

CITY OF MARINETTE, WISCONSIN

Annual Financial Report

December 31, 2019

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, 2019, 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, 2019, 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 and employer contributions – other post-employment benefits other than pensions – cost sharing plan, and budgetary comparison information on pages 3 to 8 and 58 to 61 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 – 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

KerberRose SC
Certified Public Accountants
July 2, 2020

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, 2019. 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 2019, the assets and deferred outflows of resources of the City of Marinette exceeded its liabilities and deferred inflows of resources by \$89,658,031 (net position) versus \$87,508,245 at the close of 2018, an increase of \$2,149,786.
- During 2019, the General Fund balance decreased by \$217,944. At end of the fiscal year, the total general fund balance was \$6,776,810 and the portion that can be used for general operation (Unassigned Fund Balance) was \$6,215,196 which was approximately 56% of the total 2019 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.

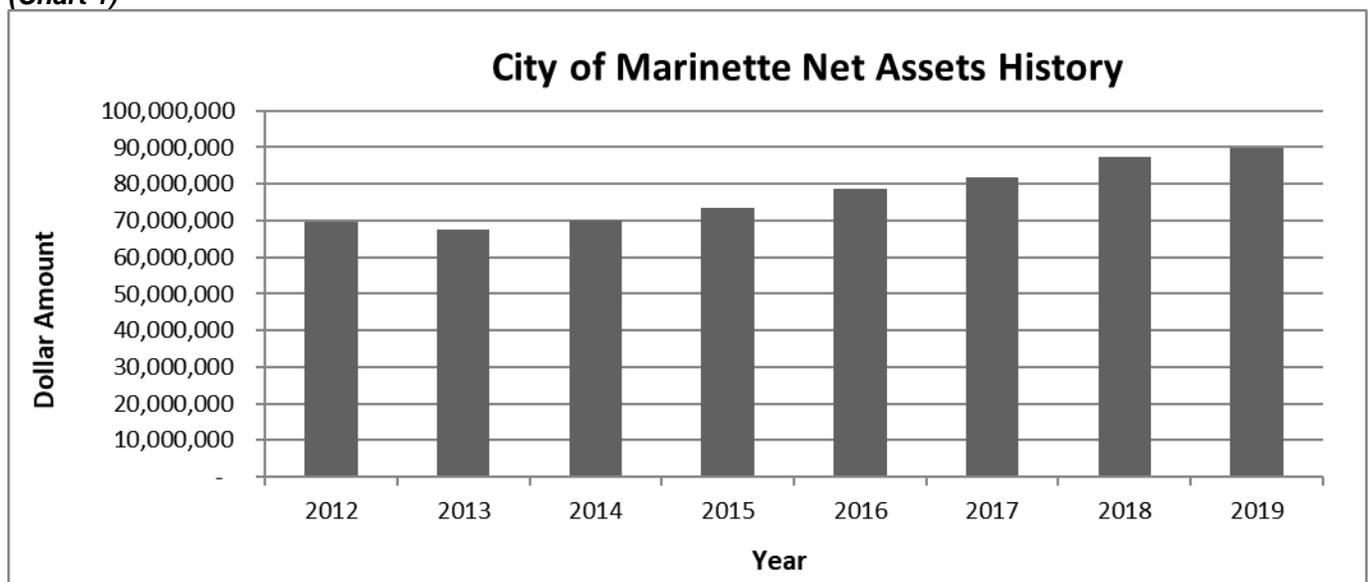
The total City assets and deferred outflows of resources exceeded total City liabilities and deferred inflows of resources by \$89,658,031 at the close of the fiscal year 2019 versus \$87,508,245 at the close of 2018, an increase of \$2,149,786. Chart 1 on the next page shows the City’s net position history from 2012 to 2019.

(Table 1)

