

CITY OF MARINETTE, WISCONSIN

Annual Financial Report

December 31, 2018

CITY OF MARINETTE, WISCONSIN

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the City Council
City of Marinette
Marinette, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marinette, Wisconsin (City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marinette, Wisconsin, as of December 31, 2018, 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.

To the City Council
City of Marinette, Wisconsin

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires the management's discussion and analysis, schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedules of employer's proportionate share of the net OPEB liability (asset) and employer contributions – other post-employment benefits – cost sharing plan, and budgetary comparison information on pages 3 to 8 and 54 to 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 themselves, 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 of Marinette, Wisconsin's basic financial statements. The combining financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management.

The combining balance sheet – nonmajor governmental funds and combining statement of revenues, expenditures and changes in fund balances (deficits) – nonmajor governmental funds were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – nonmajor governmental funds and combining statement of revenues, expenditures and changes in fund balances (deficits) – nonmajor governmental funds are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The detailed budgetary comparison schedule – general fund and schedule of budgetary comparison schedule – debt service fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



KerberRose SC
Certified Public Accountants
July 26, 2019

MANAGEMENT DISCUSSION AND ANALYSIS



City of Marinette

1905 HALL AVENUE
MARINETTE, WI 54143-1716

Management's Discussion and Analysis

This discussion and analysis of the City of Marinette's financial performance provides an overview of the financial activities of the City and Utilities for the fiscal year ended December 31, 2018. It should be read in conjunction with the City's financial statements, beginning on page 9.

Financial Highlights

- At the close of the fiscal year 2018, the assets and deferred outflows of resources of the City of Marinette exceeded its liabilities and deferred inflows of resources by \$87,508,245 (net position) versus \$81,421,821 at the close of 2017, an increase of \$6,086,424.
- During 2018, the General Fund balance increased by \$75,885. At end of the fiscal year, the total general fund balance was \$6,994,754 and the portion that can be used for general operations (Unassigned Fund Balance) was \$6,446,216 which was approximately 41% of the total 2018 General Fund spending budget.

Overview of the Financial Statements

The basic financial statements include three (3) components:

- 1) government-wide financial statements,
- 2) fund financial statements,
- 3) notes to the financial statements.

1. Government-wide Financial Statements (Reporting the City as a Whole)

The government-wide financial statements (pages 9-11) provide readers with a broad overview of the finances of the City government (including Utilities) as a total enterprise. The Statement of Net Position and the Statement of Activities are used to accomplish this.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the City's financial position. Table 1 on the next page shows the City's net position.

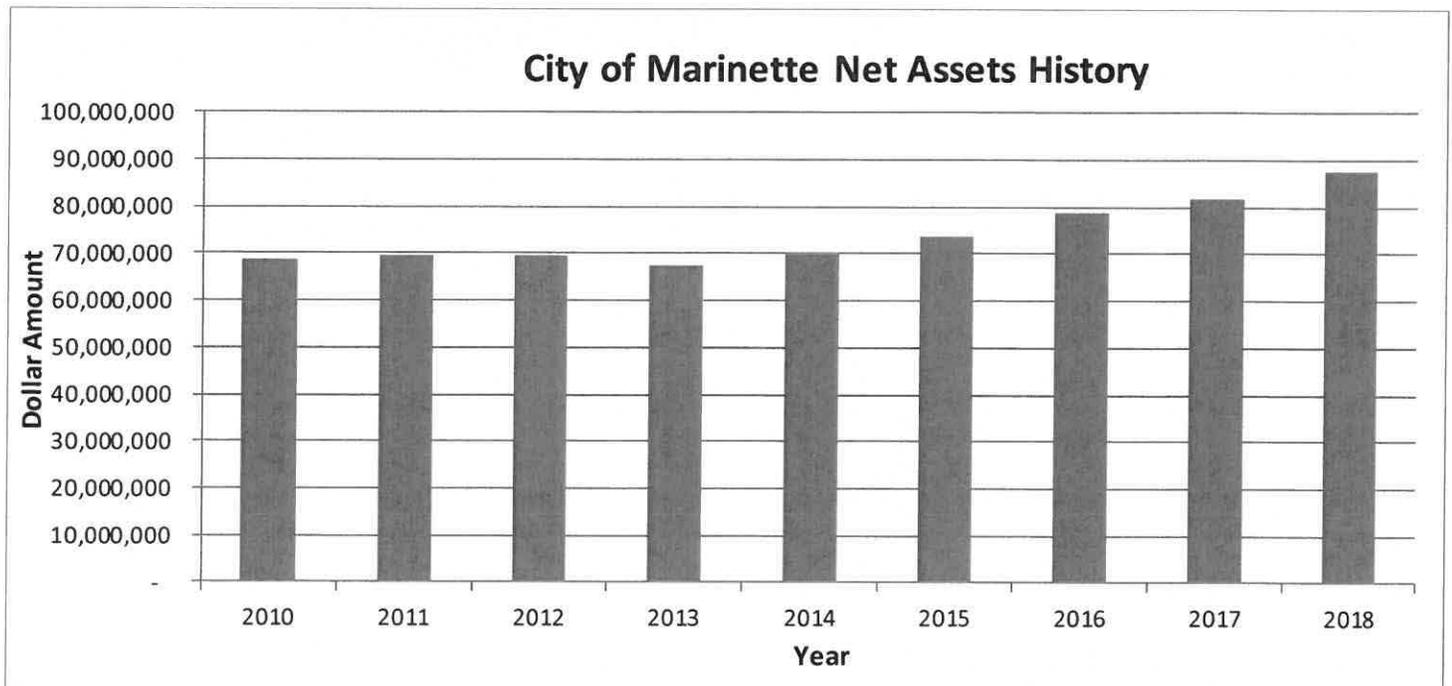
The total City assets and deferred outflows of resources exceeded total City liabilities and deferred inflows of resources by \$87,508,245 at the close of the fiscal year 2018 versus \$81,421,821 at the close of 2017, an increase of \$6,086,424. Chart 1 on the next page shows the City's net position history from 2010 to 2018.

(Table 1)

CITY OF MARINETTE, WISCONSIN
Statement of Net Position
December 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and other assets	\$24,695,930	\$29,345,425	\$11,179,535	\$10,831,879	\$35,875,465	\$40,177,304
Capital Assets	42,778,219	33,196,808	55,607,462	55,759,205	98,385,681	88,956,013
Total Assets	67,474,149	62,542,233	66,786,997	66,591,084	134,261,146	129,133,317
DEFERRED OUTFLOWS OF RESOURCES	2,530,295	3,240,106	308,375	402,190	2,838,670	3,642,296
LIABILITIES						
Current and other liabilities	4,690,047	4,444,364	1,668,852	1,661,699	6,358,899	6,106,063
Long-term liabilities	20,646,294	22,650,192	12,590,861	13,992,421	33,237,155	36,642,613
Total Liabilities	25,336,341	27,094,556	14,259,713	15,654,120	39,596,054	42,748,676
DEFERRED INFLOWS OF RESOURCES	9,719,471	8,443,861	276,046	161,255	9,995,517	8,605,116
NET POSITION						
Net investment in capital assets	21,380,013	17,735,434	41,687,566	40,510,411	63,067,579	58,245,845
Restricted	7,023,537	13,635,640	6,911,443	6,102,363	13,934,980	19,738,003
Unrestricted (deficit)	6,545,082	(1,127,152)	3,960,604	4,565,125	10,505,686	3,437,973
Total Net Position	\$34,948,632	\$30,243,922	\$52,559,613	\$51,177,899	\$87,508,245	\$81,421,821

(Chart 1)



CITY OF MARINETTE, WISCONSIN
Notes to Management's Discussion and Analysis
December 31, 2018

The 2018 increase in net position is primarily from the increased values in capital assets and a profit from operations.

The Statement of Net Position shows the restricted and unrestricted net assets. Unrestricted assets can be spent under the City government's discretion. The restricted assets are not available for appropriation or are legally restricted by outside parties. Restricted assets are used for a specific purpose such as payments to creditors, grant contributors, and other legal requirements. They cannot be spent under the City government's discretion.

During 2018, the City's combined unrestricted net position increased by \$7,362,595. The Governmental activities unrestricted net positions increased by \$7,968,523 while the Business-type activities unrestricted net position decreased by \$605,928. By far, the largest portion (nearly 72%) of the total net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The Statement of Activities presents information showing how the City's net position changed during 2018. Table 2 on the next page shows the Statement of Activities for the City of Marinette for fiscal years 2018 and 2017. The City of Marinette's total net position increased in value by 7 percent or \$6,086,424 from 2017.

As you may see, in both the Statement of Net Position and the Statement of Activities, we divided the City into two kinds of activities: Governmental activities and Business-type activities.

Governmental activities - Most of the City's basic services are reported here, including the police, fire, public works, park, recreation, and general administration. Property taxes, franchise fees, and state and federal grants and financial aids finance most of these activities. In addition, all the special revenue funds, capital project funds, debt service funds, and TIF districts totaling forty individual funds are also included here.

Business-type activities - The City charges a fee to customers to help cover all or most of the costs of certain services provided. The City's water, sanitary sewer, storm water, and cemetery activities are reported here.

Looking at the revenues, in 2018, in the Governmental activities section, an increase in grants and charges for services created increases in the City's revenues of \$2,817,358. When comparing to 2017, the Business-type activities saw an increase in revenues for charges for services and miscellaneous income of \$375,188 due to a water rate increase in the current year and the spending decreased by \$458,344.

2. Fund Financial Statements (Reporting the City's Most Significant Funds)

The Fund Financial Statements begin on page 12 and provide detailed information about the most significant funds - not the City as a whole. The City has three kinds of funds: Governmental, Proprietary and Fiduciary.

(Table 2)

CITY OF MARINETTE, WISCONSIN
Statement of Activities
Year Ended December 31, 2018 and 2017

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenue						
Charges for Services	\$ 846,820	\$ 832,841	\$ 7,989,665	\$ 7,614,477	\$ 8,836,485	\$ 8,447,318
Operating grants and contributions	1,800,348	1,996,218	-	-	1,800,348	1,996,218
Capital grants and contributions	3,034,802	772,919	-	-	3,034,802	772,919
General Revenues						
Property taxes for general purposes	6,907,619	6,323,244	-	-	6,907,619	6,323,244
Other taxes	478,974	472,155	-	-	478,974	472,155
State/federal aids/other contributions not restricted to specific functions	4,835,233	4,850,450	-	-	4,835,233	4,850,450
Interests and investment earnings	284,527	167,291	181,313	146,182	465,840	313,473
Miscellaneous	303,750	230,570	-	4,831	303,750	235,401
Gain on sale of asset	27,610	56,637	-	-	27,610	56,637
Total Revenues	18,519,683	15,702,325	8,170,978	7,765,490	26,690,661	23,467,815
Expenses						
General government	1,774,741	1,866,841	-	-	1,774,741	1,866,841
Public safety	5,044,665	5,112,734	-	-	5,044,665	5,112,734
Public works	4,969,128	4,508,849	-	-	4,969,128	4,508,849
Culture and recreation	804,707	495,363	-	-	804,707	495,363
Conservation and development	1,532,970	1,630,486	-	-	1,532,970	1,630,486
Interest and fiscal charges on debt	434,944	432,064	-	-	434,944	432,064
Water utility	-	-	3,400,103	3,518,979	3,400,103	3,518,979
Wastewater treatment facility	-	-	1,814,330	2,245,445	1,814,330	2,245,445
Storm Water Utility	-	-	619,123	531,716	619,123	531,716
Cemetery	-	-	209,526	205,286	209,526	205,286
Total Expenses	14,561,155	14,046,337	6,043,082	6,501,426	20,604,237	20,547,763
Increase in net position before transfers	3,958,528	1,655,988	2,127,896	1,264,064	6,086,424	2,920,052
Transfers	746,182	750,806	(746,182)	(750,806)	-	-
Increase in net position	4,704,710	2,406,794	1,381,714	513,258	6,086,424	2,920,052
Net position as restated - January 1	30,243,922	27,837,128	51,177,899	50,664,641	81,421,821	78,501,769
Net position - December 31	\$ 34,948,632	\$ 30,243,922	\$ 52,559,613	\$ 51,177,899	\$ 87,508,245	\$ 81,421,821

Governmental funds - include the General Fund, Debt Service Funds, Special Revenue Funds, and Capital Projects Funds. The financial statements for governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. The fund balances are classified as 1) Nonspendable, 2) Restricted - obligated for specific purposes by external parties, 3) Assigned - designated for specific purposes by action of City Council, and 4) Unassigned - available for any purposes.

