56.06%	51.40%
Covered payroll	\$ 5,661,513	\$ 6,096,946	\$ 6,037,621	\$ 5,874,773	\$ 5,807,765
Net pension liability as a percentage of covered payroll	459.76%	420.74%	360.90%	416.65%	444.00%

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**City of Marquette Michigan  
Municipal Employees Retirement System of Michigan  
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
9/30/2016	\$ 1,796,218	\$ 1,796,218	\$ -	\$ 5,386,997	33.34%
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%
9/30/2024	3,724,980	3,768,360	(43,380)	6,045,364	62.33%
9/30/2025	4,126,584	4,172,460	(45,876)	6,117,390	68.21%

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

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

	2025	2024	2023	2022	2021
<b>Change in total pension liability</b>					
Service cost	\$ 30,656	\$ 33,832	\$ 45,909	\$ 48,398	\$ 52,368
Interest	268,065	264,936	279,957	276,563	211,319
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	39,295	(3,206)	(42,690)	(95,831)	57,246
Changes in assumptions	(13,495)	25,621	-	127,710	151,620
Benefit payments, including refunds of member contributions	(281,232)	(276,748)	(268,109)	(281,444)	(270,647)
Other	-	2,611	(11,889)	(1,577)	(93,938)
<b>Net change in total pension liability</b>	<u>43,289</u>	<u>47,046</u>	<u>3,178</u>	<u>73,819</u>	<u>107,968</u>
<b>Total pension liability, beginning of year</b>	<u>3,858,808</u>	<u>3,811,762</u>	<u>3,808,584</u>	<u>3,734,765</u>	<u>3,626,797</u>
<b>Total pension liability, end of year</b> (a)	<u>3,902,097</u>	<u>3,858,808</u>	<u>3,811,762</u>	<u>3,808,584</u>	<u>3,734,765</u>
<b>Change in plan fiduciary net position</b>					
Contributions – employer	172,974	119,514	124,248	117,462	175,399
Contributions – member	17,062	18,156	23,449	26,716	35,224
Net investment income	200,820	284,829	(320,381)	391,706	329,195
Benefit payments, including refunds of member contributions	(281,232)	(276,748)	(268,109)	(281,444)	(270,647)
Administrative expense	(6,005)	(6,070)	(5,586)	(4,490)	(5,141)
Other	-	(27,271)	-	(1)	-
<b>Net change in plan fiduciary net position</b>	<u>103,619</u>	<u>112,410</u>	<u>(446,379)</u>	<u>249,949</u>	<u>264,030</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>2,741,847</u>	<u>2,629,437</u>	<u>3,075,816</u>	<u>2,825,867</u>	<u>2,561,837</u>
<b>Plan fiduciary net position, end of year</b> (b)	<u>2,845,466</u>	<u>2,741,847</u>	<u>2,629,437</u>	<u>3,075,816</u>	<u>2,825,867</u>
<b>Net pension liability, end of year</b> (a)-(b)	<u>\$ 1,056,631</u>	<u>\$ 1,116,961</u>	<u>\$ 1,182,325</u>	<u>\$ 732,768</u>	<u>\$ 908,898</u>
Plan fiduciary net position as a percentage of the total pension liability	72.92%	71.05%	68.98%	80.76%	75.66%
Covered payroll	\$ 229,238	\$ 246,492	\$ 332,488	\$ 359,746	\$ 390,288
Net pension liability as a percentage of covered payroll	460.93%	453.14%	355.60%	203.69%	232.88%

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

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

	2020	2019	2018	2017	2016
<b>Change in total pension liability</b>					
Service cost	\$ 38,312	\$ 37,610	\$ 48,532	\$ 47,489	\$ 36,106
Interest	207,409	200,339	265,662	254,241	187,817
Change in benefit terms	(119)	-	587	(545)	-
Differences between expected and actual experience	14,725	(2,409)	(71,536)	25,151	(11,226)
Changes in assumptions	90,638	-	-	-	151,384
Benefit payments, including refunds of member contributions	(215,515)	(191,797)	(181,797)	(178,595)	(131,851)
Other	-	-	-	-	-
<b>Net change in total pension liability</b>	<u>135,450</u>	<u>43,743</u>	<u>61,448</u>	<u>147,741</u>	<u>232,230</u>
<b>Total pension liability, beginning of year</b>	<u>3,491,347</u>	<u>3,447,604</u>	<u>3,386,156</u>	<u>3,238,415</u>	<u>3,006,185</u>
<b>Total pension liability, end of year</b> (a)	<u>3,626,797</u>	<u>3,491,347</u>	<u>3,447,604</u>	<u>3,386,156</u>	<u>3,238,415</u>
<b>Change in plan fiduciary net position</b>					
Contributions – employer	173,752	111,800	105,420	114,790	91,549
Contributions – member	28,244	25,376	27,289	25,132	24,237
Net investment income	309,695	(94,393)	287,973	227,136	(31,166)
Benefit payments, including refunds of member contributions	(215,515)	(191,797)	(181,797)	(178,595)	(131,851)
Administrative expense	(5,317)	(4,700)	(4,562)	(4,489)	(4,534)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>290,859</u>	<u>(153,714)</u>	<u>234,323</u>	<u>183,974</u>	<u>(51,765)</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>2,270,978</u>	<u>2,424,692</u>	<u>2,190,369</u>	<u>2,006,395</u>	<u>2,058,160</u>
<b>Plan fiduciary net position, end of year</b> (b)	<u>2,561,837</u>	<u>2,270,978</u>	<u>2,424,692</u>	<u>2,190,369</u>	<u>2,006,395</u>
<b>Net pension liability, end of year</b> (a)-(b)	<u>\$ 1,064,960</u>	<u>\$ 1,220,369</u>	<u>\$ 1,022,912</u>	<u>\$ 1,195,787</u>	<u>\$ 1,232,020</u>
Plan fiduciary net position as a percentage of the total pension liability	70.64%	65.05%	70.33%	64.69%	61.96%
Covered payroll	\$ 389,790	\$ 256,766	\$ 212,190	\$ 189,316	\$ 264,754
Net pension liability as a percentage of covered payroll	273.21%	475.28%	482.07%	631.64%	465.35%

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**City of Marquette Michigan  
Peter White Public Library  
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
9/30/2016	\$ 88,838	\$ 88,838	\$ -	\$ 347,771	25.54%
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%
9/30/2024	109,092	169,092	(60,000)	252,335	67.01%
9/30/2025	116,856	166,856	(50,000)	238,163	70.06%

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

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

	2025	2024	2023	2022	2021
<b>Change in total pension liability</b>					
Service cost	\$ 1,154,159	\$ 1,164,958	\$ 1,175,182	\$ 1,101,426	\$ 1,038,593
Interest	3,829,524	3,669,247	3,495,810	3,400,723	3,288,149
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	657,043	1,188,866	845,642	51,052	218,662
Changes in assumptions	-	-	468,013	-	-
Benefit payments, including refunds of member contributions	(3,760,193)	(3,526,217)	(3,293,982)	(3,068,761)	(2,749,365)
Other	-	-	-	-	-
<b>Net change in total pension liability</b>	<u>1,880,533</u>	<u>2,496,854</u>	<u>2,690,665</u>	<u>1,484,440</u>	<u>1,796,039</u>
<b>Total pension liability, beginning of year</b>	<u>58,036,701</u>	<u>55,539,847</u>	<u>52,849,182</u>	<u>51,364,742</u>	<u>49,568,703</u>
<b>Total pension liability, end of year</b> (a)	<u>59,917,234</u>	<u>58,036,701</u>	<u>55,539,847</u>	<u>52,849,182</u>	<u>51,364,742</u>
<b>Change in plan fiduciary net position</b>					
Contributions - employer	2,003,579	1,916,289	1,707,745	1,748,700	1,742,470
Contributions - members	273,955	255,014	255,359	253,763	232,295
Net investment income	4,027,620	8,757,115	4,462,421	(7,872,012)	7,403,102
Benefit payments, including refunds of member contributions	(3,760,193)	(3,526,217)	(3,293,982)	(3,068,761)	(2,749,365)
Administrative expense	(21,078)	(21,035)	(20,603)	(20,693)	(20,029)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>2,523,883</u>	<u>7,381,166</u>	<u>3,110,940</u>	<u>(8,959,003)</u>	<u>6,608,473</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>45,673,724</u>	<u>38,292,558</u>	<u>35,181,618</u>	<u>44,140,621</u>	<u>37,532,148</u>
<b>Plan fiduciary net position, end of year</b> (b)	<u>48,197,607</u>	<u>45,673,724</u>	<u>38,292,558</u>	<u>35,181,618</u>	<u>44,140,621</u>
City's net pension liability, end of year (a)-(b)	<u>\$ 11,719,627</u>	<u>\$ 12,362,977</u>	<u>\$ 17,247,289</u>	<u>\$ 17,667,564</u>	<u>\$ 7,224,121</u>
Plan fiduciary net position as a percentage of the total pension liability	80.44%	78.70%	68.95%	66.57%	85.94%
Covered payroll	\$ 4,206,077	\$ 4,010,058	\$ 4,023,821	\$ 4,130,349	\$ 3,895,846
City's net pension liability as a percentage of covered payroll	278.64%	308.30%	428.63%	427.75%	185.43%

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

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

	2020	2019	2018	2017	2016
<b>Change in total pension liability</b>					
Service cost	\$ 1,042,143	\$ 980,498	\$ 922,981	\$ 902,641	\$ 935,088
Interest	3,243,320	3,117,532	3,041,225	2,858,357	2,766,379
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(953,751)	230,811	(849,687)	1,606,199	(53,654)
Changes in assumptions	-	-	2,025,918	(426,851)	-
Benefit payments, including refunds of member contributions	(2,582,244)	(2,410,032)	(2,449,187)	(2,227,030)	(2,408,213)
Other	-	-	-	-	-
<b>Net change in total pension liability</b>	<u>749,468</u>	<u>1,918,809</u>	<u>2,691,250</u>	<u>2,713,316</u>	<u>1,239,600</u>
<b>Total pension liability, beginning of year</b>	<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>
<b>Total pension liability, end of year</b> (a)	<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>
<b>Change in plan fiduciary net position</b>					
Contributions - employer	1,778,792	1,626,480	1,560,811	1,489,696	1,465,489
Contributions - members	224,770	216,333	207,809	197,431	170,668
Net investment income	3,359,107	1,452,584	2,301,235	3,448,273	2,630,375
Benefit payments, including refunds of member contributions	(2,582,244)	(2,410,032)	(2,449,187)	(2,227,030)	(2,408,213)
Administrative expense	(19,306)	(19,179)	(20,179)	(19,482)	(14,327)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>2,761,119</u>	<u>866,186</u>	<u>1,600,489</u>	<u>2,888,888</u>	<u>1,843,992</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>34,771,029</u>	<u>33,904,843</u>	<u>32,304,354</u>	<u>29,415,466</u>	<u>27,571,474</u>
<b>Plan fiduciary net position, end of year</b> (b)	<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>
City's net pension liability, end of year (a)-(b)	<u>\$ 12,036,555</u>	<u>\$ 14,048,206</u>	<u>\$ 12,995,583</u>	<u>\$ 11,904,822</u>	<u>\$ 12,080,394</u>
Plan fiduciary net position as a percentage of the total pension liability	75.72%	71.22%	72.29%	73.07%	70.89%
Covered payroll	\$ 3,690,235	\$ 3,698,660	\$ 3,477,254	\$ 3,558,782	\$ 3,233,941
City's net pension liability as a percentage of covered payroll	326.17%	379.82%	373.73%	334.52%	373.55%

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**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
9/30/2016	\$ 1,347,814	\$ 1,347,814	\$ -	\$ 3,454,423	39.02%
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%
9/30/2024	1,916,289	1,916,289	-	4,010,058	47.79%
9/30/2025	2,003,579	2,003,579	-	4,206,077	47.64%

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

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

	2025	2024	2023	2022	2021
<b>Change in total pension liability</b>					
Service cost	\$ 127,624	\$ 126,951	\$ 167,397	\$ 181,213	\$ 216,877
Interest	3,151,471	3,151,595	3,144,855	3,162,801	3,124,561
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(68,415)	450,966	287,279	290,631	(867,330)
Changes in assumptions	(185,515)	292,953	-	1,457,474	1,255,356
Benefit payments, including refunds of member contributions	(3,636,398)	(3,565,025)	(3,407,679)	(3,239,718)	(3,177,232)
Other	(2)	(3)	-	-	-
<b>Net change in total pension liability</b>	<u>(611,235)</u>	<u>457,437</u>	<u>191,852</u>	<u>1,852,401</u>	<u>552,232</u>
<b>Total pension liability, beginning of year</b>	<u>45,646,747</u>	<u>45,189,310</u>	<u>44,997,458</u>	<u>43,145,057</u>	<u>42,592,825</u>
<b>Total pension liability, end of year</b>	<u>45,035,512</u>	<u>45,646,747</u>	<u>45,189,310</u>	<u>44,997,458</u>	<u>43,145,057</u>
<b>Change in plan fiduciary net position</b>					
Contributions – employer	1,816,797	1,800,000	1,800,018	1,922,323	1,915,918
Contributions – member	57,709	71,379	83,546	99,455	105,640
Net investment income	2,564,595	3,576,770	(3,979,349)	4,863,699	4,028,178
Benefit payments, including refunds of member contributions	(3,636,398)	(3,565,025)	(3,407,679)	(3,239,718)	(3,177,232)
Administrative expense	(75,760)	(76,030)	(69,985)	(55,799)	(64,061)
Other	(1)	(2)	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>726,942</u>	<u>1,807,092</u>	<u>(5,573,449)</u>	<u>3,589,960</u>	<u>2,808,443</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>34,761,492</u>	<u>32,954,400</u>	<u>38,527,849</u>	<u>34,937,889</u>	<u>32,129,446</u>
<b>Plan fiduciary net position, end of year</b>	<u>35,488,434</u>	<u>34,761,492</u>	<u>32,954,400</u>	<u>38,527,849</u>	<u>34,937,889</u>
Net pension liability, end of year	<u>\$ 9,547,078</u>	<u>\$ 10,885,255</u>	<u>\$ 12,234,910</u>	<u>\$ 6,469,609</u>	<u>\$ 8,207,168</u>
Plan fiduciary net position as a percentage of the total pension liability	78.80%	76.15%	72.93%	85.62%	80.98%
Covered payroll	\$ 1,483,260	\$ 1,470,433	\$ 1,868,887	\$ 2,109,620	\$ 2,426,996
Net pension liability as a percentage of covered payroll	643.66%	740.28%	654.66%	306.67%	338.16%

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

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

	2020	2019	2018	2017	2016
<b>Change in total pension liability</b>					
Service cost	\$ 216,007	\$ 243,983	\$ 263,927	\$ 263,370	\$ 253,706
Interest	3,215,292	3,202,985	3,194,331	3,153,469	3,013,119
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(642,954)	(27,628)	(147,591)	161,831	433,467
Changes in assumptions	1,344,399	-	-	-	2,151,921
Benefit payments, including refunds of member contributions	(3,246,137)	(3,256,943)	(3,128,036)	(3,008,305)	(2,914,389)
Other	-	-	-	-	1
<b>Net change in total pension liability</b>	<b>886,607</b>	<b>162,397</b>	<b>182,631</b>	<b>570,365</b>	<b>2,937,825</b>
<b>Total pension liability, beginning of year</b>	<b>41,706,218</b>	<b>41,543,821</b>	<b>41,361,190</b>	<b>40,790,825</b>	<b>37,853,000</b>
<b>Total pension liability, end of year</b>	<b>42,592,825</b>	<b>41,706,218</b>	<b>41,543,821</b>	<b>41,361,190</b>	<b>40,790,825</b>
<b>Change in plan fiduciary net position</b>					
Contributions – employer	3,152,985	4,366,887	4,605,575	2,874,280	2,541,239
Contributions – member	104,553	105,447	116,706	165,913	132,551
Net investment income	3,847,402	(1,175,116)	3,218,342	2,413,771	(324,962)
Benefit payments, including refunds of member contributions	(3,246,137)	(3,256,943)	(3,128,036)	(3,008,305)	(2,914,389)
Administrative expense	(66,316)	(56,324)	(50,670)	(47,663)	(47,681)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>3,792,487</b>	<b>(16,049)</b>	<b>4,761,917</b>	<b>2,397,996</b>	<b>(613,242)</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>28,336,959</b>	<b>28,353,008</b>	<b>23,591,091</b>	<b>21,193,095</b>	<b>21,806,337</b>
<b>Plan fiduciary net position, end of year</b>	<b>32,129,446</b>	<b>28,336,959</b>	<b>28,353,008</b>	<b>23,591,091</b>	<b>21,193,095</b>
Net pension liability, end of year	<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>
Plan fiduciary net position as a percentage of the total pension liability	75.43%	67.94%	68.25%	57.04%	51.96%
Covered payroll	\$ 2,453,014	\$ 3,191,125	\$ 3,351,949	\$ 3,140,861	\$ 3,096,739
Net pension liability as a percentage of covered payroll	426.55%	418.95%	393.53%	565.77%	632.85%

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**City of Marquette Michigan  
Marquette Board of Light and Power  
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
9/30/2016	\$ 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%
9/30/2024	1,708,272	1,800,000	(91,728)	1,470,433	122.41%
9/30/2025	1,867,188	1,816,797	50,391	1,483,260	122.49%

**City of Marquette Michigan**  
**Required Supplementary Information**

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

(Ultimately ten years will be displayed)

	2025	2024	2023	2022	2021
<b>Change in total OPEB liability</b>					
Service cost	\$ 21,074	\$ 24,182	\$ 29,523	\$ 47,631	\$ 81,352
Interest	314,403	319,530	306,543	266,569	263,486
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	290,950	(8,766)	(291,762)	11,013	(1,167,057)
Changes in assumptions	21,972	46,449	(622,654)	(757,706)	(854,124)
Benefit payments, including refunds of member contributions	(441,002)	(371,279)	(358,643)	(377,070)	(321,777)
Other	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<u>207,397</u>	<u>10,116</u>	<u>(936,993)</u>	<u>(809,563)</u>	<u>(1,998,120)</u>
<b>Total OPEB liability, beginning of year</b>	<u>4,736,268</u>	<u>4,726,152</u>	<u>5,663,145</u>	<u>6,472,708</u>	<u>8,470,828</u>
<b>Total OPEB liability, end of year</b> (a)	<u>4,943,665</u>	<u>4,736,268</u>	<u>4,726,152</u>	<u>5,663,145</u>	<u>6,472,708</u>
<b>Change in plan fiduciary net position</b>					
Contributions to OPEB trust	500,179	472,420	381,251	406,284	248,955
Contributions/benefits paid from general operation fund	441,002	371,279	358,643	377,070	321,777
Net investment income	343,701	373,930	166,690	(196,773)	187,417
Benefit payments, including refunds of member contributions	(441,002)	(371,279)	(358,643)	(377,070)	(321,777)
Administrative expense	(6,366)	(4,811)	(3,252)	(2,401)	(1,861)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>837,514</u>	<u>841,539</u>	<u>544,689</u>	<u>207,110</u>	<u>434,511</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>2,755,758</u>	<u>1,914,219</u>	<u>1,369,530</u>	<u>1,162,420</u>	<u>727,909</u>
<b>Plan fiduciary net position, end of year</b> (b)	<u>3,593,272</u>	<u>2,755,758</u>	<u>1,914,219</u>	<u>1,369,530</u>	<u>1,162,420</u>
<b>Net OPEB liability, end of year</b> (a)-(b)	<u>\$ 1,350,393</u>	<u>\$ 1,980,510</u>	<u>\$ 2,811,933</u>	<u>\$ 4,293,615</u>	<u>\$ 5,310,288</u>
Plan fiduciary net position as a percentage of the total OPEB liability	72.68%	58.18%	40.50%	24.18%	17.96%
Covered payroll	\$ 4,333,830	\$ 4,666,387	\$ 5,087,311	\$ 5,778,509	\$ 6,050,892
Net OPEB liability as a percentage of covered payroll	31.16%	42.44%	55.27%	74.30%	87.76%

**City of Marquette Michigan**  
**Required Supplementary Information**

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

(Ultimately ten years will be displayed)

	2020	2019	2018
<b>Change in total OPEB liability</b>			
Service cost	\$ 71,444	\$ 62,583	\$ 102,520
Interest	336,366	316,299	266,247
Change in benefit terms	-	-	-
Differences between expected and actual experience	(58,676)	(276,093)	(34,706)
Changes in assumptions	1,088,300	621,649	(1,080,597)
Benefit payments, including refunds of member contributions	(320,257)	(309,059)	(320,638)
Other	-	-	-
<b>Net change in total OPEB liability</b>	<u>1,117,177</u>	<u>415,379</u>	<u>(1,067,174)</u>
<b>Total OPEB liability, beginning of year</b>	<u>7,353,651</u>	<u>6,938,272</u>	<u>8,005,446</u>
<b>Total OPEB liability, end of year (a)</b>	<u>8,470,828</u>	<u>7,353,651</u>	<u>6,938,272</u>
<b>Change in plan fiduciary net position</b>			
Contributions to OPEB trust	180,473	118,098	363,761
Contributions/benefits paid from general operation fund	320,257	309,059	320,638
Net investment income	54,035	12,517	1,527
Benefit payments, including refunds of member contributions	(320,257)	(309,059)	(320,638)
Administrative expense	(1,335)	(862)	(305)
Other	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>233,173</u>	<u>129,753</u>	<u>364,983</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>494,736</u>	<u>364,983</u>	<u>-</u>
<b>Plan fiduciary net position, end of year (b)</b>	<u>727,909</u>	<u>494,736</u>	<u>364,983</u>
<b>Net OPEB liability, end of year (a)-(b)</b>	<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	8.59%	6.73%	5.26%
Covered payroll	\$ 5,796,720	\$ 5,887,794	\$ 6,037,621
Net OPEB liability as a percentage of covered payroll	133.57%	116.49%	108.87%

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**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%
9/30/2024	371,729	843,699	(471,970)	4,666,387	18.08%
9/30/2025	441,002	941,181	(500,179)	4,333,830	21.72%

**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)

	2025	2024	2023	2022	2021
<b>Change in total OPEB liability</b>					
Service cost	\$ 204,112	\$ 198,167	\$ 198,621	\$ 192,585	\$ 221,380
Interest	953,063	944,583	1,013,802	990,384	1,065,143
Change in benefit terms	-	-	-	(63,492)	-
Differences between expected and actual experience	(140,537)	808,173	(246,405)	(145,149)	(319,293)
Changes in assumptions	(1,468,901)	(2,504,539)	158,642	(779,141)	(547,473)
Benefit payments, including refunds of member contributions	(858,704)	(711,358)	(712,246)	(745,667)	(757,957)
Other	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<u>(1,310,967)</u>	<u>(1,264,974)</u>	<u>412,414</u>	<u>(550,480)</u>	<u>(338,200)</u>
<b>Total OPEB liability, beginning of year</b>	<u>14,665,584</u>	<u>15,930,558</u>	<u>15,518,144</u>	<u>16,068,624</u>	<u>16,406,824</u>
<b>Total OPEB liability, end of year</b> (a)	<u>13,354,617</u>	<u>14,665,584</u>	<u>15,930,558</u>	<u>15,518,144</u>	<u>16,068,624</u>
<b>Change in plan fiduciary net position</b>					
Contributions – employer	334,918	785,049	795,931	830,363	843,017
Contributions – member	37,076	26,309	16,315	15,304	14,940
Net investment income	1,549,552	2,327,173	1,387,619	(1,819,816)	2,086,655
Benefit payments, including refunds of member contributions	(895,780)	(711,358)	(712,246)	(745,667)	(757,957)
Administrative expense	(33,038)	(30,224)	(24,797)	(23,609)	(23,035)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>992,728</u>	<u>2,396,949</u>	<u>1,462,822</u>	<u>(1,743,425)</u>	<u>2,163,620</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>15,592,074</u>	<u>13,195,125</u>	<u>11,732,303</u>	<u>13,475,728</u>	<u>11,312,108</u>
<b>Plan fiduciary net position, end of year</b> (b)	<u>16,584,802</u>	<u>15,592,074</u>	<u>13,195,125</u>	<u>11,732,303</u>	<u>13,475,728</u>
Net OPEB liability / (asset), end of year (a)-(b)	<u>\$ (3,230,185)</u>	<u>\$ (926,490)</u>	<u>\$ 2,735,433</u>	<u>\$ 3,785,841</u>	<u>\$ 2,592,896</u>
Plan fiduciary net position as a percentage of the total OPEB liability	124.19%	106.32%	82.83%	75.60%	83.86%
Covered payroll	\$ 6,643,545	\$ 6,261,937	\$ 6,261,937	\$ 5,927,350	\$ 5,901,711
Net OPEB liability as a percentage of covered payroll	-48.62%	-14.80%	43.68%	63.87%	43.93%

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

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

	2020	2019	2018
<b>Change in total OPEB liability</b>			
Service cost	\$ 213,893	\$ 224,487	\$ 216,372
Interest	1,042,100	1,301,180	1,283,786
Change in benefit terms	(2,585,154)	-	-
Differences between expected and actual experience	(652,672)	-	-
Changes in assumptions	(501,268)	-	-
Benefit payments, including refunds of member contributions	(1,063,250)	(1,190,487)	(1,306,364)
Other	-	-	-
<b>Net change in total OPEB liability</b>	<u>(3,546,351)</u>	<u>335,180</u>	<u>193,794</u>
<b>Total OPEB liability, beginning of year</b>	<u>19,953,175</u>	<u>19,617,995</u>	<u>19,424,201</u>
<b>Total OPEB liability, end of year (a)</b>	<u>16,406,824</u>	<u>19,953,175</u>	<u>19,617,995</u>
<b>Change in plan fiduciary net position</b>			
Contributions – employer	1,347,539	3,290,487	4,306,364
Contributions – member	15,711	-	-
Net investment income	671,305	350,782	184,882
Benefit payments, including refunds of member contributions	(1,063,250)	(1,190,487)	(1,306,364)
Administrative expense	(19,423)	(17,378)	(15,234)
Other	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>951,882</u>	<u>2,433,404</u>	<u>3,169,648</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>10,360,226</u>	<u>7,926,822</u>	<u>4,757,174</u>
<b>Plan fiduciary net position, end of year (b)</b>	<u>11,312,108</u>	<u>10,360,226</u>	<u>7,926,822</u>
<b>Net OPEB liability / (asset), end of year (a)-(b)</b>	<u>\$ 5,094,716</u>	<u>\$ 9,592,949</u>	<u>\$ 11,691,173</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.95%	51.92%	40.41%
Covered payroll	\$ 6,055,138	\$ 5,512,678	\$ 5,313,424
Net OPEB liability as a percentage of covered payroll	84.14%	174.02%	220.03%

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**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%
9/30/2024	325,163	811,358	(486,195)	6,254,679	12.97%
9/30/2025	334,918	334,918	-	6,254,679	5.35%

**City of Marquette, Michigan**

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

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

<b>Fiscal Year Ended</b>	<b>Defined Benefit OPEB Plans</b>			
	<b>Defined Benefit Pension Plans</b>		<b>City of Marquette Retiree Medical Plan</b>	<b>Board of Light and Power</b>
	<b>MERS</b>	<b>Police/Fire</b>		
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%
9/30/2024	10.94%	15.40%	18.07%	17.61%
9/30/2025	7.28%	10.10%	11.56%	9.96%

**City of Marquette Michigan**  
**Municipal Employees Retirement System of Michigan**

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

**MUNICIPAL EMPLOYEES RETIREMENT SYSTEM**

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**Notes to Schedule of Changes in the Employer's Net Pension Liability and Related Ratios**

The significant changes in benefit for each of the plan years ended December 31 were as follows:

NONE

The significant changes in assumptions for each of the plan years ended December 31 were as follows:

• 2024

Investment performance measured for the one-year period ending December 31, 2024 resulted in no change to the assumed rate of investment return of 6.93%.

On February 12, 2025, the MERS Retirement Board adopted the results of an Experience Study covering the period, January 1, 2019 through December 31, 2023. The study examined recent experience and trends, with consideration for the COVID-19 pandemic. The study resulted in incremental assumption updates, with limited impact on employer contributions and funded status, for most employers when results are measured on the new assumption basis. The results of this study are reflected in the December 31, 2024 annual actuarial valuations.

• 2023

Investment performance measured for the one-year period ending December 31, 2023 resulted in current year excess gains for use in lowering the assumed rate of investment return. As a result, the assumed rate of investment return was lowered from 7.00% to 6.93%. The December 31, 2023 valuation liabilities were developed using this new, lower assumption. Additionally, as a result of recognized excess market gains, the valuation assets used to fund these liabilities are 1.4% higher than if there were no dedicated gains policy. The combined impact of these changes will minimize the first-year impact on employer contributions and may result in an increase or a decrease in employer contributions.

• 2022

Investment performance measured for the one-year period ending December 31, 2022 did not result in excess gains for use in lowering the assumed rate of investment return. As a result, this assumption remains at 7.00%. Furthermore, there were no other assumption or method changes in 2022.

• 2021

Effective February 17, 2022, the MERS Retirement Board adopted a dedicated gains policy that automatically adjust the assumed rate of investment return by using excess asset gains to mitigate large increases in required contributions to the Plan. The dedicated gains policy has been implemented with the December 31, 2021 actuarial valuation. After initial application of the smoothing method, remaining market gains were used to lower the assumed rate of investment return from 7.35% to 7.00%. Changes to these assumptions and methods are effective for contributions beginning October 1, 2023 contributions.

• 2020

A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes in economic assumptions which took effect with fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective with the December 31, 2020 actuarial valuation, first impacting the October 1, 2022 contributions.

• 2019

The MERS Retirement Board adopted a reduction in the investment rate of return assumption from 7.75% to 7.35%, effective with the December 31, 2019 valuation, first impacting October 1, 2021 contribution amounts. Additionally, the Board changed the assumed rate of wage inflation from 3.75% to 3.00%, with the same effective date.

• 2018, 2017, 2016

None

**City of Marquette Michigan  
Municipal Employees Retirement System of Michigan**

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
(Continued)

**MUNICIPAL EMPLOYEES RETIREMENT SYSTEM**

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**Notes to Schedule of Changes in the Employer's Net Pension Liability and Related Ratios (Continued)**

The significant changes in assumptions for each of the plan years ended December 31 were as follows:

• 2015

Based on the 2009-2013 Five-Year Experience Study, the MERS Retirement Board adopted the following changes in actuarial assumptions and methods: the mortality table was adjusted to reflect longer lifetimes; the assumed annual rate of investment return, net all expenses, was lowered from 8.00% to 7.75%; asset smoothing period was changed from 10 years to 5 years; salary increases lowered from 4.5% to 3.75%. These changes are effective with the December 31, 2016 valuation, first impacting the October 1, 2017 contribution amounts.

**Notes to Schedule of Employer's Contribution - City & Peter White Public Library**

Valuation date December 31, 2022

Notes Actuarially determined contribution rates are calculated as of December 31, that is twenty-one months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10-16 years, depending on division
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00%
Mortality rates	RP-2014 Group 50% Male / 50% Female

**Notes to Schedule of Employer's Contribution - Board of Light & Power**

Valuation date December 31, 2022

Notes Actuarially determined contribution rates are calculated as of December 31, that is twenty-one months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	14 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.93% (7.00% through 2024, 7.35% through 2020, 7.75% for 2015 through 2019)
Mortality rates	Pub-2010 table with future mortality improvements using MP-2019 scale applied fully generationally through Pub-2010 base year of 2010.