CITY OF MARINETTE, WISCONSIN
Statement of Net Position
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 21,731,460	\$ 24,695,930	\$ 11,889,423	\$ 11,179,535	\$ 33,620,883	\$ 35,875,465
Capital Assets	43,449,956	42,778,219	55,199,523	55,607,462	98,649,479	98,365,681
Total Assets	65,181,416	67,474,149	67,088,946	66,786,997	132,270,362	134,261,146
DEFERRED OUTFLOWS OF RESOURCES	4,277,020	2,530,295	776,114	308,375	5,053,134	2,838,670
LIABILITIES						
Current and other liabilities	2,732,384	4,690,047	2,645,687	1,668,852	5,378,071	6,358,899
Long-term debt o/s	20,887,217	20,646,294	11,478,239	12,590,861	32,365,456	33,237,155
Total Liabilities	23,619,601	25,336,341	14,123,926	14,259,713	37,743,527	39,596,054
DEFERRED INFLOWS OF RESOURCES	9,525,652	9,719,471	396,286	276,046	9,921,938	9,995,517
NET POSITION						
Net investment in capital assets	24,396,310	21,380,013	42,636,179	41,687,566	67,032,489	63,067,579
Restricted	4,600,927	7,023,537	5,370,056	6,911,443	9,970,983	13,934,980
Unrestricted (deficit)	7,315,946	6,545,082	5,338,613	3,960,604	12,654,559	10,505,686
Total Net Assets	\$ 36,313,183	\$ 34,948,632	\$ 53,344,848	\$ 52,559,613	\$ 89,658,031	\$ 87,508,245

(Chart 1)



CITY OF MARINETTE, WISCONSIN
Management's Discussion and Analysis
December 31, 2019

The 2019 increase in net position is primarily from the increased values in capital assets.

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

During 2019, the City's combined unrestricted net position increased by \$2,148,873. The Governmental activities unrestricted net positions increased by \$770,864 while the Business-type activities unrestricted net position increased by \$1,378,009. By far, the largest portion (nearly 75%) of the total net position reflects the net 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 2019. Table 2 on the next page shows the Statement of Activities for the City of Marinette for fiscal years 2019 and 2018. The City of Marinette's total net position increased in value by 2 percent or \$2,149,786 from 2018.

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 2019, in the Governmental activities section, an increase in grants and charges for services created increases in the City's revenues of \$363,437. When comparing to 2018, the Business-type activities saw an increase in revenues for charges for services and miscellaneous and interest income of \$2,378,650 due to a wastewater rate increase in the current year and higher earned interest rates. We will take a look at this in more details under the Fund Financial Statements on Page 12.

CITY OF MARINETTE, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2019

(Table 2)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenue						
Charges for Services	\$ 1,161,165	\$ 846,820	\$ 10,250,848	\$ 7,989,665	\$ 11,412,013	\$ 8,836,485
Operating grants and contributions	1,849,440	1,800,348			1,849,440	1,800,348
Capital grants and contributions	85,816	3,034,802	-	-	85,816	3,034,802
General Revenues						
Property taxes for general purposes	6,698,008	6,907,619	-	-	6,698,008	6,907,619
Other taxes	459,347	478,974	-	-	459,347	478,974
State/federal aids/other contributions						
not restricted to specific functions	4,920,981	4,835,233	-	-	4,920,981	4,835,233
Interests and investment earnings	301,218	284,527	292,285	181,313	593,503	465,840
Miscellaneous	719,175	303,750	6,495	-	725,670	303,750
Gain on sale of asset	54,112	27,610	-	-	54,112	27,610
Total Revenues	16,249,262	18,519,683	10,549,628	8,170,978	26,798,890	26,690,661
Expenses						
General government	1,877,404	1,774,741	-	-	1,877,404	1,774,741
Public safety	5,254,871	5,044,665	-	-	5,254,871	5,044,665
Public works	4,705,301	4,969,128	-	-	4,705,301	4,969,128
Culture and recreation	2,236,201	804,707	-	-	2,236,201	804,707
Conservation & Development	1,219,337	1,532,970	-	-	1,219,337	1,532,970
Interest and fiscal charges on debt	376,816	434,944	-	-	376,816	434,944
Water utility	-	-	3,459,239	3,400,103	3,459,239	3,400,103
Wastewater treatment facility	-	-	4,728,922	1,814,330	4,728,922	1,814,330
Storm Water Utility	-	-	542,589	619,123	542,589	619,123
Cemetery	-	-	248,424	209,526	248,424	209,526
Total Expenses	15,669,930	14,561,155	8,979,174	6,043,082	24,649,104	20,604,237
Increase in net position before transfers	579,332	3,958,528	1,570,454	2,127,896	2,149,786	6,086,424
Transfers	785,219	746,182	(785,219)	(746,182)	-	-
Increase in net position	1,364,551	4,704,710	785,235	1,381,714	2,149,786	6,086,424
Net position - January 1, 2019	34,948,632	30,243,922	52,559,613	51,177,899	87,508,245	81,421,821
Net position - December 31, 2019	\$ 36,313,183	\$ 34,948,632	\$ 53,344,848	\$ 52,559,613	\$ 89,658,031	\$ 87,508,245

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.