CITY OF MARINETTE, WISCONSIN
Notes to Management's Discussion and Analysis
December 31, 2018

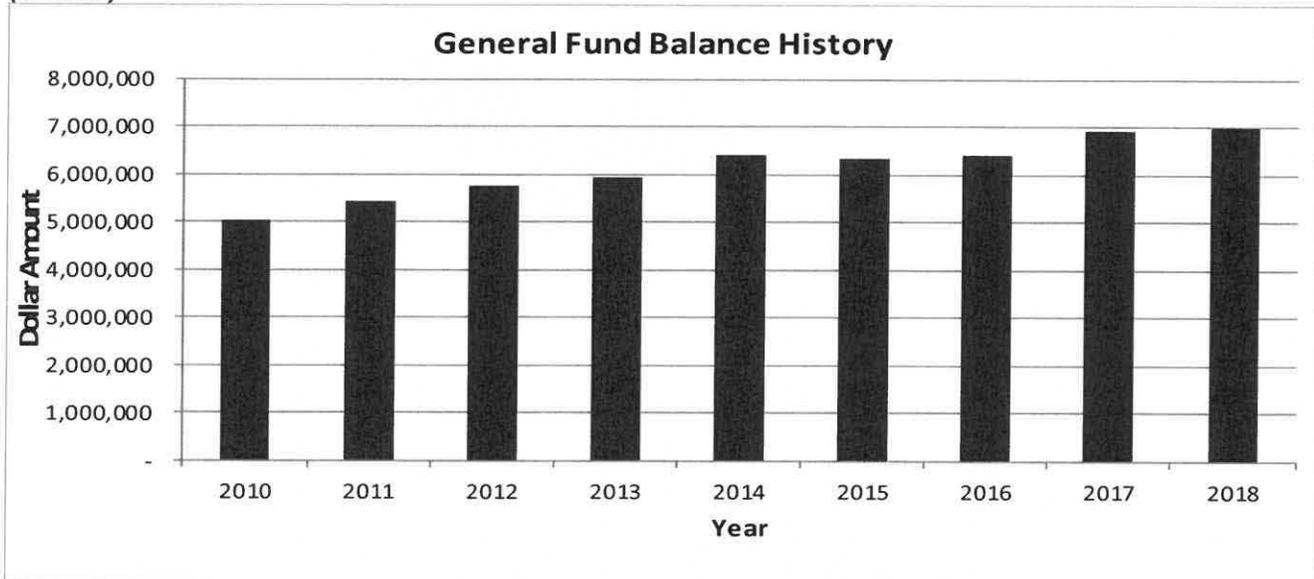
The last 2 categories are similar to unrestricted assets, and they can be spent under management's discretion, so they may serve as a useful measure of the City's net resources available for spending. At end of 2018, the total fund balances from these last 2 categories were \$7,885,726.

The General Fund is the chief operating fund of the City. Page 15 shows the summary of 2018 General Fund revenues, expenditures and changes of fund balance. As you may see, the general fund ended its year increasing the fund balance by \$75,885.

Page 15 shows that at the end of 2018, the general fund had a fund balance of \$6,994,754. Of this amount, \$6,446,216 was unassigned so it can be spent at management's discretion. Further breakdown of these funds are as follows: the City assigned \$500,000 for vested employment benefit liabilities (the reported liabilities at end of 2018 were \$1,050,201). The unassigned general fund balance is approximately 50% of total 2018 General Fund spending budget. Maintaining a higher unassigned fund balance is necessary because the payment received from the State Shared Revenues comes in late November of each year. The Shared Revenue is approximately 31% of total General Fund revenue. A healthy fund balance prevents short-term borrowing for operating cash, helps to meet emergency needs, generates interest revenues through investments, and helps to maintain the City's bond rating.

Chart 2 below shows the General Fund balance history from 2010 to 2018.

(Chart 2)



Proprietary funds - The City's proprietary funds (pages 18-23) provide the same type of information found in the government-wide financial statements, but in more detail.

The Statement of Revenues, Expenses, and Changes in Net Position on Pages 20 and 21 shows that for enterprise funds, overall net position increased by \$1,381,714. Page 6 of the management's discussion and analysis shows total revenues increased \$375,188 and total expenses decreased by \$387,560 in 2018. On the revenue side, the Wastewater Utility revenues from fixed charges increased by \$207,782 and the Water Utility's revenues from metered use decreased by \$49,502. On the expense side, the Water Utility's pumping maintenance and operations increased expenses by \$9,457, and increased the depreciation expense by \$6,990. The PILOT payment is a property tax equivalent payable to the City of Marinette (recorded as a transfer out) which increased \$15,146. The increased value of the new water treatment facility is one of the main factors in the PILOT's calculation. Wastewater spent \$419,797 less on operations and maintenance. The Storm Water Utility spending increased in 2018 by \$87,865 due to larger scaled capital projects completed in 2018.

FINANCIAL STATEMENTS

CITY OF MARINETTE, WISCONSIN
Statement of Net Position
As of December 31, 2018

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 13,926,848	\$ 3,258,641	\$ 17,185,489
Receivables:			
Taxes	6,240,837	-	6,240,837
Accounts	348,496	879,996	1,228,492
Special Assessments	34,326	-	34,326
Delinquent Personal Property Taxes	41,472	-	41,472
Loans	1,694,058	-	1,694,058
Grants	279,114	-	279,114
Restricted Cash and Investments	779,177	6,772,961	7,552,138
Inventories and Prepaid Items	7,066	96,631	103,697
Other Current Assets	-	2,340	2,340
Total Current Assets	<u>23,351,394</u>	<u>11,010,569</u>	<u>34,361,963</u>
Noncurrent Assets			
Special Assessments	-	16,246	16,246
Net Pension Asset	1,344,536	152,720	1,497,256
Capital Assets, Nondepreciable:			
Land	1,969,904	639,506	2,609,410
Construction in Progress	16,597,176	-	16,597,176
Capital Assets, Depreciable:			
Land Improvements	2,004,472	45,756,295	47,760,767
Buildings and Improvements	5,622,412	18,976,643	24,599,055
Machinery and Equipment	8,648,823	18,487,265	27,136,088
Infrastructure	32,389,331	13,543,055	45,932,386
Less: Accumulated Depreciation	(24,453,899)	(41,795,302)	(66,249,201)
Total Noncurrent Assets	<u>44,122,755</u>	<u>55,776,428</u>	<u>99,899,183</u>
TOTAL ASSETS	<u>67,474,149</u>	<u>66,786,997</u>	<u>134,261,146</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	43,872	43,872
Deferred Outflows Related to Pension	2,484,532	259,306	2,743,838
Deferred Outflows Related to Other Post-Employment Benefits	45,763	5,197	50,960
Total Deferred Outflows of Resources	<u>2,530,295</u>	<u>308,375</u>	<u>2,838,670</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	1,894,870	94,084	1,988,954
Accrued and Other Current Liabilities	516,425	10,841	527,266
Special Deposits	75,586	-	75,586
Accrued Interest Payable	88,371	65,457	153,828
Accrued Compensated Absences	-	134,375	134,375
Due to Other Governments	4,013	-	4,013
Current Portion of Long-Term Obligations	2,110,783	1,364,095	3,474,878
Total Current Liabilities	<u>4,690,047</u>	<u>1,668,852</u>	<u>6,358,899</u>
Noncurrent Liabilities			
Net OPEB Liability	308,670	35,060	343,730
Noncurrent Portion of Long-Term Obligations	20,337,624	12,555,801	32,893,425
Total Noncurrent Liabilities	<u>20,646,294</u>	<u>12,590,861</u>	<u>33,237,155</u>
Total Liabilities	<u>25,336,341</u>	<u>14,259,713</u>	<u>39,596,054</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	7,023,315	-	7,023,315
Deferred Inflows Related to Pension	2,674,127	273,544	2,947,671
Deferred Inflows Related to Other Post-Employment Benefits	22,029	2,502	24,531
Total Deferred Inflows of Resources	<u>9,719,471</u>	<u>276,046</u>	<u>9,995,517</u>
NET POSITION			
Net Investment in Capital Assets	21,380,013	41,687,566	63,067,579
Restricted for:			
Community Development	2,479,153	-	2,479,153
Tax Incremental District	1,463,502	-	1,463,502
Debt Service	172,613	2,564,204	2,736,817
Capital Projects	1,753,328	-	1,753,328
Plant Replacement	-	4,208,757	4,208,757
Pension Benefits	1,154,941	138,482	1,293,423
Unrestricted	6,545,082	3,960,604	10,505,686
TOTAL NET POSITION	<u>\$ 34,948,632</u>	<u>\$ 52,559,613</u>	<u>\$ 87,508,245</u>

See Accompanying Notes

CITY OF MARINETTE, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General Government	\$ 1,774,741	\$ 191,426	\$ 1,328	\$ -
Public Safety	5,044,665	504,827	93,756	-
Public Works	4,969,128	71,770	1,235,756	2,644,744
Culture and Recreation	804,707	78,797	469,508	-
Conservation and Development	1,532,970	-	-	390,058
Interest on Debt	434,944	-	-	-
Total Governmental Activities	14,561,155	846,820	1,800,348	3,034,802
BUSINESS-TYPE ACTIVITIES				
Cemetery	209,526	93,935	-	-
Water Utility	3,400,103	4,829,644	-	-
Wastewater Utility	1,814,330	2,294,807	-	-
Storm Water Utility	619,123	771,279	-	-
Total Business-Type Activities	6,043,082	7,989,665	-	-
Total	\$ 20,604,237	\$ 8,836,485	\$ 1,800,348	\$ 3,034,802

GENERAL REVENUES

Taxes:

General Property Taxes

Tax Increments

Other Taxes

Federal and State Grants and Other Contributions

Not Restricted to Specific Functions

Interest and Investment Earnings

Insurance Dividends and Recoveries

Rental Income

Sale of Assets

Miscellaneous

Total General Revenues

TRANSFER

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR - RESTATED

NET POSITION - END OF YEAR

See Accompanying Notes

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business- Type Activities	Total
\$ (1,581,987)	\$ -	\$ (1,581,987)
(4,446,082)	-	(4,446,082)
(1,016,858)	-	(1,016,858)
(256,402)	-	(256,402)
(1,142,912)	-	(1,142,912)
(434,944)	-	(434,944)
<u>(8,879,185)</u>	<u>-</u>	<u>(8,879,185)</u>
-	(115,591)	(115,591)
-	1,429,541	1,429,541
-	480,477	480,477
-	152,156	152,156
<u>-</u>	<u>1,946,583</u>	<u>1,946,583</u>
<u>\$ (8,879,185)</u>	<u>\$ 1,946,583</u>	<u>\$ (6,932,602)</u>
5,293,031	-	5,293,031
1,614,588	-	1,614,588
478,974	-	478,974
4,835,233	-	4,835,233
284,527	181,313	465,840
52,910	-	52,910
138,794	-	138,794
27,610	-	27,610
112,046	-	112,046
<u>12,837,713</u>	<u>181,313</u>	<u>13,019,026</u>
746,182	(746,182)	-
4,704,710	1,381,714	6,086,424
<u>30,243,922</u>	<u>51,177,899</u>	<u>81,421,821</u>
<u>\$ 34,948,632</u>	<u>\$ 52,559,613</u>	<u>\$ 87,508,245</u>

See Accompanying Notes

CITY OF MARINETTE, WISCONSIN

Balance Sheet
Governmental Funds
As of December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>TID No. 3</u>
ASSETS			
Cash and Investments	\$ 7,455,937	\$ 172,613	\$ -
Receivables:			
Taxes	5,000,146	-	202,405
Accounts	36,651	-	-
Special Assessments	34,326	-	-
Delinquent Personal Property Taxes	41,472	-	-
Loans	-	-	-
Grants	-	-	279,114
Restricted Cash and Investments	621,815	-	25,672
Due from Other Funds	617,432	-	-
Inventories and Prepaid Items	7,066	-	-
TOTAL ASSETS	<u>\$ 13,814,845</u>	<u>\$ 172,613</u>	<u>\$ 507,191</u>
LIABILITIES			
Accounts Payable	\$ 598,752	\$ -	\$ 42,585
Accrued and Other Current Liabilities	515,022	-	-
Special Deposits	44,767	-	-
Due to Other Fund	-	-	179,619
Due to Other Governments	1,962	-	-
Total Liabilities	<u>1,160,503</u>	<u>-</u>	<u>222,204</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	5,625,262	-	228,077
Unavailable - Special Assessments	34,326	-	-
Total Deferred Inflows of Resources	<u>5,659,588</u>	<u>-</u>	<u>228,077</u>
FUND BALANCES			
Nonspendable:			
Inventories and Prepaid Items	7,066	-	-
Delinquent Personal Property Taxes	41,472	-	-
Restricted:			
Tax Incremental Districts	-	-	56,910
Loans	-	-	-
Debt Service	-	172,613	-
Capital Projects	-	-	-
Assigned:			
Vacation and Sick Leave	500,000	-	-
Special Revenue Funds	-	-	-
Unassigned (Deficit)	6,446,216	-	-
Total Fund Balances	<u>6,994,754</u>	<u>172,613</u>	<u>56,910</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 13,814,845</u>	<u>\$ 172,613</u>	<u>\$ 507,191</u>

See Accompanying Notes

<u>Recreation Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,685,481	\$ 4,612,817	\$ 13,926,848
-	1,038,286	6,240,837
100,000	211,845	348,496
-	-	34,326
-	-	41,472
-	1,694,058	1,694,058
-	-	279,114
-	131,690	779,177
-	-	617,432
-	-	7,066
<u>\$ 1,785,481</u>	<u>\$ 7,688,697</u>	<u>\$ 23,968,827</u>
\$ 958,760	\$ 294,773	\$ 1,894,870
-	1,403	516,425
-	30,819	75,586
-	437,813	617,432
-	2,051	4,013
<u>958,760</u>	<u>766,859</u>	<u>3,108,326</u>
-	1,169,976	7,023,315
-	-	34,326
-	<u>1,169,976</u>	<u>7,057,641</u>
-	-	7,066
-	-	41,472
-	1,406,592	1,463,502
-	2,479,153	2,479,153
-	-	172,613
826,721	926,607	1,753,328
-	-	500,000
-	1,357,131	1,357,131
-	(417,621)	6,028,595
<u>826,721</u>	<u>5,751,862</u>	<u>13,802,860</u>
<u>\$ 1,785,481</u>	<u>\$ 7,688,697</u>	<u>\$ 23,968,827</u>

See Accompanying Notes

CITY OF MARINETTE, WISCONSIN

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
As of December 31, 2018

Total Fund Balances - Governmental Funds \$ 13,802,860

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Amounts reported for governmental activities in the statement of net position:

Capital Assets	67,232,118	
Accumulated Depreciation	<u>(24,453,899)</u>	42,778,219

Some receivables that are not currently available are reported as deferred inflows of resources in the fund statements but are recognized as revenue when earned in the government-wide statements.