**City of Marquette Michigan  
Municipal Employees Retirement System of Michigan**

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
(Continued)

**FIRE - POLICE RETIREMENT SYSTEM**

**Notes to Schedule of Changes in the Employer's Net Pension Liability and Related Ratios**

The significant changes in assumptions for each of the plan years ended September 30 were as follows:

- 2025, 2024  
None
- 2023  
Mortality assumption updated
- 2022, 2021, 2020, 2019  
None
- 2018  
Investment rate on return lowered to 6.75%
- 2017  
Mortality assumption updated
- 2016  
None

**Notes to Schedule of Employer's Contribution - Board of Light & Power**

Valuation date December 31, 2023

Notes Actuarially determined contribution rates are calculated as of December 31, that is nine months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14 years - Police; 14 years - Fire
Asset valuation method	5 year smoothed market; 20% corridor
Inflation	No explicit price inflation assumption is used in this valuation
Salary increases	3.5% - 7.0% (including inflation)
Investment rate of return	6.75%
Mortality rates	Pub-2010, Amount Weighted, Safety, Mortality Tables projected on a fully generational basis using projection scale MP-2021.
Cost-of-Living Adjustment	None

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**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 FUNDS:**

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.

**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.

**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.

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**CITY OF MARQUETTE, MICHIGAN**

GENERAL FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,882,054	\$ 5,146,478
Investments	6,114,278	5,896,946
Receivables:		
Taxes:		
Current	954,029	863,769
Delinquent, net	13,817	5,316
Accounts	306,602	287,458
Special assessment	-	-
Due from other authorities	9,028,634	6,611,465
Due from other funds	-	-
Due from other governments	533,179	568,655
Inventories	276,516	204,684
Prepaid expenditures	357,211	352,295
	<u>21,466,320</u>	<u>19,937,066</u>
<b>TOTAL ASSETS</b>		
	<u>21,466,320</u>	<u>19,937,066</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 21,466,320</u>	<u>\$ 19,937,066</u>
	<u>\$ 21,466,320</u>	<u>\$ 19,937,066</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 352,139	\$ 241,483
Accrued wages payable	266,382	222,872
Accrued compensated absences	943,362	718,472
Due to other governmental units	86	86
Due to other authorities	-	-
Customer deposits payable	54,702	52,304
Unearned revenue	-	-
	<u>1,616,671</u>	<u>1,235,217</u>
<b>TOTAL LIABILITIES</b>		
	<u>1,616,671</u>	<u>1,235,217</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Taxes levied for a subsequent period	10,326,304	9,862,900
Special assessments	-	-
	<u>10,326,304</u>	<u>9,862,900</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		
	<u>10,326,304</u>	<u>9,862,900</u>
<b>FUND BALANCE</b>		
Non-spendable	633,727	556,979
Restricted	-	-
Assigned	588,429	32,438
Unassigned	8,301,189	8,249,532
	<u>9,523,345</u>	<u>8,838,949</u>
<b>TOTAL FUND BALANCE</b>		
	<u>9,523,345</u>	<u>8,838,949</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 21,466,320</u>	<u>\$ 19,937,066</u>
	<u>\$ 21,466,320</u>	<u>\$ 19,937,066</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Property Taxes:				
Real property taxes	\$ 12,141,250	\$ 12,256,988	\$ 115,738	\$ 11,615,761
Personal property taxes	661,560	705,607	44,047	673,692
Interest and penalty	23,000	38,493	15,493	30,575
Administrative collection fees	404,400	444,150	39,750	422,776
<b>Total Property Taxes</b>	<b>13,230,210</b>	<b>13,445,238</b>	<b>215,028</b>	<b>12,742,804</b>
Industrial Facilities Tax Act	-	-	-	-
Marijuana Tax	200,000	291,143	91,143	295,432
Payments in Lieu of Taxes:				
MSHDA	44,610	51,788	7,178	44,638
Board of Light and Power	2,500,000	2,260,954	(239,046)	2,257,783
Public Housing Authority	-	-	-	-
Sault Tribe Housing Authority	270	3,000	2,730	270
Marquette Area Wastewater Treatment Facility	246,220	246,216	(4)	249,012
Grandview	4,700	-	(4,700)	-
Water Supply Fund	658,510	658,512	2	674,435
Sewage Disposal Fund	566,070	566,076	6	577,464
<b>Total Payment in Lieu of Taxes</b>	<b>4,020,380</b>	<b>3,786,546</b>	<b>(233,834)</b>	<b>3,803,602</b>
Federal and State Grants:				
UPSET	17,000	22,677	5,677	18,644
OJP - Bullet Proof Vests Program	-	-	-	-
USDT - SLFRF	-	-	-	-
DNR - Snowmobile Grant	16,000	14,000	(2,000)	-
MDARD - Rural Development Program - State	45,500	34,616	(10,884)	-
USDOT - Port Infrastructure Development Program	-	17,085	17,085	61,654
Council for Arts and Culture - State	-	-	-	-
MDLEO - Fire Safety Equipment - State	79,992	79,992	-	-
MCOLES - Public Safety Assistance Program	100,000	84,000	(16,000)	24,000
MEDC - RRC Technical Assistance Program	-	-	-	22,500
MACC - Art Week Grant	-	-	-	17,360
MACC - Facility Improvement & Equipment	20,500	20,500	-	-
SRT - Body Worn Camera Grant	27,000	26,983	(17)	-
Qualified Heavy Equipment Personal Property - State	20,910	27,114	6,204	-
<b>Total Federal and State Grants</b>	<b>326,902</b>	<b>326,967</b>	<b>65</b>	<b>144,158</b>
State-Shared Revenues:				
Fire protection - State facility	920,070	887,024	(33,046)	883,231
Sales and use tax	2,595,050	2,627,132	32,082	2,555,666
Liquor licenses	25,000	28,969	3,969	29,550
<b>Total State-Shared Revenues</b>	<b>3,540,120</b>	<b>3,543,125</b>	<b>3,005</b>	<b>3,468,447</b>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>Intergovernmental Revenues:</b>				
Tribal Revenue Sharing	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
Shared Services	-	-	-	-
<b>Total Intergovernmental Revenues</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Licenses and Permits:</b>				
Business licenses and permits	47,500	41,855	(5,645)	48,320
Non-business licenses and permits	54,440	54,376	(64)	56,877
<b>Total Licenses and Permits</b>	<b>101,940</b>	<b>96,231</b>	<b>(5,709)</b>	<b>105,197</b>
<b>Charges for Services:</b>				
Fees	360,650	346,195	(14,455)	357,259
Cemetery foundations and grave openings	38,000	65,100	27,100	57,950
Services to other funds	2,323,890	2,351,756	27,866	2,384,306
<b>Total Charges for Services</b>	<b>2,722,540</b>	<b>2,763,051</b>	<b>40,511</b>	<b>2,799,515</b>
<b>Sales</b>	<b>27,500</b>	<b>69,529</b>	<b>42,029</b>	<b>49,089</b>
<b>Use and Admission Fees:</b>				
Community Center use	30,000	31,240	1,240	34,590
Ballfields	10,000	10,322	322	11,693
Skiing use/passes	-	244	244	243
<b>Total use and Admission Fees</b>	<b>40,000</b>	<b>41,806</b>	<b>1,806</b>	<b>46,526</b>
<b>Fines and Forfeits</b>	<b>89,340</b>	<b>97,797</b>	<b>8,457</b>	<b>78,328</b>
<b>Rentals:</b>				
Land and building rental	68,340	64,084	(4,256)	68,585
Parking rentals - lots	5,030	4,629	(401)	5,126
Equipment rent	21,000	25,599	4,599	23,014
<b>Total Rentals</b>	<b>94,370</b>	<b>94,312</b>	<b>(58)</b>	<b>96,725</b>
<b>Sale of Capital Assets</b>	<b>-</b>	<b>1,462</b>	<b>1,462</b>	<b>123,875</b>
<b>Contributions from Private Sources</b>	<b>238,970</b>	<b>205,271</b>	<b>(33,699)</b>	<b>218,114</b>
<b>Investment Income</b>	<b>325,170</b>	<b>431,114</b>	<b>105,944</b>	<b>562,308</b>
<b>Reimbursements</b>	<b>115,470</b>	<b>104,139</b>	<b>(11,331)</b>	<b>234,992</b>
<b>Other revenues</b>	<b>65,350</b>	<b>104,843</b>	<b>39,493</b>	<b>101,350</b>
<b>TOTAL REVENUES</b>	<b>25,138,262</b>	<b>25,412,574</b>	<b>274,312</b>	<b>24,880,462</b>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>EXPENDITURES:</b>				
General Government:				
City commission	\$ 125,200	\$ 125,146	\$ 54	\$ 156,681
City manager	587,430	552,456	34,974	509,222
Finance department	493,320	490,937	2,383	473,744
City clerk	426,400	426,327	73	382,081
Treasurer	324,120	323,537	583	317,548
Assessing department	424,080	365,857	58,223	401,821
Elections	118,070	92,131	25,939	149,014
Building and grounds	303,700	288,190	15,510	310,704
City attorney	275,300	213,767	61,533	209,468
Human resources	480,730	449,329	31,401	457,784
Other general government	123,600	122,611	989	124,724
Total General Government	<u>3,681,950</u>	<u>3,450,288</u>	<u>231,662</u>	<u>3,492,791</u>
Public Safety:				
Police	6,468,203	6,468,125	78	5,906,109
Fire	4,394,497	4,394,490	7	4,235,361
Rental inspector	116,410	90,454	25,956	83,976
Waterfront safety	102,200	102,160	40	145,844
Total Public Safety	<u>11,081,310</u>	<u>11,055,229</u>	<u>26,081</u>	<u>10,371,290</u>
Public Works:				
Department of public works	4,126,350	4,126,326	24	3,868,450
Engineering	1,586,700	1,586,679	21	1,482,028
Cemetery	263,300	263,267	33	278,574
Total Public Works	<u>5,976,350</u>	<u>5,976,272</u>	<u>78</u>	<u>5,629,052</u>
Community and Economic Development:				
Planning and zoning	862,200	816,610	45,590	732,862
Total Community and Economic Development	<u>862,200</u>	<u>816,610</u>	<u>45,590</u>	<u>732,862</u>
Recreation and Culture:				
Parks and recreation department	449,920	436,563	13,357	400,787
Arts and cultural	388,104	353,338	34,766	300,952
Total Recreation and Culture	<u>838,024</u>	<u>789,901</u>	<u>48,123</u>	<u>701,739</u>
<b>TOTAL EXPENDITURES</b>	<u>22,439,834</u>	<u>22,088,300</u>	<u>351,534</u>	<u>20,927,734</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,698,428</u>	<u>3,324,274</u>	<u>625,846</u>	<u>3,952,728</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in:				
Cemetery Trust Fund	\$ -	\$ 15,865	\$ 15,865	\$ 22,331
Public Art Fund	-	46,918	46,918	-
Transfers (out):				
Major Street and Trunkline Fund	(453,700)	-	453,700	(930,129)
Local Street Fund	(885,230)	(1,086,326)	(201,096)	(849,338)
Construction Fund	-	-	-	-
Public Art Fund	(31,500)	(31,500)	-	(89,000)
Lakeshore and Lighthouse Park Fund	-	(28,115)	(28,115)	(125,203)
Lakeview Arena Fund	(241,470)	(389,055)	(147,585)	(348,172)
Motor Pool Fund	-	-	-	-
Energy Enhancements Fund	(812,180)	(812,176)	4	(781,209)
High Street Debt Service Fund	(410)	(403)	7	(403)
2012 Capital Improvements Debt Service Fund	-	-	-	-
2014 Capital Improvements Debt Service Fund	(37,400)	(37,392)	8	(37,368)
2016 Capital Improvements Debt Service Fund	(85,500)	(85,495)	5	(86,137)
2017 Capital Improvements Debt Service Fund	(47,200)	(47,196)	4	(49,970)
2018 Capital Improvements Debt Service Fund	(134,200)	(134,200)	-	(128,400)
2019 Capital Improvements Debt Service Fund	(18,300)	(18,300)	-	(18,825)
2020 Capital Improvements Debt Service Fund	(31,600)	(31,600)	-	(32,600)
2021 Capital Improvements Debt Service Fund	(910)	(903)	7	(903)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,779,600)</b>	<b>(2,639,878)</b>	<b>139,722</b>	<b>(3,455,326)</b>
<b>CHANGES IN FUND BALANCE</b>	<b>(81,172)</b>	<b>684,396</b>	<b>765,568</b>	<b>497,402</b>
Fund balance, beginning of year	8,838,949	8,838,949	-	8,341,547
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 8,757,777</b>	<b>\$ 9,523,345</b>	<b>\$ 765,568</b>	<b>\$ 8,838,949</b>

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

September 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 902,197	\$ 1,777,299
Accounts receivable	-	-
Due from State	197,241	340,260
Prepaid expenditures	-	-
<b>TOTAL ASSETS</b>	<b>1,099,438</b>	<b>2,117,559</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,099,438</b>	<b>\$ 2,117,559</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 170,060	\$ 279,591
Accrued wages payable	5,131	4,974
Due to other funds	-	-
<b>TOTAL LIABILITIES</b>	<b>175,191</b>	<b>284,565</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-
<b>FUND BALANCE</b>		
Non-spendable	-	-
Restricted	924,247	1,832,994
<b>TOTAL FUND BALANCE</b>	<b>924,247</b>	<b>1,832,994</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,099,438</b>	<b>\$ 2,117,559</b>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	2,391,700	2,593,247	201,547	2,480,205
Charges for services	-	-	-	-
Reimbursements	-	35,093	35,093	16,857
Investment income	-	27,766	27,766	34,715
Other revenues	-	300,000	300,000	-
<b>TOTAL REVENUES</b>	<b>2,391,700</b>	<b>2,956,106</b>	<b>564,406</b>	<b>2,531,777</b>
<b>EXPENDITURES:</b>				
Public Works:				
Routine maintenance	788,100	748,981	39,119	691,786
Winter maintenance	702,410	568,175	134,235	359,451
State trunkline	39,890	30,415	9,475	37,355
Administration	214,910	214,908	2	204,936
Total Public Works	<u>1,745,310</u>	<u>1,562,479</u>	<u>182,831</u>	<u>1,293,528</u>
Capital Outlay:				
Construction	1,822,994	1,015,959	807,035	518,399
Total Capital Outlay	<u>1,822,994</u>	<u>1,015,959</u>	<u>807,035</u>	<u>518,399</u>
Debt Service:				
Bond issuance costs	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,568,304</b>	<b>2,578,438</b>	<b>989,866</b>	<b>1,811,927</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,176,604)</b>	<b>377,668</b>	<b>1,554,272</b>	<b>719,850</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	786,930	-	(786,930)	930,129
Transfers (out)	(1,443,320)	(1,286,415)	156,905	(1,649,979)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(656,390)</b>	<b>(1,286,415)</b>	<b>(630,025)</b>	<b>(719,850)</b>
<b>CHANGES IN FUND BALANCE</b>	<b>(1,832,994)</b>	<b>(908,747)</b>	<b>924,247</b>	<b>-</b>
Fund balance, beginning of year	1,832,994	1,832,994	-	1,832,994
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 924,247</b>	<b>\$ 924,247</b>	<b>\$ 1,832,994</b>

**CITY OF MARQUETTE, MICHIGAN**

LOCAL STREET FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 270,879	\$ 299,860
Accounts receivable	-	-
Due from State	63,861	119,048
Prepaid expenditures	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>334,740</u>	<u>418,908</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 334,740</u>	<u>\$ 418,908</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 6,349	\$ 111,612
Accrued wages payable	10,683	8,914
Due to other funds	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>17,032</u>	<u>120,526</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Non-spendable	-	-
Restricted	<u>317,708</u>	<u>298,382</u>
<b>TOTAL FUND BALANCE</b>	<u>317,708</u>	<u>298,382</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 334,740</u>	<u>\$ 418,908</u>

**CITY OF MARQUETTE, MICHIGAN**

LOCAL STREET FUND

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

For the Fiscal Year Ended September 30, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
State sources	\$ 1,034,310	\$ 1,133,296	\$ 98,986	\$ 1,034,690
Reimbursements	-	26,000	26,000	-
Investment income	-	7,244	7,244	13,016
<b>TOTAL REVENUES</b>	<b>1,034,310</b>	<b>1,166,540</b>	<b>132,230</b>	<b>1,047,706</b>
<b>EXPENDITURES:</b>				
Public Works:				
Routine maintenance	918,030	824,226	93,804	971,650
Winter maintenance	706,980	701,852	5,128	337,819
Sidewalks	95,060	118,540	(23,480)	91,887
Administration	75,630	75,636	(6)	72,024
Total Public Works	<u>1,795,700</u>	<u>1,720,254</u>	<u>75,446</u>	<u>1,473,380</u>
Capital Outlay:				
Construction	298,382	232,680	65,702	701,606
Total Capital Outlay	<u>298,382</u>	<u>232,680</u>	<u>65,702</u>	<u>701,606</u>
Debt Service:				
Bond issuance costs	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,094,082</b>	<b>1,952,934</b>	<b>141,148</b>	<b>2,174,986</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,059,772)</b>	<b>(786,394)</b>	<b>273,378</b>	<b>(1,127,280)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,541,660	1,585,851	44,191	1,569,188
Transfers (out)	(780,270)	(780,131)	139	(841,908)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>761,390</b>	<b>805,720</b>	<b>44,330</b>	<b>727,280</b>
<b>CHANGES IN FUND BALANCE</b>	<b>(298,382)</b>	<b>19,326</b>	<b>317,708</b>	<b>(400,000)</b>
Fund balance, beginning of year	298,382	298,382	-	698,382
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 317,708</b>	<b>\$ 317,708</b>	<b>\$ 298,382</b>

**CITY OF MARQUETTE, MICHIGAN**

SANITATION FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,269,959	\$ 1,091,205
Accounts receivable	316,207	252,748
Due from State	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>1,586,166</u>	<u>1,343,953</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 1,586,166</u></u>	<u><u>\$ 1,343,953</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 398,240	\$ 191,809
Accrued wages payable	<u>1,842</u>	<u>1,425</u>
<b>TOTAL LIABILITIES</b>	<u>400,082</u>	<u>193,234</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Assigned	<u>1,186,084</u>	<u>1,150,719</u>
<b>TOTAL FUND BALANCE</b>	<u>1,186,084</u>	<u>1,150,719</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u><u>\$ 1,586,166</u></u>	<u><u>\$ 1,343,953</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ 12,369
Charges for services	4,123,400	3,980,219	(143,181)	4,473,537
Investment income	-	30,373	30,373	31,438
Private contribution	-	-	-	-
Other revenues	-	15,710	15,710	10,468
<b>TOTAL REVENUES</b>	<b>4,123,400</b>	<b>4,026,302</b>	<b>(97,098)</b>	<b>4,527,812</b>
<b>EXPENDITURES:</b>				
Public Works:				
Personnel services	332,780	325,138	7,642	311,454
Supplies and contractual	3,790,620	3,665,799	124,821	3,979,089
Other supplies and charges	-	-	-	-
<b>Total Public Works</b>	<b>4,123,400</b>	<b>3,990,937</b>	<b>132,463</b>	<b>4,290,543</b>
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,123,400</b>	<b>3,990,937</b>	<b>132,463</b>	<b>4,290,543</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>35,365</b>	<b>35,365</b>	<b>237,269</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN FUND BALANCE</b>	<b>-</b>	<b>35,365</b>	<b>35,365</b>	<b>237,269</b>
Fund balance, beginning of year	1,150,719	1,150,719	-	913,450
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,150,719</b>	<b>\$ 1,186,084</b>	<b>\$ 35,365</b>	<b>\$ 1,150,719</b>

**CITY OF MARQUETTE, MICHIGAN**

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,646,463	\$ 2,215,323
Taxes receivable	-	-
Accounts receivable	-	-
	<u>2,646,463</u>	<u>2,215,323</u>
<b>TOTAL ASSETS</b>	<u>2,646,463</u>	<u>2,215,323</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 2,646,463</u></u>	<u><u>\$ 2,215,323</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
Accrued wages payable	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Taxes levied for a subsequent period	<u>2,447,871</u>	<u>2,041,996</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,447,871</u>	<u>2,041,996</u>
<b>FUND BALANCE</b>		
Restricted	<u>198,592</u>	<u>173,327</u>
<b>TOTAL FUND BALANCE</b>	<u>198,592</u>	<u>173,327</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u><u>\$ 2,646,463</u></u>	<u><u>\$ 2,215,323</u></u>

**CITY OF MARQUETTE, MICHIGAN**

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND

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

For the Fiscal Year Ended September 30, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Taxes and penalties	\$ 2,270,390	\$ 2,276,900	\$ 6,510	\$ 1,923,804
Investment income	-	18,750	18,750	18,878
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,270,390</u>	<u>2,295,650</u>	<u>25,260</u>	<u>1,942,682</u>
<b>EXPENDITURES:</b>				
Community and Economic Development:				
Supplies and contractual	<u>2,270,390</u>	<u>2,270,385</u>	<u>5</u>	<u>1,911,667</u>
<b>TOTAL EXPENDITURES</b>	<u>2,270,390</u>	<u>2,270,385</u>	<u>5</u>	<u>1,911,667</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>25,265</u>	<u>25,265</u>	<u>31,015</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>25,265</u>	<u>25,265</u>	<u>31,015</u>
Fund balance, beginning of year	<u>173,327</u>	<u>173,327</u>	<u>-</u>	<u>142,312</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 173,327</u>	<u>\$ 198,592</u>	<u>\$ 25,265</u>	<u>\$ 173,327</u>

**CITY OF MARQUETTE, MICHIGAN**

CONSTRUCTION FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,323,641	\$ 2,382,565
Due from other authorities	165,923	1,167,575
Due from other governments	361,106	300,000
Prepaid expenditures	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>3,850,670</u>	<u>3,850,140</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 3,850,670</u>	<u>\$ 3,850,140</u>
<b>LIABILITIES</b>		
Cash overdraft	\$ -	\$ -
Accounts payable	558,067	24,262
Accrued wages payable	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>558,067</u>	<u>24,262</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Non-spendable	-	-
Assigned	<u>3,292,603</u>	<u>3,825,878</u>
<b>TOTAL FUND BALANCE</b>	<u>3,292,603</u>	<u>3,825,878</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 3,850,670</u>	<u>\$ 3,850,140</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
State sources	\$ 583,750	\$ 155,117	\$ (428,633)	\$ 300,000
Federal sources	330,230	994,660	664,430	5,293,648
Investment income	-	54,299	54,299	30,382
Sale of capital assets	-	-	-	-
Reimbursements	-	-	-	12,299
Private contributions	2,111,455	767,144	(1,344,311)	1,226,229
Other revenues	121,250	-	(121,250)	15,000
<b>TOTAL REVENUES</b>	<b>3,146,685</b>	<b>1,971,220</b>	<b>(1,175,465)</b>	<b>6,877,558</b>
<b>EXPENDITURES:</b>				
Capital Outlay:				
Construction	3,526,874	2,504,495	1,022,379	6,818,729
Public Works:				
Other supplies and charges	-	-	-	6,100
Total Capital Outlay	<u>3,526,874</u>	<u>2,504,495</u>	<u>1,022,379</u>	<u>6,824,829</u>
<b>TOTAL EXPENDITURES</b>	<b>3,526,874</b>	<b>2,504,495</b>	<b>1,022,379</b>	<b>6,824,829</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(380,189)</b>	<b>(533,275)</b>	<b>(153,086)</b>	<b>52,729</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN FUND BALANCE</b>	<b>(380,189)</b>	<b>(533,275)</b>	<b>(153,086)</b>	<b>52,729</b>
Fund balance, beginning of year	3,825,878	3,825,878	-	3,773,149
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 3,445,689</b>	<b>\$ 3,292,603</b>	<b>\$ (153,086)</b>	<b>\$ 3,825,878</b>

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**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.

**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.

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

**CITY OF MARQUETTE, MICHIGAN**  
**NON-MAJOR GOVERNMENTAL FUNDS**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

**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.

**2007 STREET PROJECTS DEBT SERVICE FUND:** This fund was established in 2006 to account for the annual payments on the 2006 Limited Tax General Obligation Street Improvements Bonds. These bonds were originally issued for \$5,475,000 for the purpose of paying all or part of the cost of making major and local street improvements throughout the City.

**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.

**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.

**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.

**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.

**CITY OF MARQUETTE, MICHIGAN**  
**NON-MAJOR GOVERNMENTAL FUNDS**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)

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, 2025

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,324,305	\$ -	\$ 507,146	\$ 3,831,451
Investments	-	-	559,533	559,533
Taxes receivable	16,248	-	-	16,248
Accounts receivable	25,270	-	-	25,270
Due from other authorities	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	13,697	-	-	13,697
Prepaid expenditures	30,726	-	-	30,726
	<b>TOTAL ASSETS</b>	-	1,066,679	4,476,925
<b>DEFERRED OUTFLOWS OR RESOURCES</b>				
	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
	\$ 3,410,246	\$ -	\$ 1,066,679	\$ 4,476,925
<b>LIABILITIES</b>				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	55,064	-	-	55,064
Accrued wages payable	19,316	-	-	19,316
Accrued compensated absences	11,333	-	-	11,333
	<b>TOTAL LIABILITIES</b>	-	-	85,713
<b>DEFERRED INFLOWS OR RESOURCES</b>				
	205,040	-	-	205,040
<b>FUND BALANCE</b>				
Non-spendable	30,726	-	1,066,679	1,097,405
Restricted	2,919,202	-	-	2,919,202
Committed	3,965	-	-	3,965
Assigned	165,600	-	-	165,600
	<b>TOTAL FUND BALANCE</b>	-	1,066,679	4,186,172
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
	\$ 3,410,246	\$ -	\$ 1,066,679	\$ 4,476,925

**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, 2025

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total
<b>REVENUES:</b>				
Taxes and penalties	\$ 264,701	\$ -	\$ -	\$ 264,701
Federal sources	59,961	-	-	59,961
State sources	151,996	-	-	151,996
Charge for services	28,953	-	44,250	73,203
Use and admission fees	645,710	-	-	645,710
Rentals	78,349	-	-	78,349
Licenses and permits	-	-	-	-
Fines and forfeiture	-	-	-	-
Sales of assets	-	-	-	-
Reimbursements	4,255	-	-	4,255
Investment income	89,144	-	15,865	105,009
Payment in lieu of taxes	-	-	-	-
Private contribution	156,415	-	-	156,415
Intergovernmental revenues	521,095	-	-	521,095
Special assessments	-	-	-	-
Other revenues	63,111	-	-	63,111
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	2,063,690	-	60,115	2,123,805
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>				
Current operations:				
General government	2,590	-	-	2,590
Public safety	27,396	-	-	27,396
Public works	-	-	-	-
Health and welfare	1,011,738	-	-	1,011,738
Community and economic development	-	-	-	-
Recreation and culture	866,748	-	-	866,748
Capital outlay	194,783	-	-	194,783
Debt service:				
Professional services	-	-	-	-
Principal payments	-	1,714,824	-	1,714,824
Interest and fiscal charges	-	466,382	-	466,382
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURES</b>	2,103,255	2,181,206	-	4,284,461
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(39,565)	(2,181,206)	60,115	(2,160,656)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	420,555	2,181,206	-	2,601,761
Transfers (out)	(539,790)	-	(15,865)	(555,655)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(119,235)	2,181,206	(15,865)	2,046,106
	<hr/>	<hr/>	<hr/>	<hr/>
<b>CHANGES IN FUND BALANCE</b>	(158,800)	-	44,250	(114,550)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	3,278,293	-	1,022,429	4,300,722
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE, END OF YEAR</b>	\$ 3,119,493	\$ -	\$ 1,066,679	\$ 4,186,172
	<hr/>	<hr/>	<hr/>	<hr/>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET  
(Continued)

September 30, 2025

	Public Art Fund	Public Education Government (PEG) Fund	Drug Forfeiture Fund	Road Maintenance Fund	Road Safety Improvement Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 89,025	\$ 15,715	\$ 99,247	\$ 1,343,548	\$ 1,093,366
Investments	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Accounts receivable	-	4,520	-	-	-
Due from other authorities	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>89,025</u>	<u>20,235</u>	<u>99,247</u>	<u>1,343,548</u>	<u>1,093,366</u>
<b>DEFERRED OUTFLOWS OR RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 89,025</u>	<u>\$ 20,235</u>	<u>\$ 99,247</u>	<u>\$ 1,343,548</u>	<u>\$ 1,093,366</u>
<b>LIABILITIES</b>					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	900	-	-	-	-
Accrued wages payable	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OR RESOURCES</b>					
Taxes levied for a subsequent period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Non-spendable	-	-	-	-	-
Restricted	-	20,235	99,247	1,343,548	1,093,366
Committed	-	-	-	-	-
Assigned	88,125	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>88,125</u>	<u>20,235</u>	<u>99,247</u>	<u>1,343,548</u>	<u>1,093,366</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 89,025</u>	<u>\$ 20,235</u>	<u>\$ 99,247</u>	<u>\$ 1,343,548</u>	<u>\$ 1,093,366</u>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET  
(Concluded)

September 30, 2025

	Criminal Justice Training Fund	Opioid Settlement Fund	Senior Services Fund	Lakeview Arena Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 38,940	\$ 40,445	\$ 496,772	\$ 107,247	\$ 3,324,305
Investments	-	-	-	-	-
Taxes receivable	-	-	16,248	-	16,248
Accounts receivable	-	-	-	20,750	25,270
Due from other authorities	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	6,498	-	7,199	-	13,697
Prepaid expenditures	51	-	7,324	23,351	30,726
<b>TOTAL ASSETS</b>	<b>45,489</b>	<b>40,445</b>	<b>527,543</b>	<b>151,348</b>	<b>3,410,246</b>
<b>DEFERRED OUTFLOWS OR RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 45,489</b>	<b>\$ 40,445</b>	<b>\$ 527,543</b>	<b>\$ 151,348</b>	<b>\$ 3,410,246</b>
<b>LIABILITIES</b>					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	7,721	-	5,612	40,831	55,064
Accrued wages payable	-	-	14,828	4,488	19,316
Accrued compensated absences	-	-	10,095	1,238	11,333
<b>TOTAL LIABILITIES</b>	<b>7,721</b>	<b>-</b>	<b>30,535</b>	<b>46,557</b>	<b>85,713</b>
<b>DEFERRED INFLOWS OR RESOURCES</b>					
Taxes levied for a subsequent period	-	-	205,040	-	205,040
<b>FUND BALANCE</b>					
Non-spendable	51	-	7,324	23,351	30,726
Restricted	37,717	40,445	284,644	-	2,919,202
Committed	-	-	-	3,965	3,965
Assigned	-	-	-	77,475	165,600
<b>TOTAL FUND BALANCE</b>	<b>37,768</b>	<b>40,445</b>	<b>291,968</b>	<b>104,791</b>	<b>3,119,493</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 45,489</b>	<b>\$ 40,445</b>	<b>\$ 527,543</b>	<b>\$ 151,348</b>	<b>\$ 3,410,246</b>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(Continued)

For the Fiscal Year Ended September 30, 2025

	Public Art Fund	Public Education Government (PEG) Fund	Drug Forfeiture Fund	Road Maintenance Fund	Road Safety Improvement Fund
<b>REVENUES:</b>					
Taxes and penalties	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	59,961	-	-	-	-
State sources	-	-	-	-	-
Charge for services	-	18,653	-	-	-
Use and admission fees	-	-	-	-	-
Rentals	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-
Sales of assets	-	-	-	-	-
Reimbursements	-	-	-	-	-
Investment income	2,317	625	2,653	38,302	30,535
Payment in lieu of taxes	-	-	-	-	-
Private contribution	-	-	-	85,907	-
Intergovernmental revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Other revenues	37,000	-	-	-	-
	<u>99,278</u>	<u>19,278</u>	<u>2,653</u>	<u>124,209</u>	<u>30,535</u>
<b>TOTAL REVENUES</b>					
<b>EXPENDITURES:</b>					
Current operations:					
General government	-	2,590	-	-	-
Public safety	-	-	347	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	24,312	-	-	-	-
Capital outlay	56,254	-	-	-	138,529
Debt service:					
Professional services	-	-	-	-	-
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
	<u>80,566</u>	<u>2,590</u>	<u>347</u>	<u>-</u>	<u>138,529</u>
<b>TOTAL EXPENDITURES</b>					
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>18,712</u>	<u>16,688</u>	<u>2,306</u>	<u>124,209</u>	<u>(107,994)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond issuance	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Transfers in	31,500	-	-	-	-
Transfers (out)	(46,918)	(15,430)	-	(212,382)	(23,598)
	<u>(15,418)</u>	<u>(15,430)</u>	<u>-</u>	<u>(212,382)</u>	<u>(23,598)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>					
<b>CHANGES IN FUND BALANCE</b>	3,294	1,258	2,306	(88,173)	(131,592)
Fund balance, beginning of year	84,831	18,977	96,941	1,431,721	1,224,958
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 88,125</u>	<u>\$ 20,235</u>	<u>\$ 99,247</u>	<u>\$ 1,343,548</u>	<u>\$ 1,093,366</u>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(Concluded)