Governmental funds - include 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
Management's Discussion and Analysis
December 31, 2019

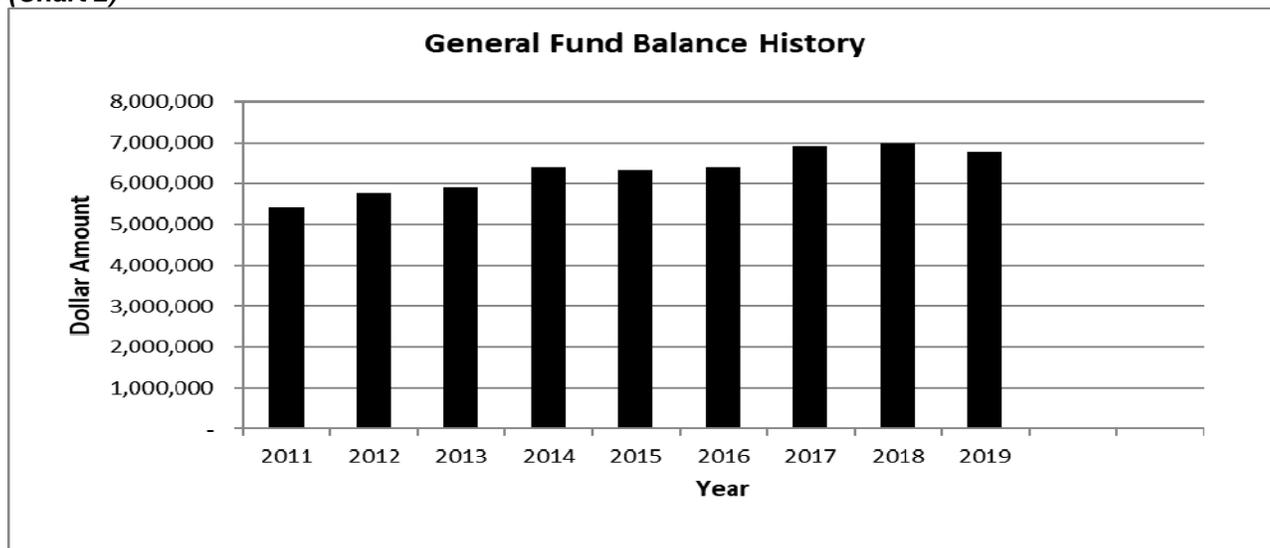
The last two categories are similar to unrestricted net position, and they can be spent under management's discretion, so they may serve as a useful measure of the City's net resources available for spending. At end of 2019, the total fund balances from these last two categories were \$6,715,196.

The General Fund is the chief operating fund of the City. Page 15 shows the summary of 2019 General Fund revenues, expenditures and changes of fund balances. As you may see, the general fund ended its year decreasing the fund balance by \$217,944.

Page 15 shows that at the end of 2019, the general fund had a fund balance of \$6,776,810. Of this amount, \$6,215,196 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 2019 were \$1,022,637). The unassigned general fund balance is approximately 56% of total 2019 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 34% 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 2011 to 2019.

(Chart 2)



Proprietary funds - The City's proprietary funds (pages 18-21) provide the same type of information found in the government-wide financial statements, but in more detail.

Pages 20 and 21 shows the 2019 revenues, expenses and change in net position for proprietary funds. The Statement of Revenues and Expenses on Pages 20 and 21 shows that for enterprise funds, the total revenues increased \$2,261,183 and total expenses increased by \$2,968,384 in 2019. On the revenue side, the Wastewater Utility revenues from other charges increased by \$2,702,100 and the Water Utility's revenues from metered use decreased by \$188,602. On the expense side, the Water Utility's pumping maintenance and operations increased expenses by \$77,629, and increased the depreciation expense by \$11,463. The PILOT payment is a property tax equivalent payable to the City of Marinette (recorded as a transfer out) which decreased \$9,286. The increased value of the new water treatment facility is one of the main factors in the PILOT's calculation. Wastewater spent \$2,900,340 more on operations and maintenance.