Special Assessments		34,326
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The City's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements

Net Pension Asset		1,344,536
Deferred Outflows Related to Pension		2,484,532
Deferred Inflows Related to Pension		<u>(2,674,127)</u>

The City's proportionate share of the OPEB is not an available financial resource; therefore, it is not reported in the fund financial statements.

Deferred Outflows of Resources Related to Other Post-Employment Benefits:		
Cost-Sharing Plan		45,763
Deferred Inflows of Resources Related to Other Post-Employment Benefits:		
Cost-Sharing Plan		<u>(22,029)</u>

Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet:

General Obligation Debt	(21,382,489)	
Debt Premium	(45,390)	
Debt Discount	29,673	
Net OPEB Liability	(308,670)	
Compensated Absences	(1,050,201)	
Accrued Interest	<u>(88,371)</u>	<u>(22,845,448)</u>

Total Net Position - Governmental Activities \$ 34,948,632

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CITY OF MARINETTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>TID No. 3</u>
REVENUES			
Taxes	\$ 5,471,236	\$ -	\$ 244,192
Intergovernmental	5,721,903	-	80,976
Licenses and Permits	309,255	-	-
Fines and Forfeits	251,479	-	-
Public Charges for Services	176,689	-	-
Intergovernmental Charges for Services	-	13,773	-
Miscellaneous	2,830,617	-	301,921
Total Revenues	<u>14,761,179</u>	<u>13,773</u>	<u>627,089</u>
EXPENDITURES			
Current:			
General Government	1,770,151	950	-
Public Safety	4,733,496	-	-
Public Works	2,331,813	-	-
Culture and Recreation	1,058,472	-	-
Conservation and Development	177,536	-	656,644
Debt Service:			
Principal	-	1,215,000	-
Interest and Fiscal Charges	-	377,156	-
Capital Outlay	3,277,543	-	355,229
Total Expenditures	<u>13,349,011</u>	<u>1,593,106</u>	<u>1,011,873</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,412,168</u>	<u>(1,579,333)</u>	<u>(384,784)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	933,516	1,731,406	-
Transfers Out	(2,269,799)	-	-
Total Other Financing Sources (Uses)	<u>(1,336,283)</u>	<u>1,731,406</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	75,885	152,073	(384,784)
FUND BALANCES - BEGINNING	<u>6,918,869</u>	<u>20,540</u>	<u>441,694</u>
FUND BALANCES - ENDING	<u>\$ 6,994,754</u>	<u>\$ 172,613</u>	<u>\$ 56,910</u>

See Accompanying Notes

<u>Recreation Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,672,339	\$ 7,387,767
-	411,276	6,214,155
-	-	309,255
-	8,751	260,230
-	145,664	322,353
-	-	13,773
590,701	287,399	4,010,638
<u>590,701</u>	<u>2,525,429</u>	<u>18,518,171</u>
241	-	1,771,342
-	187,910	4,921,406
-	451,609	2,783,422
-	461,183	1,519,655
-	702,118	1,536,298
-	475,288	1,690,288
-	162,822	539,978
6,244,167	1,116,184	10,993,123
<u>6,244,408</u>	<u>3,557,114</u>	<u>25,755,512</u>
<u>(5,653,707)</u>	<u>(1,031,685)</u>	<u>(7,237,341)</u>
125,000	1,434,653	4,224,575
(865,563)	(343,031)	(3,478,393)
<u>(740,563)</u>	<u>1,091,622</u>	<u>746,182</u>
(6,394,270)	59,937	(6,491,159)
<u>7,220,991</u>	<u>5,691,925</u>	<u>20,294,019</u>
<u>\$ 826,721</u>	<u>\$ 5,751,862</u>	<u>\$ 13,802,860</u>

See Accompanying Notes

CITY OF MARINETTE, WISCONSIN
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (6,491,159)

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 these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay reported in governmental fund statements	10,993,123	
Depreciation expense reported in the statement of activities	<u>(1,382,523)</u>	
Amount by which capital outlays are more than depreciation in current period		9,610,600

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, developer credits for land purchases, and donations) is to decrease net position. (29,189)

Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements. (179,911)

Amounts related to the OPEB that affect the statement of activities but do not affect the fund financial statements. (15,458)

Special assessments are recognized as income as the payments are received in the fund financial statements but were recognized as revenue in the statement of activities at the time they were earned. 1,509

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.
 The amount of long-term debt principal payments in the current year is: 1,690,288

Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.
 Amounts earned in current year are less than amounts paid by 12,998

In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.
 The amount of interest paid during the current period 539,978
 The amount of interest accrued during the current period (433,546)
 Interest paid is more than interest accrued by 106,432

Debt premium, discount and amortization are allocated over the period the debt is outstanding and is reported as amortization revenue/expense in the statement of activities. The amortization for the current year is
 Debt Discount (6,740)
 Issuance Premium 5,340

Change in Net Position - Governmental Activities \$ 4,704,710

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CITY OF MARINETTE, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2018

	<u>Cemetery</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
CURRENT ASSETS			
Cash and Investments	\$ 1,224,352	\$ 98,992	\$ 1,173,025
Accounts Receivable	16,656	535,580	257,401
Inventories and Prepaid Expenses	50,422	46,209	-
Other Current Assets	-	2,340	-
Total Current Assets	<u>1,291,430</u>	<u>683,121</u>	<u>1,430,426</u>
NON-CURRENT ASSETS			
Special Assessments	-	16,246	-
Restricted Cash	-	2,564,204	4,208,757
Net Pension Asset	-	103,610	49,110
Capital Assets:			
Land	-	619,406	20,100
Land Improvements	-	26,234,363	19,521,932
Buildings	1,019,528	11,707,820	6,249,295
Machinery and Equipment	-	9,591,078	8,896,187
Infrastructure	-	-	-
Less: Accumulated Depreciation	(704,368)	(12,497,941)	(20,756,177)
Total Noncurrent Assets	<u>315,160</u>	<u>38,338,786</u>	<u>18,189,204</u>
Total Assets	<u>1,606,590</u>	<u>39,021,907</u>	<u>19,619,630</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	43,872	-
Deferred Outflows Related to Pension	-	166,178	93,128
Deferred Outflows Related to Other			
Post-Employment Benefits	-	3,526	1,671
Total Deferred Outflows of Resources	<u>-</u>	<u>213,576</u>	<u>94,799</u>
CURRENT LIABILITIES			
Accounts Payable	1,741	67,118	22,116
Accrued and Other Current Liabilities	5,950	3,390	1,501
Accrued Interest Payable	-	63,453	2,004
Accrued Compensated Absences	-	81,677	52,698
Current Portion of Long-Term Obligations	-	1,280,254	69,948
Total Current Liabilities	<u>7,691</u>	<u>1,495,892</u>	<u>148,267</u>
NON-CURRENT LIABILITIES			
Other Post-Employment Benefits	-	23,786	11,274
Long-Term Obligations	-	12,011,971	375,353
Total Noncurrent Liabilities	<u>-</u>	<u>12,035,757</u>	<u>386,627</u>
Total Liabilities	<u>7,691</u>	<u>13,531,649</u>	<u>534,894</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	-	172,734	100,810
Deferred Inflows Related to Other			
Post-Employment Benefits	-	1,697	805
Total Deferred Outflows of Resources	<u>-</u>	<u>174,431</u>	<u>101,615</u>
NET POSITION			
Net Investment in Capital Assets	315,160	22,362,501	13,486,036
Restricted for:			
Debt Service	-	2,564,204	-
Plant Replacement	-	-	4,208,757
Pension Benefits	-	97,054	41,428
Unrestricted	1,283,739	505,644	1,341,699
TOTAL NET POSITION	<u>\$ 1,598,899</u>	<u>\$ 25,529,403</u>	<u>\$ 19,077,920</u>

See Accompanying Notes

<u>Storm Water</u>		<u>Total</u>	
<u>Utility</u>			
\$	762,272	\$	3,258,641
	70,359		879,996
	-		96,631
	-		2,340
	<u>832,631</u>		<u>4,237,608</u>
	-		16,246
	-		6,772,961
	-		152,720
	-		639,506
	-		45,756,295
	-		18,976,643
	-		18,487,265
	13,543,055		13,543,055
	(7,836,816)		(41,795,302)
	<u>5,706,239</u>		<u>62,549,389</u>
	<u>6,538,870</u>		<u>66,786,997</u>
	-		43,872
	-		259,306
	-		5,197
	<u>-</u>		<u>308,375</u>
	3,109		94,084
	-		10,841
	-		65,457
	-		134,375
	13,893		1,364,095
	<u>17,002</u>		<u>1,668,852</u>
	-		35,060
	168,477		12,555,801
	<u>168,477</u>		<u>12,590,861</u>
	<u>185,479</u>		<u>14,259,713</u>
	-		273,544
	-		2,502
	<u>-</u>		<u>276,046</u>
	5,523,869		41,687,566
	-		2,564,204
	-		4,208,757
	-		138,482
	829,522		3,960,604
\$	<u>6,353,391</u>	\$	<u>52,559,613</u>

CITY OF MARINETTE, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	<u>Cemetery</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
OPERATING REVENUES			
Charges for Services	\$ 41,340	\$ 4,735,788	\$ 2,160,987
Sale of Lots and Crypts	8,018	-	-
Other	44,577	93,856	133,820
Total Operating Revenues	<u>93,935</u>	<u>4,829,644</u>	<u>2,294,807</u>
OPERATING EXPENSES			
Operation and Maintenance	186,520	1,745,757	916,560
Depreciation	19,165	1,247,165	886,431
Total Operating Expenses	<u>205,685</u>	<u>2,992,922</u>	<u>1,802,991</u>
OPERATING INCOME (LOSS)	<u>(111,750)</u>	<u>1,836,722</u>	<u>491,816</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	-	65,185	103,981
Interest and Fiscal Charges	(3,841)	(407,181)	(11,339)
Total Non-Operating Revenues (Expenses)	<u>(3,841)</u>	<u>(341,996)</u>	<u>92,642</u>
INCOME (LOSS) BEFORE TRANSFERS	(115,591)	1,494,726	584,458
TRANSFERS	<u>125,410</u>	<u>(803,374)</u>	<u>(17,821)</u>
CHANGE IN NET POSITION	9,819	691,352	566,637
NET POSITION - BEGINNING - RESTATED	<u>1,589,080</u>	<u>24,838,051</u>	<u>18,511,283</u>
NET POSITION - ENDING	<u>\$ 1,598,899</u>	<u>\$ 25,529,403</u>	<u>\$ 19,077,920</u>

<u>Storm Water Utility</u>	<u>Total</u>
\$ 663,575	\$ 7,601,690
-	8,018
107,704	379,957
<u>771,279</u>	<u>7,989,665</u>
293,805	3,142,642
318,741	2,471,502
<u>612,546</u>	<u>5,614,144</u>
<u>158,733</u>	<u>2,375,521</u>
12,147	181,313
(6,577)	(428,938)
<u>5,570</u>	<u>(247,625)</u>
164,303	2,127,896
<u>(50,397)</u>	<u>(746,182)</u>
113,906	1,381,714
<u>6,239,485</u>	<u>51,177,899</u>
<u>\$ 6,353,391</u>	<u>\$ 52,559,613</u>