For the Fiscal Year Ended September 30, 2025

	Criminal Justice Training Fund	Opioid Settlement Fund	Senior Services Fund	Lakeview Arena Fund	Total
<b>REVENUES:</b>					
Taxes and penalties	\$ -	\$ -	\$ 264,701	\$ -	\$ 264,701
Federal sources	-	-	-	-	59,961
State sources	43,884	-	108,112	-	151,996
Charge for services	-	-	-	10,300	28,953
Use and admission fees	-	-	-	645,710	645,710
Rentals	-	-	-	78,349	78,349
Licenses and permits	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-
Sales of assets	-	-	-	-	-
Reimbursements	-	-	-	4,255	4,255
Investment income	1,001	936	10,418	2,357	89,144
Payment in lieu of taxes	-	-	-	-	-
Private contribution	-	-	70,508	-	156,415
Intergovernmental revenues	-	-	521,095	-	521,095
Special assessments	-	-	-	-	-
Other revenues	-	6,901	19,210	-	63,111
	<u>44,885</u>	<u>7,837</u>	<u>994,044</u>	<u>740,971</u>	<u>2,063,690</u>
<b>TOTAL REVENUES</b>					
<b>EXPENDITURES:</b>					
Current operations:					
General government	-	-	-	-	2,590
Public safety	27,049	-	-	-	27,396
Public works	-	-	-	-	-
Health and welfare	-	-	1,011,738	-	1,011,738
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	842,436	866,748
Capital outlay	-	-	-	-	194,783
Debt service:					
Professional services	-	-	-	-	-
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
	<u>27,049</u>	<u>-</u>	<u>1,011,738</u>	<u>842,436</u>	<u>2,103,255</u>
<b>TOTAL EXPENDITURES</b>					
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>17,836</u>	<u>7,837</u>	<u>(17,694)</u>	<u>(101,465)</u>	<u>(39,565)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond issuance	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Transfers in	-	-	-	389,055	420,555
Transfers (out)	-	-	-	(241,462)	(539,790)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,593</u>	<u>(119,235)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>					
<b>CHANGES IN FUND BALANCE</b>	17,836	7,837	(17,694)	46,128	(158,800)
Fund balance, beginning of year	19,932	32,608	309,662	58,663	3,278,293
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 37,768</u>	<u>\$ 40,445</u>	<u>\$ 291,968</u>	<u>\$ 104,791</u>	<u>\$ 3,119,493</u>

**CITY OF MARQUETTE, MICHIGAN**

PUBLIC ART FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 89,025	\$ 62,206
Accounts receivable	-	-
Due from other funds	-	-
Due from other governments	-	40,039
	<u>89,025</u>	<u>102,245</u>
<b>TOTAL ASSETS</b>	<u>89,025</u>	<u>102,245</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 89,025</u>	<u>\$ 102,245</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 900	\$ 17,414
Accrued wages payable	-	-
	<u>900</u>	<u>17,414</u>
<b>TOTAL LIABILITIES</b>	<u>900</u>	<u>17,414</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
 <b>FUND BALANCE</b>		
Assigned	<u>88,125</u>	<u>84,831</u>
<b>TOTAL FUND BALANCE</b>	<u>88,125</u>	<u>84,831</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 89,025</u>	<u>\$ 102,245</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Federal sources	\$ 74,960	\$ 59,961	\$ (14,999)	\$ 40,039
Charges for services	-	-	-	-
Investment income	-	2,317	2,317	4,151
Other revenues	50,000	37,000	(13,000)	20,000
<b>TOTAL REVENUES</b>	<b>124,960</b>	<b>99,278</b>	<b>(25,682)</b>	<b>64,190</b>
<b>EXPENDITURES:</b>				
Recreation and Culture:				
Personnel services	-	-	-	-
Supplies and contractual	49,462	24,312	25,150	159,312
Total Recreation and Culture	49,462	24,312	25,150	159,312
Capital outlay	106,510	56,254	50,256	53,094
<b>TOTAL EXPENDITURES</b>	<b>155,972</b>	<b>80,566</b>	<b>75,406</b>	<b>212,406</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(31,012)</b>	<b>18,712</b>	<b>49,724</b>	<b>(148,216)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	31,500	31,500	-	89,000
Transfers (out)	(46,920)	(46,918)	2	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(15,420)</b>	<b>(15,418)</b>	<b>2</b>	<b>89,000</b>
<b>CHANGES IN FUND BALANCE</b>	<b>(46,432)</b>	<b>3,294</b>	<b>49,726</b>	<b>(59,216)</b>
Fund balance, beginning of year	84,831	84,831	-	144,047
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 38,399</b>	<b>\$ 88,125</b>	<b>\$ 49,726</b>	<b>\$ 84,831</b>

**CITY OF MARQUETTE, MICHIGAN**

PUBLIC EDUCATION GOVERNMENT (PEG) FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,715	\$ 14,059
Accounts receivable	4,520	4,918
Prepaid expenditures	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>20,235</u>	<u>18,977</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 20,235</u>	<u>\$ 18,977</u>
<b>LIABILITIES</b>		
Cash overdraft	\$ -	\$ -
Accounts payable	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Non-spendable	-	-
Restricted	<u>20,235</u>	<u>18,977</u>
<b>TOTAL FUND BALANCE</b>	<u>20,235</u>	<u>18,977</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 20,235</u>	<u>\$ 18,977</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Charges for services	\$ 20,800	\$ 18,653	\$ (2,147)	\$ 19,903
Investment income	-	625	625	744
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>20,800</u>	<u>19,278</u>	<u>(1,522)</u>	<u>20,647</u>
<b>EXPENDITURES:</b>				
General Government:				
Supplies and contractual	2,400	2,590	(190)	1,295
Other supplies and charges	3,630	-	3,630	-
Total General Government	<u>6,030</u>	<u>2,590</u>	<u>3,440</u>	<u>1,295</u>
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>6,030</u>	<u>2,590</u>	<u>3,440</u>	<u>1,295</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>14,770</u>	<u>16,688</u>	<u>1,918</u>	<u>19,352</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	<u>(14,770)</u>	<u>(15,430)</u>	<u>(660)</u>	<u>(18,620)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(14,770)</u>	<u>(15,430)</u>	<u>(660)</u>	<u>(18,620)</u>
<b>CHANGES IN FUND BALANCE</b>	-	1,258	1,258	732
Fund balance, beginning of year	<u>18,977</u>	<u>18,977</u>	-	<u>18,245</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 18,977</u>	<u>\$ 20,235</u>	<u>\$ 1,258</u>	<u>\$ 18,977</u>

**CITY OF MARQUETTE, MICHIGAN**

**DRUG FORFEITURE FUND**

**COMPARATIVE BALANCE SHEET**

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 99,247	\$ 96,941
Accounts receivable	-	-
	<u>99,247</u>	<u>96,941</u>
<b>TOTAL ASSETS</b>	<u>99,247</u>	<u>96,941</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 99,247</u>	<u>\$ 96,941</u>
<b>LIABILITIES</b>		
Cash overdraft	\$ -	\$ -
Accounts payable	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Restricted	<u>99,247</u>	<u>96,941</u>
	<u>99,247</u>	<u>96,941</u>
<b>TOTAL FUND BALANCE</b>	<u>99,247</u>	<u>96,941</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 99,247</u>	<u>\$ 96,941</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Fines and forfeiture	\$ -	\$ -	\$ -	\$ 3,012
Investment income	-	2,653	2,653	3,196
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>2,653</u>	<u>2,653</u>	<u>6,208</u>
<b>EXPENDITURES:</b>				
Public Safety:				
Supplies and contractual	93,000	347	92,653	5,121
Other supplies and charges	-	-	-	-
<b>Total Public Safety</b>	<u>93,000</u>	<u>347</u>	<u>92,653</u>	<u>5,121</u>
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>93,000</u>	<u>347</u>	<u>92,653</u>	<u>5,121</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(93,000)</u>	<u>2,306</u>	<u>95,306</u>	<u>1,087</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>(93,000)</u>	<u>2,306</u>	<u>95,306</u>	<u>1,087</u>
Fund balance, beginning of year	96,941	96,941	-	95,854
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,941</u>	<u>\$ 99,247</u>	<u>\$ 95,306</u>	<u>\$ 96,941</u>

**CITY OF MARQUETTE, MICHIGAN**

**ROAD MAINTENANCE FUND**

**COMPARATIVE BALANCE SHEET**

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,343,548	\$ 1,432,221
Accounts receivable	-	-
	<u>1,343,548</u>	<u>1,432,221</u>
<b>TOTAL ASSETS</b>	<u>1,343,548</u>	<u>1,432,221</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
	<u>\$ 1,343,548</u>	<u>\$ 1,432,221</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,343,548</u>	<u>\$ 1,432,221</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 500
	<u>-</u>	<u>500</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Restricted	<u>1,343,548</u>	<u>1,431,721</u>
	<u>1,343,548</u>	<u>1,431,721</u>
<b>TOTAL FUND BALANCE</b>	<u>1,343,548</u>	<u>1,431,721</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 1,343,548</u>	<u>\$ 1,432,221</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ 38,302	\$ 38,302	\$ 53,554
Private contribution	85,900	85,907	7	-
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>85,900</u>	<u>124,209</u>	<u>38,309</u>	<u>53,554</u>
<b>EXPENDITURES:</b>				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	-	-	-	-
Total Public Works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	1,248	-	1,248	145,232
<b>TOTAL EXPENDITURES</b>	<u>1,248</u>	<u>-</u>	<u>1,248</u>	<u>145,232</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>84,652</u>	<u>124,209</u>	<u>39,557</u>	<u>(91,678)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(212,390)	(212,382)	8	(211,572)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(212,390)</u>	<u>(212,382)</u>	<u>8</u>	<u>(211,572)</u>
<b>CHANGES IN FUND BALANCE</b>	<u>(127,738)</u>	<u>(88,173)</u>	<u>39,565</u>	<u>(303,250)</u>
Fund balance, beginning of year	1,431,721	1,431,721	-	1,734,971
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,303,983</u>	<u>\$ 1,343,548</u>	<u>\$ 39,565</u>	<u>\$ 1,431,721</u>

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

September 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,093,366	\$ 1,224,958
Accounts receivable	-	-
<b>TOTAL ASSETS</b>	<b>1,093,366</b>	<b>1,224,958</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,093,366</b>	<b>\$ 1,224,958</b>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-
<b>FUND BALANCE</b>		
Restricted	1,093,366	1,224,958
<b>TOTAL FUND BALANCE</b>	<b>1,093,366</b>	<b>1,224,958</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,093,366</b>	<b>\$ 1,224,958</b>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		2024	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ 30,535	\$ 30,535	\$ 43,595
Private contribution	-	-	-	-
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>30,535</b>	<b>30,535</b>	<b>43,595</b>
<b>EXPENDITURES:</b>				
Public Works:				
Personnel services	-	-	-	-
Supplies and contractual	-	-	-	-
<b>Total Public Works</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital outlay	200,312	138,529	61,783	128,840
<b>TOTAL EXPENDITURES</b>	<b>200,312</b>	<b>138,529</b>	<b>61,783</b>	<b>128,840</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(200,312)</b>	<b>(107,994)</b>	<b>92,318</b>	<b>(85,245)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(23,600)	(23,598)	2	(23,508)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(23,600)</b>	<b>(23,598)</b>	<b>2</b>	<b>(23,508)</b>
<b>CHANGES IN FUND BALANCE</b>	<b>(223,912)</b>	<b>(131,592)</b>	<b>92,320</b>	<b>(108,753)</b>
Fund balance, beginning of year	1,224,958	1,224,958	-	1,333,711
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,001,046</b>	<b>\$ 1,093,366</b>	<b>\$ 92,320</b>	<b>\$ 1,224,958</b>

**CITY OF MARQUETTE, MICHIGAN**  
**CRIMINAL JUSTICE TRAINING FUND**  
**COMPARATIVE BALANCE SHEET**  
September 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 38,940	\$ 12,266
Due from State	6,498	6,389
Prepaid expenditures	51	1,324
<b>TOTAL ASSETS</b>	<b>45,489</b>	<b>19,979</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 45,489</b>	<b>\$ 19,979</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 7,721	\$ 47
<b>TOTAL LIABILITIES</b>	<b>7,721</b>	<b>47</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-
<b>FUND BALANCE</b>		
Non-spendable	51	1,324
Restricted	37,717	18,608
<b>TOTAL FUND BALANCE</b>	<b>37,768</b>	<b>19,932</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 45,489</b>	<b>\$ 19,979</b>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025			2024
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
<b>REVENUES:</b>				
State sources	\$ 37,120	\$ 43,884	\$ 6,764	\$ 27,705
Investment income	-	1,001	1,001	111
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>37,120</u>	<u>44,885</u>	<u>7,765</u>	<u>27,816</u>
<b>EXPENDITURES:</b>				
Public Safety:				
Supplies and contractual	37,120	27,049	10,071	14,747
Other supplies and charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>37,120</u>	<u>27,049</u>	<u>10,071</u>	<u>14,747</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>17,836</u>	<u>17,836</u>	<u>13,069</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>17,836</u>	<u>17,836</u>	<u>13,069</u>
Fund balance, beginning of year	<u>19,932</u>	<u>19,932</u>	<u>-</u>	<u>6,863</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 19,932</u>	<u>\$ 37,768</u>	<u>\$ 17,836</u>	<u>\$ 19,932</u>

**CITY OF MARQUETTE, MICHIGAN**

OPIOID SETTLEMENT FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 40,445	\$ 32,608
Accounts receivable	-	-
Prepaid expenditures	-	-
	<u>40,445</u>	<u>32,608</u>
<b>TOTAL ASSETS</b>	<u>40,445</u>	<u>32,608</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 40,445</u>	<u>\$ 32,608</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Non-spendable	-	-
Restricted	40,445	32,608
	<u>40,445</u>	<u>32,608</u>
<b>TOTAL FUND BALANCE</b>	<u>40,445</u>	<u>32,608</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 40,445</u>	<u>\$ 32,608</u>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ 936	\$ 936	\$ 607
Other revenues	-	6,901	6,901	19,581
<b>TOTAL REVENUES</b>	<u>-</u>	<u>7,837</u>	<u>7,837</u>	<u>20,188</u>
<b>EXPENDITURES:</b>				
Health and Welfare:				
Supplies and contractual	-	-	-	-
Other supplies and charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>7,837</u>	<u>7,837</u>	<u>20,188</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>7,837</u>	<u>7,837</u>	<u>20,188</u>
Fund balance, beginning of year	32,608	32,608	-	12,420
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 32,608</u>	<u>\$ 40,445</u>	<u>\$ 7,837</u>	<u>\$ 32,608</u>

**CITY OF MARQUETTE, MICHIGAN**

SENIOR SERVICES FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 496,772	\$ 500,002
Taxes receivable	16,248	14,993
Accounts receivable	-	-
Due from other governments	7,199	-
Prepaid expenditures	<u>7,324</u>	<u>6,795</u>
<b>TOTAL ASSETS</b>	<u>527,543</u>	<u>521,790</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 527,543</u>	<u>\$ 521,790</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 5,612	\$ 5,411
Accrued wages payable	14,828	13,325
Accrued compensated absences	<u>10,095</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>30,535</u>	<u>18,736</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Taxes levied for a subsequent period	<u>205,040</u>	<u>193,392</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>205,040</u>	<u>193,392</u>
<b>FUND BALANCE</b>		
Non-spendable	7,324	6,795
Restricted	<u>284,644</u>	<u>302,867</u>
<b>TOTAL FUND BALANCE</b>	<u>291,968</u>	<u>309,662</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 527,543</u>	<u>\$ 521,790</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Property Taxes:				
Real property tax	\$ 247,930	\$ 249,744	\$ 1,814	\$ 236,150
Personal property tax	14,070	14,255	185	12,005
Interest and penalty on taxes	-	702	702	506
Administrative collection fees	-	-	-	-
Total Property Taxes	<u>262,000</u>	<u>264,701</u>	<u>2,701</u>	<u>248,661</u>
Industrial Facilities Tax	-	-	-	-
State sources	83,000	108,112	25,112	86,826
Investment income	-	10,418	10,418	13,682
Private contribution	72,783	70,508	(2,275)	48,332
Intergovernmental revenues	521,090	521,095	5	382,699
Other revenues	12,500	19,210	6,710	15,724
<b>TOTAL REVENUES</b>	<u>951,373</u>	<u>994,044</u>	<u>42,671</u>	<u>795,924</u>
<b>EXPENDITURES:</b>				
Health and Welfare:				
State Home Care Service:				
Personnel services	128,970	143,083	(14,113)	124,440
Supplies and contractual	10,860	11,301	(441)	17,445
Other supplies and charges	-	-	-	-
Total State Home Care Service	<u>139,830</u>	<u>154,384</u>	<u>(14,554)</u>	<u>141,885</u>
MCCOA - Allocation to Senior Services:				
Personnel services	664,440	647,575	16,865	679,901
Supplies and contractual	185,143	177,755	7,388	150,870
Other supplies and charges	22,000	22,321	(321)	19,942
Capital outlay	9,710	9,703	7	-
Total MCCOA - allocation to Senior Services	<u>881,293</u>	<u>857,354</u>	<u>23,939</u>	<u>850,713</u>
<b>TOTAL EXPENDITURES</b>	<u>1,021,123</u>	<u>1,011,738</u>	<u>9,385</u>	<u>992,598</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(69,750)</u>	<u>(17,694)</u>	<u>52,056</u>	<u>(196,674)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>(69,750)</u>	<u>(17,694)</u>	<u>52,056</u>	<u>(196,674)</u>
Fund balance, beginning of year	309,662	309,662	-	506,336
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 239,912</u>	<u>\$ 291,968</u>	<u>\$ 52,056</u>	<u>\$ 309,662</u>

**CITY OF MARQUETTE, MICHIGAN**

LAKEVIEW ARENA FUND

COMPARATIVE BALANCE SHEET

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 107,247	\$ 82,262
Accounts receivable	20,750	4,700
Due from State	-	-
Prepaid expenditures	<u>23,351</u>	<u>23,945</u>
<b>TOTAL ASSETS</b>	<u>151,348</u>	<u>110,907</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 151,348</u>	<u>\$ 110,907</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 40,831	\$ 46,569
Accrued wages payable	4,488	3,677
Accrued compensated absences	<u>1,238</u>	<u>1,998</u>
<b>TOTAL LIABILITIES</b>	<u>46,557</u>	<u>52,244</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Non-spendable	23,351	23,945
Restricted	-	-
Committed	3,965	32,538
Assigned	<u>77,475</u>	<u>2,180</u>
<b>TOTAL FUND BALANCE</b>	<u>104,791</u>	<u>58,663</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 151,348</u>	<u>\$ 110,907</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Charges for services	10,000	10,300	300	9,431
Use and admission fees:				
Ice arena use	611,550	568,481	(43,069)	575,089
Arena events	95,000	77,229	(17,771)	75,670
Total use and admission fees	<u>706,550</u>	<u>645,710</u>	<u>(60,840)</u>	<u>650,759</u>
Rentals	79,000	78,349	(651)	86,855
Sale of assets	-	-	-	-
Reimbursements	-	4,255	4,255	4,832
Investment income	-	2,357	2,357	4,195
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>795,550</u>	<u>740,971</u>	<u>(54,579)</u>	<u>756,072</u>
<b>EXPENDITURES:</b>				
Recreation and Culture:				
Personnel services	290,880	269,692	21,188	231,614
Supplies and contractual	570,895	572,744	(1,849)	567,207
Other supplies and charges	-	-	-	-
Total Recreation and Culture	<u>861,775</u>	<u>842,436</u>	<u>19,339</u>	<u>798,821</u>
Capital outlay	30,000	-	30,000	53,435
<b>TOTAL EXPENDITURES</b>	<u>891,775</u>	<u>842,436</u>	<u>49,339</u>	<u>852,256</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(96,225)</u>	<u>(101,465)</u>	<u>(5,240)</u>	<u>(96,184)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Bond issuance expense	-	-	-	-
Transfers in	307,720	389,055	81,335	348,172
Transfers (out)	(241,470)	(241,462)	8	(348,172)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>66,250</u>	<u>147,593</u>	<u>81,343</u>	<u>-</u>
<b>CHANGES IN FUND BALANCE</b>	<u>(29,975)</u>	<u>46,128</u>	<u>76,103</u>	<u>(96,184)</u>
Fund balance, beginning of year	58,663	58,663	-	154,847
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 28,688</u>	<u>\$ 104,791</u>	<u>\$ 76,103</u>	<u>\$ 58,663</u>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET  
(Continued)

September 30, 2025

	High Street Fund	2013 Capital Improve- ments Fund	2014 Capital Improve- ments Fund	2015 Capital Improve- ments Fund	2016 Capital Improve- ments Fund	2017 Capital Improve- ments Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid expenditures	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	-
<b>FUND BALANCE</b>						
Assigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET  
(Concluded)

September 30, 2025

	2018 Capital Improve- ments Fund	2019 Capital Improve- ments Fund	2020 Capital Improve- ments Fund	2021 Capital Improve- ments Fund	2022 Capital Improve- ments Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid expenditures	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	-
<b>FUND BALANCE</b>						
Assigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<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  
(Continued)

For the Fiscal Year Ended September 30, 2025

	High Street Fund	2013 Capital Improve- ments Fund	2014 Capital Improve- ments Fund	2015 Capital Improve- ments Fund	2016 Capital Improve- ments Fund	2017 Capital Improve- ments Fund
<b>REVENUES:</b>						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Debt Service:						
Professional services	-	-	-	-	-	-
Principal payments	12,086	79,050	90,000	75,507	241,636	287,500
Interest and fiscal changes	807	8,528	22,176	3,552	53,152	105,800
<b>TOTAL EXPENDITURES</b>	<u>12,893</u>	<u>87,578</u>	<u>112,176</u>	<u>79,059</u>	<u>294,788</u>	<u>393,300</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,893)</u>	<u>(87,578)</u>	<u>(112,176)</u>	<u>(79,059)</u>	<u>(294,788)</u>	<u>(393,300)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	12,893	87,578	112,176	79,059	294,788	393,300
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>12,893</u>	<u>87,578</u>	<u>112,176</u>	<u>79,059</u>	<u>294,788</u>	<u>393,300</u>
<b>CHANGES IN FUND BALANCE</b>	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<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  
(Concluded)

For the Fiscal Year Ended September 30, 2025

	2018 Capital Improve- ments Fund	2019 Capital Improve- ments Fund	2020 Capital Improve- ments Fund	2021 Capital Improve- ments Fund	2022 Capital Improve- ments Fund	Total
<b>REVENUES:</b>						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Debt Service:						
Professional services	-	-	-	-	-	-
Principal payments	250,000	100,000	220,000	259,845	99,200	1,714,824
Interest and fiscal changes	42,400	24,400	59,400	73,090	73,077	466,382
<b>TOTAL EXPENDITURES</b>	<u>292,400</u>	<u>124,400</u>	<u>279,400</u>	<u>332,935</u>	<u>172,277</u>	<u>2,181,206</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(292,400)</u>	<u>(124,400)</u>	<u>(279,400)</u>	<u>(332,935)</u>	<u>(172,277)</u>	<u>(2,181,206)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	292,400	124,400	279,400	332,935	172,277	2,181,206
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>292,400</u>	<u>124,400</u>	<u>279,400</u>	<u>332,935</u>	<u>172,277</u>	<u>2,181,206</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	12,090	12,086	4	11,884
Interest and fiscal charges	910	807	103	998
<b>TOTAL EXPENDITURES</b>	<u>13,000</u>	<u>12,893</u>	<u>107</u>	<u>12,882</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(13,000)</u>	<u>(12,893)</u>	<u>(107)</u>	<u>(12,882)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	410	403	(7)	403
Local Street Fund	12,590	12,490	(100)	12,479
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>13,000</u>	<u>12,893</u>	<u>(107)</u>	<u>12,882</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	79,060	79,050	10	75,950
Interest and fiscal charges	8,530	8,528	2	10,808
<b>TOTAL EXPENDITURES</b>	<u>87,590</u>	<u>87,578</u>	<u>12</u>	<u>86,758</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(87,590)</u>	<u>(87,578)</u>	<u>(12)</u>	<u>(86,758)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
Major Street and Trunkline Fund	53,680	53,677	(3)	53,174
Local Street Fund	33,910	33,901	(9)	33,584
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>87,590</u>	<u>87,578</u>	<u>(12)</u>	<u>86,758</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MARQUETTE, MICHIGAN**

2014 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	90,000	90,000	-	86,400
Interest and fiscal charges	22,190	22,176	14	25,704
<b>TOTAL EXPENDITURES</b>	<u>112,190</u>	<u>112,176</u>	<u>14</u>	<u>112,104</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(112,190)</u>	<u>(112,176)</u>	<u>(14)</u>	<u>(112,104)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	37,400	37,392	(8)	37,368
Major Street and Trunkline Fund	24,930	24,928	(2)	24,912
Local Street Fund	46,740	46,740	-	46,710
Lakeview Arena Fund	3,120	3,116	(4)	3,114
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>112,190</u>	<u>112,176</u>	<u>(14)</u>	<u>112,104</u>
<b>CHANGES IN FUND BALANCE</b>	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	75,510	75,507	3	73,907
Interest and fiscal charges	3,560	3,552	8	5,832
<b>TOTAL EXPENDITURES</b>	<u>79,070</u>	<u>79,059</u>	<u>11</u>	<u>79,739</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(79,070)</u>	<u>(79,059)</u>	<u>(11)</u>	<u>(79,739)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
Major Street and Trunkline Fund	20,140	20,135	(5)	20,305
Local Street Fund	58,930	58,924	(6)	59,434
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>79,070</u>	<u>79,059</u>	<u>(11)</u>	<u>79,739</u>
<b>CHANGES IN FUND BALANCE</b>	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	241,640	241,636	4	234,590
Interest and fiscal charges	53,170	53,152	18	62,536
<b>TOTAL EXPENDITURES</b>	<u>294,810</u>	<u>294,788</u>	<u>22</u>	<u>297,126</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(294,810)</u>	<u>(294,788)</u>	<u>(22)</u>	<u>(297,126)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	85,500	85,495	(5)	86,137
Major Street and Trunkline Fund	70,520	70,511	(9)	71,036
Local Street Fund	138,790	138,782	(8)	139,953
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>294,810</u>	<u>294,788</u>	<u>(22)</u>	<u>297,126</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MARQUETTE, MICHIGAN**

2017 CAPITAL IMPROVEMENTS - DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	287,500	287,500	-	574,620
Interest and fiscal charges	105,820	105,800	20	128,785
<b>TOTAL EXPENDITURES</b>	<u>393,320</u>	<u>393,300</u>	<u>20</u>	<u>703,405</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(393,320)</u>	<u>(393,300)</u>	<u>(20)</u>	<u>(703,405)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	47,200	47,196	(4)	49,970
Major Street and Trunkline Fund	62,930	62,928	(2)	197,077
Local Street Fund	47,200	47,196	(4)	106,826
Road Maintenance Fund	212,390	212,382	(8)	211,572
Road Safety Fund	23,600	23,598	(2)	23,508
Lakeview Arena Fund	-	-	-	114,452
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>393,320</u>	<u>393,300</u>	<u>(20)</u>	<u>703,405</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	250,000	250,000	-	240,000
Interest and fiscal charges	42,400	42,400	-	52,000
<b>TOTAL EXPENDITURES</b>	<u>292,400</u>	<u>292,400</u>	<u>-</u>	<u>292,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(292,400)</u>	<u>(292,400)</u>	<u>-</u>	<u>(292,000)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	134,200	134,200	-	128,400
Major Street and Trunkline Fund	93,800	93,800	-	97,000
Local Street Fund	64,400	64,400	-	66,600
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>292,400</u>	<u>292,400</u>	<u>-</u>	<u>292,000</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	100,000	100,000	-	100,000
Interest and fiscal charges	24,400	24,400	-	27,900
<b>TOTAL EXPENDITURES</b>	<u>124,400</u>	<u>124,400</u>	<u>-</u>	<u>127,900</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(124,400)</u>	<u>(124,400)</u>	<u>-</u>	<u>(127,900)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	18,300	18,300	-	18,825
Major Street and Trunkline Fund	62,800	62,800	-	64,550
Local Street Fund	43,300	43,300	-	44,525
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>124,400</u>	<u>124,400</u>	<u>-</u>	<u>127,900</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	220,000	220,000	-	215,000
Interest and fiscal charges	59,400	59,400	-	68,000
<b>TOTAL EXPENDITURES</b>	<u>279,400</u>	<u>279,400</u>	<u>-</u>	<u>283,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(279,400)</u>	<u>(279,400)</u>	<u>-</u>	<u>(283,000)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	31,600	31,600	-	32,600
Major Street and Trunkline Fund	133,200	133,200	-	137,400
Local Street Fund	95,000	95,000	-	92,800
Lakeview Arena Fund	19,600	19,600	-	20,200
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>279,400</u>	<u>279,400</u>	<u>-</u>	<u>283,000</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	259,850	259,845	5	249,315
Interest and fiscal charges	73,110	73,090	20	83,063
<b>TOTAL EXPENDITURES</b>	<u>332,960</u>	<u>332,935</u>	<u>25</u>	<u>332,378</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(332,960)</u>	<u>(332,935)</u>	<u>(25)</u>	<u>(332,378)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
General Fund	910	903	(7)	903
Major Street and Trunkline Fund	141,100	141,087	(13)	140,909
Local Street Fund	190,950	190,945	(5)	190,566
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>332,960</u>	<u>332,935</u>	<u>(25)</u>	<u>332,378</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	99,200	99,200	-	94,400
Interest and fiscal charges	73,090	73,077	13	77,797
<b>TOTAL EXPENDITURES</b>	<u>172,290</u>	<u>172,277</u>	<u>13</u>	<u>172,197</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(172,290)</u>	<u>(172,277)</u>	<u>(13)</u>	<u>(172,197)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in:				
Major Street and Trunkline Fund	123,830	123,824	(6)	123,767
Local Street Fund	48,460	48,453	(7)	48,430
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>172,290</u>	<u>172,277</u>	<u>(13)</u>	<u>172,197</u>
<b>CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MARQUETTE, MICHIGAN**

**CEMETERY FUND**

**COMPARATIVE BALANCE SHEET**

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 507,146	\$ 463,127
Investments	559,533	557,027
Accounts receivable	-	2,275
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>\$ 1,066,679</u>	<u>\$ 1,022,429</u>
<b>FUND BALANCE</b>		
Non-spendable	<u>\$ 1,066,679</u>	<u>\$ 1,022,429</u>

**CITY OF MARQUETTE, MICHIGAN**

**CEMETERY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

For the Fiscal Year Ended September 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	<u>2025</u>	<u>2024</u>
<b>REVENUES:</b>		
Charges for services	\$ 44,250	\$ 29,350
Investment income	<u>15,865</u>	<u>22,331</u>
<b>TOTAL REVENUES</b>	<u>60,115</u>	<u>51,681</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	-	-
Transfers (out)	<u>(15,865)</u>	<u>(22,331)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(15,865)</u>	<u>(22,331)</u>
<b>CHANGES IN FUND BALANCE</b>	44,250	29,350
Fund balance, beginning of year	<u>1,022,429</u>	<u>993,079</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 1,066,679</u></u>	<u><u>\$ 1,022,429</u></u>

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**CITY OF MARQUETTE, MICHIGAN**  
**ENTERPRISE FUNDS**

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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

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

The Major Enterprise Funds of the City are the Water Supply Fund, the Sewage Disposal Fund, and the Stormwater Utility Fund. The Non-major Enterprise Funds of the City are the Tourist Park Fund, Lakeshore and Lighthouse Park Fund, Fuel System Fund, and the Marina Funds.