CITY OF MARINETTE, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2018

	<u>Cemetery</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from User Charges	\$ 84,940	\$ 4,875,887	\$ 2,259,296
Other Receipts	-	28,687	-
Cash Payments to Suppliers	(75,156)	(1,175,834)	(604,626)
Cash Payments to Employees and for Benefits	(108,451)	(568,998)	(341,213)
Net Cash Flows From Operating Activities	<u>(98,667)</u>	<u>3,159,742</u>	<u>1,313,457</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from (to) Municipality	<u>125,410</u>	<u>(803,374)</u>	<u>(17,821)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income (Expense)	<u>(3,841)</u>	<u>65,185</u>	<u>103,981</u>
Net Cash Flows From Investing Activities	<u>(3,841)</u>	<u>65,185</u>	<u>103,981</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(47,785)	(768,114)	(1,117,267)
Special Assessment Collections from Customers	-	1,155	-
Premium on Long-Term Debt	-	(10,025)	-
Principal Payments on Long-Term Debt	-	(1,237,113)	(68,332)
Interest Payments on Long-term Debt	-	(390,520)	(11,339)
Net Cash Flows From Capital and Related Financing Activities	<u>(47,785)</u>	<u>(2,404,617)</u>	<u>(1,196,938)</u>
NET CHANGE IN CASH AND INVESTMENTS	<u>(24,883)</u>	<u>16,936</u>	<u>202,679</u>
CASH AND INVESTMENTS - BEGINNING	<u>1,249,235</u>	<u>2,646,260</u>	<u>5,179,103</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 1,224,352</u>	<u>\$ 2,663,196</u>	<u>\$ 5,381,782</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (111,750)	\$ 1,836,722	\$ 491,816
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:			
Depreciation	19,165	1,247,165	886,431
Meter Depreciation Charged to Sewer	-	28,687	(28,687)
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:			
Accounts Receivable	(8,995)	46,243	(35,511)
Inventories and Prepaid Expense	-	(2,637)	-
Net Pension Asset	-	(132,046)	(62,588)
Deferred Outflows Related to Pension	-	48,571	28,506
Deferred Outflows Related to OPEB	-	(3,526)	(1,671)
(Decrease) Increase in Operating Liabilities:			
Accounts Payable	(889)	5,550	(16,463)
Accrued and Other Liabilities	3,802	2,750	1,266
Net OPEB Liability	-	3,020	1,431
Compensated Absences	-	8,580	4,799
Deferred Inflows Related to Pension	-	68,966	43,323
Deferred Inflows Related to OPEB	-	1,697	805
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (98,667)</u>	<u>\$ 3,159,742</u>	<u>\$ 1,313,457</u>
RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS			
Cash and Investments	\$ 1,224,352	\$ 98,992	\$ 1,173,025
Restricted Cash	-	2,564,204	4,208,757
TOTAL CASH PER STATEMENT OF CASH FLOWS	<u>\$ 1,224,352</u>	<u>\$ 2,663,196</u>	<u>\$ 5,381,782</u>

See Accompanying Notes

Storm Water			
Utility		Total	
\$ 767,708		\$ 7,987,831	
-		28,687	
(267,120)		(2,122,736)	
(58,853)		(1,077,515)	
<u>441,735</u>		<u>4,816,267</u>	
(50,397)		(746,182)	
12,147		177,472	
<u>12,147</u>		<u>177,472</u>	
(386,593)		(2,319,759)	
-		1,155	
-		(10,025)	
(13,427)		(1,318,872)	
(6,577)		(408,436)	
<u>(406,597)</u>		<u>(4,055,937)</u>	
(3,112)		191,620	
765,384		9,839,982	
<u>\$ 762,272</u>		<u>\$ 10,031,602</u>	
\$ 158,733		\$ 2,375,521	
318,741		2,471,502	
-		-	
(3,571)		(1,834)	
-		(2,637)	
-		(194,634)	
-		77,077	
-		(5,197)	
(32,168)		(43,970)	
-		7,818	
-		4,451	
-		13,379	
-		112,289	
-		2,502	
<u>\$ 441,735</u>		<u>\$ 4,816,267</u>	
\$ 762,272		\$ 3,258,641	
-		6,772,961	
<u>\$ 762,272</u>		<u>\$ 10,031,602</u>	

CITY OF MARINETTE, WISCONSIN

Statement of Net Position

Fiduciary Fund

As of December 31, 2018

	<u>Agency</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Restricted Cash and Investments	\$ 1,070,852
Taxes Receivable	8,443,009
Total Assets	<u>9,513,861</u>
LIABILITIES	
Due to Other Governments	<u>\$ 9,513,861</u>

See Accompanying Notes

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the City of Marinette, Wisconsin (City) is presented to assist in understanding the City's financial statements. The financial statements and notes are representations of the City's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City is a municipal corporation governed by an elected nine member council. In accordance with generally accepted accounting principles (GAAP), the financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements.

City officials are responsible for appointing the board members of the Housing Authority of the City of Marinette, but the City's accountability of this organization does not extend beyond making the appointments. The City is not financially accountable for the Housing Authority as defined by standards in GASB Statement No. 61. Therefore this organization is not included in the City's reporting entity. Additional information on the Housing Authority follows:

The Housing Authority was established by the City to administer low and moderate income housing programs funded by federal grants and rental income. Although board members of the Housing Authority are appointed by the City Council, there is no financial interdependency with the City nor does the City have any significant influence over the Housing Authority operations. The City does not provide funding for the Housing Authority. Additionally, the City does not hold title to any Housing Authority assets, nor does it have any right to the Housing Authority's surpluses. The City has no legal obligation to fund Housing Authority programs should grant funding no longer be available.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Governmental funds include general, special revenue, capital projects and debt service funds. Proprietary funds include enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/ expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds

Governmental funds are identified as either general, debt service, special revenue or capital projects based upon the following guidelines:

General Fund

The general fund is the primary operating fund of the City and is always classified as a major fund. 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 specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Governmental Funds (Continued)

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major governmental funds:

General Fund

This 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.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds, except debt issued to finance project plan expenditures of the City's tax incremental financing Districts.

Tax Incremental Financing District No. 3 Capital Projects Fund (TID #3)

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt issued to finance project plan expenditures of the City's tax incremental financing district No. 3.

Recreation Center

This fund accounts for the resources accumulated and payments made for the construction and operation of the City recreation center.

Proprietary Funds

The City reports the following major proprietary funds:

Cemetery

This is the City's fund to account for operations of the City cemetery and mausoleum.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Proprietary Funds (Continued)

Water Utility

This is the City's fund to account for the operations of the City-owned water facilities.

Wastewater Utility

This is the City's fund to account for the operations of the City-owned sewage facilities.

Storm Water Utility

This is the City's fund to account for the operations of the City-owned storm water services to City residents, business entities and public authorities.

Fiduciary Funds

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and/or other governmental units. The City's agency funds account for tax collection on behalf of other taxing units.

The City reports the following agency fund:

Tax Collection Fund

This fund accounts for taxes and deposits collected by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

Measurement Focus And Basis Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity

Cash and Investments

Cash and investments are combined. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purpose of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash.

The City categories the fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Restricted Cash

Governmental Funds - Cash has been set aside to provide for advance tax collections.

Enterprise Funds - Cash has been set aside to provide for debt service of water utility and replacement of certain wastewater utility plant equipment.

Accounts Receivable

Accounts receivable are recorded at their gross amount with uncollectible amounts being recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

Delinquent personal property taxes remain the collection responsibility of the City. The City is able to recover a portion of these delinquent personal property taxes from other taxing jurisdictions.

The City has received federal and state grants for HCRI, rehabilitation, and business development loan programs provided to area businesses and homeowners. A loan receivable is recorded when loan funds are disbursed to area businesses or homeowners.

Inventories

Inventories of governmental fund types are offset by a nonspendable fund balance to indicate they do not represent spendable available financial resources.

Inventories of governmental and proprietary fund types are recorded at cost, which approximates market, using the first-in, first-out method of valuation. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed rather than when purchased.

Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental fund types in the fund financial statements are offset by a nonspendable fund balance to indicate that they do not represent spendable available financial resources.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land Improvements	–	25 – 100
Buildings and Improvements	25	25 – 50
Machinery and Equipment	5 – 20	3 – 10
Infrastructure	25	40 – 50

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick leave, and other benefits at various rates depending on classification and length of service. Terminated employees are paid their unused balances based on their current salary rates. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, accrued vacation and sick pay are recognized as expenditures when liquidated with expendable available financial resources.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the balance sheet and/or statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. Accordingly, deferred charge on refunding, deferred outflows of resources related to pension, and deferred outflows of resources related to other post-employment benefits are reported in the statement of net position.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

In addition to liabilities, the balance sheet and/or statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has four types of deferred inflows of resources, one which arises under both modified accrual and the full accrual basis of accounting, one that only arises under the modified accrual basis of accounting on the governmental funds balance sheet and two that arise under the full accrual basis of accounting. Taxes levied for the subsequent period have not met the time requirement to be recognized as an acquisition of resources and is therefore reported as deferred inflows of resources on both the governmental funds balance sheet and the governmental activities statement of net position. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and deferred inflows of resources related to other post-employment benefits are reported in the statement of net position.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, 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. 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 during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet.

Interfund Transactions

During the course of normal operations, the City has various transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The governmental funds generally record such transactions as operating transfers if within governmental funds. Transactions between governmental and proprietary funds are usually recorded as revenues and either expenditures or expenses of the respective funds.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted net position – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that is neither classified as restricted nor as net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The City Council is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the City Council for a specific intended purpose. The City has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The City, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The City has not adopted a minimum fund balance policy.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments expected to be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not expected to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund financial statements. Claims and judgments in the government-wide financial statements and proprietary funds are recorded as expenses when the related liabilities are incurred. There were no significant claims or judgments at the end of the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from these estimates.

Note 2 - Cash and Investments

The City is required to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three year or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, or the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The Wisconsin Local Government Investment Pool.
- Any security maturing in seven year or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 2 - Cash and Investments (Continued)

At December 31, 2018, the City's deposits had a bank balance of \$22,707,396. The City maintains its cash accounts at several financial institutions. Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts); up to \$250,000 for the combined amount of all interest and noninterest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2018, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of December 31, 2018:

Fully Insured Deposits	\$ 1,000,000
Collateralized	20,599,329
Uninsured	<u>1,108,067</u>
Total	<u>\$ 22,707,396</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2018.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value.

- Level 1 – Valuation for assets are from quoted prices in active markets. These valuations are obtained from readily available pricing sources for market transactions involving identical assets.
- Level 2 – Valuation for assets are from less active markets. These valuations are obtained from third party pricing services for identical or similar assets.
- Level 3 – Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations. These valuations incorporate certain assumptions and projections in determining fair value assigned to such assets.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 2 - Cash and Investments (Continued)

Investments

As of December 31, 2018 the City had the following investments:

<u>Investments</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Local Government Investment Pool (LGIP)	\$ -	\$ 2,295,428	\$ -	\$ 2,295,428
M&M Community Foundation	-	-	103,100	103,100
Mutual Funds	172,437	-	-	172,437
Money Market Funds	9,321	-	-	9,321
	<u>\$ 181,758</u>	<u>\$ 2,295,428</u>	<u>\$ 103,100</u>	<u>\$ 2,580,286</u>

The change in fair value on a recurring basis using significant unobservable inputs (level 3):

	<u>M&M Community Foundation</u>
January 1, 2018	\$ 230,039
Contributions	323,828
Distributions	(455,109)
Interest	4,342
December 31, 2018	<u>\$ 103,100</u>

Interest Rate Risk – The City's 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. State Statutes limit the maturity of commercial paper and corporate bonds to not more than seven years.

Credit Risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices.

Concentration of Credit Risk – The City does not have an additional custodial credit policy.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. Investments in the local government investment pool are not insured.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 3 - Restricted Assets

Restricted assets on December 31, 2018 totaled \$8,622,990 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
Governmental Funds:		
General Fund	\$ 621,815	Advance tax collections to finance 2019 operations
TID No. 3	25,672	Advance tax increment collections
TID No. 6	16,404	Advance tax increment collections
TID No. 7	6,421	Advance tax increment collections
TID No. 8	12,485	Advance tax increment collections
TID No. 9	5,151	Advance tax increment collections
TID No. 10	25,491	Advance tax increment collections
TID No. 11	44,830	Advance tax increment collections
TID No. 12	2,856	Advance tax increment collections
TID No. 13	18,052	Advance tax collections to finance 2019 operations
Total Governmental Funds	<u>779,177</u>	
Fiduciary Funds:		
Tax Collection Fund	<u>1,070,852</u>	Advance tax collections for other taxing jurisdictions
Enterprise Funds:		
Water Utility	1,749,060	To accumulate for debt service payments over next 12 months
Water Utility	815,144	To make up potential future deficiencies in redemption account
	<u>2,564,204</u>	
Wastewater Utility	4,208,757	To provide funds for equipment to maintain plant capacity
Total Enterprise Funds	<u>6,772,961</u>	
Total Restricted Assets	<u>\$ 8,622,990</u>	

Note 4 - Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are assumed by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

Marinette County performs the function of billing and collecting the tax levy on behalf of the City. The County then deposits daily collection into the City's bank account. The City then settles with the other taxing jurisdictions (Marinette School District, Marinette County, Northeast Wisconsin Technical College, and the State of Wisconsin) on January 15 and February 20. Personal property taxes due after January 31 remains with the County. In August, the County will settle with each jurisdiction for the remaining property tax balance.