**WATER SUPPLY FUND:** To account for water treatment and distribution activities.

**SEWAGE DISPOSAL FUND:** To account for sewage disposal and sanitary sewer operations.

**STORMWATER UTILITY FUND:** To account for the management of stormwater related activities including billing, maintenance, and construction.

**TOURIST PARK FUND:** To account for the activity at the City operated camping and recreational park.

**LAKESHORE and LIGHTHOUSE PARK FUND:** To account for the revenue generated through rental of the Lakeshore property, the Captain's House, Barracks and revenue sharing with the Marquette Maritime Museum tours of the Lighthouse.

**FUEL SYSTEM FUND:** To account for the operation, maintenance and repair of the City fuel depot.

**MARINA FUNDS:** To account for activity at the City operated marinas.

**CITY OF MARQUETTE, MICHIGAN**  
**WATER SUPPLY FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
September 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,670,110	\$ 1,297,743
Accounts receivable	988,413	988,608
Special assessments receivable	-	2,341
Due from other governments	2,127	242,608
Prepaid expense	60,722	63,706
<b>TOTAL CURRENT ASSETS</b>	<b>3,721,372</b>	<b>2,595,006</b>
Non-current Assets		
Restricted Assets:		
OPEB Reserve	42,904	62,925
Compensated absences reserve	243,702	225,011
Total Restricted Assets	286,606	287,936
Land and other non-depreciable assets	17,725	17,725
Construction in progress	-	963,564
Other capital assets, net of depreciation	22,403,523	22,475,494
<b>TOTAL NON-CURRENT ASSETS</b>	<b>22,707,854</b>	<b>23,744,719</b>
<b>TOTAL ASSETS</b>	<b>26,429,226</b>	<b>26,339,725</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding	21,137	28,183
Deferred outflows related to pension	462,928	438,183
Deferred outflows related to OPEB	4,599	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>488,664</b>	<b>466,366</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	21,203	180,182
Accrued wages payable	32,265	25,887
Customer deposits payable	-	-
Accrued interest payable	72,709	86,419
Current portion of long-term debt	1,019,503	976,594
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,145,680</b>	<b>1,269,082</b>
Non-current Liabilities:		
Compensated absences	243,702	225,011
Other post-employment benefits (OPEB)	42,904	62,925
Net pension liability	3,131,825	3,268,629
Bonds payable	3,593,363	4,532,867
Loan payable	399,840	479,840
Unamortized bond premium	449,931	535,318
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,861,565</b>	<b>9,104,590</b>
<b>TOTAL LIABILITIES</b>	<b>9,007,245</b>	<b>10,373,672</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Special assessments	-	2,341
Deferred inflows related to pension	209,083	133,165
Deferred inflows related to OPEB	8,571	23,009
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>217,654</b>	<b>158,515</b>
<b>NET POSITION</b>		
Net investment in capital assets	16,979,748	17,205,846
Restricted for:		
Capital outlay	-	245,499
Unrestricted	713,243	(1,177,441)
<b>TOTAL NET POSITION</b>	<b>\$ 17,692,991</b>	<b>\$ 16,273,904</b>

**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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
General customers	\$ 4,698,900	\$ 4,885,194	\$ 186,294	\$ 4,620,754
Public authorities	128,200	133,545	5,345	129,935
Non-tax customers	1,713,800	1,828,273	114,473	1,698,224
City departments	171,700	112,984	(58,716)	143,780
Charges for services	10,000	25,704	15,704	29,335
Rentals	-	6,000	6,000	-
Reimbursements	-	4,292	4,292	4,285
Other revenues	-	100,934	100,934	64,322
<b>TOTAL OPERATING REVENUES</b>	<b>6,722,600</b>	<b>7,096,926</b>	<b>374,326</b>	<b>6,690,635</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	2,256,670	2,108,187	148,483	2,020,351
Supplies and contractual	1,379,320	1,251,304	128,016	1,075,067
Capital outlay	-	-	-	-
Provision for depreciation	1,610,500	1,605,166	5,334	1,608,864
Other supplies and charges	683,939	658,512	25,427	674,436
<b>TOTAL OPERATING EXPENSES</b>	<b>5,930,429</b>	<b>5,623,169</b>	<b>307,260</b>	<b>5,378,718</b>
<b>OPERATING INCOME (LOSS)</b>	<b>792,171</b>	<b>1,473,757</b>	<b>681,586</b>	<b>1,311,917</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	61,867	61,867	56,569
Interest expense	-	(127,827)	(127,827)	(166,695)
Bond issuance expense	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>-</b>	<b>(65,960)</b>	<b>(65,960)</b>	<b>(110,126)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>792,171</b>	<b>1,407,797</b>	<b>615,626</b>	<b>1,201,791</b>
Federal grant - capital grant	-	215,385	215,385	245,084
State grant - capital grant	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(204,095)	(204,095)	(196,314)
<b>CHANGE IN NET POSITION</b>	<b>792,171</b>	<b>1,419,087</b>	<b>626,916</b>	<b>1,250,561</b>
Net position, beginning of year	16,273,904	16,273,904	-	15,023,343
<b>NET POSITION, END OF YEAR</b>	<b>\$ 17,066,075</b>	<b>\$ 17,692,991</b>	<b>\$ 626,916</b>	<b>\$ 16,273,904</b>

**CITY OF MARQUETTE, MICHIGAN**

SEWAGE DISPOSAL FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,667,673	\$ 3,665,690
Accounts receivable	1,151,528	1,108,410
Special assessments receivable	1,480	2,341
Due from State	-	-
Inventory	41,616	42,954
Prepaid expense	<u>52,476</u>	<u>51,685</u>
<b>TOTAL CURRENT ASSETS</b>	<u>5,914,773</u>	<u>4,871,080</u>
Non-current Assets		
Restricted Assets:		
OPEB Reserve	30,258	44,380
Compensated absences reserve	<u>91,823</u>	<u>72,692</u>
Total Restricted Assets	<u>122,081</u>	<u>117,072</u>
Investment in Wastewater Facility	5,600,356	4,713,128
Land and other non-depreciable assets	20,594	20,594
Construction in progress	3,061	1,111,069
Other capital assets, net of depreciation	<u>19,655,467</u>	<u>19,308,259</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>25,401,559</u>	<u>25,270,122</u>
<b>TOTAL ASSETS</b>	<u>31,316,332</u>	<u>30,141,202</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding	14,525	19,366
Deferred outflows related to pension	262,450	252,560
Deferred outflows related to OPEB	<u>3,244</u>	<u>-</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>280,219</u>	<u>271,926</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	1,109,426	1,397,888
Accrued wages payable	10,962	9,941
Customer deposits payable	-	-
Accrued interest payable	87,197	103,703
Current portion of long-term debt	<u>1,145,041</u>	<u>1,100,554</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,352,626</u>	<u>2,612,086</u>
Non-current Liabilities:		
Compensated absences	91,823	72,692
Other post-employment benefits (OPEB)	30,258	44,380
Net pension liability	1,933,559	1,988,239
Long term payable to other authorities	1,270,100	202,006
Bonds payable	4,173,279	5,238,320
Loan payable	367,484	447,484
Unamortized bond premium	<u>510,685</u>	<u>612,689</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>8,377,188</u>	<u>8,605,810</u>
<b>TOTAL LIABILITIES</b>	<u>10,729,814</u>	<u>11,217,896</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Special assessments	-	2,341
Deferred inflows related to pension	118,161	87,817
Deferred inflows related to OPEB	<u>6,046</u>	<u>16,228</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>124,207</u>	<u>106,386</u>
<b>NET POSITION</b>		
Net investment in capital assets	13,497,158	13,303,795
Restricted for:		
Capital outlay	-	243,554
Unrestricted	<u>7,245,372</u>	<u>5,541,497</u>
<b>TOTAL NET POSITION</b>	<u>\$ 20,742,530</u>	<u>\$ 19,088,846</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025			2024
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
General customers	\$ 6,328,810	\$ 6,345,199	\$ 16,389	\$ 6,044,484
Public authorities	182,200	181,844	(356)	181,234
Non-tax customers	1,945,840	2,128,307	182,467	2,083,788
City departments	97,000	65,674	(31,326)	67,992
Charges for services	-	10,754	10,754	9,920
Rentals	-	1,000	1,000	1,000
Reimbursements	-	3,784	3,784	3,777
Other revenues	-	17,207	17,207	10,910
<b>TOTAL OPERATING REVENUES</b>	<b>8,553,850</b>	<b>8,753,769</b>	<b>199,919</b>	<b>8,403,105</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	1,079,380	846,711	232,669	823,857
Supplies and contractual	4,963,500	3,963,013	1,000,487	3,858,582
Capital outlay	-	-	-	-
Provision for depreciation	1,727,800	1,343,320	384,480	1,326,662
Other supplies and charges	566,070	566,076	(6)	577,464
<b>TOTAL OPERATING EXPENSES</b>	<b>8,336,750</b>	<b>6,719,120</b>	<b>1,617,630</b>	<b>6,586,565</b>
<b>OPERATING INCOME (LOSS)</b>	<b>217,100</b>	<b>2,034,649</b>	<b>1,817,549</b>	<b>1,816,540</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	107,254	107,254	115,219
Interest expense	(255,240)	(140,583)	114,657	(187,907)
Operating gain from Marquette Area Wastewater Treatment Facility	-	(180,866)	(180,866)	82,786
Bond issuance expense	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(255,240)</b>	<b>(214,195)</b>	<b>41,045</b>	<b>10,098</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(38,140)</b>	<b>1,820,454</b>	<b>1,858,594</b>	<b>1,826,638</b>
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(166,770)	(166,770)	(160,412)
<b>CHANGE IN NET POSITION</b>	<b>(38,140)</b>	<b>1,653,684</b>	<b>1,691,824</b>	<b>1,666,226</b>
Net position, beginning of year, as previously presented	-	-	-	18,206,918
Error correction	-	-	-	(784,298)
Net position, beginning of year, as restated	19,088,846	19,088,846	-	17,422,620
<b>NET POSITION, END OF YEAR</b>	<b>\$ 19,050,706</b>	<b>\$ 20,742,530</b>	<b>\$ 1,691,824</b>	<b>\$ 19,088,846</b>

**CITY OF MARQUETTE, MICHIGAN**

STORMWATER UTILITY FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,775,807	\$ 3,805,153
Accounts receivable	221,950	106,508
Due from other governments	75,936	305,963
Inventory	-	-
Prepaid expense	39	44
	<u>4,073,732</u>	<u>4,217,668</u>
<b>TOTAL CURRENT ASSETS</b>		
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	1,292	28,827
Total Restricted Assets	<u>1,292</u>	<u>28,827</u>
Construction in progress	2,162,353	726,447
Other capital assets, net of depreciation	13,096,881	13,189,270
	<u>15,260,526</u>	<u>13,944,544</u>
<b>TOTAL NON-CURRENT ASSETS</b>		
	<u>19,334,258</u>	<u>18,162,212</u>
<b>TOTAL ASSETS</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding	15,158	20,210
	<u>15,158</u>	<u>20,210</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	381,392	515,968
Accrued wages payable	6,811	5,889
Accrued interest payable	118,735	134,778
Current portion of long-term debt	1,003,596	960,796
	<u>1,510,534</u>	<u>1,617,431</u>
<b>TOTAL CURRENT LIABILITIES</b>		
Non-current Liabilities:		
Compensated absences	1,292	28,827
Bonds payable	6,101,835	7,105,432
Unamortized bond premium	756,840	875,606
	<u>6,859,967</u>	<u>8,009,865</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		
	<u>8,370,501</u>	<u>9,627,296</u>
<b>TOTAL LIABILITIES</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	7,412,121	10,089,113
Restricted for:		
Capital outlay	-	5,095,020
Unrestricted	3,566,794	(6,629,007)
	<u>10,978,915</u>	<u>8,555,126</u>
<b>TOTAL NET POSITION</b>		

**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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
General customers	\$ 1,592,470	\$ 1,649,075	\$ 56,605	\$ 1,452,533
Public authorities	76,280	104,446	28,166	89,389
Non-tax customers	445,100	494,836	49,736	428,765
City departments	863,810	874,344	10,534	757,567
Reimbursements	-	700,000	700,000	-
Other revenues	-	3,599	3,599	2,984
<b>TOTAL OPERATING REVENUES</b>	<b>2,977,660</b>	<b>3,826,300</b>	<b>848,640</b>	<b>2,731,238</b>
<b>OPERATING EXPENSES:</b>				
Routine Maintenance and Administration:				
Personnel services	281,020	155,830	125,190	250,960
Supplies and contractual	245,200	201,259	43,941	205,143
Capital outlay	-	-	-	-
Provision for depreciation	1,200,000	1,178,362	21,638	1,122,051
Other supplies and charges	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,726,220</b>	<b>1,535,451</b>	<b>190,769</b>	<b>1,578,154</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,251,440</b>	<b>2,290,849</b>	<b>1,039,409</b>	<b>1,153,084</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	57,350	57,350	70,159
Interest expense	(324,610)	(194,759)	129,851	(233,626)
Bond issuance expense	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(324,610)</b>	<b>(137,409)</b>	<b>187,201</b>	<b>(163,467)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>926,830</b>	<b>2,153,440</b>	<b>1,226,610</b>	<b>989,617</b>
Federal grant - capital grant	-	270,349	270,349	806,800
State grant - capital grant	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>926,830</b>	<b>2,423,789</b>	<b>1,496,959</b>	<b>1,796,417</b>
Net position, beginning of year	8,555,126	8,555,126	-	6,758,709
<b>NET POSITION, END OF YEAR</b>	<b>\$ 9,481,956</b>	<b>\$ 10,978,915</b>	<b>\$ 1,496,959</b>	<b>\$ 8,555,126</b>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

September 30, 2025

	Tourist Park Fund	Lakeshore and Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 1,698,138	\$ 27,010	\$ 119,953	\$ 401,166	\$ 2,246,267
Due from State	-	-	-	134	134
Accounts receivable	4,500	3,126	17,998	6,189	31,813
Due from local units	-	-	2,087	-	2,087
Inventory	-	-	44,149	13,567	57,716
Prepaid expense	485	203	-	10,563	11,251
<b>TOTAL CURRENT ASSETS</b>	<b>1,703,123</b>	<b>30,339</b>	<b>184,187</b>	<b>431,619</b>	<b>2,349,268</b>
Non-current Assets:					
Restricted Assets:					
Replacement Maintenance Fund	-	-	-	40,000	40,000
Compensated absences reserve	3,859	-	-	132	3,991
Total Restricted Assets	3,859	-	-	40,132	43,991
Other capital assets, net of depreciation	483,818	994,196	169,777	2,689,399	4,337,190
Construction in progress	240,265	-	-	-	240,265
<b>TOTAL NON-CURRENT ASSETS</b>	<b>727,942</b>	<b>994,196</b>	<b>169,777</b>	<b>2,729,531</b>	<b>4,621,446</b>
<b>TOTAL ASSETS</b>	<b>2,431,065</b>	<b>1,024,535</b>	<b>353,964</b>	<b>3,161,150</b>	<b>6,970,714</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	217,934	3,782	26,463	13,895	262,074
Accrued wages payable	5,844	143	-	3,272	9,259
Customer deposits payable	-	-	-	15,575	15,575
Accrued interest payable	-	5,356	-	7,500	12,856
Current portion of long-term debt	-	110,000	-	85,000	195,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>223,778</b>	<b>119,281</b>	<b>26,463</b>	<b>125,242</b>	<b>494,764</b>
Non-current Liabilities:					
Compensated absences	3,859	-	-	132	3,991
Bonds payable	-	235,000	-	411,461	646,461
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,859</b>	<b>235,000</b>	<b>-</b>	<b>411,593</b>	<b>650,452</b>
<b>TOTAL LIABILITIES</b>	<b>227,637</b>	<b>354,281</b>	<b>26,463</b>	<b>536,835</b>	<b>1,145,216</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>NET POSITION</b>					
Net investment in capital assets	724,083	649,196	169,777	2,192,938	3,735,994
Restricted for:					
Capital outlay	-	-	-	-	-
Unrestricted	1,479,345	21,058	157,724	431,377	2,089,504
<b>TOTAL NET POSITION</b>	<b>\$ 2,203,428</b>	<b>\$ 670,254</b>	<b>\$ 327,501</b>	<b>\$ 2,624,315</b>	<b>\$ 5,825,498</b>

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, 2025

	Tourist Park Fund	Lakeshore and Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 24,880	\$ 22,528	\$ -	\$ 8,820	\$ 56,228
Sales	30,075	-	375,997	144,614	550,686
Use and admission fees	591,436	44,355	-	53,172	688,963
Rentals	-	-	-	367,512	367,512
Fines and forfeiture	-	-	-	345	345
Reimbursements	626	2,167	-	1,544	4,337
Other revenues	-	-	32,808	3,053	35,861
<b>TOTAL OPERATING REVENUES</b>	<b>647,017</b>	<b>69,050</b>	<b>408,805</b>	<b>579,060</b>	<b>1,703,932</b>
<b>OPERATING EXPENSES:</b>					
Personnel services	210,866	1,566	-	119,221	331,653
Supplies and contractual	198,056	17,629	397,892	325,399	938,976
Capital outlay	-	2,628	-	-	2,628
Provision for depreciation	16,907	52,643	15,434	182,104	267,088
Other supplies and charges	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>425,829</b>	<b>74,466</b>	<b>413,326</b>	<b>626,724</b>	<b>1,540,345</b>
<b>OPERATING INCOME (LOSS)</b>	<b>221,188</b>	<b>(5,416)</b>	<b>(4,521)</b>	<b>(47,664)</b>	<b>163,587</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Investment income	43,290	1,912	4,949	29,586	79,737
Interest expense	-	(15,028)	-	(8,975)	(24,003)
Bond issuance expense	-	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>43,290</b>	<b>(13,116)</b>	<b>4,949</b>	<b>20,611</b>	<b>55,734</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>264,478</b>	<b>(18,532)</b>	<b>428</b>	<b>(27,053)</b>	<b>219,321</b>
Federal grant - capital grant	-	-	-	-	-
State grant - capital grant	45,000	-	-	-	45,000
Contributed capital	-	-	-	-	-
Transfers in	-	28,115	-	-	28,115
Transfers (out)	(12,210)	-	-	(18,763)	(30,973)
<b>CHANGE IN NET POSITION</b>	<b>297,268</b>	<b>9,583</b>	<b>428</b>	<b>(45,816)</b>	<b>261,463</b>
Net position, beginning of year	1,906,160	660,671	327,073	2,670,131	5,564,035
<b>NET POSITION, END OF YEAR</b>	<b>\$ 2,203,428</b>	<b>\$ 670,254</b>	<b>\$ 327,501</b>	<b>\$ 2,624,315</b>	<b>\$ 5,825,498</b>

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CITY OF MARQUETTE, MICHIGAN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2025

	Tourist Park Fund	Lakeshore and Lighthouse Park Fund	Fuel System Fund	Marinas Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from fees and charges for services	\$ 20,586	\$ 63,757	\$ -	\$ 7,853	\$ 92,196
Other operating revenues	622,137	2,167	405,432	570,769	1,600,505
Cash payments to employees for services	(204,891)	(1,460)	-	(118,145)	(324,496)
Cash payments to suppliers for goods and services	(53,862)	(17,598)	(379,106)	(322,836)	(773,402)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>383,970</b>	<b>46,866</b>	<b>26,326</b>	<b>137,641</b>	<b>594,803</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Transfers in	-	28,115	-	-	28,115
Transfers (out)	(12,210)	-	-	(18,763)	(30,973)
State and Federal grants	-	-	-	-	-
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>(12,210)</b>	<b>28,115</b>	<b>-</b>	<b>(18,763)</b>	<b>(2,858)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Principal payments on bonds	-	(105,000)	-	(80,000)	(185,000)
Interest paid on bonds	-	(16,581)	-	(19,601)	(36,182)
Cash payments for capital assets	(340,509)	-	-	-	(340,509)
State and Federal grants	45,000	-	-	-	45,000
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(295,509)</b>	<b>(121,581)</b>	<b>-</b>	<b>(99,601)</b>	<b>(516,691)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest income	43,290	1,912	4,949	29,586	79,737
(Increase) decrease in restricted assets:					
Replacement maintenance reserve	-	-	-	-	-
Compensated absences reserve	(3,233)	-	-	-	(3,233)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>40,057</b>	<b>1,912</b>	<b>4,949</b>	<b>29,586</b>	<b>76,504</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>116,308</b>	<b>(44,688)</b>	<b>31,275</b>	<b>48,863</b>	<b>151,758</b>
Cash and cash equivalents, beginning of year	1,581,830	71,698	88,678	352,303	2,094,509
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,698,138</b>	<b>\$ 27,010</b>	<b>\$ 119,953</b>	<b>\$ 401,166</b>	<b>\$ 2,246,267</b>
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Capital distribution	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contribution	-	-	-	-	-
<b>TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income	\$ 221,188	\$ (5,416)	\$ (4,521)	\$ (47,664)	\$ 163,587
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	16,907	52,643	15,434	182,104	267,088
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	529	529
(Increase) decrease in accounts receivable	(4,294)	(3,126)	(1,853)	(1,067)	(10,340)
(Increase) decrease in due from local units	-	-	(1,520)	-	(1,520)
(Increase) decrease in inventory	-	-	(7,677)	4,322	(3,355)
(Increase) decrease in prepaid expenses	(3)	8	-	(4,916)	(4,911)
Increase (decrease) in accounts payable	144,197	2,651	26,463	3,157	176,468
Increase (decrease) in accrued wages payable	2,742	106	-	1,076	3,924
Increase (decrease) in customer deposits payable	-	-	-	100	100
Increase (decrease) in compensated absences	3,233	-	-	-	3,233
<b>NET ADJUSTMENTS</b>	<b>162,782</b>	<b>52,282</b>	<b>30,847</b>	<b>185,305</b>	<b>431,216</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 383,970</b>	<b>\$ 46,866</b>	<b>\$ 26,326</b>	<b>\$ 137,641</b>	<b>\$ 594,803</b>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR ENTERPRISE FUND - TOURIST PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,698,138	\$ 1,581,830
Accounts receivable	4,500	206
Due from local units	-	-
Inventory	-	-
Prepaid expense	485	482
	<u>1,703,123</u>	<u>1,582,518</u>
<b>TOTAL CURRENT ASSETS</b>		
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	3,859	626
Total Restricted Assets	<u>3,859</u>	<u>626</u>
Other capital assets, net of depreciation	483,818	268,636
Construction in progress	240,265	131,845
	<u>727,942</u>	<u>401,107</u>
<b>TOTAL NON-CURRENT ASSETS</b>		
	<u>2,431,065</u>	<u>1,983,625</u>
<b>TOTAL ASSETS</b>		
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
 <b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	217,934	73,737
Accrued wages payable	5,844	3,102
	<u>223,778</u>	<u>76,839</u>
<b>TOTAL CURRENT LIABILITIES</b>		
Non-current Liabilities:		
Compensated absences	3,859	626
	<u>3,859</u>	<u>626</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		
	<u>227,637</u>	<u>77,465</u>
<b>TOTAL LIABILITIES</b>		
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
 <b>NET POSITION</b>		
Net investment in capital assets	724,083	400,481
Restricted for:		
Capital outlay	-	-
Unrestricted	1,479,345	1,213,793
	<u>1,479,345</u>	<u>1,213,793</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,203,428</u>	<u>\$ 1,614,274</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 20,000	\$ 24,880	\$ 4,880	\$ 25,705
Sales	27,500	30,075	2,575	28,289
Use and admission fees	600,000	591,436	(8,564)	619,538
Reimbursements	-	626	626	384
Other revenues	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>647,500</b>	<b>647,017</b>	<b>(483)</b>	<b>673,916</b>
<b>OPERATING EXPENSES:</b>				
Recreation and Culture:				
Personnel services	202,600	210,866	(8,266)	144,876
Supplies and contractual	223,820	198,056	25,764	171,071
Other supplies and charges	-	-	-	-
Capital outlay	-	-	-	-
Provision for depreciation	30,400	16,907	13,493	16,907
<b>TOTAL OPERATING EXPENSES</b>	<b>456,820</b>	<b>425,829</b>	<b>30,991</b>	<b>332,854</b>
<b>OPERATING INCOME (LOSS)</b>	<b>190,680</b>	<b>221,188</b>	<b>30,508</b>	<b>341,062</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	43,290	43,290	45,493
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>-</b>	<b>43,290</b>	<b>43,290</b>	<b>45,493</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>190,680</b>	<b>264,478</b>	<b>73,798</b>	<b>386,555</b>
State grant - capital grant	250,000	45,000	(205,000)	-
Transfers in (out)	(12,210)	(12,210)	-	(11,743)
<b>CHANGE IN NET POSITION</b>	<b>428,470</b>	<b>297,268</b>	<b>(131,202)</b>	<b>374,812</b>
Net position, beginning of year	1,906,160	1,906,160	-	1,531,348
<b>NET POSITION, END OF YEAR</b>	<b>\$ 2,334,630</b>	<b>\$ 2,203,428</b>	<b>\$ (131,202)</b>	<b>\$ 1,906,160</b>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR ENTERPRISE FUND - LAKESHORE AND LIGHTHOUSE PARK FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 27,010	\$ 71,698
Accounts receivable	3,126	-
Due from local units	-	-
Inventory	-	-
Prepaid expense	203	211
	<u>30,339</u>	<u>71,909</u>
<b>TOTAL CURRENT ASSETS</b>	<u>30,339</u>	<u>71,909</u>
Non-current Assets		
Restricted Assets:		
Compensated absences reserve	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>
Other capital assets, net of depreciation	994,196	1,046,839
Construction in progress	<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>994,196</u>	<u>1,046,839</u>
<b>TOTAL ASSETS</b>	<u>1,024,535</u>	<u>1,118,748</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	3,782	1,131
Accrued wages payable	143	37
Accrued interest payable	5,356	6,909
Current portion of long-term debt	110,000	105,000
	<u>119,281</u>	<u>113,077</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>119,281</u>	<u>113,077</u>
Non-current Liabilities:		
Bonds payable	235,000	345,000
	<u>235,000</u>	<u>345,000</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>235,000</u>	<u>345,000</u>
<b>TOTAL LIABILITIES</b>	<u>354,281</u>	<u>458,077</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	649,196	748,951
Restricted for:		
Capital outlay	-	152,112
Unrestricted	21,058	(240,392)
	<u>670,254</u>	<u>660,671</u>
<b>TOTAL NET POSITION</b>	<u>\$ 670,254</u>	<u>\$ 660,671</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 22,210	\$ 22,528	\$ 318	\$ 15,474
Use and admission fees	69,250	44,355	(24,895)	23,634
Reimbursements	-	2,167	2,167	28,677
<b>TOTAL OPERATING REVENUES</b>	<b>91,460</b>	<b>69,050</b>	<b>(22,410)</b>	<b>67,785</b>
<b>OPERATING EXPENSES:</b>				
Recreation and Culture:				
Personnel services	2,720	1,566	1,154	1,820
Supplies and contractual	21,940	17,629	4,311	17,255
Capital outlay	-	2,628	(2,628)	4,388
Provision for depreciation	53,430	52,643	787	50,415
<b>TOTAL OPERATING EXPENSES</b>	<b>78,090</b>	<b>74,466</b>	<b>3,624</b>	<b>73,878</b>
<b>OPERATING INCOME (LOSS)</b>	<b>13,370</b>	<b>(5,416)</b>	<b>(18,786)</b>	<b>(6,093)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	1,912	1,912	1,894
Interest expense	(16,590)	(15,028)	1,562	(18,694)
Bond issuance expense	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(16,590)</b>	<b>(13,116)</b>	<b>3,474</b>	<b>(16,800)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(3,220)</b>	<b>(18,532)</b>	<b>(15,312)</b>	<b>(22,893)</b>
Federal Grant - capital grant	-	-	-	-
Transfers in	-	28,115	28,115	125,203
<b>CHANGE IN NET POSITION</b>	<b>(3,220)</b>	<b>9,583</b>	<b>12,803</b>	<b>102,310</b>
Net position, beginning of year	660,671	660,671	-	558,361
<b>NET POSITION, END OF YEAR</b>	<b>\$ 657,451</b>	<b>\$ 670,254</b>	<b>\$ 12,803</b>	<b>\$ 660,671</b>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR ENTERPRISE FUND - FUEL SYSTEM FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 119,953	\$ 88,678
Accounts receivable	17,998	16,145
Due from local units	2,087	567
Inventory	44,149	36,472
Prepaid expense	<u>-</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	<u>184,187</u>	<u>141,862</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>169,777</u>	<u>185,211</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>169,777</u>	<u>185,211</u>
<b>TOTAL ASSETS</b>	<u>353,964</u>	<u>327,073</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	26,463	-
Accrued wages payable	<u>-</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>26,463</u>	<u>-</u>
Non-current Liabilities:		
Compensated absences	<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>26,463</u>	<u>-</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	169,777	185,211
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>157,724</u>	<u>141,862</u>
<b>TOTAL NET POSITION</b>	<u>\$ 327,501</u>	<u>\$ 327,073</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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	546,750	375,997	(170,753)	370,996
Use and admission fees	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	30,830	32,808	1,978	29,333
<b>TOTAL OPERATING REVENUES</b>	<b>577,580</b>	<b>408,805</b>	<b>(168,775)</b>	<b>400,329</b>
<b>OPERATING EXPENSES:</b>				
Public Works:				
Personnel services	1,080	-	1,080	-
Supplies and contractual	561,050	397,892	163,158	391,325
Other supplies and charges	-	-	-	-
Capital outlay	-	-	-	-
Provision for depreciation	15,450	15,434	16	15,434
<b>TOTAL OPERATING EXPENSES</b>	<b>577,580</b>	<b>413,326</b>	<b>164,254</b>	<b>406,759</b>
<b>OPERATING INCOME (LOSS)</b>	<b>-</b>	<b>(4,521)</b>	<b>(4,521)</b>	<b>(6,430)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Contributed capital	-	-	-	-
Investment income	-	4,949	4,949	3,806
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>-</b>	<b>4,949</b>	<b>4,949</b>	<b>3,806</b>
<b>CHANGE IN NET POSITION</b>	<b>-</b>	<b>428</b>	<b>428</b>	<b>(2,624)</b>
Net position, beginning of year	327,073	327,073	-	329,697
<b>NET POSITION, END OF YEAR</b>	<b>\$ 327,073</b>	<b>\$ 327,501</b>	<b>\$ 428</b>	<b>\$ 327,073</b>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR ENTERPRISE FUND - MARINAS FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 401,166	\$ 352,303
Due from State	134	663
Accounts receivable	6,189	5,122
Inventory	13,567	17,889
Prepaid expense	<u>10,563</u>	<u>5,647</u>
<b>TOTAL CURRENT ASSETS</b>	<u>431,619</u>	<u>381,624</u>
Non-current Assets		
Restricted Assets:		
Bond Reserve Fund	-	-
Bond and Interest Redemption Fund	-	-
Replacement Maintenance Fund	40,000	40,000
Compensated absences reserve	132	-
Total Restricted Assets	<u>40,132</u>	<u>40,000</u>
Other capital assets, net of depreciation	2,689,399	2,871,503
Construction in progress	<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>2,729,531</u>	<u>2,911,503</u>
<b>TOTAL ASSETS</b>	<u>3,161,150</u>	<u>3,293,127</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	13,895	10,738
Accrued wages payable	3,272	2,196
Customer deposits payable	15,575	15,475
Accrued interest payable	7,500	8,833
Current portion of long-term debt	<u>85,000</u>	<u>80,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>125,242</u>	<u>117,242</u>
Non-current Liabilities:		
Compensated absences	132	-
Bonds payable	365,000	450,000
Unamortized bond premium	<u>46,461</u>	<u>55,754</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>411,593</u>	<u>505,754</u>
<b>TOTAL LIABILITIES</b>	<u>536,835</u>	<u>622,996</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,192,938	2,285,749
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>431,377</u>	<u>384,382</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,624,315</u>	<u>\$ 2,670,131</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 9,450	\$ 8,820	\$ (630)	\$ 8,820
Sales	160,040	144,614	(15,426)	164,937
Use and admission fees	52,000	53,172	1,172	48,497
Rentals	362,100	367,512	5,412	352,974
Fines and forfeiture	300	345	45	950
Reimbursements	-	1,544	1,544	1,339
Other revenues	2,880	3,053	173	3,267
<b>TOTAL OPERATING REVENUES</b>	<b>586,770</b>	<b>579,060</b>	<b>(7,710)</b>	<b>580,784</b>
<b>OPERATING EXPENSES:</b>				
Recreation and Culture:				
Personnel services	115,760	119,221	(3,461)	97,723
Supplies and contractual	344,150	325,399	18,751	318,388
Capital outlay	-	-	-	-
Provision for depreciation	184,420	182,104	2,316	183,430
Other supplies and charges	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>644,330</b>	<b>626,724</b>	<b>17,606</b>	<b>599,541</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(57,560)</b>	<b>(47,664)</b>	<b>9,896</b>	<b>(18,757)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	29,586	29,586	31,646
Interest expense	(19,600)	(8,975)	10,625	(12,095)
Bond issuance expense	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(19,600)</b>	<b>20,611</b>	<b>40,211</b>	<b>19,551</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(77,160)</b>	<b>(27,053)</b>	<b>50,107</b>	<b>794</b>
Federal grant - capital grant	-	-	-	-
State grant - capital grant	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(18,770)	(18,763)	7	(18,048)
<b>CHANGE IN NET POSITION</b>	<b>(95,930)</b>	<b>(45,816)</b>	<b>50,114</b>	<b>(17,254)</b>
Net position, beginning of year	2,670,131	2,670,131	-	2,687,385
<b>NET POSITION, END OF YEAR</b>	<b>\$ 2,574,201</b>	<b>\$ 2,624,315</b>	<b>\$ 50,114</b>	<b>\$ 2,670,131</b>

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**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, 2025

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 1,772,831	\$ 1,014,793	\$ 1,206,900	\$ 95,606	\$ 4,090,130
Due from State	-	-	-	-	-
Accounts receivable	3,027	1,450	15,894	-	20,371
Due from local units	-	-	-	-	-
Due from other authorities	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expense	57,196	21,454	67,725	-	146,375
<b>TOTAL CURRENT ASSETS</b>	<b>1,833,054</b>	<b>1,037,697</b>	<b>1,290,519</b>	<b>95,606</b>	<b>4,256,876</b>
Non-current Assets:					
Restricted Assets:					
Equipment reserve	-	-	1,069,684	-	1,069,684
OPEB reserve	3,979	1,986	25,146	-	31,111
Compensated absences reserve	40,495	-	78,552	-	119,047
Total Restricted Assets	44,474	1,986	1,173,382	-	1,219,842
Land and other non-depreciable assets	-	2,519,888	-	-	2,519,888
Other capital assets, net of depreciation / amortization	559,833	10,242,976	4,209,429	19,311,970	34,324,208
<b>TOTAL NON-CURRENT ASSETS</b>	<b>604,307</b>	<b>12,764,850</b>	<b>5,382,811</b>	<b>19,311,970</b>	<b>38,063,938</b>
<b>TOTAL ASSETS</b>	<b>2,437,361</b>	<b>13,802,547</b>	<b>6,673,330</b>	<b>19,407,576</b>	<b>42,320,814</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension	98,929	3,721	339,756	-	442,406
Deferred outflows related to OPEB	426	213	2,696	-	3,335
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>99,355</b>	<b>3,934</b>	<b>342,452</b>	<b>-</b>	<b>445,741</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	15,777	7,934	34,966	-	58,677
Accrued wages payable	7,047	288	11,974	-	19,309
Current portion of long-term debt	215,106	-	232,437	1,033,595	1,481,138
Accrued interest payable	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>237,930</b>	<b>8,222</b>	<b>279,377</b>	<b>1,033,595</b>	<b>1,559,124</b>
Non-current Liabilities:					
Compensated absences	40,495	-	78,552	-	119,047
Other post employment benefits (OPEB)	3,979	1,986	25,146	-	31,111
Net pension liability	409,624	133,440	1,751,390	-	2,294,454
Subscription liability	58,743	-	-	-	58,743
Lease payable	265,395	-	853,589	20,632,980	21,751,964
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>778,236</b>	<b>135,426</b>	<b>2,708,677</b>	<b>20,632,980</b>	<b>24,255,319</b>
<b>TOTAL LIABILITIES</b>	<b>1,016,166</b>	<b>143,648</b>	<b>2,988,054</b>	<b>21,666,575</b>	<b>25,814,443</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	24,203	9,269	95,563	-	129,035
Deferred inflows related to OPEB	793	398	5,023	-	6,214
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>24,996</b>	<b>9,667</b>	<b>100,586</b>	<b>-</b>	<b>135,249</b>
<b>NET POSITION</b>					
Net investment in capital assets	20,589	12,762,864	3,123,403	(2,354,605)	13,552,251
Restricted for:					
Capital outlay	-	-	-	-	-
Unrestricted	1,474,965	890,302	803,739	95,606	3,264,612
<b>TOTAL NET POSITION</b>	<b>\$ 1,495,554</b>	<b>\$ 13,653,166</b>	<b>\$ 3,927,142</b>	<b>\$ (2,258,999)</b>	<b>\$ 16,816,863</b>

**CITY OF MARQUETTE, MICHIGAN**

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2025

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 7,880	\$ -	\$ -	\$ -	\$ 7,880
Sales	-	-	-	-	-
Rentals	1,345,140	584,518	3,331,114	-	5,260,772
Reimbursements	455	2,263	35,373	-	38,091
Other revenues	1,214	-	10,357	-	11,571
<b>TOTAL OPERATING REVENUES</b>	<b>1,354,689</b>	<b>586,781</b>	<b>3,376,844</b>	<b>-</b>	<b>5,318,314</b>
<b>OPERATING EXPENSES:</b>					
Administrative and General:					
Personnel services	351,905	59,876	870,497	-	1,282,278
Supplies and contractual	619,530	468,702	1,579,521	-	2,667,753
Provision for depreciation / amortization	221,309	931,180	618,689	1,643,572	3,414,750
Other supplies and charges	-	-	-	-	-
Total Administrative and General	1,192,744	1,459,758	3,068,707	1,643,572	7,364,781
Capital outlay	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,192,744</b>	<b>1,459,758</b>	<b>3,068,707</b>	<b>1,643,572</b>	<b>7,364,781</b>
<b>OPERATING INCOME (LOSS)</b>	<b>161,945</b>	<b>(872,977)</b>	<b>308,137</b>	<b>(1,643,572)</b>	<b>(2,046,467)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Investment income	47,731	27,000	43,114	2,581	120,426
Interest expense	-	-	-	(643,263)	(643,263)
Gain (Loss) on sale of capital asset	-	-	24,564	-	24,564
Contributions from other authorities	-	-	-	194,031	194,031
Lease - interest	(25,076)	-	(131,410)	-	(156,486)
Bond issuance expense	-	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>22,655</b>	<b>27,000</b>	<b>(63,732)</b>	<b>(446,651)</b>	<b>(460,728)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>184,600</b>	<b>(845,977)</b>	<b>244,405</b>	<b>(2,090,223)</b>	<b>(2,507,195)</b>
Federal grant - capital grant	-	-	-	-	-
Transfers in	15,430	-	-	1,432,760	1,448,190
Transfers (out)	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>200,030</b>	<b>(845,977)</b>	<b>244,405</b>	<b>(657,463)</b>	<b>(1,059,005)</b>
Net position, beginning of year, as restated	1,295,524	14,499,143	3,682,737	(1,601,536)	17,875,868
<b>NET POSITION, END OF YEAR</b>	<b>\$ 1,495,554</b>	<b>\$ 13,653,166</b>	<b>\$ 3,927,142</b>	<b>\$ (2,258,999)</b>	<b>\$ 16,816,863</b>

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CITY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2025

	Technology Services Fund	Municipal Service Center Fund	Motor Vehicle Equipment Fund	Energy Enhancements Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from fees and charges for services	\$ 7,343	\$ -	\$ -	\$ -	\$ 7,343
Other operating revenues	1,346,809	585,331	3,387,912	-	5,320,052
Cash payments to employees for services	(348,033)	(64,372)	(927,471)	-	(1,339,876)
Cash payments to suppliers for goods and services	(669,584)	(475,315)	(740,568)	-	(1,885,467)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>336,535</b>	<b>45,644</b>	<b>1,719,873</b>	<b>-</b>	<b>2,102,052</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Transfers in	15,430	-	-	1,432,760	1,448,190
Transfers (out)	-	-	-	-	-
Contributions from other authorities	-	-	-	194,031	194,031
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>15,430</b>	<b>-</b>	<b>-</b>	<b>1,626,791</b>	<b>1,642,221</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Principal payments on long-term debt	(209,020)	-	(159,046)	(983,528)	(1,351,594)
Interest paid on long-term debt	(25,076)	-	(131,410)	(643,263)	(799,749)
Cash payments for capital assets	-	-	(1,031,240)	-	(1,031,240)
Proceeds from sale of capital assets	-	-	47,660	-	47,660
State and Federal grants	-	-	-	-	-
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(234,096)</b>	<b>-</b>	<b>(1,274,036)</b>	<b>(1,626,791)</b>	<b>(3,134,923)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest income	47,731	27,000	43,114	2,581	120,426
(Increase) decrease in restricted assets:					
Equipment reserve	-	-	(15,915)	-	(15,915)
OPEB reserve	1,854	929	11,732	-	14,515
Compensated absences reserve	(6,720)	-	12,001	-	5,281
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>42,865</b>	<b>27,929</b>	<b>50,932</b>	<b>2,581</b>	<b>124,307</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>160,734</b>	<b>73,573</b>	<b>496,769</b>	<b>2,581</b>	<b>733,657</b>
Cash and cash equivalents, beginning of year	1,612,097	941,220	710,131	93,025	3,356,473
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,772,831</b>	<b>\$ 1,014,793</b>	<b>\$ 1,206,900</b>	<b>\$ 95,606</b>	<b>\$ 4,090,130</b>
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>					
Increase in right-to-use leased assets	\$ 13,227	\$ -	\$ 433,686	\$ -	\$ 446,913
(Increase) in right-to-use lease liability	(13,227)	-	(433,686)	-	(446,913)
(Decrease) in right-to-use SBITA	87,306	-	-	-	87,306
Decrease in right-to-use SBITA liability	(87,306)	-	-	-	(87,306)
<b>TOTAL NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 161,945	\$ (872,977)	\$ 308,137	\$ (1,643,572)	\$ (2,046,467)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation / amortization	221,309	931,180	618,689	1,643,572	3,414,750
Changes in assets and liabilities:					
(Increase) decrease in due from State	-	-	-	-	-
(Increase) decrease in accounts receivable	(537)	(1,450)	11,068	-	9,081
(Increase) decrease in due from local units	-	-	-	-	-
(Increase) decrease in inventory	-	-	-	-	-
(Increase) decrease in prepaid expenses	(8,546)	846	833,035	-	825,335
Increase (decrease) in accounts payable	(41,508)	(7,459)	5,918	-	(43,049)
Increase (decrease) in accrued wages payable	1,466	(882)	670	-	1,254
Increase (decrease) in customer deposits payable	-	-	-	-	-
Increase (decrease) in compensated absences	6,720	-	(12,001)	-	(5,281)
Increase (decrease) in net pension liability	(693)	(1,803)	(22,752)	-	(25,248)
Increase (decrease) in other post-employment benefits (OPEB)	(3,621)	(1,811)	(22,891)	-	(28,323)
<b>NET ADJUSTMENTS</b>	<b>174,590</b>	<b>918,621</b>	<b>1,411,736</b>	<b>1,643,572</b>	<b>4,148,519</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 336,535</b>	<b>\$ 45,644</b>	<b>\$ 1,719,873</b>	<b>\$ -</b>	<b>\$ 2,102,052</b>

**CITY OF MARQUETTE, MICHIGAN**

TECHNOLOGY SERVICES FUND

COMPARATIVE STATEMENT OF NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,772,831	\$ 1,612,097
Accounts receivable	3,027	2,490
Due from local units	-	-
Inventory	-	-
Prepaid expense	<u>57,196</u>	<u>48,650</u>
<b>TOTAL CURRENT ASSETS</b>	<u>1,833,054</u>	<u>1,663,237</u>
Non-current Assets		
Restricted Assets:		
OPEB reserve	3,979	5,833
Compensated absences reserve	40,495	33,775
Total Restricted Assets	<u>44,474</u>	<u>39,608</u>
Other capital assets, net of depreciation	<u>559,833</u>	<u>680,609</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>604,307</u>	<u>720,217</u>
<b>TOTAL ASSETS</b>	<u>2,437,361</u>	<u>2,383,454</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	98,929	98,728
Deferred outflows related to OPEB	<u>426</u>	<u>-</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>99,355</u>	<u>98,728</u>
 <b>LIABILITIES</b>		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	15,777	57,285
Accrued wages payable	7,047	5,581
Subscription liability - due in one year	28,563	28,221
Lease liability - principal due in one year	<u>186,543</u>	<u>178,750</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>237,930</u>	<u>269,837</u>
Non-current Liabilities:		
Compensated absences	40,495	33,775
Subscription liability - Principal	58,743	-
Lease liability - Principal	265,395	440,760
Other post employment benefits (OPEB)	3,979	5,833
Net pension liability	<u>409,624</u>	<u>410,730</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>778,236</u>	<u>891,098</u>
<b>TOTAL LIABILITIES</b>	<u>1,016,166</u>	<u>1,160,935</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	24,203	23,589
Deferred inflows related to OPEB	<u>793</u>	<u>2,134</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>24,996</u>	<u>25,723</u>
 <b>NET POSITION</b>		
Net investment in capital assets	20,589	32,878
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>1,474,965</u>	<u>1,262,646</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,495,554</u>	<u>\$ 1,295,524</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, 2025

With Comparative Actual Amounts for the fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 6,000	\$ 7,880	\$ 1,880	\$ 7,743
Rentals	1,345,390	1,345,140	(250)	1,195,920
Reimbursements	1,190	455	(735)	5,553
Other revenues	-	1,214	1,214	943
<b>TOTAL OPERATING REVENUES</b>	<b>1,352,580</b>	<b>1,354,689</b>	<b>2,109</b>	<b>1,210,159</b>
<b>OPERATING EXPENSES:</b>				
Administrative and General:				
Personnel services	329,780	351,905	(22,125)	320,394
Supplies and contractual	1,011,830	619,530	392,300	486,722
Other supplies and charges	-	-	-	-
Provision for depreciation / amortization	-	221,309	(221,309)	208,420
Total Administrative and General	1,341,610	1,192,744	148,866	1,015,536
Capital outlay	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,341,610</b>	<b>1,192,744</b>	<b>148,866</b>	<b>1,015,536</b>
<b>OPERATING INCOME (LOSS)</b>	<b>10,970</b>	<b>161,945</b>	<b>150,975</b>	<b>194,623</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	47,731	47,731	51,427
Lease and subscriptions - interest	-	(25,076)	(25,076)	(30,758)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>-</b>	<b>22,655</b>	<b>22,655</b>	<b>20,669</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>10,970</b>	<b>184,600</b>	<b>173,630</b>	<b>215,292</b>
Transfers in	-	15,430	15,430	18,620
<b>CHANGE IN NET POSITION</b>	<b>10,970</b>	<b>200,030</b>	<b>189,060</b>	<b>233,912</b>
Net position, beginning of year	1,295,524	1,295,524	-	1,061,612
<b>NET POSITION, END OF YEAR</b>	<b>\$ 1,306,494</b>	<b>\$ 1,495,554</b>	<b>\$ 189,060</b>	<b>\$ 1,295,524</b>

**CITY OF MARQUETTE, MICHIGAN**  
**MUNICIPAL SERVICE CENTER FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
September 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,014,793	\$ 941,220
Accounts receivable	1,450	-
Due from other authorities	-	-
Inventory	-	-
Prepaid expense	21,454	22,300
<b>TOTAL CURRENT ASSETS</b>	<b>1,037,697</b>	<b>963,520</b>
Non-current Assets		
Restricted Assets:		
OPEB reserve	1,986	2,915
Compensated absences reserve	-	-
Total Restricted Assets	1,986	2,915
Land and other non-depreciable assets	2,519,888	2,519,888
Other capital assets, net of depreciation	10,242,976	11,174,156
<b>TOTAL NON-CURRENT ASSETS</b>	<b>12,764,850</b>	<b>13,696,959</b>
<b>TOTAL ASSETS</b>	<b>13,802,547</b>	<b>14,660,479</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	3,721	2,880
Deferred outflows related to OPEB	213	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,934</b>	<b>2,880</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Cash overdraft	-	-
Accounts payable	7,934	15,393
Accrued wages payable	288	1,170
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,222</b>	<b>16,563</b>
Non-current Liabilities:		
Compensated absences	-	-
Other post employment benefits (OPEB)	1,986	2,915
Net pension liability	133,440	136,322
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>135,426</b>	<b>139,237</b>
<b>TOTAL LIABILITIES</b>	<b>143,648</b>	<b>155,800</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	9,269	7,349
Deferred inflows related to OPEB	398	1,067
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>9,667</b>	<b>8,416</b>
<b>NET POSITION</b>		
Net investment in capital assets	12,762,864	13,694,044
Restricted for:		
Capital outlay	-	-
Unrestricted	890,302	805,099
<b>TOTAL NET POSITION</b>	<b>\$ 13,653,166</b>	<b>\$ 14,499,143</b>

**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, 2025  
With Comparative Actual Amounts for the fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Rentals	588,710	584,518	(4,192)	565,094
Reimbursements	-	2,263	2,263	2,398
Other revenues	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>588,710</b>	<b>586,781</b>	<b>(1,929)</b>	<b>567,492</b>
<b>OPERATING EXPENSES:</b>				
Administrative and General:				
Personnel services	63,700	59,876	3,824	55,019
Supplies and contractual	535,660	468,702	66,958	412,650
Provision for depreciation	931,180	931,180	-	931,180
Total Administrative and General	<u>1,530,540</u>	<u>1,459,758</u>	<u>70,782</u>	<u>1,398,849</u>
Capital outlay	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,530,540</b>	<b>1,459,758</b>	<b>70,782</b>	<b>1,398,849</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(941,830)</b>	<b>(872,977)</b>	<b>68,853</b>	<b>(831,357)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	27,000	27,000	29,027
Interest expense	-	-	-	-
Gain (loss) on sale of capital asset	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>-</b>	<b>27,000</b>	<b>27,000</b>	<b>29,027</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(941,830)</b>	<b>(845,977)</b>	<b>95,853</b>	<b>(802,330)</b>
Transfers In	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>(941,830)</b>	<b>(845,977)</b>	<b>95,853</b>	<b>(802,330)</b>
Net position, beginning of year	14,499,143	14,499,143	-	15,301,473
<b>NET POSITION, END OF YEAR</b>	<b>\$ 13,557,313</b>	<b>\$ 13,653,166</b>	<b>\$ 95,853</b>	<b>\$ 14,499,143</b>

**CITY OF MARQUETTE, MICHIGAN**  
**MOTOR VEHICLE EQUIPMENT FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
September 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,206,900	\$ 710,131
Accounts receivable	15,894	26,962
Due from local units	-	-
Inventory	-	-
Prepaid expense	67,725	900,760
<b>TOTAL CURRENT ASSETS</b>	<b>1,290,519</b>	<b>1,637,853</b>
Non-current Assets		
Restricted Assets:		
Equipment reserve	1,069,684	1,053,769
OPEB reserve	25,146	36,878
Compensated absences reserve	78,552	90,553
Total Restricted Assets	1,173,382	1,181,200
Other capital assets, net of depreciation	4,209,429	3,386,287
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,382,811</b>	<b>4,567,487</b>
<b>TOTAL ASSETS</b>	<b>6,673,330</b>	<b>6,205,340</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	339,756	333,181
Deferred outflows related to OPEB	2,696	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>342,452</b>	<b>333,181</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	34,966	29,048
Accrued wages payable	11,974	11,304
Lease liability - principal due in one year	232,437	131,600
<b>TOTAL CURRENT LIABILITIES</b>	<b>279,377</b>	<b>171,952</b>
Non-current Liabilities:		
Compensated absences	78,552	90,553
Leases payable	853,589	679,785
Other post employment benefits (OPEB)	25,146	36,878
Net pension liability	1,751,390	1,787,738
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,708,677</b>	<b>2,594,954</b>
<b>TOTAL LIABILITIES</b>	<b>2,988,054</b>	<b>2,766,906</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	95,563	75,392
Deferred inflows related to OPEB	5,023	13,486
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>100,586</b>	<b>88,878</b>
<b>NET POSITION</b>		
Net investment in capital assets	3,123,403	2,574,902
Restricted for:		
Capital outlay	-	829,081
Unrestricted	803,739	278,754
<b>TOTAL NET POSITION</b>	<b>\$ 3,927,142</b>	<b>\$ 3,682,737</b>

**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, 2025  
With Comparative Actual Amounts for the fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP 2697		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Rentals	3,343,050	3,331,114	(11,936)	2,878,464
Reimbursements	-	35,373	35,373	21,185
Other revenues	-	10,357	10,357	59,340
<b>TOTAL OPERATING REVENUES</b>	<b>3,343,050</b>	<b>3,376,844</b>	<b>33,794</b>	<b>2,958,989</b>
<b>OPERATING EXPENSES:</b>				
Administrative and General:				
Personnel services	1,032,440	870,497	161,943	848,920
Supplies and contractual	1,485,060	1,579,521	(94,461)	1,567,199
Other supplies and charges	-	-	-	-
Provision for depreciation / amortization	701,630	618,689	82,941	550,153
Total Administrative and General	<u>3,219,130</u>	<u>3,068,707</u>	<u>150,423</u>	<u>2,966,272</u>
Capital outlay	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>3,219,130</b>	<b>3,068,707</b>	<b>150,423</b>	<b>2,966,272</b>
<b>OPERATING INCOME (LOSS)</b>	<b>123,920</b>	<b>308,137</b>	<b>184,217</b>	<b>(7,283)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Contributed capital	-	-	-	-
Investment income	-	43,114	43,114	32,318
Lease - interest	(131,420)	(131,410)	10	(45,972)
Gain (loss) on sale of capital asset	7,500	24,564	17,064	46,385
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(123,920)</b>	<b>(63,732)</b>	<b>60,188</b>	<b>32,731</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>-</b>	<b>244,405</b>	<b>244,405</b>	<b>25,448</b>
Federal grant - capital grant	-	-	-	-
Transfers In	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>-</b>	<b>244,405</b>	<b>244,405</b>	<b>25,448</b>
Net position, beginning of year	3,682,737	3,682,737	-	3,657,289
<b>NET POSITION, END OF YEAR</b>	<b>\$ 3,682,737</b>	<b>\$ 3,927,142</b>	<b>\$ 244,405</b>	<b>\$ 3,682,737</b>

**CITY OF MARQUETTE, MICHIGAN**

**ENERGY ENHANCEMENTS FUND**

**COMPARATIVE STATEMENT OF NET POSITION**

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 95,606	\$ 93,025
Due from State	-	-
Accounts receivable	-	-
Inventory	-	-
Prepaid expense	-	-
	<u>95,606</u>	<u>93,025</u>
<b>TOTAL CURRENT ASSETS</b>	<u>95,606</u>	<u>93,025</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	19,311,970	20,955,542
Construction in progress	<u>-</u>	<u>-</u>
	<u>19,311,970</u>	<u>20,955,542</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>19,311,970</u>	<u>20,955,542</u>
	<u>19,407,576</u>	<u>21,048,567</u>
<b>TOTAL ASSETS</b>	<u>19,407,576</u>	<u>21,048,567</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
 <b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	-	-
Accrued wages payable	-	-
Customer deposits payable	-	-
Current portion of long-term debt	1,033,595	983,527
Accrued interest payable	<u>-</u>	<u>-</u>
	<u>1,033,595</u>	<u>983,527</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,033,595</u>	<u>983,527</u>
Non-current Liabilities:		
Lease payable	<u>20,632,980</u>	<u>21,666,576</u>
	<u>20,632,980</u>	<u>21,666,576</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>20,632,980</u>	<u>21,666,576</u>
	<u>21,666,575</u>	<u>22,650,103</u>
<b>TOTAL LIABILITIES</b>	<u>21,666,575</u>	<u>22,650,103</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>-</u>	 <u>-</u>
 <b>NET POSITION</b>		
Net investment in capital assets	(2,354,605)	(1,694,561)
Restricted for:		
Capital outlay	-	-
Unrestricted	<u>95,606</u>	<u>93,025</u>
	<u>(2,258,999)</u>	<u>(1,601,536)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (2,258,999)</u>	<u>\$ (1,601,536)</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, 2025  
With Comparative Actual Amounts for the fiscal Year Ended September 30, 2024

	2025		Variance with Final Budget Positive (Negative)	2024
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
<b>OPERATING REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Use and admission fees	-	-	-	-
Rentals	-	-	-	-
Fines and forfeiture	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>				
Administrative and General:				
Personnel services	-	-	-	-
Supplies and contractual	-	-	-	-
Provision for depreciation	1,643,570	1,643,572	(2)	1,643,572
Other supplies and charges	-	-	-	-
Total Administrative and General	<u>1,643,570</u>	<u>1,643,572</u>	<u>(2)</u>	<u>1,643,572</u>
Capital outlay	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,643,570</b>	<b>1,643,572</b>	<b>(2)</b>	<b>1,643,572</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,643,570)</b>	<b>(1,643,572)</b>	<b>(2)</b>	<b>(1,643,572)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment income	-	2,581	2,581	3,000
Interest expense	(643,270)	(643,263)	7	(668,711)
Contributions from other authorities	-	194,031	194,031	186,634
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(643,270)</b>	<b>(446,651)</b>	<b>196,619</b>	<b>(479,077)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(2,286,840)</b>	<b>(2,090,223)</b>	<b>196,617</b>	<b>(2,122,649)</b>
Transfers in	<u>2,286,840</u>	<u>1,432,760</u>	<u>(854,080)</u>	<u>1,378,132</u>
<b>CHANGE IN NET POSITION</b>	<b>-</b>	<b>(657,463)</b>	<b>(657,463)</b>	<b>(744,517)</b>
Net position, beginning of year	<u>(1,601,536)</u>	<u>(1,601,536)</u>	<u>-</u>	<u>(857,019)</u>
<b>NET POSITION, END OF YEAR</b>	<b><u>\$ (1,601,536)</u></b>	<b><u>\$ (2,258,999)</u></b>	<b><u>\$ (657,463)</u></b>	<b><u>\$ (1,601,536)</u></b>

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**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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 997,509	\$ 870,404
Investments		
Domestic Corporation Bonds	4,528,338	4,222,559
Common, Pooled Fund	42,679,530	40,587,600
Accounts receivable	-	-
Accrued interest receivable	16,033	19,327
	<u>48,221,410</u>	<u>45,699,890</u>
<b>TOTAL ASSETS</b>	<u>48,221,410</u>	<u>45,699,890</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable	23,803	26,166
	<u>23,803</u>	<u>26,166</u>
<b>TOTAL LIABILITIES</b>	<u>23,803</u>	<u>26,166</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Net position restricted for pensions	48,197,607	45,673,724
	<u>48,197,607</u>	<u>45,673,724</u>
<b>TOTAL NET POSITION</b>	<u>\$ 48,197,607</u>	<u>\$ 45,673,724</u>

**CITY OF MARQUETTE, MICHIGAN**

CUSTODIAL FUND

COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,137,083	\$ 2,213,141
Accounts receivable	6,399	25,983
Taxes receivable - current	2,562,812	2,260,885
Taxes receivable - delinquent personal	<u>25,358</u>	<u>37,578</u>
<b>TOTAL ASSETS</b>	<u>5,731,652</u>	<u>4,537,587</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable	2,530,419	1,483,070
Due to State	326,878	297,217
Due to other governments	1,257,777	1,142,512
Due to local units	1,085,364	919,765
Other liabilities	<u>140,003</u>	<u>191,985</u>
<b>TOTAL LIABILITIES</b>	<u>5,340,441</u>	<u>4,034,549</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	<u>391,211</u>	<u>503,038</u>
<b>TOTAL NET POSITION</b>	<u>\$ 391,211</u>	<u>\$ 503,038</u>

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**CITY OF MARQUETTE, MICHIGAN**

**CAPITAL ASSET SCHEDULES**

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**CITY OF MARQUETTE, MICHIGAN**

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS - BY SOURCE**

September 30, 2025

	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Other</u>	<u>Totals</u>
<b>Governmental Capital Assets:</b>					
Land	\$ 12,577,746	\$ -	\$ -	\$ -	\$ 12,577,746
Land improvements	10,718,008	-	-	-	10,718,008
Buildings	-	5,838,183	-	-	5,838,183
Building improvements	-	7,471,994	-	-	7,471,994
Furniture and equipment	-	-	2,284,333	-	2,284,333
Infrastructure	3,748,326	-	-	81,940,836	85,689,162
Construction in progress	-	1,457,389	-	1,092,261	2,549,650
<b>TOTAL</b>	<b><u>\$ 27,044,080</u></b>	<b><u>\$ 14,767,566</u></b>	<b><u>\$ 2,284,333</u></b>	<b><u>\$ 83,033,097</u></b>	<b><u>\$ 127,129,076</u></b>
<b>Investments in Governmental Capital Assets From:</b>					
General fund	\$ 13,935,954	\$ 5,580,148	\$ 1,479,573	\$ 32,628,197	\$ 53,623,872
Federal grants	1,901,291	3,681,460	195,973	602,266	6,380,990
State grants	705,189	867,800	89,371	-	1,662,360
Private gifts	3,049,737	558,029	117,381	20,522	3,745,669
Authorities, Boards and Commissions	54,000	811,172	-	-	865,172
Other funds	7,397,909	3,268,957	402,035	49,782,112	60,851,013
<b>TOTAL</b>	<b><u>\$ 27,044,080</u></b>	<b><u>\$ 14,767,566</u></b>	<b><u>\$ 2,284,333</u></b>	<b><u>\$ 83,033,097</u></b>	<b><u>\$ 127,129,076</u></b>