Under 2011 Wisconsin Act 32, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,814,852	\$ 155,052	\$ -	\$ 1,969,904
Construction in Progress	10,593,492	6,414,045	410,361	16,597,176
Total Capital Assets Not Being Depreciated	<u>12,408,344</u>	<u>6,569,097</u>	<u>410,361</u>	<u>18,567,080</u>
Capital Assets Being Depreciated				
Land Improvements	1,560,853	443,619	-	2,004,472
Buildings and Improvements	4,908,273	714,139	-	5,622,412
Machinery and Equipment	8,077,110	654,055	82,342	8,648,823
Infrastructure	29,475,266	3,022,574	108,509	32,389,331
Less Accumulated Depreciation	<u>(23,233,038)</u>	<u>(1,382,523)</u>	<u>(161,662)</u>	<u>(24,453,899)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>20,788,464</u>	<u>3,451,864</u>	<u>29,189</u>	<u>24,211,139</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,196,808</u>	<u>\$ 10,020,961</u>	<u>\$ 439,550</u>	<u>\$ 42,778,219</u>
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Business-Type Activities				
Capital Assets not Being Depreciated				
Land	\$ 724,652	\$ -	\$ 85,146	\$ 639,506
Construction in Progress	24,337	-	24,337	-
Total Capital Assets Not Being Depreciated	<u>748,988</u>	<u>-</u>	<u>109,483</u>	<u>639,506</u>
Capital Assets Being Depreciated				
Land Improvements	44,745,898	1,010,397	-	45,756,295
Buildings and Improvements	18,402,465	574,178	-	18,976,643
Machinery and Equipment	18,764,067	361,013	637,815	18,487,265
Infrastructure	13,208,040	335,015	-	13,543,055
Less Accumulated Depreciation	<u>(39,862,925)</u>	<u>(2,471,502)</u>	<u>(539,125)</u>	<u>(41,795,302)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>55,010,217</u>	<u>(190,899)</u>	<u>98,690</u>	<u>54,967,956</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 55,759,205</u>	<u>\$ (190,899)</u>	<u>\$ 208,173</u>	<u>\$ 55,607,462</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:		
General Government		\$ 46,959
Public Safety		206,989
Public Works		909,718
Culture and Recreation		<u>218,857</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,382,523</u>
Business-Type Activities:		
Cemetery		<u>\$ 19,165</u>
Storm Water Utility		<u>318,741</u>
Water Utility Depreciation Charged to Accumulated Depreciation		1,275,852
Less: Share of Meter Depreciation		<u>(28,687)</u>
Water Utility Depreciation Expense		<u>1,247,165</u>
Wastewater Utility Depreciation Charged to Accumulated Depreciation		857,744
Plus: Share of Meter Depreciation		<u>28,687</u>
Wastewater Utility Depreciation Expense		<u>886,431</u>
Total Depreciation Expense - Business-Type Activities		<u>\$ 2,471,502</u>

Note 6 - Interfund Receivable, Payables and Transfers

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Welcome Center	\$ 61,293	Year End Cash Flow Timing
General Fund	Crime Prevention	5,143	Year End Cash Flow Timing
General Fund	TID No. 12	18,078	Year End Cash Flow Timing
General Fund	TID No. 6	1,413	Year End Cash Flow Timing
General Fund	TID No. 3	179,619	Year End Cash Flow Timing
General Fund	DPW Garage	<u>351,886</u>	Year End Cash Flow Timing
		<u>\$ 617,432</u>	

CITY OF MARINETTE, WISCONSIN
Notes to Financial Statements
December 31, 2018

Note 6 - Interfund Receivable, Payables and Transfers (Continued)

Interfund transfers for the year ended December 31, 2018 were as follows:

	General Fund	Debt Service	Recreation Center	Nonmajor Governmental Funds	Cemetery	Total	Purpose
Transfer From:							
General Fund	\$ -	\$ 865,843	\$ -	\$ 1,327,456	\$ 76,500	\$ 2,269,799	Reimburse Expenditures and Capital Projects
Recreation Center	-	865,563	-	-	-	865,563	Capital Projects
Nonmajor Governmental Funds							
Capital Projects Funds	21,738	-	-	-	48,910	70,648	Capital Projects
Room Tax	90,583	-	125,000	56,800	-	272,383	Reimburse Expenditures
Storm Water Utility	-	-	-	50,397	-	50,397	Capital Projects
Water Utility	803,374	-	-	-	-	803,374	Property Tax Equivalent
Wastewater Utility	17,821	-	-	-	-	17,821	Property Tax Equivalent
Total Transfers	<u>\$ 933,516</u>	<u>\$ 1,731,406</u>	<u>\$ 125,000</u>	<u>\$ 1,434,653</u>	<u>\$ 125,410</u>	<u>\$ 4,349,985</u>	

Note 7 - Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2018:

	Balance 1/1/18	Increase	Decrease	Balance 12/31/18	Due Within One Year
Governmental Activities					
General Obligation Debt:					
G.O. Refunding Bonds	\$ 895,000	\$ -	\$ 135,000	\$ 760,000	\$ 135,000
G.O. Community Development	3,880,000	-	305,000	3,575,000	230,000
G.O. Promissory Notes	9,985,000	-	375,000	9,610,000	580,000
Note Anticipation Notes	7,890,000	-	755,000	7,135,000	610,000
Total General Obligation Debt	<u>22,650,000</u>	<u>-</u>	<u>1,570,000</u>	<u>21,080,000</u>	<u>1,555,000</u>
Promissory Note	422,777	-	120,288	302,489	96,048
Adjustments For					
Premium on Debt	50,730	-	5,340	45,390	5,340
Debt Discount	(36,413)	-	(6,740)	(29,673)	(6,740)
Compensated Absences	1,063,199	381,558	394,556	1,050,201	461,135
Net OPEB Liability	269,478	69,148	29,956	308,670	-
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 24,419,771</u>	<u>\$ 450,706</u>	<u>\$ 2,113,400</u>	<u>\$ 22,757,077</u>	<u>\$ 2,110,783</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 7 - Long-Term Obligations (Continued)

	<u>Balance</u> <u>1/1/18</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>12/31/18</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
General Obligation Debt:					
G.O. Refunding Bonds	\$ 195,797	\$ -	\$ 13,427	\$ 182,370	\$ 13,893
Revenue Bonds	4,895,000	-	370,000	4,525,000	380,000
Adjustments For					
Premium on Debt	92,471	-	10,025	82,446	10,025
Clean Water Fund Loans	513,633	-	68,332	445,301	69,948
Safe Drinking Water Loans	9,551,892	-	867,113	8,684,779	890,229
Net OPEB Liability	30,609	7,853	3,402	35,060	-
Total Business Activity					
Long-Term Liabilities	<u>\$ 15,279,402</u>	<u>\$ 7,853</u>	<u>\$ 1,332,299</u>	<u>\$ 13,954,956</u>	<u>\$ 1,364,095</u>

	<u>Date of</u> <u>Issuance</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>12/31/18</u>
Governmental Activities					
Long-Term Obligations					
G.O. Community Development	12/20/12	06/01/27	0.75-2.00%	1,490,000	1,055,000
G.O. Community Development	06/06/13	06/01/32	2.00-3.20%	3,100,000	2,520,000
G.O. Refunding Bonds	01/19/12	02/01/25	1.50-3.50%	1,520,000	760,000
G.O. Promissory Notes	09/28/11	09/01/20	2.00-2.30%	1,090,000	285,000
G.O. Promissory Notes	06/01/17	05/01/22	1.52%	7,500,000	7,350,000
G.O. Promissory Notes	06/28/17	04/01/27	1.00-2.50%	2,065,000	1,975,000
Promissory Note	03/08/02	02/28/22	5.00%	1,290,216	302,489
Note Anticipation Notes	06/28/17	05/01/22	1.15-1.80%	7,890,000	7,135,000
Total Governmental Activities Long-Term Obligations					<u>\$ 21,382,489</u>

Total interest paid in 2018 was \$539,978

The annual principal and interest maturities are as follows:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	1,651,048	406,252	1,354,070	383,946	3,005,118	790,197
2020	1,677,777	375,357	1,389,940	348,427	3,067,717	723,785
2021	1,603,664	340,714	1,426,499	311,407	3,030,163	652,121
2022	12,470,000	216,671	1,468,765	272,043	13,938,765	488,714
2023	520,000	104,303	1,506,496	228,875	2,026,496	333,178
2024-2028	2,380,000	317,460	5,915,444	516,495	8,295,444	833,955
2029-2033	1,080,000	70,196	776,236	10,434	1,856,236	80,630
	<u>\$ 21,382,489</u>	<u>\$ 1,830,952</u>	<u>\$ 13,837,450</u>	<u>\$ 2,071,627</u>	<u>\$ 35,219,939</u>	<u>\$ 3,902,579</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 7 - Long-Term Obligations (Continued)

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
Business Type Activities					
Long-Term Obligations					
Clean Water Fund Loan	03/09/05	05/01/24	2.365%	\$ 1,254,553	\$ 445,301
G.O. Promissory Notes - Storm	12/23/09	05/01/29	3.478%	336,443	182,370
Safe Drinking Water Loan	12/23/09	05/01/29	2.668%	11,107,582	7,322,084
Safe Drinking Water Loan	02/13/03	05/01/22	2.750%	4,226,755	991,930
Safe Drinking Water Loan	04/28/04	05/01/23	2.365%	1,284,296	370,765
Revenue Bonds	01/07/14	05/01/27	3.00-4.00%	2,850,000	2,555,000
Revenue Bonds	08/26/15	05/01/24	2.25-3.125%	2,830,000	1,970,000
Total Business Type Activities Long-Term Obligations					<u>\$ 13,837,450</u>

Legal Margin For Debt

The 2018 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$720,162,400. The legal debt limit and margin of indebtedness as of December 31, 2018, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt Limit (5% of \$720,162,400)		\$ 36,008,120
Deduct Long-Term Debt Applicable to Debt Margin	21,262,370	
Less: Amounts available for financing general obligation debt	<u>172,613</u>	<u>21,089,757</u>
Margin of Indebtedness		<u>\$ 14,918,363</u>

Utility Revenues Pledged

The Utility has pledged future revenue derived from the Water and Sewer Utilities, net of specified operating expenses, to repay the Clean Water Fund Loan, Safe Drinking Water Loans, and Revenue Bonds. Proceeds from the debt provided financing for the construction or acquisition of capital assets used within the utilities.

The Clean Water Fund Loan is payable from Sewerage System net revenues and payable through 2024. The total principal and interest remaining to be paid on the loans is \$456,640. Principal and interest paid for the current year and total Sewerage System net revenues were \$79,671 and \$1,234,847, respectively. The Sewerage System did meet the Clean Water Fund Loan revenue requirements in 2018.

The Safe Drinking Water Loans and Revenues Bonds are payable from Water System net revenues and is payable through 2029 and 2027. The total principal and interest remaining to be paid on the loans is \$13,610,324. Principal and interest paid for the current year and total water system net revenues were \$1,637,658 and \$3,082,936, respectively. The Water System did meet the Safe Drinking Water Loans and Revenue Bonds revenue requirements in 2018.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 7 - Long-Term Obligations (Continued)

Promissory Note

The City has entered into an agreement with Lake Park Trails, LLC (Developer) whereby the Developer agreed to loan the City all amounts necessary for completion of a project for Tax Incremental District No. 6 (TID No. 6), up to a total of \$1,732,000. Interest at 5% will accrue on the outstanding balance. The note and interest will be repaid with tax increments generated by TID No. 6. Should the TID not generate sufficient revenues over its life to repay the note, any remaining balance will be forgiven by the Developer. The balance of the note outstanding at December 31, 2018 is \$302,489.

Note 8 - Fund Equity

Fund Financial Statements

At December 31, 2018 the assigned and restricted fund balances are as follows:

Assigned

General Fund:

Vacation and Sick Leave	\$ 500,000
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Special Revenue Funds:

Taxi Program	22,355
Senior Center	2,531
Room Tax	278,340
Downtown Development	238,186
General Economic Development	453,957
Water Front Project	157,033
Fire Education	42,457
Hazardous Materials	19,890
Anti-Drug Abuse	14,031
Tri-County Drug Enforcement	61,028
Canine Unit	49,491
Police Rifle Range	9,231
Welcome Center	7,142
Historical Society	1,459
	<u>1,357,131</u>

Restricted

Capital Projects:

Sidwalks	15,339
General Capital Projects	618,851
Recreation Center	826,721
Riverside Project	1,090
Hall Avenue	38,114
Water Street Construction	429
Police Equipment	73,826
Recreation Equipment	11,204
Assessor Equipment	11,322
Fire Department Equipment	156,432
	<u>1,753,328</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 8 - Fund Equity (Continued)

Taxes Incremental Districts:	
TID # 3	\$ 56,910
TID # 7	17,661
TID # 8	71,404
TID # 9	13,363
TID # 10	643,922
TID # 11	659,649
TID # 13	593
	<u>1,463,502</u>
Loans:	
HCRI Grant	41,006
Rehabilitation Loan	1,453,853
Business Development Loan	984,294
	<u>2,479,153</u>
Debt Service	<u>172,613</u>

Government-Wide Financial Statements

At December 31, 2018 net position was as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 42,778,219	\$ 55,607,462	\$ 98,385,681
Less: Related Long-Term Debt	(21,398,206)	(13,919,896)	(35,318,102)
Total Net Investment in Capital Assets	<u>21,380,013</u>	<u>41,687,566</u>	<u>63,067,579</u>
Restricted			
Community Development Loans	2,479,153	-	2,479,153
Tax Incremental Districts	1,463,502	-	1,463,502
Debt Service	172,613	2,564,204	2,736,817
Capital Projects	1,753,328	-	1,753,328
Plant Replacement	-	4,208,757	4,208,757
Pension Benefits	1,154,941	138,482	1,293,423
Total Restricted	<u>7,023,537</u>	<u>6,911,443</u>	<u>13,934,980</u>
Unrestricted	<u>6,545,082</u>	<u>3,960,604</u>	<u>10,505,686</u>
Total Government-Wide Activities Net Position	<u>\$ 34,948,632</u>	<u>\$ 52,559,613</u>	<u>\$ 87,508,245</u>

The portion of the 2012 G.O. Refunding Bonds were used to refinance the Wisconsin Retirement System unfunded liability and not for acquisition of capital assets. In addition a portion of the 2008 G.O. Community Development Bonds are not for acquisition of capital assets. These issues therefore are excluded from the net investment in capital assets calculation.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 9 - Individual Fund Balance Disclosures

The following governmental funds have a deficit fund balance as of December 31, 2018.