**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, 2025

Function and Activity	Balance September 30, 2024	Additions	Deductions	Transfers	Balance September 30, 2025
<b>General Government</b>					
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	2,846,262	-	-	-	2,846,262
Other City Property	4,262,628	-	-	-	4,262,628
<b>Total General Government</b>	<b>7,242,589</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,242,589</b>
<b>Public Safety</b>					
Police Department	233,292	20,349	-	-	253,641
Fire Department	1,120,004	45,909	-	-	1,165,913
<b>Total Public Health and Safety</b>	<b>1,353,296</b>	<b>66,258</b>	<b>-</b>	<b>-</b>	<b>1,419,554</b>
<b>Public Works</b>					
City Engineer	164,803	-	-	-	164,803
Department of public works	10,985,358	15,080	-	-	11,000,438
Infrastructure	82,881,053	357,636	-	2,450,473	85,689,162
Cemetery	393,424	-	-	-	393,424
Sanitation	14,932	-	-	-	14,932
Parking System	2,475,516	-	-	-	2,475,516
<b>Total Public Works</b>	<b>96,915,086</b>	<b>372,716</b>	<b>-</b>	<b>2,450,473</b>	<b>99,738,275</b>
<b>Other:</b>					
Recreation and culture	15,738,658	292,604	-	104,582	16,135,844
Other	43,164	-	-	-	43,164
<b>Total Other</b>	<b>15,781,822</b>	<b>292,604</b>	<b>-</b>	<b>104,582</b>	<b>16,179,008</b>
<b>TOTAL GOVERNMENTAL CAPITAL ASSETS</b>	<b>121,292,793</b>	<b>731,578</b>	<b>-</b>	<b>2,555,055</b>	<b>124,579,426</b>
Construction in progress	2,444,740	2,659,965	-	(2,555,055)	2,549,650
<b>GRAND TOTAL</b>	<b>\$ 123,737,533</b>	<b>\$ 3,391,543</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 127,129,076</b>

CITY OF MARQUETTE, MICHIGAN

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

September 30, 2025

Function and Activity	Total	Land	Land Improvements	Buildings	Buildings Improvements	Furniture and Equipment	Infrastructure
<b>General Government</b>							
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	2,846,262	100,008	128,596	1,395,545	1,144,255	77,858	-
Other City Property	4,262,628	4,197,653	19,817	45,158	-	-	-
<b>Total General Government</b>	<b>7,242,589</b>	<b>4,297,661</b>	<b>148,413</b>	<b>1,440,703</b>	<b>1,144,255</b>	<b>211,557</b>	<b>-</b>
<b>Public Safety</b>							
Police Department	253,641	-	-	-	10,037	243,604	-
Fire Department	1,165,913	32,296	14,663	164,005	241,533	713,416	-
<b>Total Public Safety</b>	<b>1,419,554</b>	<b>32,296</b>	<b>14,663</b>	<b>164,005</b>	<b>251,570</b>	<b>957,020</b>	<b>-</b>
<b>Public Works</b>							
City Engineer	164,803	-	-	-	-	164,803	-
Department of public works	11,000,438	6,519,976	3,635,696	542,795	275,160	26,811	-
Infrastructure	85,689,162	-	-	-	-	-	85,689,162
Cemetery	393,424	98,002	244,169	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	-
<b>Total Public Works</b>	<b>99,738,275</b>	<b>7,386,784</b>	<b>3,949,996</b>	<b>1,872,014</b>	<b>552,761</b>	<b>287,558</b>	<b>85,689,162</b>
<b>Other:</b>							
Recreation and culture	16,135,844	861,005	6,604,936	2,361,461	5,505,492	802,950	-
Other	43,164	-	-	-	17,916	25,248	-
<b>Total Other</b>	<b>16,179,008</b>	<b>861,005</b>	<b>6,604,936</b>	<b>2,361,461</b>	<b>5,523,408</b>	<b>828,198</b>	<b>-</b>
<b>TOTAL GOVERNMENTAL CAPITAL ASSETS ASSOCIATED TO FUNCTIONS</b>	<b>124,579,426</b>	<b>\$ 12,577,746</b>	<b>\$ 10,718,008</b>	<b>\$ 5,838,183</b>	<b>\$ 7,471,994</b>	<b>\$ 2,284,333</b>	<b>\$ 85,689,162</b>
Construction in progress	2,549,650						
<b>GRAND TOTAL</b>	<b>\$ 127,129,076</b>						

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**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, 2025

<b>WATER SUPPLY FUND</b>							
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
2026	\$ 30,000	\$ 30,000	\$ 20,000	\$ 19,201	\$ 65,000	\$ 44,200	\$ 121,322
2027	30,000	30,000	20,000	19,518	67,500	45,900	-
2028	30,000	30,000	20,000	20,120	68,750	48,450	-
2029	30,000	30,000	20,000	-	-	50,150	-
2030	15,058	30,000	20,000	-	-	51,850	-
2031	-	30,000	20,000	-	-	-	-
2032	-	23,908	20,875	-	-	-	-
2033	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-
	<u>\$ 135,058</u>	<u>\$ 203,908</u>	<u>\$ 140,875</u>	<u>\$ 58,839</u>	<u>\$ 201,250</u>	<u>\$ 240,550</u>	<u>\$ 121,322</u>
Interest Rates	3%	3%	3%	2%	2.95%	2.0 - 4.0%	2.0 - 3.0%
Interest Dates	April and October	April and October	April and October	April and October	February and August	April and October	May and November
Date Issued	1/11/2010	6/24/2010	9/29/2014	3/29/2007	9/13/2013	9/30/2014	9/17/2015
Original Issue *	\$ 511,058	\$ 529,507	\$ 330,000	\$ 342,318	\$ 867,500	\$ 615,400	\$ 1,095,447

\*Amount of original issue applicable to fund

<b>SEWAGE DISPOSAL FUND</b>							
Maturities Year Ending September 30,	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
2026	\$ 40,000	\$ 40,000	\$ 72,800	\$ 122,200	\$ 40,582	\$ 150,184	\$ 90,000
2027	40,000	40,000	75,600	126,900	-	154,418	93,000
2028	40,000	40,000	77,000	133,950	-	162,886	96,750
2029	40,000	40,000	-	138,650	-	37,400	100,500
2030	40,699	40,000	-	143,350	-	39,100	105,000
2031	-	46,785	-	-	-	40,800	108,750
2032	-	-	-	-	-	-	113,250
2033	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-
	<u>\$ 200,699</u>	<u>\$ 246,785</u>	<u>\$ 225,400</u>	<u>\$ 665,050</u>	<u>\$ 40,582</u>	<u>\$ 584,788</u>	<u>\$ 707,250</u>
Interest Rates	3%	3%	2.95%	2.0 - 4.0%	2.0 - 3.0%	2.0 - 5.0%	2.0 - 4.0%
Interest Dates	April and October	April and October	February and August	April and October	May and November	May and November	May and November
Date Issued	1/11/2010	6/24/2010	9/13/2013	9/30/2014	9/17/2015	11/3/2016	8/23/2017
Original Issue *	\$ 695,699	\$ 706,785	\$ 971,600	\$ 1,701,400	\$ 363,507	\$ 1,525,612	\$ 1,927,500

\*Amount of original issue applicable to fund

# CITY OF MARQUETTE, MICHIGAN

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

For the Fiscal Year Ended September 30, 2025

### WATER SUPPLY FUND

Maturities Year Ending September 30,	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
2026	\$ 161,205	\$ 120,000	\$ 130,000	\$ 60,000	\$ 65,000	\$ 134,075	\$ 19,500
2027	165,760	124,000	140,000	65,000	70,000	114,295	20,400
2028	174,870	129,000	145,000	65,000	70,000	65,000	21,300
2029	37,400	134,000	-	70,000	75,000	68,000	22,500
2030	39,100	140,000	-	75,000	75,000	71,000	23,400
2031	40,800	145,000	-	-	-	75,000	24,600
2032	-	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	-	-	-	-	-	-	-
	<b>\$ 619,135</b>	<b>\$ 943,000</b>	<b>\$ 415,000</b>	<b>\$ 335,000</b>	<b>\$ 355,000</b>	<b>\$ 941,370</b>	<b>\$ 302,400</b>
Interest Rates	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	May and November	May and November	May and November	May and November	May and November	May and November	May and November
Date Issued	11/3/2016	8/23/2017	7/31/2018	11/12/2019	6/23/2020	9/1/2021	8/24/2022
Original Issue *	\$ 1,625,015	\$ 2,959,025	\$ 1,220,000	\$ 620,000	\$ 645,000	\$ 1,423,200	\$ 360,000

\*Amount of original issue applicable to fund

### SEWAGE DISPOSAL FUND

Maturities Year Ending September 30,	2018 Capital Improvements Bonds	2019 Capital Improvements Bonds	2020 Capital Improvements Bonds	2021 Capital Improvements Bonds	2022 Capital Improvements Bonds
2026	\$ 160,000	\$ 120,000	\$ 65,000	\$ 215,025	\$ 29,250
2027	165,000	125,000	65,000	153,625	30,600
2028	175,000	130,000	70,000	65,000	31,950
2029	-	135,000	75,000	68,000	33,750
2030	-	140,000	75,000	71,000	35,100
2031	-	-	-	75,000	36,900
2032	-	-	-	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	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
	<b>\$ 500,000</b>	<b>\$ 650,000</b>	<b>\$ 350,000</b>	<b>\$ 1,061,650</b>	<b>\$ 453,600</b>
Interest Rates	4.00%	3.0 - 4.0%	4.00%	3.0 - 5.0%	2.9 - 5.0%
Interest Dates	May and November	May and November	May and November	May and November	May and November
Date Issued	7/31/2018	11/12/2019	6/23/2020	9/1/2021	8/24/2022
Original Issue *	\$ 1,465,000	\$ 1,200,000	\$ 635,000	\$ 1,834,100	\$ 540,000

\*Amount of original issue applicable to fund

**CITY OF MARQUETTE, MICHIGAN**

SCHEDULE OF BONDS, AND NOTES PAYABLE -  
ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 2025

Maturities Year Ending September 30,	STORMWATER UTILITY 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
2026	\$ 6,912	\$ 41,600	\$ 9,394	\$ 149,515	\$ 90,000	\$ 145,000	\$ 90,000
2027	7,026	43,200	-	153,680	93,000	150,000	95,000
2028	7,244	44,000	-	162,010	96,750	160,000	100,000
2029	-	-	-	50,600	100,500	-	105,000
2030	-	-	-	52,900	105,000	-	105,000
2031	-	-	-	55,200	108,750	-	-
2032	-	-	-	-	113,250	-	-
2033	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-
	<u>\$ 21,182</u>	<u>\$ 128,800</u>	<u>\$ 9,394</u>	<u>\$ 623,905</u>	<u>\$ 707,250</u>	<u>\$ 455,000</u>	<u>\$ 495,000</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%
Interest Dates	April and October	February and August	May and November	May and November	May and November	May and November	May and November
Date Issued	3/29/2007	9/13/2013	9/17/2015	11/3/2016	8/23/2017	7/31/2018	11/12/2019
Original Issue *	\$ 123,234	\$ 555,200	\$ 78,809	\$ 1,579,945	\$ 1,465,325	\$ 1,350,000	\$ 895,000

\*Amount of original issue applicable to fund

Maturities Year Ending September 30,	LAKESHORE AND LIGHTHOUSE PARK FUND						
	2018 Building Authority Bonds						
2026	\$ 110,000						
2027	115,000						
2028	120,000						
2029	-						
2030	-						
2031	-						
2032	-						
2033	-						
2034	-						
2035	-						
2036	-						
2037	-						
2038	-						
2039	-						
2040	-						
	<u>\$ 345,000</u>						
Interest Rates	2.65 - 3.81%						
Interest Dates	May and November						
Date Issued	7/31/2018						
Original Issue *	\$ 1,035,000						

\*Amount of original issue applicable to fund

**CITY OF MARQUETTE, MICHIGAN**

SCHEDULE OF BONDS, AND NOTES PAYABLE -  
ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 2025

<b>STORMWATER UTILITY FUND</b>			
Maturities Year Ending September 30,	2020 Capital Improvements Bonds	2021 Capital Improvements Bonds	2022 Capital Improvements Bonds
2026	\$ 135,000	\$ 163,925	\$ 172,250
2027	140,000	129,575	180,200
2028	145,000	91,000	188,150
2029	150,000	95,200	198,750
2030	160,000	99,400	206,700
2031	-	105,000	217,300
2032	-	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	-	-	-
2039	-	-	-
2040	-	-	-
	<u>\$ 730,000</u>	<u>\$ 1,263,700</u>	<u>\$ 2,671,200</u>
Interest Rates	4.00%	3.0 - 5.0%	2.9 - 5.0%
Interest Dates	May and November	May and November	May and November
Date Issued	6/23/2020	9/1/2021	8/24/2022
Original Issue *	\$ 1,340,000	\$ 1,852,550	\$ 3,180,000

\*Amount of original issue applicable to fund

<b>MARINAS FUND</b>			
Maturities Year Ending September 30,	2019 Capital Improvements Bonds		
2026	\$ 85,000		
2027	85,000		
2028	90,000		
2029	95,000		
2030	95,000		
2031	-		
2032	-		
2033	-		
2034	-		
2035	-		
2036	-		
2037	-		
2038	-		
2039	-		
2040	-		
	<u>\$ 450,000</u>		
Interest Rates	3.0 - 4.0%		
Interest Dates	May and November		
Date Issued	11/12/2019		
Original Issue *	\$ 825,000		

\*Amount of original issue applicable to fund

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**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, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 13,049,651	\$ 9,302,860
Cash and cash equivalents - Fuel imbursement fund	3,000,000	3,000,000
Internally designated assets:		
Cash and cash equivalents	19,346,530	22,897,182
Investments	18,078,018	24,492,528
Accrued interest	105,065	224,458
Accounts receivable, net	3,995,547	3,604,681
Accrued interest receivable	-	-
Inventory	4,922,219	3,656,054
Prepaid expenses	499,571	497,401
<b>TOTAL CURRENT ASSETS</b>	<b>62,996,601</b>	<b>67,675,164</b>
Non-current Assets:		
Restricted Assets:		
Cash and cash equivalents	5,123,747	4,825,739
Investments	5,503,207	5,481,538
Accrued interest	5,653	9,902
Total Restricted Assets	10,632,607	10,317,179
Investment in UPPPA	7,500,380	6,718,339
Property, plant, and equipment	173,604,038	154,843,311
Accumulated depreciation	(64,528,113)	(59,627,362)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>127,208,912</b>	<b>112,251,467</b>
<b>TOTAL ASSETS</b>	<b>190,205,513</b>	<b>179,926,631</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	2,933,905	2,640,302
Deferred outflows related to OPEB	945,792	1,750,141
Employer contributions subsequent to measurement	1,400,391	1,349,994
Deferred charge on refunding	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,280,088</b>	<b>5,740,437</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	5,970,408	2,003,590
Accrued liabilities	416,731	375,615
Compensated absences	1,579,473	1,272,398
Customer deposits payable	2,051,192	2,009,048
Other current liabilities	413,566	431,625
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,431,370</b>	<b>6,092,276</b>
Current Liabilities (payable from restricted assets):		
Current maturities on bonds and lease	3,355,000	3,195,000
Revenue bond accrued interest payable	518,427	558,365
<b>TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</b>	<b>3,873,427</b>	<b>3,753,365</b>
Non-current Liabilities:		
Net pension liability	9,547,078	10,885,255
Net OPEB liability (asset)	(3,230,185)	(926,490)
Bonds payable	43,990,000	47,345,000
Unamortized bond premium	3,304,804	3,990,053
Reserve for equipment overhaul and landfill postclosure costs	-	31,604
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>53,611,697</b>	<b>61,325,422</b>
<b>TOTAL LIABILITIES</b>	<b>67,916,494</b>	<b>71,171,063</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to OPEB	3,908,350	4,023,102
Deferred inflows related to pension	1,479,448	250,345
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,387,798</b>	<b>4,273,447</b>
<b>NET POSITION</b>		
Net investment in capital assets	58,426,121	40,685,896
Restricted for:		
Other activities	10,632,607	10,317,179
Unrestricted	53,122,581	59,219,483
<b>TOTAL NET POSITION</b>	<b>\$ 122,181,309</b>	<b>\$ 110,222,558</b>

**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, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025	2024
<b>OPERATING REVENUES:</b>		
Electricity Sales:		
Residential	\$ 16,066,085	\$ 15,713,746
Commercial	24,770,090	25,200,843
Sales to other utilities	354,020	218,832
Street lighting	514,319	516,226
Rent and other	657,182	496,160
<b>TOTAL OPERATING REVENUES</b>	<b>42,361,696</b>	<b>42,145,807</b>
<b>OPERATING EXPENSES:</b>		
Administrative and general	3,249,540	3,933,124
Production	11,568,984	13,170,571
Purchased power	4,970,668	3,755,819
Distribution and transmission	4,361,027	4,492,861
Customer accounting	882,125	827,900
Payment in lieu of property taxes - City of Marquette	2,252,312	2,252,241
Provision for depreciation	5,692,901	5,780,976
<b>TOTAL OPERATING EXPENSES</b>	<b>32,977,557</b>	<b>34,213,492</b>
<b>INCOME/(LOSS) FROM OPERATIONS</b>	<b>9,384,139</b>	<b>7,932,315</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Investment income	3,275,063	3,701,011
Amortization of bond premium	-	-
Interest on long term debt	(1,508,276)	(1,617,028)
Bond issuance expense	-	-
Gain on sale of treasury note	-	-
Gain (Loss) on disposal of equipment	46,292	78,949
Other income	204,676	134,731
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>2,017,755</b>	<b>2,297,663</b>
<b>CHANGE IN NET POSITION BEFORE SPECIAL ITEM</b>	<b>11,401,894</b>	<b>10,229,978</b>
Special items	-	-
<b>CHANGE IN NET POSITION AFTER SPECIAL ITEM</b>	<b>11,401,894</b>	<b>10,229,978</b>
Capital contributions from customers	556,857	300,101
<b>CHANGE IN NET POSITION</b>	<b>11,958,751</b>	<b>10,530,079</b>
Net position, beginning of year	110,222,558	99,692,479
<b>NET POSITION, END OF YEAR</b>	<b>\$ 122,181,309</b>	<b>\$ 110,222,558</b>

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**CITY OF MARQUETTE, MICHIGAN**

**BOARD OF LIGHT AND POWER ELECTRIC UTILITY**

**STATEMENT OF CASH FLOWS**

For the Fiscal Year Ended September 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 41,962,974	\$ 42,867,472
Cash paid to suppliers	(20,234,083)	(25,995,098)
Cash paid to employees	(6,418,925)	(6,280,698)
Cash received from others	552,867	249,056
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>15,862,833</b>	<b>10,840,732</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(19,552,877)	(5,479,419)
Proceeds from sale of equipment	46,292	78,949
Principal payment on revenue bonds, notes payable and lease obligations	(3,195,000)	(3,040,000)
Capital contributions	556,857	300,101
Interest paid on revenue bonds and notes payable	(2,233,462)	(2,385,463)
	<hr/>	<hr/>
<b>NET CASH (USED) FOR CAPITAL AND FINANCING ACTIVITIES</b>	<b>(24,378,190)</b>	<b>(10,525,832)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income	3,396,020	3,191,870
Proceeds from maturities and sales of investment securities	53,204,437	26,834,532
Purchase of investments	(44,338,309)	(29,745,542)
	<hr/>	<hr/>
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<b>12,262,148</b>	<b>280,860</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,746,791</b>	<b>595,760</b>
Cash and cash equivalents, beginning of year	9,302,860	8,707,100
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 13,049,651</b>	<b>\$ 9,302,860</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 9,588,815	\$ 8,067,046
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation	5,692,901	5,780,976
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	(390,866)	707,935
(Increase)/Decrease in inventory	(1,266,165)	93,642
(Increase)/Decrease in prepaid expenses	(2,170)	(179,957)
Increase/(Decrease) in accounts payable	3,966,818	(2,202,088)
Increase/(Decrease) in accrued wages and related liabilities	41,116	51,053
Increase/(Decrease) in accrued sick and vacation	307,075	63,272
Increase in customer deposits, including accrued interest	42,144	53,630
(Decrease) in landfill site postclosure care cost liability	-	-
Increase/(Decrease) in other post-employment benefits (OPEB), and net pension liability	(2,067,172)	(1,552,830)
Increase in reserve for turbine overhaul and landfill postclosure costs	(31,604)	(62,856)
Increase/(Decrease) in other current liabilities	(18,059)	20,909
	<hr/>	<hr/>
<b>NET ADJUSTMENTS</b>	<b>6,274,018</b>	<b>2,773,686</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 15,862,833</b>	<b>\$ 10,840,732</b>

**CITY OF MARQUETTE, MICHIGAN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION**  
September 30, 2025

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 12,299,174
Taxes receivable, net	43,701
Accounts receivable, net	91
Due from State	515
Due from primary government	-
Other assets	9
<b>TOTAL CURRENT ASSETS</b>	<b>12,343,490</b>
Non-current assets:	
Other capital assets, net of depreciation	426,432
<b>TOTAL NON-CURRENT ASSETS</b>	<b>426,432</b>
<b>TOTAL ASSETS</b>	<b>12,769,922</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Receivables for developer obligations	60,401,139
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>60,401,139</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	10,830
Accrued liabilities	1,072
Accrued interest	615,557
Due to primary government	-
Bonds payable for capital assets- due in one year	60,000
Bonds payable for developer - due in one year	1,015,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,702,459</b>
Non-current liabilities:	
Bonds payable for capital assets - due in more than one year	335,000
Bonds payable for developer - due in more than one year	33,057,578
Long term obligations to developers	25,318,004
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>58,710,582</b>
<b>TOTAL LIABILITIES</b>	<b>60,413,041</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Taxes levied for a subsequent period	4,973,911
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,973,911</b>
<b>NET POSITION</b>	
Net investment in capital assets	31,432
Restricted	7,752,677
<b>TOTAL NET POSITION</b>	<b>\$ 7,784,109</b>

**CITY OF MARQUETTE, MICHIGAN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2025

<b>Function / Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities:</b>				
General government	\$ 708,293	\$ -	\$ 10,603	\$ (697,690)
Interest on long-term debt	1,102,042	-	-	(1,102,042)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,810,335</b>	<b>\$ -</b>	<b>\$ 10,603</b>	<b>(1,799,732)</b>
		<b>General revenues:</b>		
		Property taxes		4,094,876
		Interest and investment earnings		193,534
		Miscellaneous		337
			Total General Revenues	4,288,747
			<b>CHANGE IN NET POSITION</b>	2,489,015
			Net position, beginning of year	5,295,094
			<b>NET POSITION, END OF YEAR</b>	<b>\$ 7,784,109</b>

**CITY OF MARQUETTE, MICHIGAN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**COMPARATIVE BALANCE SHEET**  
September 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,299,174	\$ 9,640,505
Taxes receivable, net	43,701	78,016
Accounts receivable, net	91	80
Due from State	515	13,653
Other assets	9	1,112
	<b>TOTAL ASSETS</b>	<b>9,733,366</b>
	12,343,490	9,733,366
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 9,733,366</b>
	\$ 12,343,490	\$ 9,733,366
<b>LIABILITIES</b>		
Accounts payable	\$ 10,830	\$ 23,555
Accrued salaries and wages	1,072	919
Due to primary government	-	-
	<b>TOTAL LIABILITIES</b>	<b>24,474</b>
	11,902	24,474
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Taxes levied for a subsequent period	4,973,911	4,911,301
	<b>FUND BALANCE</b>	<b>4,761,460</b>
Restricted	7,308,036	4,761,460
Unassigned	49,641	36,131
	<b>TOTAL FUND BALANCE</b>	<b>4,797,591</b>
	7,357,677	4,797,591
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 12,343,490</b>	<b>\$ 9,733,366</b>

**CITY OF MARQUETTE, MICHIGAN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
September 30, 2025

Total Fund Balances for Governmental Funds \$ 7,357,677

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

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

Cost of capital assets	1,285,857	
Accumulated depreciation	<u>(859,425)</u>	426,432

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

Receivables for developer obligations		60,401,139
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Current portion of bonds payable for capital assets	(60,000)	
Current portion of bonds payable for developer	(1,015,000)	
Accrued interest on bonds	(615,557)	
Bonds payable for capital assets	(335,000)	
Bonds payable for developer	(33,057,578)	
Long term obligations to developers	<u>(25,318,004)</u>	<u>(60,401,139)</u>

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 7,784,109</u></b>
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**CITY OF MARQUETTE, MICHIGAN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**GOVERNMENTAL FUNDS**

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

For the Fiscal Year Ended September 30, 2025  
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 2024

	2025	2024
<b>REVENUES</b>		
Property taxes	\$ 6,864,252	\$ 6,653,045
State sources	5,603	54,411
Private contribution	5,000	-
Investment income	193,534	127,292
Other	337	315
<b>TOTAL REVENUES</b>	<b>7,068,726</b>	<b>6,835,063</b>
<b>EXPENDITURES</b>		
Current operations:		
General government	40,210	40,090
Economic development:		
Supplies and contractual	2,206,974	4,719,221
Capital outlay	-	-
Debt service		
Principal retirement	1,000,000	1,070,000
Interest and fiscal charges	1,261,456	1,294,814
<b>TOTAL EXPENDITURES</b>	<b>4,508,640</b>	<b>7,124,125</b>
<b>NET REVENUES OVER EXPENDITURES</b>	<b>2,560,086</b>	<b>(289,062)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bond issuance	-	-
Premium on bond issuance	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,560,086</b>	<b>(289,062)</b>
Fund balance, beginning of year	4,797,591	5,086,653
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 7,357,677</b>	<b>\$ 4,797,591</b>

**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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 2,560,086

*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	(71,071)	
Net book value of disposals	-	(71,071)

Bond issue costs are debt service costs, but are amortized over the life of the bonds to which they are issued, increasing the long-term assets 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. 16,152

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. 1,000,000

Payment of long-term obligations to developers is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,609,962

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. (2,769,376)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,489,015</u></b>
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**CITY OF MARQUETTE, MICHIGAN**  
**NON-MAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
September 30, 2025

	<b>Downtown Development Authority</b>	<b>Peter White Public Library</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,298,664	\$ 1,349,624	\$ 3,648,288
Investments	-	213,790	213,790
Taxes receivable, net	269,506	98,399	367,905
Accounts receivable, net	63,787	7,478	71,265
Other assets	-	77,648	77,648
<b>TOTAL CURRENT ASSETS</b>	<u>2,631,957</u>	<u>1,746,939</u>	<u>4,378,896</u>
Non-current assets:			
Restricted - cash and cash equivalents	-	488,127	488,127
Restricted - investments	-	2,568,238	2,568,238
Lease receivable	-	-	-
Land and construction in progress	61,505	114,704	176,209
Other capital assets, net of depreciation	2,707,914	6,678,452	9,386,366
<b>TOTAL NON-CURRENT ASSETS</b>	<u>2,769,419</u>	<u>9,849,521</u>	<u>12,618,940</u>
<b>TOTAL ASSETS</b>	<u>5,401,376</u>	<u>11,596,460</u>	<u>16,997,836</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	-	135,558	135,558
Employer contributions subsequent to measurement date	-	108,428	108,428
Receivables for developer obligations	-	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>243,986</u>	<u>243,986</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,392	43,865	46,257
Accrued liabilities	25,218	77,438	102,656
Accrued interest	798	-	798
Due to others	-	12,602	12,602
Grants received in advance	-	-	-
Compensated absences	55,282	39,007	94,289
Long-term portion of bonds, notes, SBITAs and leases	160,291	251,108	411,399
<b>TOTAL CURRENT LIABILITIES</b>	<u>243,981</u>	<u>424,020</u>	<u>668,001</u>
Non-current liabilities:			
Compensated absences	-	48,469	48,469
Net pension liability	-	1,056,631	1,056,631
Long-term portion of bonds, notes, SBITAs and leases	258,699	2,231,349	2,490,048
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>258,699</u>	<u>3,336,449</u>	<u>3,595,148</u>
<b>TOTAL LIABILITIES</b>	<u>502,680</u>	<u>3,760,469</u>	<u>4,263,149</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to leases	-	-	-
Deferred inflows related to pension	-	456	456
Taxes levied for a subsequent period	967,704	1,109,477	2,077,181
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>967,704</u>	<u>1,109,933</u>	<u>2,077,637</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,350,429	4,310,699	6,661,128
Restricted	-	2,905,434	2,905,434
Unrestricted	1,580,563	(246,089)	1,334,474
<b>TOTAL NET POSITION</b>	<u>\$ 3,930,992</u>	<u>\$ 6,970,044</u>	<u>\$ 10,901,036</u>

**CITY OF MARQUETTE, MICHIGAN**  
**NON-MAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2025

<u>Function / Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Downtown Development Authority</u>	<u>Peter White Public Library</u>	<u>Total</u>
<b>Governmental Activities:</b>						
Downtown Development Authority	\$ 1,729,129	\$ 567,614	\$ -	\$ (1,161,515)	\$ -	\$ (1,161,515)
Peter White Public Library	2,754,865	177,064	1,721,967	-	(855,834)	(855,834)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 4,483,994</u>	<u>\$ 744,678</u>	<u>\$ 1,721,967</u>	<u>(1,161,515)</u>	<u>(855,834)</u>	<u>(2,017,349)</u>
<b>General revenues:</b>						
Property taxes				1,236,853	1,464,463	2,701,316
Interest and investment earnings				22,982	232,039	255,021
Gain on the sale of capital assets				-	-	-
Miscellaneous				230,672	13,798	244,470
Total General Revenues				<u>1,490,507</u>	<u>1,710,300</u>	<u>3,200,807</u>
<b>CHANGE IN NET POSITION</b>				328,992	854,466	1,183,458
Net position, beginning of year, as restated				<u>3,602,000</u>	<u>6,115,578</u>	<u>9,717,578</u>
<b>NET POSITION, END OF YEAR</b>				<u>\$ 3,930,992</u>	<u>\$ 6,970,044</u>	<u>\$ 10,901,036</u>

**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

September 30, 2025

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 2,298,664
Taxes receivable, net	269,506
Accounts receivable, net	63,787
Due from Federal government	-
Due from primary government	-
Other assets	-
	<hr/>
<b>TOTAL CURRENT ASSETS</b>	<b>2,631,957</b>
Non-current assets:	
Land and construction in progress	61,505
Other capital assets, net of depreciation	2,707,914
	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,769,419</b>
<b>TOTAL ASSETS</b>	<b>5,401,376</b>
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>
	<hr/>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	2,392
Accrued liabilities	25,218
Accrued interest	798
Grants received in advance	-
Compensated absences	55,282
Bonds payable - due in one year	137,000
Lease payable - due in one year	23,291
	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	<b>243,981</b>
Non-current liabilities:	
Bonds payable - due in more than one year	254,000
Lease payable - due in more than one year	4,699
	<hr/>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>258,699</b>
<b>TOTAL LIABILITIES</b>	<b>502,680</b>
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Taxes levied for a subsequent period	967,704
	<hr/>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>967,704</b>
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	2,350,429
Restricted	-
Unrestricted	1,580,563
	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 3,930,992</b>
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**CITY OF MARQUETTE, MICHIGAN**

NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2025

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General government	\$ 1,715,202	\$ 567,614	\$ -	\$ (1,147,588)
Interest on long-term debt	13,927	-	-	(13,927)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,729,129</b>	<b>\$ 567,614</b>	<b>\$ -</b>	<b>(1,161,515)</b>
		<b>General revenues:</b>		
		Property taxes		1,236,853
		Interest and investment earnings		22,982
		Gain on the sale of capital assets		-
		Miscellaneous		230,672
				Total General Revenues
				1,490,507
				<b>CHANGE IN NET POSITION</b>
				328,992
				Net position, beginning of year
				3,602,000
				<b>NET POSITION, END OF YEAR</b>
				<b>\$ 3,930,992</b>

**CITY OF MARQUETTE, MICHIGAN**  
**NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
September 30, 2025

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,298,664	\$ 2,298,664
Taxes receivable, net	269,506	269,506
Accounts receivable, net	63,787	63,787
Grants receivable, net	-	-
Other assets	-	-
	<b>TOTAL ASSETS</b>	<b>2,631,957</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	-	-
	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,631,957</b>
	<b>\$ 2,631,957</b>	<b>\$ 2,631,957</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,392	\$ 2,392
Accrued salaries and wages	25,218	25,218
Grants received in advance	-	-
	<b>TOTAL LIABILITIES</b>	<b>27,610</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Taxes levied for a subsequent period	967,704	967,704
	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>967,704</b>
<b>FUND BALANCE</b>		
Restricted	-	-
Unassigned	1,636,643	1,636,643
	<b>TOTAL FUND BALANCE</b>	<b>1,636,643</b>
	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 2,631,957</b>
	<b>\$ 2,631,957</b>	<b>\$ 2,631,957</b>

**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, 2025

Total Fund Balances for Governmental Funds		\$ 1,636,643
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*Amounts reported for governmental activities in the statement of net position are different because:*

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

Cost of capital assets	6,607,547		
Accumulated depreciation	(3,838,128)		2,769,419

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

Current portion of bonds payable	(137,000)		
Bonds payable	(254,000)		
Current portion of lease payable	(23,291)		
Lease payable	(4,699)		
Compensated absences	(55,282)		
Accrued interest on bonds	(798)		(475,070)

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ 3,930,992</b>
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**CITY OF MARQUETTE, MICHIGAN**  
NON-MAJOR COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended September 30, 2025

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>		
Property taxes	\$ 1,236,853	\$ 1,236,853
Federal sources	-	-
State sources	-	-
Intergovernmental revenues	-	-
Charges for services	547,589	547,589
Rentals	20,025	20,025
Investment income	22,982	22,982
Other	230,672	230,672
	<b>2,058,121</b>	<b>2,058,121</b>
<b>TOTAL REVENUES</b>		
<b>EXPENDITURES</b>		
Current operations:		
General government	1,320,868	1,320,868
Capital outlay	204,026	204,026
Debt service		
Principal retirement	155,569	155,569
Interest and fiscal charges	14,200	14,200
	<b>1,694,663</b>	<b>1,694,663</b>
<b>TOTAL EXPENDITURES</b>		
<b>NET REVENUES OVER EXPENDITURES</b>	<b>363,458</b>	<b>363,458</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from borrowing	-	-
	<b>-</b>	<b>-</b>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		
<b>NET CHANGE IN FUND BALANCE</b>	<b>363,458</b>	<b>363,458</b>
Fund balance, beginning of year	1,273,185	1,273,185
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,636,643</b>	<b>\$ 1,636,643</b>

**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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 363,458

*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	\$ 97,593	
Depreciation/amortization expense	(273,650)	
Net book value of disposals	-	(176,057)

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

-

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.

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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of net Position.

Bonds	133,000	
Leases	22,570	155,570

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		(14,251)
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 328,992**

**CITY OF MARQUETTE, MICHIGAN**  
**NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY**  
**STATEMENT OF NET POSITION**  
September 30, 2025

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,349,624
Investments	213,790
Taxes receivable, net	98,399
Accounts receivable, net	7,478
Prepaid expenses	77,648
Lease receivable	-
Non-current assets:	
Restricted - cash and cash equivalents	488,127
Restricted - investments	2,568,238
Lease receivable	-
Land and construction in progress	114,704
Other capital assets, net of depreciation	6,678,452
<b>TOTAL ASSETS</b>	<b>11,596,460</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pension	135,558
Employer contributions subsequent to measurement date	108,428
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>243,986</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	43,865
Accrued liabilities	77,438
Due to others	12,602
Non-current liabilities:	
Due or payable within one year	
Bonds payable	245,000
Lease payable	6,108
Compensated absences	39,007
Due or payable after one year	
Bonds payable	2,211,696
Lease payable	19,653
Compensated absences	48,469
Net pension liability	1,056,631
<b>TOTAL LIABILITIES</b>	<b>3,760,469</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to leases	-
Deferred inflows related to pension	456
Taxes levied for a subsequent period	1,109,477
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,109,933</b>
<b>NET POSITION</b>	
Net investment in capital assets	4,310,699
Restricted for:	
Debt services	112,977
Other activities	2,792,457
Unrestricted	(246,089)
<b>TOTAL NET POSITION</b>	<b>\$ 6,970,044</b>

**CITY OF MARQUETTE, MICHIGAN**  
NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2025

Function / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>				
Governmental Activities:				
Recreation and culture	\$ 2,668,776	\$ 177,064	\$ 1,721,967	\$ (769,745)
Interest on long-term debt	86,089	-	-	(86,089)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,754,865</b>	<b>\$ 177,064</b>	<b>\$ 1,721,967</b>	<b>(855,834)</b>
<b>General revenues:</b>				
Property taxes				1,464,463
Interest and investment earnings				232,039
Gain/(loss) on sale of fixed assets				-
Miscellaneous				13,798
			Total General Revenues	1,710,300
			<b>CHANGE IN NET POSITION</b>	854,466
			Net position, beginning of year	6,115,578
			<b>NET POSITION, END OF YEAR</b>	<b>\$ 6,970,044</b>

CITY OF MARQUETTE, MICHIGAN

NON-MAJOR COMPONENT UNIT - PETER WHITE PUBLIC LIBRARY

GOVERNMENTAL FUNDS

BALANCE SHEET

September 30, 2025

	General Fund	Carroll Paul Memorial Trust Fund	Library Improvement Debt Fund	Peter White Public Library Development Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,349,624	\$ 10,276	\$ 341,556	\$ 136,295	\$ 1,837,751
Investments	213,790	982,188	-	1,586,050	2,782,028
Taxes receivable, net	78,998	-	19,401	-	98,399
Accounts receivable, net	7,478	-	-	-	7,478
Prepaid expenditures	77,648	-	-	-	77,648
<b>TOTAL ASSETS</b>	<b>1,727,538</b>	<b>992,464</b>	<b>360,957</b>	<b>1,722,345</b>	<b>4,803,304</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,727,538</b>	<b>\$ 992,464</b>	<b>\$ 360,957</b>	<b>\$ 1,722,345</b>	<b>\$ 4,803,304</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 43,865	\$ -	\$ -	\$ -	\$ 43,865
Accrued salaries and wages	32,138	-	-	-	32,138
Due to others	10,425	-	2,177	-	12,602
<b>TOTAL LIABILITIES</b>	<b>86,428</b>	<b>-</b>	<b>2,177</b>	<b>-</b>	<b>88,605</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes levied for a subsequent period	863,674	-	245,803	-	1,109,477
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>863,674</b>	<b>-</b>	<b>245,803</b>	<b>-</b>	<b>1,109,477</b>
<b>FUND BALANCE</b>					
Non-spendable	77,648	-	-	-	77,648
Restricted for:					
Capital outlay	-	-	-	-	-
Debt retirement	-	-	112,977	-	112,977
Endowments	-	992,464	-	1,722,345	2,714,809
Unassigned	699,788	-	-	-	699,788
<b>TOTAL FUND BALANCE</b>	<b>777,436</b>	<b>992,464</b>	<b>112,977</b>	<b>1,722,345</b>	<b>3,605,222</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,727,538</b>	<b>\$ 992,464</b>	<b>\$ 360,957</b>	<b>\$ 1,722,345</b>	<b>\$ 4,803,304</b>

**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, 2025

Total Fund Balances for Governmental Funds \$ 3,605,222

*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	14,592,953	
Accumulated depreciation	<u>(7,799,797)</u>	6,793,156

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	-	
Lease receivable greater than one year	-	
Deferred amounts related to leases	<u>-</u>	-

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	(1,056,631)	
Deferred (outflows) of resources related to net pension liability	135,558	
Employer contributions subsequent to measurement date	108,428	
Deferred inflows of resources related to net pension liability	<u>(456)</u>	(813,101)

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	(245,000)	
Bonds payable - due in more than one year	(2,020,000)	
Premium on bond	(191,696)	
Accrued interest on debt	(45,300)	
Lease payable - due in one year	(6,108)	
Lease payable - due in more than one year	(19,653)	
Compensated absences	<u>(87,476)</u>	<u>(2,615,233)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 6,970,044

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, 2025

	General Fund	Carroll Paul Memorial Trust Fund	Library Improvement Debt Fund	Peter White Public Library Development Fund	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 1,130,184	\$ -	\$ 334,279	\$ -	\$ 1,464,463
Federal sources	23,800	-	-	-	23,800
State sources	81,329	-	-	-	81,329
Local sources	759,590	-	-	-	759,590
Charges for services	45,422	-	-	-	45,422
Fine and forfeiture	96,203	-	-	-	96,203
Rentals	37,687	-	-	-	37,687
Contributions from private sources	185,030	-	-	672,218	857,248
Investment income	46,574	79,896	-	105,569	232,039
Other revenues	19,628	-	457	-	20,085
<b>TOTAL REVENUES</b>	<b>2,425,447</b>	<b>79,896</b>	<b>334,736</b>	<b>777,787</b>	<b>3,617,866</b>
<b>EXPENDITURES</b>					
Recreation and Culture:					
Personnel services	1,658,939	-	-	-	1,658,939
Supplies	469,754	-	-	-	469,754
Other services and charges	116,209	7,999	520	176,445	301,173
Capital outlay	189,601	-	-	-	189,601
Debt service:					
Principal retirement	-	-	250,000	-	250,000
Interest and fiscal charges	-	-	93,100	-	93,100
<b>TOTAL EXPENDITURES</b>	<b>2,434,503</b>	<b>7,999</b>	<b>343,620</b>	<b>176,445</b>	<b>2,962,567</b>
<b>NET REVENUES OVER EXPENDITURES</b>	<b>(9,056)</b>	<b>71,897</b>	<b>(8,884)</b>	<b>601,342</b>	<b>655,299</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of fixed assets	-	-	-	-	-
Transfers in	35,600	-	-	-	35,600
Transfers (out)	-	(35,600)	-	-	(35,600)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>35,600</b>	<b>(35,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>26,544</b>	<b>36,297</b>	<b>(8,884)</b>	<b>601,342</b>	<b>655,299</b>
Fund balance, beginning of year	750,892	956,167	121,861	1,121,003	2,949,923
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 777,436</b>	<b>\$ 992,464</b>	<b>\$ 112,977</b>	<b>\$ 1,722,345</b>	<b>\$ 3,605,222</b>

**CITY OF MARQUETTE, MICHIGAN**

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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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 655,299

*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	\$ 135,741	
Depreciation expense	(215,614)	
Net book value of disposals	-	(79,873)

Issuance of bond principal is a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position. (30,249)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 250,000

Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 4,511

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt. 23,962

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,500

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	(29,200)	
Amortization of deferred amounts related to leases	26,952	(2,248)

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. (19,928)

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		50,492
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 854,466**



# CITY OF MARQUETTE, MICHIGAN

## STATISTICAL SECTION

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

### **CONTENTS**

### **TABLE**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 - 5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

6 - 10

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and City's ability to issue additional debt in the future

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#### **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.

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#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF MARQUETTE, MICHIGAN

Net Position by Component

Last Ten Fiscal Years  
(Continued)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental Activities					
Net investment in capital assets	\$ 53,299,361	\$ 52,228,067	\$ 51,784,839	\$ 53,311,680	\$ 53,359,482
Restricted	12,394,241	7,282,893	1,822,160	959,604	937,104
Unrestricted	<u>(19,208,154)</u>	<u>(15,198,558)</u>	<u>(12,865,788)</u>	<u>(12,922,935)</u>	<u>(16,596,933)</u>
Total Governmental Activities					
Net Position	<u>\$ 46,485,448</u>	<u>\$ 44,312,402</u>	<u>\$ 40,741,211</u>	<u>\$ 41,348,349</u>	<u>\$ 37,699,653</u>
Business-Type Activities					
Net investment in capital assets	\$ 45,338,721	\$ 44,219,146	\$ 40,643,301	\$ 34,600,775	\$ 34,952,221
Restricted	-	5,736,185	7,241,711	3,888,094	2,349,695
Unrestricted	<u>9,901,213</u>	<u>(473,420)</u>	<u>(2,789,251)</u>	<u>546,967</u>	<u>(1,356,252)</u>
Total Business-Type Activities					
Net Position	<u>\$ 55,239,934</u>	<u>\$ 49,481,911</u>	<u>\$ 45,095,761</u>	<u>\$ 39,035,836</u>	<u>\$ 35,945,664</u>
Primary Government					
Net investment in capital assets	\$ 98,638,082	\$ 96,447,213	\$ 92,428,140	\$ 87,912,455	\$ 88,311,703
Restricted	12,394,241	13,019,078	9,063,871	4,847,698	3,286,799
Unrestricted	<u>(9,306,941)</u>	<u>(15,671,978)</u>	<u>(15,655,039)</u>	<u>(12,375,968)</u>	<u>(17,953,185)</u>
Total Primary Government					
Net Position	<u>\$ 101,725,382</u>	<u>\$ 93,794,313</u>	<u>\$ 85,836,972</u>	<u>\$ 80,384,185</u>	<u>\$ 73,645,317</u>

**CITY OF MARQUETTE, MICHIGAN**

Net Position by Component

Last Ten Fiscal Years  
(Concluded)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 54,164,067	\$ 55,333,265	\$ 49,600,732	\$ 48,649,613	\$ 30,048,214
Restricted	886,004	940,606	4,126,444	2,861,425	792,364
Unrestricted	<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>
Total Governmental Activities					
Net Position	<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>
<b>Business-Type Activities</b>					
Net investment in capital assets	\$ 32,535,469	\$ 32,475,063	\$ 31,369,945	\$ 31,098,570	\$ 32,644,974
Restricted	320,602	328,361	1,705,053	837,004	-
Unrestricted	<u>804,576</u>	<u>(1,814,623)</u>	<u>(1,309,536)</u>	<u>(309,010)</u>	<u>(524,411)</u>
Total Business-Type Activities					
Net Position	<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>
<b>Primary Government</b>					
Net investment in capital assets	\$ 86,699,536	\$ 87,808,328	\$ 80,970,677	\$ 79,748,183	\$ 62,693,188
Restricted	1,206,606	1,268,967	5,831,497	3,698,429	792,364
Unrestricted	<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>
Total Primary Government					
Net Position	<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>

CITY OF MARQUETTE, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years  
(Continued)

	2025	2024	2023	2022	2021
<b>Expenses</b>					
<b>Governmental Activities</b>					
General government	\$ 3,264,367	\$ 3,579,486	\$ 3,674,632	\$ 5,986,476	\$ 5,202,213
Public health & Safety	11,044,130	10,278,769	11,066,285	10,239,684	8,490,968
Public works	14,653,199	13,961,657	14,901,635	4,462,348	4,242,062
Health and welfare*	992,123	969,614	994,869	N/A	N/A
Highway and streets*	N/A	N/A	N/A	4,369,537	3,289,477
Social services*	N/A	N/A	N/A	865,904	698,272
Sanitation*	N/A	N/A	N/A	2,926,202	2,659,886
Community services / Recreation and culture	5,781,047	9,574,380	3,967,537	1,642,630	1,426,698
Interest on long-term debt	430,373	504,516	592,967	570,014	591,032
Depreciation - unallocated	2,735,283	2,823,804	2,537,811	2,548,472	2,426,961
Total Governmental Activities Expenses	<u>38,900,522</u>	<u>41,692,226</u>	<u>37,735,736</u>	<u>33,611,267</u>	<u>29,027,569</u>
<b>Business-Type Activities</b>					
Water supply	5,750,996	5,545,413	5,569,245	5,279,440	4,849,387
Sewage disposal	7,040,569	6,774,472	5,868,055	6,191,153	5,984,739
Storm water utility	1,730,210	1,811,780	1,838,447	1,704,093	1,629,951
Public works	413,326	406,759	527,615	508,687	285,254
Community services / Recreation and culture	1,151,022	1,037,062	991,532	941,204	1,008,301
Total Business-Type Activities Expenses	<u>16,086,123</u>	<u>15,575,486</u>	<u>14,794,894</u>	<u>14,624,577</u>	<u>13,757,632</u>
Total Primary Government Expenses	<u>\$ 54,986,645</u>	<u>\$ 57,267,712</u>	<u>\$ 52,530,630</u>	<u>\$ 48,235,844</u>	<u>\$ 42,785,201</u>
<b>Program Revenues</b>					
<b>Governmental Activities</b>					
Charges for Services					
General government	\$ 1,313,722	\$ 1,373,337	\$ 1,389,328	\$ 1,361,028	\$ 1,328,181
Public health	104,990	96,740	139,646	355,216	202,535
Public works	6,385,694	6,717,106	3,330,605	1,461,635	1,415,191
Sanitation*	N/A	N/A	N/A	2,941,028	2,727,365
Community services / Recreation and culture	975,733	997,982	958,438	673,139	488,835
Operating grants and contributions	5,338,073	5,174,566	5,426,755	5,980,252	4,794,822
Capital grants and contributions	2,184,139	6,953,115	3,719,210	4,992,493	1,960,996
Total Governmental Activities Program Revenues	<u>16,302,351</u>	<u>21,312,846</u>	<u>14,963,982</u>	<u>17,764,791</u>	<u>12,917,925</u>
<b>Business-Type Activities</b>					
Charges for Services					
Water supply	7,096,926	6,690,635	6,333,234	5,806,463	5,372,627
Sewage disposal	8,753,769	8,403,105	8,189,040	7,942,544	7,353,821
Storm water utility	3,826,300	2,731,238	2,362,110	2,005,731	1,767,105
Public works	408,805	400,329	528,410	514,295	287,610
Community services / Recreation and culture	1,295,127	1,322,485	1,206,304	1,111,168	1,031,264
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	530,734	1,051,884	602,408	198,692	363,151
Total Business-Type Activities Program Revenues	<u>21,911,661</u>	<u>20,599,676</u>	<u>19,221,506</u>	<u>17,578,893</u>	<u>16,175,578</u>
Total Primary Government Program Revenues	<u>\$ 38,214,012</u>	<u>\$ 41,912,522</u>	<u>\$ 34,185,488</u>	<u>\$ 35,343,684</u>	<u>\$ 29,093,503</u>
<b>Net (Expense) Revenue</b>					
Governmental Activities	\$ (22,598,171)	\$ (20,379,380)	\$ (22,771,754)	\$ (15,846,476)	\$ (16,109,644)
Business-Type Activities	5,825,538	5,024,190	4,426,612	2,954,316	2,417,946
Total Primary Government Net Expense	<u>\$ (16,772,633)</u>	<u>\$ (15,355,190)</u>	<u>\$ (18,345,142)</u>	<u>\$ (12,892,160)</u>	<u>\$ (13,691,698)</u>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities</b>					
Taxes					
Property taxes	\$ 16,278,999	\$ 15,193,980	\$ 13,798,136	\$ 11,729,719	\$ 10,859,716
Payments in lieu of taxes	3,786,546	3,803,602	3,932,791	3,920,049	3,587,977
Unrestricted state sources	3,516,305	3,430,604	3,497,344	3,498,022	3,306,827
Interest and investment earnings	658,694	814,571	599,163	(101,064)	26,851
Gain (loss) on sale of capital assets	1,462	123,870	89	2,740	260,426
Miscellaneous	155,488	322,630	164,876	322,233	491,305
Transfers	373,723	261,314	172,217	129,319	265,248
Total Governmental Activities	<u>24,771,217</u>	<u>23,950,571</u>	<u>22,164,616</u>	<u>19,501,018</u>	<u>18,798,350</u>
<b>Business-Type Activities</b>					
Interest and investment earnings	306,208	324,786	210,071	12,916	14,612
Gain on sale of capital assets	-	-	-	-	-
Miscellaneous	-	82,786	1,595,459	252,259	117,707
Extraordinary item - Winter Storm Damage	-	-	-	-	-
Transfers	(373,723)	(261,314)	(172,217)	(129,319)	(265,248)
Total Business-Type Activities	<u>(67,515)</u>	<u>146,258</u>	<u>1,633,313</u>	<u>135,856</u>	<u>(132,929)</u>
Total Primary Government	<u>\$ 24,703,702</u>	<u>\$ 24,096,829</u>	<u>\$ 23,797,929</u>	<u>\$ 19,636,874</u>	<u>\$ 18,665,421</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 2,173,046	\$ 3,571,191	\$ (607,138)	\$ 3,654,542	\$ 2,688,706
Business-type activities	5,758,023	5,170,448	6,059,925	3,090,172	2,285,017
Total Primary Government	<u>\$ 7,931,069</u>	<u>\$ 8,741,639</u>	<u>\$ 5,452,787</u>	<u>\$ 6,744,714</u>	<u>\$ 4,973,723</u>

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

CITY OF MARQUETTE, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years  
(Concluded)

	2020	2019	2018	2017	2016
<b>Expenses</b>					
<b>Governmental Activities</b>					
General government	\$ 6,076,249	\$ 6,104,823	\$ 5,524,941	\$ 5,963,346	\$ 6,592,257
Public health & Safety	8,910,951	8,880,337	7,984,991	8,373,965	10,154,891
Public works	4,785,208	5,554,637	4,450,990	4,810,726	3,425,157
Health and welfare*	N/A	N/A	N/A	N/A	N/A
Highway and streets*	3,614,699	3,946,829	2,919,733	2,100,708	3,288,402
Social services*	733,323	727,878	650,445	673,013	672,878
Sanitation*	2,190,637	1,998,223	1,820,786	2,012,645	2,960,919
Community services / Recreation and culture	1,478,958	1,570,778	1,445,068	1,460,830	1,472,744
Interest on long-term debt	784,210	742,496	710,415	659,470	765,649
Depreciation - unallocated	2,466,539	2,374,557	1,777,715	1,815,600	1,814,190
<b>Total Governmental Activities Expenses</b>	<b>31,040,774</b>	<b>31,900,558</b>	<b>27,285,084</b>	<b>27,870,303</b>	<b>31,147,087</b>
<b>Business-Type Activities</b>					
Water supply	5,122,980	5,302,484	4,645,417	4,704,339	4,968,514
Sewage disposal	5,859,101	6,067,463	5,622,152	5,960,709	5,942,079
Storm water utility	1,731,442	1,562,628	1,535,566	1,348,498	1,245,744
Public works	323,404	-	-	-	-
Community services / Recreation and culture	914,792	1,212,776	1,084,168	710,244	591,369
<b>Total Business-Type Activities Expenses</b>	<b>13,951,719</b>	<b>14,145,351</b>	<b>12,887,303</b>	<b>12,723,790</b>	<b>12,747,706</b>
<b>Total Primary Government Expenses</b>	<b>\$ 44,992,493</b>	<b>\$ 46,045,909</b>	<b>\$ 40,172,387</b>	<b>\$ 40,594,093</b>	<b>\$ 43,894,793</b>
<b>Program Revenues</b>					
<b>Governmental Activities</b>					
Charges for Services					
General government	\$ 1,258,904	\$ 1,280,774	\$ 1,179,745	\$ 1,208,318	\$ 1,134,353
Public health	169,654	237,949	262,901	269,667	184,015
Public works	1,341,016	1,433,183	1,252,931	1,220,582	1,179,029
Sanitation*	2,156,619	1,500,439	1,714,840	1,941,845	2,667,001
Community services / Recreation and culture	535,335	574,437	632,351	594,120	591,373
Operating grants and contributions	4,809,117	4,114,892	4,078,986	3,708,396	4,702,797
Capital grants and contributions	87,448	1,183,743	4,645,306	19,492,855	6,560,733
<b>Total Governmental Activities Program Revenues</b>	<b>10,358,093</b>	<b>10,325,417</b>	<b>13,767,060</b>	<b>28,435,783</b>	<b>17,019,301</b>
<b>Business-Type Activities</b>					
Charges for Services					
Water supply	5,346,110	5,112,320	4,397,111	4,310,181	4,341,749
Sewage disposal	7,412,178	7,074,400	5,421,289	5,515,000	5,195,249
Storm water utility	2,164,142	1,543,703	1,307,658	1,319,804	1,241,285
Public works	338,495	-	-	-	-
Community services / Recreation and culture	786,683	1,156,988	1,136,865	768,451	691,716
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	541,900	154,491	795,762	267,919	275,033
<b>Total Business-Type Activities Program Revenues</b>	<b>16,589,508</b>	<b>15,041,902</b>	<b>13,058,685</b>	<b>12,181,355</b>	<b>11,745,032</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 26,947,601</b>	<b>\$ 25,367,319</b>	<b>\$ 26,825,745</b>	<b>\$ 40,617,138</b>	<b>\$ 28,764,333</b>
<b>Net (Expense) Revenue</b>					
Governmental Activities	\$ (20,682,681)	\$ (21,575,141)	\$ (13,518,024)	\$ 565,480	\$ (14,127,786)
Business-Type Activities	2,637,789	896,551	171,382	(542,435)	(1,002,674)
<b>Total Primary Government Net Expense</b>	<b>\$ (18,044,892)</b>	<b>\$ (20,678,590)</b>	<b>\$ (13,346,642)</b>	<b>\$ 23,045</b>	<b>\$ (15,130,460)</b>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities</b>					
Taxes					
Property taxes	\$ 10,631,256	\$ 10,309,858	\$ 10,520,313	\$ 10,327,997	\$ 10,940,124
Payments in lieu of taxes	3,706,246	4,021,184	4,346,184	3,450,621	3,436,353
Unrestricted state sources	3,016,816	2,561,563	2,221,895	2,250,026	2,063,647
Interest and investment earnings	172,771	409,911	11,095	3,197	252,962
Gain (loss) on sale of capital assets	13,620	1,376,313	-	-	854,166
Miscellaneous	418,908	129,076	155,429	319,945	358,389
Transfers	165,981	1,616,472	(18,720)	-	(360,000)
<b>Total Governmental Activities</b>	<b>18,125,598</b>	<b>20,424,377</b>	<b>17,236,196</b>	<b>16,351,786</b>	<b>17,545,641</b>
<b>Business-Type Activities</b>					
Interest and investment earnings	27,215	43,260	19,755	48,436	21,866
Gain on sale of capital assets	-	-	-	-	-
Miscellaneous	72,823	-	-	-	-
Extraordinary item - Winter Storm Damage	-	-	-	-	-
Transfers	(165,981)	(1,616,472)	18,720	-	360,000
<b>Total Business-Type Activities</b>	<b>(65,943)</b>	<b>(1,573,212)</b>	<b>38,475</b>	<b>48,436</b>	<b>381,866</b>
<b>Total Primary Government</b>	<b>\$ 18,059,655</b>	<b>\$ 18,851,165</b>	<b>\$ 17,274,671</b>	<b>\$ 16,400,222</b>	<b>\$ 17,927,507</b>
<b>Change in Net Position</b>					
Governmental activities	\$ (2,557,083)	\$ (1,150,764)	\$ 3,718,172	\$ 16,917,266	\$ 3,417,855
Business-type activities	2,571,846	(676,661)	209,857	(493,999)	(620,808)
<b>Total Primary Government</b>	<b>\$ 14,763</b>	<b>\$ (1,827,425)</b>	<b>\$ 3,928,029</b>	<b>\$ 16,423,267</b>	<b>\$ 2,797,047</b>

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

**CITY OF MARQUETTE, MICHIGAN**

Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(Continued)

	2025	2024	2023	2022	2021
<b>General Fund</b>					
Non-spendable	\$ 633,727	\$ 556,979	\$ 472,251	\$ 296,528	\$ 757,803
Restricted	-	-	57,500	57,500	2,315
Assigned	588,429	32,438	1,050,205	999,789	76,802
Unassigned	8,301,189	8,249,532	6,761,591	6,888,869	8,889,446
<b>Total General Fund</b>	<u>\$ 9,523,345</u>	<u>\$ 8,838,949</u>	<u>\$ 8,341,547</u>	<u>\$ 8,242,686</u>	<u>\$ 9,726,366</u>
<b>All Other Governmental Funds</b>					
Non-spendable	\$ 1,097,405	\$ 1,054,493	\$ 1,020,814	\$ 981,502	\$ 964,279
Restricted	4,359,749	5,431,383	6,375,944	6,960,771	4,164,429
Committed	3,965	32,538	31,491	28,759	-
Assigned	4,644,287	5,063,608	4,932,411	3,452,055	2,008,151
<b>Total All Other Governmental Funds</b>	<u>\$ 10,105,406</u>	<u>\$ 11,582,022</u>	<u>\$ 12,360,660</u>	<u>\$ 11,423,087</u>	<u>\$ 7,136,859</u>

**CITY OF MARQUETTE, MICHIGAN**

Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(Concluded)

	2020	2019	2018	2017	2016
General Fund					
Non-spendable	\$ 813,799	\$ 723,433	\$ 464,596	\$ 470,349	\$ 447,303
Restricted	7,095	33,512	44,694	47,996	64,618
Assigned	63,781	1,012,771	2,505,814	3,108,348	4,466,772
Unassigned	8,744,448	9,701,277	11,209,897	10,505,094	8,374,197
Total General Fund	<u>\$ 9,629,123</u>	<u>\$ 11,470,993</u>	<u>\$ 14,225,001</u>	<u>\$ 14,131,787</u>	<u>\$ 13,352,890</u>
All Other Governmental Funds					
Non-spendable	\$ 912,788	\$ 1,709,080	\$ 846,152	\$ 823,102	\$ 787,786
Restricted	3,683,888	2,172,383	3,215,886	3,780,031	1,264,343
Committed	-	-	-	-	-
Assigned	1,766,043	1,671,205	4,900,651	3,064,309	2,441,230
Total All Other Governmental Funds	<u>\$ 6,362,719</u>	<u>\$ 5,552,668</u>	<u>\$ 8,962,689</u>	<u>\$ 7,667,442</u>	<u>\$ 4,493,359</u>

CITY OF MARQUETTE, MICHIGAN

Changes in Fund Balances, Governmental Funds  
(modified accrual basis of accounting)

Last Ten Fiscal Years  
(Continued)

	2025	2024	2023	2022	2021
<b>Revenues</b>					
Taxes	\$ 20,064,528	\$ 19,014,303	\$ 17,730,947	\$ 15,653,110	\$ 14,620,961
Federal and state sources	8,958,369	12,888,087	10,445,732	8,233,021	6,989,478
Fines and penalties	97,797	81,340	135,690	266,982	144,836
Charges for services	6,816,473	7,331,736	5,130,236	5,459,378	5,008,770
Special assessments	-	-	-	-	-
Intergovernmental	531,095	392,699	533,252	419,060	408,331
Investment income	674,555	836,903	611,115	(100,355)	29,434
Other revenues	2,809,380	3,102,804	3,585,512	7,080,941	4,624,828
Total Revenues	<u>39,952,197</u>	<u>43,647,872</u>	<u>38,172,484</u>	<u>37,012,137</u>	<u>31,826,638</u>
<b>Expenditures</b>					
General government	3,452,878	3,494,086	4,398,021	6,375,602	5,837,931
Public health and safety	11,082,625	10,391,158	9,550,476	9,290,821	9,040,069
Public works	13,249,942	12,692,603	12,528,161	3,888,203	4,061,935
Health and welfare*	1,011,738	992,598	923,880	N/A	N/A
Highway and streets*	N/A	N/A	N/A	3,366,717	2,210,387
Social services and community development	3,086,995	2,644,529	2,144,595	859,689	738,871
Sanitation*	N/A	N/A	N/A	2,677,639	2,342,953
Community services / Recreation and culture	1,656,649	1,659,872	1,547,576	1,475,660	1,490,952
Capital outlay	3,947,917	8,419,335	1,649,877	4,608,221	3,796,235
Other expenditures	-	-	-	-	-
Special Assessments	-	-	-	-	-
Debt Service					
Professional and contractual	-	-	-	37,182	38,123
Principal	1,714,824	1,956,066	1,898,166	2,109,942	1,819,699
Interest	466,382	543,423	593,294	581,602	615,032
Total Expenditures	<u>39,669,950</u>	<u>42,793,670</u>	<u>35,234,046</u>	<u>35,271,278</u>	<u>31,992,187</u>
Excess of revenues over (under) expenditures	282,247	854,202	2,938,438	1,740,859	(165,549)
<b>Other Financing Sources (Uses)</b>					
Proceeds from borrowing	-	-	-	1,920,000	2,550,150
Premium on bond issuance	-	-	-	170,434	379,973
Receipts from other governments	-	-	-	-	-
Payments to other governments	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(1,008,819)
Transfers in	4,250,395	5,458,309	4,626,216	5,871,711	3,905,842
Transfers out	(5,324,862)	(6,593,747)	(6,528,220)	(6,900,456)	(4,790,214)
Total Other Financing Sources (Uses)	<u>(1,074,467)</u>	<u>(1,135,438)</u>	<u>(1,902,004)</u>	<u>1,061,689</u>	<u>1,036,932</u>
Net change in fund balances	<u>\$ (792,220)</u>	<u>\$ (281,236)</u>	<u>\$ 1,036,434</u>	<u>\$ 2,802,548</u>	<u>\$ 871,383</u>
Debt Service as a Percentage of Non-capital Expenditures	6.01%	6.41%	7.41%	8.75%	8.81%