Crime Prevention	\$ 5,143
TID No. 6	\$ 1,414
TID No. 12	\$ 18,078
DPW Garage	\$ 364,452
Rec Center	\$ 28,534

These deficit fund balances will be corrected with subsequent years' revenues.

Note 10 - Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 10 - Defined Benefit Pension Plan (Continued)

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$508,306 in contributions from the City.

Contribution rates as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Protective with Social Security	6.8%	10.6%

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 10 - Defined Benefit Pension Plan (Continued)

Pension Asset, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pension

At December 31, 2018, the City reported an asset of \$1,497,256 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was 0.05042765%, which was a decrease of 0.00057223% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, the City recognized pension expense of \$667,077.

At December 31, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 1,902,301	\$ 889,832
Changes in assumptions	295,828	-
Net differences between projected and actual earnings on pension plan investments	-	2,057,839
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,403	-
Employer contributions subsequent to the measurement date	508,306	-
Total	<u>\$ 2,743,838</u>	<u>\$ 2,947,671</u>

The \$508,306 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2019	\$ 179,606
2020	589
2021	(508,214)
2022	(387,714)
2023	3,594
	<u>\$ (712,139)</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 10 - Defined Benefit Pension Plan (Continued)

Actuarial assumptions. The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Asset	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension asset for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50.0%	45.0%	8.3%	5.4%
Fixed Income	24.5	37.0	4.2	1.4
Inflation Sensitive Assets	15.5	20.0	4.3	1.5
Real Estate	8.0	7.0	6.5	3.6
Private Equity/Debt	8.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.6	3.7
Total Core Fund	110.0%	120.0%	7.4%	4.5%
Variable Fund Asset Class				
U.S. Equities	70.0%	70.0%	7.6%	4.7%
International Equities	30.0	30.0	8.5	5.6
Total Variable Fund	100.0%	100.0%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 10 - Defined Benefit Pension Plan (Continued)

Single Discount Rate. A single discount rate of 7.20% 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 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase To Discount Rate (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,873,914	\$ (1,497,256)	\$ (5,579,513)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan

The City is required to remit the monthly required contribution for both the employee and City portions by the last day of the following month. The amount due to WRS as of December 31, 2018 is \$80,669.

Note 11 - Post-Employment Benefits Other Than Pension Benefits

Plan Description. The State Retiree Life Insurance Fund is a cost-sharing multiple-employer defined benefit OPEB plan (Plan). Plan benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Benefits Provided. The Plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution Rates as of December 31, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	28% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

Life Insurance	
Employee Contribution Rates	
For the year ended December 31, 2017	
<u>Attained Age</u>	<u>Basic</u>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the plan recognized \$2,169 in contributions from the employer.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2018, the City reported a liability of \$343,730 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was 0.11425000%, which was a decrease of 0.009351% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized OPEB expense of \$33,357.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 4,843
Changes in assumptions	33,215	-
Net differences between projected and actual earnings on pension plan investments	3,958	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	19,688
Employer contributions subsequent to the measurement date	13,787	-
Total	<u>\$ 50,960</u>	<u>\$ 24,531</u>

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

<u>Year ending December 31,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2019	\$ 2,320
2020	2,320
2021	2,320
2022	1,330
2023	1,330
2024	988
	<u>\$ 12,642</u>

Actuarial Assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	
Inflation:	3.20%
Seniority/Merit:	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the Plan are held with Securian, the insurance carrier. Interest is calculated and credited to the Plan based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease (2.63%)	Discount Rate (3.63%)	1% Increase (4.63%)
Total OPEB Liability	\$ 485,821	\$ 343,730	\$ 234,690

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

Payables to the OPEB Plan

As of December 31, 2018, the City had no outstanding payables to the OPEB plan.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 12 - Tax Incremental Financing Districts

The City has established separate capital projects funds for the Tax Incremental Financing Districts (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TID's were created, the property tax base within each TID was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. State Statutes allow a tax incremental district to incur eligible project costs up to five years from the maximum termination date.

Since creation of the above TID's, the City has provided various financing sources to each TID and has also recorded eligible TID project costs in other funds of the City. The foregoing amounts are not recorded as liabilities in the TID capital project funds but can be recovered by the City from any future excess tax increment revenues. Detail of the amounts recoverable by the City as of December 31, 2018 from future excess tax increment revenues follows:

	<u>Total</u>	<u>TID No.6</u>	<u>TID No.7</u>	<u>TID No.8</u>	<u>TID No.11</u>	<u>TID No. 12</u>
Net Unreimbursed Project Costs	<u>\$5,699,398</u>	<u>\$303,904</u>	<u>\$322,338</u>	<u>\$2,140,643</u>	<u>\$2,640,352</u>	<u>\$292,753</u>

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective TID's. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	<u>Termination Date</u>
TID No.3	07/02/18
TID No.6	11/06/28
TID No.7	02/01/32
TID No.8	07/23/27
TID No.9	04/08/36
TID No.10	03/25/30
TID No.11	09/06/31
TID No.12	04/04/39
TID No.13	01/01/38

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the City purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in past year.

Note 14 - Commitments and Contingencies

The City has a shared ride tax operating contract for years 2017-2020 for a total approximate amount of \$1,800,000.

The City has approved contracts for construction and engineering for Menekaunee Harbor Bridge and water main projects for approximately \$464,000.

The City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The City believes such disallowances, if any, would be immaterial.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2018

Note 14 - Commitments and Contingencies (Continued)

From time to time the City is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of District management, these issues, and any other proceedings known to exist at December 31, 2018, are not likely to have a material adverse impact on the District's financial position.

The City has approved a contract for construction and engineering for Burns and North Raymond Street and utility construction for approximately \$1.3 million.

The City has approved a construction contract for Bird Street and Utility construction for approximately \$659,000.

The City has approved a contract for sanitary sewer replacement in the alley between Main Street and Carney Boulevard for approximately \$220,000.

Note 15 - Basis For Utility Existing Rates

Water

Current water rates were approved by the PSCW effective date of April 21, 2015.

Sewer

Current sewer rates were approved by the Utility commission with an effective date of June 21, 2018.

Note 17 - Restatement of Beginning Net Position

The restatement of net position in the government-wide financial statements was the result of the City's implementation of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

Net Position - Governmental Funds - December 31, 2018 (as previously reported)	\$	30,513,400
Other Post-Employment Benefits Liability		<u>269,478</u>
Net Position - As Restated December 31, 2017	\$	<u>30,243,922</u>
Net Position - Water Fund - December 31, 2017 (as previously reported)	\$	24,858,817
Other Post-Employment Benefits Liability		<u>20,766</u>
Net Position - As restated December 31, 2017	\$	<u>24,838,051</u>
Net Position - Sewer Fund - Decemeber 31, 2017 (as previously reported)	\$	18,521,126
Other Post-Employment Benefits Liability		<u>9,843</u>
Net Position - As restated December 31, 2017	\$	<u>18,511,283</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARINETTE, WISCONSIN
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
For the Year Ended December 31, 2018

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset)/Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2017	0.05042765%	\$ (1,497,256)	\$ 5,535,805	-27.05%	0.00%
12/31/2016	0.04985542%	410,928	5,452,525	7.54%	99.12%
12/31/2015	0.05039600%	818,925	5,364,873	15.26%	98.20%
12/31/2014	0.05163872%	(1,268,388)	5,391,970	-23.52%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System
For the Year Ended December 31, 2018

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	\$ 508,306	\$ 508,306	\$ -	\$ 5,832,981	8.71%
12/31/2017	487,412	487,412	-	5,535,805	8.80%
12/31/2016	481,919	481,919	-	5,452,525	8.77%
12/31/2015	473,911	473,911	-	5,364,873	8.83%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Ten years of data will be accumulated beginning with 2014.

CITY OF MARINETTE, WISCONSIN
 Schedule of Employer's Proportionate Share of the Total OPEB Liability (Asset)
 Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan
 For the Year Ended December 31, 2018

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net OPEB Asset/Liability	City's Proportionate Share of the Net OPEB (Asset)/Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB (Asset)/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2017	0.11425000%	\$ 343,730	\$ 4,804,539	7.15%	44.81%

Schedule of Employer Contributions
 Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan
 For the Year Ended December 31, 2018

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	\$ 13,787	\$ 13,787	\$ -	\$ 5,769,061	0.24%

*Ten years of data will be accumulated beginning with 2018.

CITY OF MARINETTE, WISCONSIN

Schedule of Budgetary Comparison

General Fund

For the Year Ended December 31, 2018

	Original and Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 5,424,256	\$ 5,471,236	\$ 46,980
Intergovernmental	5,715,185	5,721,903	6,718
Licenses and Permits	267,575	309,255	41,680
Fines and Forfeits	274,500	251,479	(23,021)
Public Charges for Services	122,150	176,689	54,539
Miscellaneous	106,100	2,830,617	2,724,517
Total Revenues	<u>11,909,766</u>	<u>14,761,179</u>	<u>2,851,413</u>
EXPENDITURES			
General Government	1,771,902	1,770,151	1,751
Public Safety	4,831,905	4,733,496	98,409
Public Works	2,346,024	2,331,813	14,211
Culture and Recreation	490,343	1,058,472	(568,129)
Conservation and Development	192,644	177,536	15,108
Capital Outlay	910,000	3,277,543	(2,367,543)
Total Expenditures	<u>10,542,818</u>	<u>13,349,011</u>	<u>(2,806,193)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,366,948</u>	<u>1,412,168</u>	<u>45,220</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	840,000	933,516	93,516
Transfers Out	(2,205,699)	(2,269,799)	(64,100)
Total Other Financing Sources (Uses)	<u>(1,365,699)</u>	<u>(1,336,283)</u>	<u>29,416</u>
NET CHANGE IN FUND BALANCE	1,249	75,885	74,636
FUND BALANCE - BEGINNING	<u>6,918,869</u>	<u>6,918,869</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 6,920,118</u>	<u>\$ 6,994,754</u>	<u>\$ 74,636</u>

CITY OF MARINETTE, WISCONSIN
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

Defined Benefit Pension Plan

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. There were no changes in the assumptions.

Budgetary Process

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedule:

- During November, City management submits to the Common Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, certain special revenue, debt service funds, and certain capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund, certain special revenue funds, debt service funds, and certain capital projects funds.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Common Council.