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

CITY OF MARQUETTE, MICHIGAN

Changes in Fund Balances, Governmental Funds  
(modified accrual basis of accounting)

Last Ten Fiscal Years  
(Concluded)

	2020	2019	2018	2017	2016
<b>Revenues</b>					
Taxes	\$ 14,404,842	\$ 14,343,664	\$ 14,893,186	\$ 13,809,799	\$ 14,410,979
Federal and state sources	6,646,994	5,478,353	5,196,314	4,815,572	4,481,616
Fines and penalties	136,438	117,468	200,056	190,549	70,643
Charges for services	4,502,351	4,346,650	3,978,758	4,165,062	4,868,257
Special assessments	-	-	-	-	-
Intergovernmental	399,971	394,032	384,429	366,022	343,530
Investment income	183,219	453,027	(17,797)	(7,068)	274,997
Other revenues	1,990,904	4,272,502	6,073,639	9,456,177	13,129,529
Total Revenues	<u>28,264,719</u>	<u>29,405,696</u>	<u>30,708,585</u>	<u>32,796,113</u>	<u>37,579,551</u>
<b>Expenditures</b>					
General government	5,736,676	5,282,008	5,142,497	4,962,649	5,584,909
Public health and safety	8,726,266	8,389,447	8,075,826	7,607,896	7,366,980
Public works	4,369,473	5,445,760	5,893,127	5,855,742	3,963,721
Health and welfare*	N/A	N/A	N/A	N/A	N/A
Highway and streets*	2,806,970	3,142,470	2,662,169	2,163,482	2,248,698
Social services and community development	709,284	679,975	631,176	608,234	580,937
Sanitation*	1,967,031	1,809,277	1,753,570	1,969,565	2,644,699
Community services / Recreation and culture	1,290,591	1,361,966	1,250,025	1,246,046	1,279,432
Capital outlay	3,775,058	2,064,038	3,894,513	8,822,488	8,819,107
Other expenditures	-	-	-	-	-
Special Assessments	-	-	-	-	-
Debt Service					
Professional and contractual	81,096	3,580	14,234	79,538	320
Principal	1,737,981	5,287,438	1,898,635	1,572,463	2,745,388
Interest	558,281	804,410	656,674	597,847	789,199
Total Expenditures	<u>31,758,707</u>	<u>34,270,369</u>	<u>31,872,446</u>	<u>35,485,950</u>	<u>36,023,390</u>
Excess of revenues over (under) expenditures	(3,493,988)	(4,864,673)	(1,163,861)	(2,689,837)	1,556,161
<b>Other Financing Sources (Uses)</b>					
Proceeds from borrowing	3,340,000	-	2,405,000	9,582,578	-
Premium on bond issuance	478,372	-	166,042	1,082,241	-
Receipts from other governments	-	-	-	-	-
Payments to other governments	-	-	-	-	-
Payments to escrow agent	-	-	-	(4,356,589)	-
Transfers in	4,866,027	5,900,439	3,834,285	2,895,394	5,474,911
Transfers out	(6,222,230)	(7,199,795)	(3,853,005)	(3,250,445)	(5,517,518)
Total Other Financing Sources (Uses)	<u>2,462,169</u>	<u>(1,299,356)</u>	<u>2,552,322</u>	<u>5,953,179</u>	<u>(42,607)</u>
Net change in fund balances	<u>\$ (1,031,819)</u>	<u>\$ (6,164,029)</u>	<u>\$ 1,388,461</u>	<u>\$ 3,263,342</u>	<u>\$ 1,513,554</u>
Debt Service as a Percentage of Non-capital Expenditures	8.28%	19.25%	9.81%	8.78%	13.10%

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

**CITY OF MARQUETTE, MICHIGAN**

General Governmental Expenditures by Functions <sup>(A)</sup>

Last Ten Fiscal Years  
(Continued)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Government	\$ 3,452,878	\$ 3,494,086	\$ 4,398,021	\$ 6,375,602	\$ 5,837,931
Public Health and Safety	11,082,625	10,391,158	9,550,476	9,290,821	9,040,069
Public Works*	13,249,942	12,686,503	10,588,394	N/A	N/A
Health and Welfare*	1,011,738	992,598	923,880	N/A	N/A
Highways, Streets and Bridges*	N/A	N/A	N/A	7,248,768	6,266,222
Sanitation*	N/A	N/A	N/A	2,677,639	2,342,953
Social Services*	N/A	N/A	N/A	859,689	738,871
Community and economic development*	3,086,995	2,644,529	2,144,595	N/A	N/A
Recreation and Culture	1,656,649	1,659,872	1,547,576	1,475,660	1,490,952
Capital Outlay	1,443,422	1,600,606	1,331,533	894,042	2,010,453
Debt Service	-	-	-	37,182	38,123
<b>TOTALS</b>	<u><u>\$ 34,984,249</u></u>	<u><u>\$ 33,469,352</u></u>	<u><u>\$ 30,484,475</u></u>	<u><u>\$ 28,859,403</u></u>	<u><u>\$ 27,765,574</u></u>

<sup>(A)</sup> Includes General and Special Revenue Funds

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

**CITY OF MARQUETTE, MICHIGAN**

General Governmental Expenditures by Functions <sup>(A)</sup>

Last Ten Fiscal Years  
(Concluded)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Government	\$ 5,736,676	\$ 5,282,008	\$ 5,142,497	\$ 4,962,649	\$ 5,584,909
Public Health and Safety	8,726,266	8,389,447	8,075,826	7,607,896	7,366,980
Public Works*	N/A	N/A	N/A	N/A	N/A
Health and Welfare*	N/A	N/A	N/A	N/A	N/A
Highways, Streets and Bridges*	7,176,443	7,460,969	8,555,296	7,991,443	6,212,419
Sanitation*	1,967,031	1,809,277	1,753,570	1,969,565	2,644,699
Social Services*	709,284	679,975	631,176	608,234	580,937
Community and economic development*	N/A	N/A	N/A	N/A	N/A
Recreation and Culture	1,290,591	1,361,966	1,250,025	1,239,205	1,279,432
Capital Outlay	3,712,553	1,279,272	1,219,017	1,448,065	560,136
Debt Service	<u>81,096</u>	<u>-</u>	<u>13,914</u>	<u>111,540</u>	<u>-</u>
<b>TOTALS</b>	<b><u>\$ 29,399,940</u></b>	<b><u>\$ 26,262,914</u></b>	<b><u>\$ 26,641,321</u></b>	<b><u>\$ 25,938,597</u></b>	<b><u>\$ 24,229,512</u></b>

<sup>(A)</sup> Includes General and Special Revenue Funds

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

CITY OF MARQUETTE, MICHIGAN

General Revenues by Sources <sup>(A)</sup>

Last Ten Fiscal Years  
(Continued)

	2025	2024	2023	2022	2021
Property Taxes	\$ 16,277,982	\$ 15,210,701	\$ 13,798,156	\$ 11,733,061	\$ 11,032,984
Payments in lieu of property taxes	3,786,546	3,803,602	3,932,791	3,920,049	3,587,977
State and Federal sources	7,808,592	7,294,439	8,514,099	8,233,021	6,989,478
Intergovernmental revenue	531,095	392,699	533,252	419,060	408,331
Licenses and permits	96,231	105,197	104,352	99,892	102,900
Charges for services	6,772,223	7,302,386	5,096,761	5,436,878	4,957,670
Sales	69,529	49,089	51,619	57,719	64,116
Use and admission fees	687,516	697,285	633,837	466,714	338,203
Fines and forfeits	97,797	81,340	135,690	266,982	144,836
Rentals	172,661	183,580	177,826	140,106	110,227
Special assessments	-	-	-	-	-
Sale of assets	1,462	123,875	115	40,109	895,405
Contribution from private sources	361,686	266,446	591,054	954,857	912,798
Reimbursements	169,487	256,681	152,518	223,217	307,734
Investment income	604,391	784,190	544,250	(107,171)	25,451
Other revenue	483,664	167,123	125,022	106,530	101,563
<b>TOTAL</b>	<b>\$ 37,920,862</b>	<b>\$ 36,718,633</b>	<b>\$ 34,391,342</b>	<b>\$ 31,991,024</b>	<b>\$ 29,979,673</b>

<sup>(A)</sup> Includes General and Special Revenue Funds

CITY OF MARQUETTE, MICHIGAN

General Revenues by Sources <sup>(A)</sup>

Last Ten Fiscal Years  
(Concluded)

	2020	2019	2018	2017	2016
Property Taxes	\$ 10,698,596	\$ 10,322,480	\$ 10,547,002	\$ 10,359,178	\$ 10,974,626
Payments in lieu of property taxes	3,706,246	4,021,184	4,346,184	3,450,621	3,436,353
State and Federal sources	6,646,994	5,478,353	5,196,314	4,815,572	4,481,616
Intergovernmental revenue	399,971	394,032	384,429	366,022	343,530
Licenses and permits	85,999	61,664	62,472	80,353	76,971
Charges for services	4,482,176	4,301,949	3,956,371	4,129,822	4,842,812
Sales	40,881	55,248	29,207	54,986	40,579
Use and admission fees	418,254	417,544	457,488	422,654	404,027
Fines and forfeits	136,438	117,468	200,056	190,549	70,643
Rentals	129,951	140,859	147,409	144,852	142,944
Special assessments	-	-	-	-	-
Sale of assets	13,620	895,523	-	-	8,800
Contribution from private sources	830,789	815,556	819,994	894,559	2,033,273
Reimbursements	350,267	393,830	127,856	232,822	168,869
Investment income	170,959	405,395	7,825	3,197	249,251
Other revenue	66,620	107,637	138,926	177,765	274,247
<b>TOTAL</b>	<b>\$ 28,177,761</b>	<b>\$ 27,928,722</b>	<b>\$ 26,421,533</b>	<b>\$ 25,322,952</b>	<b>\$ 27,548,541</b>

<sup>(A)</sup> Includes General and Special Revenue Funds

CITY OF MARQUETTE, MICHIGAN

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct
2016	\$ 939,829,600	\$ 1,152,263,200	\$ 230,026,000	\$ 675,331,400	\$ 1,646,787,400	17.1530
2017	936,191,000	1,141,539,800	180,297,400	675,331,400	1,582,696,800	17.1930
2018	970,918,200	1,137,214,800	139,636,800	675,331,400	1,572,438,400	17.1030
2019	1,039,826,900	1,258,027,800	48,865,000	675,331,400	1,671,388,300	17.3230
2020	1,072,760,700	1,210,003,200	32,777,400	675,331,400	1,640,209,900	17.2730
2021	1,114,532,900	1,200,518,800	16,331,600	675,331,400	1,656,051,900	17.2730
2022	1,196,415,824	1,230,132,000	16,069,484	675,331,400	1,767,285,908	17.2140
2023	1,365,845,400	1,291,858,600	18,547,400	675,331,400	2,000,920,000	19.7050
2024	1,617,320,640	1,352,509,000	18,514,000	675,331,400	2,313,012,240	19.6740
2025	1,824,597,000	1,434,274,116	24,997,600	675,331,400	2,608,537,316	19.7576

**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 September 30,	City Direct Rates					(A) (B) Overlapping Rates *		
	General Fund	Senior Services Fund	Library Fund	Debt Service Funds	Total Direct	Marquette Area Public School District	County of Marquette	Total
2016	14.9230	0.3500	1.3700	0.5100	17.1530	7.5300	9.9400	34.6230
2017	14.9230	0.3500	1.3700	0.5500	17.1930	7.5200	10.0230	34.7360
2018	14.9230	0.3500	1.3700	0.4600	17.1030	7.4500	7.6930	32.2460
2019	14.9230	0.3500	1.3700	0.6800	17.3230	7.4400	7.6930	32.4560
2020	14.9230	0.3500	1.5000	0.5000	17.2730	7.4400	7.6940	32.4070
2021	14.9230	0.3480	1.4910	0.5110	17.2730	7.4430	7.6120	32.3280
2022	14.9230	0.3460	1.4740	0.4710	17.2140	7.4340	7.6450	32.2930
2023	17.5600	0.3450	1.4710	0.3290	19.7050	7.4140	7.6450	34.7640
2024	17.5600	0.3450	1.4710	0.2980	19.6740	7.3540	9.1450	36.1730
2025	17.5600	0.3450	1.4710	0.3816	19.7576	7.3140	9.1450	36.2166

**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	2025			2016		
	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	\$ 130,119,803	1	13.42%	\$ 52,031,183	2	7.20%
MIMG CL VIII Tourville Sub LLC	13,729,442	2	1.42%			
American Transmission Co. LLC	8,070,989	3	0.83%	5,611,300	4	0.78%
Marquette Medical Dental Center	7,520,753	4	0.78%	11,744,869	3	1.63%
Semco Energy Gas Co	7,205,907	5	0.74%			
HJ Larson & Associates, Inc	6,763,231	6	0.70%	4,699,821	5	0.65%
Veridea Group LLC	6,476,044	7	0.67%	4,159,432	8	0.58%
Liberty Way Hospitality LLC	6,108,474	8	0.63%			
RTI Surgical LLC	4,992,869	9	0.51%			
Adventure Loding Real Estate LLC	4,935,091	10	0.51%			
WE Energies				107,103,100	1	14.82%
Tourville, Inc.				4,537,737	6	0.63%
O'Dovero Properties				4,523,266	7	0.63%
TJ & RM Larson, Inc.				3,579,500	9	0.50%
Mill Creek Community				3,030,300	10	0.42%
<b>Total</b>	<b>\$ 195,922,603</b>		<b>20.20%</b>	<b>\$ 201,020,508</b>		<b>27.84%</b>

**Source:** City of Marquette Assessor's Department.

**CITY OF MARQUETTE, MICHIGAN**

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended September 30,	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
2016	\$ 12,699,290	\$ 12,417,876	97.78%	\$ 35,365	\$ 12,453,241	98.06%
2017	12,942,947	12,246,743	94.62%	37,827	12,284,570	94.91%
2018	12,817,844	12,162,215	94.89%	24,192	12,186,407	95.07%
2019	13,258,863	12,929,260	97.51%	17,055	12,946,315	97.64%
2020	13,206,031	12,985,853	98.33%	10,240	12,996,093	98.41%
2021	13,492,364	13,262,030	98.29%	15,992	13,278,022	98.41%
2022	13,749,810	13,566,651	98.67%	15,546	13,582,197	98.78%
2023	16,496,402	16,265,385	98.60%	19,384	16,284,769	98.72%
2024	17,344,991	17,117,064	98.69%	15,101	17,132,165	98.77%
2025	18,529,852	18,108,178	97.72%	30,988	18,139,166	97.89%

**Source:** Marquette City Treasurer's Department.

**CITY OF MARQUETTE, MICHIGAN**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years  
(Continued)

Governmental Activities

Fiscal Year	General Obligation Bonds	Transportation Bonds	State Infrastructure Bank Note	State Revolving Loan	Energy Enhancement Lease	Equipment Lease	IT Arrangements
2016	\$ 15,192,250	\$ -	\$ 248,623	\$ 139,613	\$ -	\$ -	\$ -
2017	20,128,766	-	165,750	129,013	-	-	-
2018	19,183,525	1,750,255	82,877	118,210	26,326,166	-	-
2019	14,007,115	1,584,230	-	107,204	25,521,336	-	-
2020	13,961,767	3,602,204	-	96,063	25,119,355	-	-
2021	14,264,008	3,246,779	-	84,787	24,658,920	-	-
2022	14,395,378	2,891,353	-	73,308	24,060,234	229,635	-
2023	12,664,298	2,525,928	-	61,627	23,546,158	338,138	74,573
2024	10,890,518	2,145,502	-	49,743	22,650,103	1,430,895	28,221
2025	9,390,787	1,755,077	-	37,657	21,666,575	1,537,964	87,306

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

<sup>a</sup> See Table 16 for personal income and population data. These ratios are calculated using personal income and population from the prior calendar year.

CITY OF MARQUETTE, MICHIGAN

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years  
(Concluded)

Fiscal Year	Business-Type Activities					Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Water Bonds	Sewer Bonds	Storm Water Bonds	Marina Bond	Lighthouse Park Bond			
2016	\$ 8,050,939	\$ 9,488,400	\$ 4,166,728	\$ 181,984	\$ -	\$ 37,470,553	4.99%	\$ 1,754
2017	9,731,616	10,724,983	5,930,011	171,199	-	46,983,355	6.15%	2,192
2018	10,197,415	11,379,582	6,808,576	-	1,035,000	76,883,624	9.64%	3,738
2019	9,249,261	10,312,413	6,122,300	-	935,000	67,840,878	8.45%	3,218
2020	9,758,832	11,321,092	7,975,637	917,923	845,000	73,599,893	9.13%	3,559
2021	9,875,828	11,246,709	8,722,978	838,631	750,000	73,690,661	8.13%	3,510
2022	9,017,591	10,321,606	11,058,781	754,338	655,000	73,459,246	8.10%	3,561
2023	7,774,736	8,875,364	9,991,626	670,046	555,000	67,079,517	6.97%	3,289
2024	6,496,436	7,379,681	8,921,624	585,754	450,000	61,030,501	5.69%	2,936
2025	5,441,500	6,181,964	7,847,113	496,461	345,000	54,789,429	4.66%	2,599

**CITY OF MARQUETTE, MICHIGAN**

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding <sup>c</sup> Debt Supported by General Resources	Percentage of Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
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
2024	14,544,879	0.63%	690.02
2025	12,808,791	0.49%	600.65

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

<sup>a</sup> See Table 7 for property value data.

<sup>b</sup> Population data can be found in Table 16.

<sup>c</sup> Amounts include debt outstanding in Governmental Activities only.

CITY OF MARQUETTE, MICHIGAN

Direct and Overlapping Governmental Activities Debt

As of September 30, 2025

Governmental Unit	Overlapping Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
<b>DIRECT DEBT</b>			
City of Marquette	\$ 34,475,366	100.00%	\$ 34,475,366
		TOTAL DIRECT DEBT	<u>34,475,366</u>
<b>OVERLAPPING DEBT</b>			
County School District	3,130,000	59.47%	1,861,411
Library Improvements	2,265,000	100.00%	2,265,000
Tax Increment Bonds - DDA	391,000	100.00%	391,000
2010 Capital Improvement - BRFA	395,000	100.00%	395,000
2010 Recovery Zone Facility - BRFA	180,000	100.00%	180,000
2016 Tax Increment Bonds - BRFA	16,695,000	100.00%	16,695,000
2017 Tax Increment Bonds - BRFA	445,000	100.00%	445,000
2017 Tax Increment Bonds - BRFA	8,920,000	100.00%	8,920,000
2018 Tax Increment Bonds - BRFA	245,000	100.00%	245,000
2021 Tax Increment Bonds - BRFA	5,985,000	100.00%	<u>5,985,000</u>
		TOTAL OVERLAPPING DEBT	<u>37,382,411</u>
		<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 71,857,777</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	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as Percentage of Debt Limit
2016	\$ 83,770,539	\$ 52,299,914	\$ 31,470,625	62.43%
2017	87,023,820	61,179,053	25,844,767	70.30%
2018	86,530,260	81,774,607	4,755,653	94.50%
2019 <sup>a</sup>	102,967,138	73,617,336	29,349,802	71.50%
2020	104,218,090	76,582,521	27,635,569	73.48%
2021	111,240,218	75,887,283	35,352,935	68.22%
2022	111,644,701	81,137,411	30,507,290	72.67%
2023	114,445,434	74,708,908	39,736,526	65.28%
2024	125,786,792	66,678,772	59,108,020	53.01%
2025	143,321,770 (A)	61,741,003 (B)	81,580,767	43.08%

**Legal Debt margin Calculation for Fiscal Year 2025:**

State Equalized Assessed Value (SEV)	\$ 1,214,883,601
Add:	
Half of Act 198 Property	64,565,700
Revenue Sharing <sup>b</sup>	150,111,729
LCSA/PPT <sup>c</sup>	3,656,673
Total SEV	<u>\$ 1,433,217,703</u>
Debt limit (10% of total SEV)	143,321,770 (A)
Debt applicable to limit:	
Total debt included in	
Governmental Activities	34,475,366
Business-Type Activities	20,312,038
Component units	35,521,000
Less:	
Deferred amounts on bonds	
Governmental Activities	(1,042,460)
Business-Type Activities	(1,713,096)
Debt not subject to limit:	
Michigan transportation bonds	(2,520,000)
TELP energy enhancement lease	(21,666,575)
Equipment lease	(1,537,964)
IT Arrangements	(87,306)
Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>61,741,003 (B)</u>
Legal debt margin	<u>\$ 81,580,767</u>

**Note:** Under State finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

<sup>a</sup> - 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.

<sup>b</sup> - Constitutional and statutory revenue sharing divided by the City's millage rate of 17.5604 mills

<sup>c</sup> - Local Community Stabilization Authority [LCSA] reimbursements less loss distribution divided by the City's millage rate of 17.5604 mills

CITY OF MARQUETTE, MICHIGAN

Pledged-Revenue Coverage

Last Ten Fiscal Years

Water Supply Bonds						
Fiscal Year	Gross Revenue (1)	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2016	\$ 4,353,648	\$ 4,683,258	\$ (329,610)	\$ 335,000	\$ 6,312	(0.97)
2017	4,353,898	4,371,618	(17,720)	170,000	-	(0.10)
2018	4,406,501	4,394,676	11,825	-	-	-
2019	5,133,369	5,049,915	83,454	-	-	-
2020	5,360,602	4,809,588	551,014	-	-	-
2021	5,379,675	4,567,767	811,908	-	-	-
2022	5,808,965	5,036,682	772,283	-	-	-
2023	6,374,030	5,356,581	1,017,449	-	-	-
2024	6,747,204	5,378,718	1,368,486	-	-	-
2025	7,158,793	5,623,169	1,535,624	-	-	-

Electric Utility Bonds						
Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
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
2024	42,145,807	34,213,492	7,932,315	3,040,000	2,385,462	1.46
2024	42,361,696	32,977,557	9,384,139	3,195,000	2,233,462	1.73

**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.

**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
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	n/a	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%
2024	21,079	1,176,735,175	55,825	30.2	12.8	3,228	4.1%
2025 *	21,325	1,243,247,500	58,300	39.8	13.4	3,235	4.2%

**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 Marquette-Alger Regional Educational Service Agency.

Unemployment provided by the Lake Superior Community Partnership

\* - Beginning in fiscal year 2025, certain demographic and economic data were sourced using revised methodologies due to changes in data availability from federal agencies. Personal income and related measures are based on county-level data from the Bureau of Economic Analysis and applied as a proxy for the City of Marquette. Other demographic indicators are derived from the U.S. Census Bureau and the Bureau of Labor Statistics. Prior year amounts may not be directly comparable to current year data due to these changes in source and methodology.

n/a - Data not available.

**CITY OF MARQUETTE, MICHIGAN**

Principal Employers

Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
UP Health System - Marquette	1,599	1	4.79%	2,619	1	7.62%
Northern Michigan University	1,003	2	3.00%	918	3	2.67%
Cleveland-Cliffs, Inc	960	3	2.87%	1,600	2	1.65%
Upper Peninsula Medical Center	603	4	1.81%	744	4	2.16%
Marquette Area Public Schools	430	5	1.29%	382	7	1.11%
Wal-Mart Stores, Inc	392	6	1.17%	380	8	1.11%
UP Health System - Bell	366	7	1.10%	370	9	1.08%
County of Marquette	308	8	0.92%			
Marquette Branch Prison	285	9	0.85%	388	6	1.13%
Meijer	272	10	0.81%			
Westwood Mall Merchants				500	5	1.45%
American Eagle Airlines, Inc.				253	10	0.74%
Total	<u>6,218</u>		<u>18.61%</u>	<u>8,154</u>		<u>20.72%</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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Administration Services	29	29	29	29	27	26	28	23	27	27
Public Health and Safety										
Police Officers	34	34	38	39	39	39	38	39	38	37
Firefighters and Officers	26	25	28	28	27	24	26	26	26	26
Public Works	29	29	27	27	27	25	24	39	32	36
Highway and Streets	14	13	15	15	16	15	17	8	8	8
Social Services	5.5	4	4	4	4	4	2	4	4	4
Recreation and Culture	6.5	7	6	6	6	6	8	4	3	4
Storm Water	1	1	1	1	1	1	1	1	1	1
Motor Pool	8	8	8	8	8	8	8	8	7	7
Water	13	13	13	13	17	12	13	13	13	13
Wastewater	10	10	10	10	7	7	10	10	10	10
Library	12	11	12	15	12	10	12	13	13	12
Total	<u>188</u>	<u>184</u>	<u>191</u>	<u>195</u>	<u>191</u>	<u>177</u>	<u>187</u>	<u>188</u>	<u>182</u>	<u>185</u>

Source: City Human Resources Department

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

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Police</b>										
Physical arrests	427	466	449	522	602	532	585	518	749	666
Parking violations	4,336	4,000	5,328	5,460	5,529	3,007	5,080	5,701	5,825	3,438
Traffic violations	2,627	2,770	1,588	1,495	2,005	1,775	2,873	3,802	3,802	4,354
<b>Fire</b>										
Emergency responses	2,536	2,743	2,664	2,539	2,223	2,255	2,258	2,213	1,635	1,323
Fires extinguished	24	26	23	28	39	28	18	18	22	21
Inspections	1,684	1,482	1,852	2,224	1,584	2,176	2,005	1,364	1,439	1,570
<b>Refuse collection</b>										
Refuse collected (tons per week)	48.9	52.2	53.8	57.7	49.6	46.0	50.4	50.4	47.2	49.0
Recycling (tons per week)	11.7	14.2	14.8	15.3	15.6	16.0	9.7	11.3	12.5	13.4
<b>Other public works</b>										
Street resurfacing (miles)	-	1.0	1.0	1.5	1.6	1.6	1.4	0.9	4.3	2.8
Potholes repaired	30 Tons	**	**	**	-	-	-	-	-	-
<b>Parks and recreation</b>										
Total Campers	11,804	**	**	**	15,000	10,938	**	**	27,880	26,715
Beach Attendance	**	**	**	**	22,220	14,000	19,213	26,261	20,829	19,285
<b>Library</b>										
Volumes in collection	158,336	161,072	171,381	175,148	191,639	196,588	193,160	214,069	204,467	237,013
Total volumes borrowed	190,732	209,310	197,410	187,613	220,115	188,096	263,621	212,017	237,063	254,758
<b>Water</b>										
Consumers	6,285	6,256	6,242	6,217	6,195	6,140	7,100	6,177	6,177	6,154
Water mains breaks	9	7	12	10	6	13	-	-	-	-
Average daily consumption ^	1.94	1.97	1.97	2.01	2.09	1.98	2.25	2.11	2.09	2.25
<b>Wastewater</b>										
Average daily sewage treatment^	2.67	2.86	2.86	2.51	2.69	3.22	3.00	3.06	3.06	3.03

\*\* Data not available  
^ millions of gallons

Source: Various City Departments

CITY OF MARQUETTE, MICHIGAN

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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)	89.5	90.9	90.9	91.5	91.5	91.5	91.5	91.5	91.5	91.5
Streetlights	2,539	2,570	2,570	2,547	2,547	2,547	2,547	2,547	2,547	2,524
Parks and recreation										
Parks	21	24	24	24	24	20	20	20	20	20
Playfields	18	12	13	13	13	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	2	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	99.6	99.8	99.8	99.8	98.8	98.8	98.8	98.8	98.8	98.8
Wastewater										
Sanitary sewers (miles)	89.8	89.0	88.9	88.8	88.8	88.8	88.8	88.8	88.8	88.8
Storm sewers (miles)	57.1	53.9	53.9	53.5	53.2	53.2	53.2	53.2	52.9	52.8

Source: Various City Departments

**CITY OF MARQUETTE, MICHIGAN**

**COMPLIANCE SUPPLEMENT**

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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, 2025, 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 27, 2026. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Anderson, Tackman & Company, PLLC*  
Certified Public Accountants

March 27, 2026

**CITY OF MARQUETTE, MICHIGAN  
COMMUNICATIONS SUPPLEMENT**

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***City of Marquette, Michigan***  
***Report to Management***  
***For the Year Ended September 30, 2025***

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, 2025, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Anderson, Tackman & Company, PLLC*  
Certified Public Accountants

March 27, 2026

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***City of Marquette, Michigan***  
***Communication with Those Charged with Governance***  
***For the Year Ended September 30, 2025***

March 27, 2026

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, 2025. 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 February 17, 2026. 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. As described in Note Q, the City changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*, in 2025. The cumulative effect of the accounting change was not material and, accordingly, no restatement of the beginning balance was deemed necessary. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimates of the City's intangible right-to-use assets (such as leases and subscription-based information technology arrangements),

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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 accrued benefit time (sick, vacation, paid time off, compensatory time) outstanding at the end of the year along with management's estimate of the City's wage-related liabilities (such as FICA), historical usage, and the various provisions of the respective collective bargaining agreements. Management's regarding the current portion of compensated absences for financial statement purposes is based on estimated historical usage of benefit time. 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. We also evaluated the methods, assumptions, and data used by the City to allocate the net pension liability to the governmental activities.

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 pension costs and related to the various governmental activities, the business-type activities, and the Marquette Area Wastewater Treatment Facility.

Management's estimate of Net Other Post Employment Benefit Liability is based on an actuarial performed for the City of Marquette Retiree Medical Plan to determine its liability. We evaluated the methods, assumptions, and data used to

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develop the City's Net Other Post Employment Benefit Liability, based on information provided by Watkins Ross, in determining that it is reasonable in relation to the financial statements taken as a whole. We also evaluated the methods, assumptions, and data used by the City to allocate OPEB costs and related to the various governmental activities, the business-type activities, and the Marquette Area Wastewater Treatment Facility.

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*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. 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 27, 2026.

#### *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.

#### *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

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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 Other Supplemental Information (as listed in the table of contents, herein referred to as "supplemental information"), which accompanies the financial statements but is not RSI. With respect to the supplemental 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

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

## **ATTACHMENT – UPCOMING GASB STANDARDS**

For the Year Ended September 30, 2025

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](http://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 103: Financial Reporting Model Improvements

*Effective for fiscal years beginning after June 15, 2025 (City's fiscal year 2026)*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed and avoid "boilerplate" discussions. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace

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accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements. The requirement for presentation of major component unit information will improve comparability.

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

We expect this standard to have a significant effect on the presentation of the City's financial statements.

#### GASB 104: Disclosure of Certain Capital Assets

*Effective for fiscal years beginning after June 15, 2025 (City's fiscal year 2026)*

The objective of this Statement is to provide detailed information about capital assets in notes to financial statements by requiring certain capital assets to be presented by major class. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

We do not expect this standard to have a significant effect on the presentation of the City's financial statements.

#### GASB 105: Subsequent Events

*Effective for fiscal years beginning after June 15, 2026 (City's fiscal year 2027)*

The objective of this Statement is to improve the financial reporting requirements for subsequent to better meet the informational needs of the financial statement users by enhancing consistency in the application of subsequent events.

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Under this Statement, a subsequent event is defined as a transaction or event that occurs after the date of the financial statements but before the date the financial statements are available to be issued. This statement improves financial reporting by (1) clarifying the subsequent event time frame and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events.

We do not expect this standard to have a significant effect on the presentation of the City's financial statements.