Excess Of Actual Expenditures Over Budget

The following fund had an excess of actual expenditures over budget for the year ended December 31, 2018:

General Fund	Excess Expenditures
Culture and Recreation	\$ 568,129
Capital Outlay	2,367,543

SUPPLEMENTARY INFORMATION

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CITY OF MARINETTE, WISCONSIN

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of December 31, 2018

	Special Revenue Funds									
	HCRI Grant	Rehabilitation Loan	Business Development Loan	Taxi Program	Senior Center	Welcome Center	Room Tax	Downtown Development	General Economic Development	Water Front Project
ASSETS										
Cash and Investments	\$ 11,182	\$ 141,677	\$ 642,816	\$ 27,875	\$ 5,175	\$ 6,071	\$ 209,736	\$ 232,566	\$ 453,957	\$ 157,033
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	45,804	-	66,782	68,867	26,475	-	-
Loans	29,824	1,322,756	341,478	-	-	-	-	-	-	-
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 41,006</u>	<u>\$ 1,464,433</u>	<u>\$ 984,294</u>	<u>\$ 73,679</u>	<u>\$ 5,175</u>	<u>\$ 72,853</u>	<u>\$ 278,603</u>	<u>\$ 259,041</u>	<u>\$ 453,957</u>	<u>\$ 157,033</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ 10,580	\$ -	\$ 49,273	\$ 2,424	\$ 4,193	\$ 263	\$ 20,855	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	220	225	-	-	-	-
Due to Other Funds	-	-	-	-	-	61,293	-	-	-	-
Due to Other Governments	-	-	-	2,051	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>10,580</u>	<u>-</u>	<u>51,324</u>	<u>2,644</u>	<u>65,711</u>	<u>263</u>	<u>20,855</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Leived for Subsequent Periods	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)										
Restricted:										
Tax Incremental District	-	-	-	-	-	-	-	-	-	-
Loans	41,006	1,453,853	984,294	-	-	-	-	-	-	-
Assigned	-	-	-	22,355	2,531	7,142	278,340	238,186	453,957	157,033
Unassigned (Deficits)	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>41,006</u>	<u>1,453,853</u>	<u>984,294</u>	<u>22,355</u>	<u>2,531</u>	<u>7,142</u>	<u>278,340</u>	<u>238,186</u>	<u>453,957</u>	<u>157,033</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 41,006</u>	<u>\$ 1,464,433</u>	<u>\$ 984,294</u>	<u>\$ 73,679</u>	<u>\$ 5,175</u>	<u>\$ 72,853</u>	<u>\$ 278,603</u>	<u>\$ 259,041</u>	<u>\$ 453,957</u>	<u>\$ 157,033</u>

CITY OF MARINETTE, WISCONSIN
Combining Balance Sheet - Continued
Nonmajor Governmental Funds
As of December 31, 2018

	Special Revenue Funds									Totals
	Rec Center	Historical Society	Fire Education	Hazardous Materials Grant	Anti-Drug Abuse Grant	Tri-County Drug Enforcement	Canine Unit	Crime Prevention	Police Rifle Range	
ASSETS										
Cash and Investments	\$ 3,693	\$ 1,459	\$ 42,457	\$ 19,910	\$ 14,031	\$ 61,028	\$ 49,391	\$ -	\$ 9,231	\$ 2,089,288
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	100	-	-	208,028
Loans	-	-	-	-	-	-	-	-	-	1,694,058
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,693</u>	<u>\$ 1,459</u>	<u>\$ 42,457</u>	<u>\$ 19,910</u>	<u>\$ 14,031</u>	<u>\$ 61,028</u>	<u>\$ 49,491</u>	<u>\$ -</u>	<u>\$ 9,231</u>	<u>\$ 3,991,374</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ 31,431	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,039
Accrued and Other Current Liabilities	796	-	-	-	-	-	-	-	-	1,241
Due to Other Funds	-	-	-	-	-	-	-	5,143	-	66,436
Due to Other Governments	-	-	-	-	-	-	-	-	-	2,051
Total Liabilities	<u>32,227</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,143</u>	<u>-</u>	<u>188,767</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Leived for Subsequent Periods	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)										
Restricted:										
Tax Incremental District	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	2,479,153
Assigned	-	1,459	42,457	19,890	14,031	61,028	49,491	-	9,231	1,357,131
Unassigned (Deficits)	(28,534)	-	-	-	-	-	-	(5,143)	-	(33,677)
Total Fund Balances	<u>(28,534)</u>	<u>1,459</u>	<u>42,457</u>	<u>19,890</u>	<u>14,031</u>	<u>61,028</u>	<u>49,491</u>	<u>(5,143)</u>	<u>9,231</u>	<u>3,802,607</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,693</u>	<u>\$ 1,459</u>	<u>\$ 42,457</u>	<u>\$ 19,910</u>	<u>\$ 14,031</u>	<u>\$ 61,028</u>	<u>\$ 49,491</u>	<u>\$ -</u>	<u>\$ 9,231</u>	<u>\$ 3,991,374</u>

CITY OF MARINETTE, WISCONSIN
Combining Balance Sheet - Continued
Nonmajor Governmental Funds
As of December 31, 2018

	Capital Projects Funds									
	Sidewalk	General Capital Projects	Riverside Project	TID No. 6	TID No. 7	TID No. 8	TID No. 9	TID No. 10	TID No. 11	TID No. 12
ASSETS										
Cash and Investments	\$ 11,522	\$ 625,154	\$ 1,090	\$ -	\$ 17,661	\$ 252,222	\$ 13,364	\$ 643,921	\$ 659,649	\$ -
Receivables:										
Taxes	-	-	-	129,337	50,622	98,437	40,616	200,979	353,454	22,516
Accounts	3,817	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Restricted Cash and Investments	-	-	-	16,404	6,421	12,485	5,151	25,491	44,830	2,856
TOTAL ASSETS	<u>\$ 15,339</u>	<u>\$ 625,154</u>	<u>\$ 1,090</u>	<u>\$ 145,741</u>	<u>\$ 74,704</u>	<u>\$ 363,144</u>	<u>\$ 59,131</u>	<u>\$ 870,391</u>	<u>\$ 1,057,933</u>	<u>\$ 25,372</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ 6,303	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	30,819	-	-	-	-
Due to Other Funds	-	-	-	1,413	-	-	-	-	-	18,078
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>6,303</u>	<u>-</u>	<u>1,413</u>	<u>-</u>	<u>180,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,078</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Leived for Subsequent Periods	-	-	-	145,742	57,043	110,921	45,768	226,469	398,284	25,372
FUND BALANCES (DEFICITS)										
Restricted:										
Tax Incremental District	-	-	-	-	17,661	71,404	13,363	643,922	659,649	-
Loans	-	-	-	-	-	-	-	-	-	-
Assigned	15,339	618,851	1,090	-	-	-	-	-	-	-
Unassigned (Deficits)	-	-	-	(1,414)	-	-	-	-	-	(18,078)
Total Fund Balances	<u>15,339</u>	<u>618,851</u>	<u>1,090</u>	<u>(1,414)</u>	<u>17,661</u>	<u>71,404</u>	<u>13,363</u>	<u>643,922</u>	<u>659,649</u>	<u>(18,078)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 15,339</u>	<u>\$ 625,154</u>	<u>\$ 1,090</u>	<u>\$ 145,741</u>	<u>\$ 74,704</u>	<u>\$ 363,144</u>	<u>\$ 59,131</u>	<u>\$ 870,391</u>	<u>\$ 1,057,933</u>	<u>\$ 25,372</u>

CITY OF MARINETTE, WISCONSIN
Combining Balance Sheet - Continued
Nonmajor Governmental Funds
As of December 31, 2018

	Capital Projects Funds								Total Nonmajor Governmental Funds	
	TID No. 13	Hall Avenue	Water Street Reconstruction	DPW Garage	Police Equipment	Recreation Equipment	Assessor Equipment	Fire Department Equipment		Totals
ASSETS										
Cash and Investments	\$ 593	\$ 38,114	\$ 429	\$ -	\$ 78,536	\$ 11,666	\$ 11,322	\$ 158,286	\$ 2,523,529	\$ 4,612,817
Receivables:										
Taxes	142,325	-	-	-	-	-	-	-	1,038,286	1,038,286
Accounts	-	-	-	-	-	-	-	-	3,817	211,845
Loans	-	-	-	-	-	-	-	-	-	1,694,058
Restricted Cash and Investments	18,052	-	-	-	-	-	-	-	131,690	131,690
TOTAL ASSETS	<u>\$ 160,970</u>	<u>\$ 38,114</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 78,536</u>	<u>\$ 11,666</u>	<u>\$ 11,322</u>	<u>\$ 158,286</u>	<u>\$ 3,697,322</u>	<u>\$ 7,688,697</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ 12,404	\$ 4,710	\$ 462	\$ -	\$ 1,854	\$ 175,733	\$ 294,773
Accrued and Other Current Liabilities	-	-	-	162	-	-	-	-	162	1,403
Special Deposits	-	-	-	-	-	-	-	-	30,819	30,819
Due to Other Funds	-	-	-	351,886	-	-	-	-	371,377	437,813
Due to Other Governments	-	-	-	-	-	-	-	-	-	2,051
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,452</u>	<u>4,710</u>	<u>462</u>	<u>-</u>	<u>1,854</u>	<u>578,091</u>	<u>766,859</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Leived for Subsequent Periods	160,377	-	-	-	-	-	-	-	1,169,976	1,169,976
FUND BALANCES (DEFICITS)										
Restricted:										
Tax Incremental District	593	-	-	-	-	-	-	-	1,406,592	1,406,592
Loans	-	-	-	-	-	-	-	-	-	2,479,153
Assigned	-	38,114	429	-	73,826	11,204	11,322	156,432	926,607	2,283,738
Unassigned (Deficits)	-	-	-	(364,452)	-	-	-	-	(383,944)	(417,621)
Total Fund Balances	<u>593</u>	<u>38,114</u>	<u>429</u>	<u>(364,452)</u>	<u>73,826</u>	<u>11,204</u>	<u>11,322</u>	<u>156,432</u>	<u>1,949,255</u>	<u>5,751,862</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 160,970</u>	<u>\$ 38,114</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 78,536</u>	<u>\$ 11,666</u>	<u>\$ 11,322</u>	<u>\$ 158,286</u>	<u>\$ 3,697,322</u>	<u>\$ 7,688,697</u>

CITY OF MARINETTE, WISCONSIN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2018

	Special Revenue Funds									
	HCRI Grant	Rehabilitation Loan	Business Development Loan	Taxi Program	Senior Center	Welcome Center	Room Tax	Downtown Development	General Economic Development	Water Front Project
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,943	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	264,884	-	13,050	-	36,157	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-	-	-
Public Charges for Services	-	-	-	130,501	-	-	-	14,118	-	-
Miscellaneous	156	2,631	15,990	-	13,817	94,407	3,698	39,861	6,721	2,917
Total Revenues	<u>156</u>	<u>2,631</u>	<u>15,990</u>	<u>395,385</u>	<u>13,817</u>	<u>107,457</u>	<u>305,641</u>	<u>90,136</u>	<u>6,721</u>	<u>2,917</u>
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	451,609	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	64,090	201,323	-	-	-	68,214
Conservation and Development	123	239,884	3,935	-	-	-	14,374	79,354	1,000	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>123</u>	<u>239,884</u>	<u>3,935</u>	<u>451,609</u>	<u>64,090</u>	<u>201,323</u>	<u>14,374</u>	<u>79,354</u>	<u>1,000</u>	<u>68,214</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>33</u>	<u>(237,253)</u>	<u>12,055</u>	<u>(56,224)</u>	<u>(50,273)</u>	<u>(93,866)</u>	<u>291,267</u>	<u>10,782</u>	<u>5,721</u>	<u>(65,297)</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	56,230	49,000	101,000	-	-	-	-
Transfers Out	-	-	-	-	-	-	(272,383)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,230</u>	<u>49,000</u>	<u>101,000</u>	<u>(272,383)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>33</u>	<u>(237,253)</u>	<u>12,055</u>	<u>6</u>	<u>(1,273)</u>	<u>7,134</u>	<u>18,884</u>	<u>10,782</u>	<u>5,721</u>	<u>(65,297)</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>40,973</u>	<u>1,691,106</u>	<u>972,239</u>	<u>22,349</u>	<u>3,804</u>	<u>8</u>	<u>259,456</u>	<u>227,404</u>	<u>448,236</u>	<u>222,330</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 41,006</u>	<u>\$ 1,453,853</u>	<u>\$ 984,294</u>	<u>\$ 22,355</u>	<u>\$ 2,531</u>	<u>\$ 7,142</u>	<u>\$ 278,340</u>	<u>\$ 238,186</u>	<u>\$ 453,957</u>	<u>\$ 157,033</u>

CITY OF MARINETTE, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Continued
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Special Revenue Funds									
	Rec Center	Historical Society	Fire Education	Hazardous Materials Grant	Anti-Drug Abuse Grant	Tri-County Drug Enforcement	Canine Unit	Crime Prevention	Police Rifle Range	Totals
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,943
Intergovernmental	-	-	27,948	16,965	-	-	-	-	-	359,004
Fines and Forfeits	-	-	-	-	1,500	7,251	-	-	-	8,751
Public Charges for Services	-	-	-	-	-	-	-	1,045	-	145,664
Miscellaneous	3,000	1,328	3,209	301	198	944	21,028	-	-	210,206
Total Revenues	<u>3,000</u>	<u>1,328</u>	<u>31,157</u>	<u>17,266</u>	<u>1,698</u>	<u>8,195</u>	<u>21,028</u>	<u>-</u>	<u>1,045</u>	<u>1,025,568</u>
EXPENDITURES										
Current:										
Public Safety	-	-	39,002	19,393	3,600	1,165	28,219	-	-	91,379
Public Works	-	-	-	-	-	-	-	-	-	451,609
Culture and Recreation	127,556	-	-	-	-	-	-	-	-	461,183
Conservation and Development	-	-	-	-	-	-	-	-	-	338,670
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>127,556</u>	<u>-</u>	<u>39,002</u>	<u>19,393</u>	<u>3,600</u>	<u>1,165</u>	<u>28,219</u>	<u>-</u>	<u>-</u>	<u>1,342,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(124,556)</u>	<u>1,328</u>	<u>(7,845)</u>	<u>(2,127)</u>	<u>(1,902)</u>	<u>7,030</u>	<u>(7,191)</u>	<u>-</u>	<u>1,045</u>	<u>(317,273)</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	109,500	-	-	-	-	-	-	-	-	315,730
Transfers Out	-	-	-	-	-	-	-	-	-	(272,383)
Total Other Financing Sources (Uses)	<u>109,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,347</u>
NET CHANGE IN FUND BALANCES	<u>(15,056)</u>	<u>1,328</u>	<u>(7,845)</u>	<u>(2,127)</u>	<u>(1,902)</u>	<u>7,030</u>	<u>(7,191)</u>	<u>-</u>	<u>1,045</u>	<u>(273,926)</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>(13,478)</u>	<u>131</u>	<u>50,302</u>	<u>22,017</u>	<u>15,933</u>	<u>53,998</u>	<u>56,682</u>	<u>(5,143)</u>	<u>8,186</u>	<u>4,076,533</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ (28,534)</u>	<u>\$ 1,459</u>	<u>\$ 42,457</u>	<u>\$ 19,890</u>	<u>\$ 14,031</u>	<u>\$ 61,028</u>	<u>\$ 49,491</u>	<u>\$ (5,143)</u>	<u>\$ 9,231</u>	<u>\$ 3,802,607</u>

CITY OF MARINETTE, WISCONSIN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2018

	Capital Projects Funds									
	Sidewalk	General Capital Projects	Riverside Project	TID No. 6	TID No. 7	TID No. 8	TID No. 9	TID No. 10	TID No. 11	TID No. 12
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ 141,427	\$ 53,755	\$ 105,483	\$ 25,893	\$ 602,886	\$ 350,245	\$ 31,831
Intergovernmental	-	-	-	-	7	116	177	2,250	43,895	5,827
Fines and Forfeits	-	-	-	-	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	4,971	-	-	-	188	5,643	321	8,926	15,502	-
Total Revenues	<u>4,971</u>	<u>-</u>	<u>-</u>	<u>141,427</u>	<u>53,950</u>	<u>111,242</u>	<u>26,391</u>	<u>614,062</u>	<u>409,642</u>	<u>37,658</u>
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Conservation and Development	-	-	-	1,649	1,850	150,150	24,954	120,650	7,225	1,309
Debt service:										
Principal	-	-	-	120,288	45,000	80,000	-	-	200,000	30,000
Interest and Fiscal Charges	-	-	-	21,139	10,730	34,220	-	-	90,168	6,565
Capital Outlay	4,041	634,425	19,214	-	-	-	-	-	-	-
Total Expenditures	<u>4,041</u>	<u>634,425</u>	<u>19,214</u>	<u>143,076</u>	<u>57,580</u>	<u>264,370</u>	<u>24,954</u>	<u>120,650</u>	<u>297,393</u>	<u>37,874</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>930</u>	<u>(634,425)</u>	<u>(19,214)</u>	<u>(1,649)</u>	<u>(3,630)</u>	<u>(153,128)</u>	<u>1,437</u>	<u>493,412</u>	<u>112,249</u>	<u>(216)</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	-	570,433	-	-	-	-	-	-	-	-
Transfers Out	-	(48,910)	(21,738)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>521,523</u>	<u>(21,738)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>930</u>	<u>(112,902)</u>	<u>(40,952)</u>	<u>(1,649)</u>	<u>(3,630)</u>	<u>(153,128)</u>	<u>1,437</u>	<u>493,412</u>	<u>112,249</u>	<u>(216)</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>14,409</u>	<u>731,753</u>	<u>42,042</u>	<u>235</u>	<u>21,291</u>	<u>224,532</u>	<u>11,926</u>	<u>150,510</u>	<u>547,400</u>	<u>(17,862)</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 15,339</u>	<u>\$ 618,851</u>	<u>\$ 1,090</u>	<u>\$ (1,414)</u>	<u>\$ 17,661</u>	<u>\$ 71,404</u>	<u>\$ 13,363</u>	<u>\$ 643,922</u>	<u>\$ 659,649</u>	<u>\$ (18,078)</u>

CITY OF MARINETTE, WISCONSIN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2018

	Capital Projects Funds								Total Nonmajor Governmental Funds	
	TID No. 13	Hall Avenue	Water Street Reconstruction	DPW Garage	Police Equipment	Recreation Equipment	Assessor Equipment	Fire Department Equipment		Totals
REVENUES										
Taxes	\$ 58,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,370,396	\$ 1,672,339
Intergovernmental	-	-	-	-	-	-	-	-	52,272	411,276
Fines and Forfeits	-	-	-	-	-	-	-	-	-	8,751
Public Charges for Services	-	-	-	-	-	-	-	-	-	145,664
Miscellaneous	279	710	-	11,607	26,193	270	167	2,416	77,193	287,399
Total Revenues	<u>59,155</u>	<u>710</u>	<u>-</u>	<u>11,607</u>	<u>26,193</u>	<u>270</u>	<u>167</u>	<u>2,416</u>	<u>1,499,861</u>	<u>2,525,429</u>
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	96,531	-	-	-	96,531	187,910
Public Works	-	-	-	-	-	-	-	-	-	451,609
Culture and Recreation	-	-	-	-	-	-	-	-	-	461,183
Conservation and Development	55,661	-	-	-	-	-	-	-	363,448	702,118
Debt service:										
Principal	-	-	-	-	-	-	-	-	444,666	444,666
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	193,444	193,444
Capital Outlay	-	-	-	375,049	35,300	20,314	-	27,841	1,116,184	1,116,184
Total Expenditures	<u>55,661</u>	<u>-</u>	<u>-</u>	<u>375,049</u>	<u>131,831</u>	<u>20,314</u>	<u>-</u>	<u>27,841</u>	<u>2,214,273</u>	<u>3,557,114</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,494</u>	<u>710</u>	<u>-</u>	<u>(363,442)</u>	<u>(105,638)</u>	<u>(20,044)</u>	<u>167</u>	<u>(25,425)</u>	<u>(714,412)</u>	<u>(1,031,685)</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	361,801	124,075	12,000	-	50,614	1,118,923	1,434,653
Transfers Out	-	-	-	-	-	-	-	-	(70,648)	(343,031)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,801</u>	<u>124,075</u>	<u>12,000</u>	<u>-</u>	<u>50,614</u>	<u>1,048,275</u>	<u>1,091,622</u>
NET CHANGE IN FUND BALANCES	<u>3,494</u>	<u>710</u>	<u>-</u>	<u>(1,641)</u>	<u>18,437</u>	<u>(8,044)</u>	<u>167</u>	<u>25,189</u>	<u>333,863</u>	<u>59,937</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>(2,901)</u>	<u>37,404</u>	<u>429</u>	<u>(362,811)</u>	<u>55,389</u>	<u>19,248</u>	<u>11,155</u>	<u>131,243</u>	<u>1,615,392</u>	<u>5,691,925</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 593</u>	<u>\$ 38,114</u>	<u>\$ 429</u>	<u>\$ (364,452)</u>	<u>\$ 73,826</u>	<u>\$ 11,204</u>	<u>\$ 11,322</u>	<u>\$ 156,432</u>	<u>\$ 1,949,255</u>	<u>\$ 5,751,862</u>

CITY OF MARINETTE, WISCONSIN
Detailed Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
TAXES			
General Property Taxes	\$ 5,258,789	\$ 5,293,031	\$ 34,242
Mobile Home Taxes	77,000	89,981	12,981
Payment in Lieu of Taxes	86,717	87,050	333
Interest and Penalties	1,750	1,174	(576)
Total Taxes	<u>5,424,256</u>	<u>5,471,236</u>	<u>46,980</u>
INTERGOVERNMENTAL			
State Shared Taxes	4,646,553	4,646,555	2
Exempt Computer Aid	34,241	34,241	-
Municipal Services Payment	89,116	77,218	(11,898)
Local Highway Aids	721,710	730,183	8,473
Connecting Streets	67,565	67,565	-
Recycling	43,000	42,623	(377)
Other Grants	113,000	123,518	10,518
Total Intergovernmental	<u>5,715,185</u>	<u>5,721,903</u>	<u>6,718</u>
LICENSES AND PERMITS			
Liquor and Malt Beverages	36,000	34,608	(1,392)
Operator's Licenses	12,000	8,525	(3,475)
Cigarette Licenses	2,000	2,000	-
Bicycle Licenses	225	96	(129)
Dog Licenses	1,800	1,918	118
Other Licenses	8,550	9,883	1,333
Cable TV Franchise Fee	126,000	109,008	(16,992)
Trailer Park	1,000	1,400	400
Building Permits	40,000	78,302	38,302
Electrical Permits	10,000	19,832	9,832
Plumbing Permits	6,000	10,366	4,366
Occupancy Permits	1,000	170	(830)
Other Permits	23,000	33,147	10,147
Total Licenses and Permits	<u>267,575</u>	<u>309,255</u>	<u>41,680</u>
FINES AND FORFEITS			
Municipal Court Penalties and Costs	260,000	235,488	(24,512)
Parking Violations	14,000	15,955	1,955
Miscellaneous	500	36	(464)
Total Fines and Forfeits	<u>274,500</u>	<u>251,479</u>	<u>(23,021)</u>
PUBLIC CHARGES FOR SERVICES			
Special Assessment Letters	8,000	7,626	(374)
Snow and Ice Removal	3,000	4,287	1,287
City Clerk	1,550	15,005	13,455
Police Department	1,700	2,136	436
Fire Department	3,000	1,356	(1,644)
Weed and Nuisance Control	800	5,103	4,303
Garbage and Refuse Collection	48,000	48,076	76
Park and Recreation	56,100	93,100	37,000
Total Public Charges for Services	<u>122,150</u>	<u>176,689</u>	<u>54,539</u>
MISCELLANEOUS REVENUES			
Interest Income	35,000	140,783	105,783
Rent	50,600	91,949	41,349
Insurance Dividends and Recoveries	-	43,245	43,245
Sale of Capital Assets	2,000	-	(2,000)
Other Revenues	18,500	2,554,640	2,536,140
Total Miscellaneous	<u>106,100</u>	<u>2,830,617</u>	<u>2,724,517</u>
TOTAL REVENUES	<u>11,909,766</u>	<u>14,761,179</u>	<u>2,851,413</u>

CITY OF MARINETTE, WISCONSIN
Detailed Budgetary Comparison Schedule (Continued)
General Fund
For the Year Ended December 31, 2018

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES			
GENERAL GOVERNMENT			
Council	\$ 40,313	\$ 41,351	\$ (1,038)
Mayor	119,193	109,367	9,826
Municipal Court	146,516	141,716	4,800
City Clerk	204,424	196,992	7,432
Finance	232,160	226,287	5,873
Assessment of Property	203,809	230,242	(26,433)
Legal	244,916	253,612	(8,696)
Technology Services	48,775	124,104	(75,329)
City Hall	89,574	73,560	16,014
Other General Government	442,222	372,920	69,302
Total General Government	<u>1,771,902</u>	<u>1,770,151</u>	<u>1,751</u>
PUBLIC SAFETY			
Police Department	3,015,796	2,989,070	26,726
Fire Department	1,804,729	1,733,046	71,683
Rescue Squad	11,380	11,380	-
Total Public Safety	<u>4,831,905</u>	<u>4,733,496</u>	<u>98,409</u>
PUBLIC WORKS			
Roadways and Streets	729,069	704,391	24,678
Engineering	133,256	100,384	32,872
Street Construction	128,590	136,545	(7,955)
Administration	249,504	280,202	(30,698)
Street Lighting	215,900	229,664	(13,764)
Garbage and Refuse Collection	733,283	750,862	(17,579)
Recycling	156,422	129,765	26,657
Total Public Works	<u>2,346,024</u>	<u>2,331,813</u>	<u>14,211</u>
CULTURE AND RECREATION			
Recreation Programs	254,770	774,958	(520,188)
Parks	235,573	283,514	(47,941)
Total Culture and Recreation	<u>490,343</u>	<u>1,058,472</u>	<u>(568,129)</u>
CONSERVATION AND DEVELOPMENT			
Community Development	24,789	24,022	767
Forestry	167,855	153,514	14,341
Total Conservation and Development	<u>192,644</u>	<u>177,536</u>	<u>15,108</u>
CAPITAL OUTLAY			
Street Construction	910,000	3,277,543	(2,367,543)
Total Expenditures	<u>10,542,818</u>	<u>13,349,011</u>	<u>(2,806,193)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,366,948</u>	<u>1,412,168</u>	<u>45,220</u>
OTHER FINANCING SOURCES (Uses)			
Transfers In	840,000	933,516	93,516
Transfers Out	(2,205,699)	(2,269,799)	(64,100)
Total Other Financing Sources (Uses)	<u>(1,365,699)</u>	<u>(1,336,283)</u>	<u>29,416</u>
NET CHANGE IN FUND BALANCE	1,249	75,885	74,636
FUND BALANCE - BEGINNING	6,918,869	6,918,869	-
FUND BALANCE - ENDING	<u>\$ 6,920,118</u>	<u>\$ 6,994,754</u>	<u>\$ 74,636</u>

CITY OF MARINETTE, WISCONSIN

Schedule of Budgetary Comparison

Debt Service Fund

For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 14,676	\$ 13,773	\$ (903)
EXPENDITURES			
General Government	1,100	950	150
Debt Service:			
Principal	1,215,000	1,215,000	-
Interest and Fiscal Charges	377,156	377,156	-
Total Expenditures	<u>1,593,256</u>	<u>1,593,106</u>	<u>150</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,578,580)</u>	<u>(1,579,333)</u>	<u>(753)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>1,578,580</u>	<u>1,731,406</u>	<u>152,826</u>
NET CHANGE IN FUND BALANCE	-	152,073	152,073
FUND BALANCE - BEGINNING	<u>20,540</u>	<u>20,540</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 20,540</u>	<u>\$ 172,613</u>	<u>\$ 152,073</u>