CITY OF MARINETTE, WISCONSIN
 Management's Discussion and Analysis
 December 31, 2019

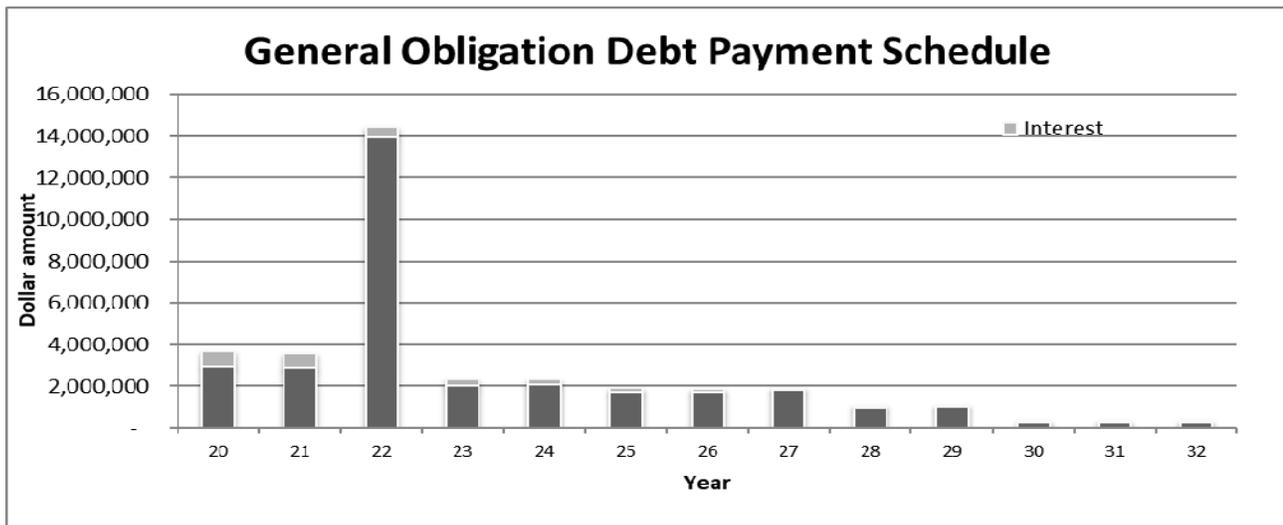
General Fund Budgetary Highlights

(See Page 60 for summary and Page 70-71 for details). Compared with the final budget, the actual revenues were \$514,464 higher than budgetary estimates. On the expenditure side, the total actual expenditures were \$150,200 higher than the adjusted final budget amount. Major budget deficits were: \$94,550 for street construction and lighting, \$15,111 for administration insurance costs, \$450,000 for recreation facility construction and \$435,648 for capital outlay projects.

Debt Administration

Long-term Obligations: At the end of the 2019 fiscal year, the City of Marinette had total long-term obligations of \$35,575,344. Of this amount, \$13,168,478 is comprised of government bonds and notes, \$171,871 as promissory notes, \$6,525,000 as Note Anticipation Note, \$12,314,903 represents bonds secured by specified revenue sources (i.e., revenue bonds), and \$1,022,637 as employees' compensated absences and \$305,014 as other post employment benefits.

The City maintained its Moody's A1 bond rating for both its general obligation debt and for the revenue bonds of the Water Utility. State statutes limit the amount of general obligation debt a governmental entity may issue to five (5) percent of its total equalized valuation of \$756,179,800. The current debt limitation for the City of Marinette is \$37,808,990, which is considerably higher than the City's outstanding general obligation debt of \$19,693,478. The chart below shows the payment schedule.



Economic Factors

The unemployment rate for the City is currently 4.1%. This is higher than the State of Wisconsin's average unemployment rate of 2.9%. The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry and retail based activities, which support out tax base. The City is working on several projects including street and utility projects as well as the operations of a new recreation center. All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Marinette's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Director, City Hall, 1905 Hall Ave., Marinette, Wisconsin 54143.

FINANCIAL STATEMENTS

CITY OF MARINETTE, WISCONSIN
Statement of Net Position
As of December 31, 2019

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 12,443,282	\$ 5,052,122	\$ 17,495,404
Receivables:			
Taxes	6,509,609	-	6,509,609
Accounts	307,591	1,469,231	1,776,822
Special Assessments	36,743	-	36,743
Delinquent Personal Property Taxes	53,381	-	53,381
Loans	1,606,723	-	1,606,723
Restricted Cash and Investments	765,898	5,281,316	6,047,214
Inventories and Prepaid Items	8,233	84,414	92,647
Other Current Assets	-	2,340	2,340
Total Current Assets	<u>21,731,460</u>	<u>11,889,423</u>	<u>33,620,883</u>
Noncurrent Assets			
Special Assessments	-	15,292	15,292
Capital Assets, Nondepreciable:			
Land	2,039,904	639,506	2,679,410
Construction in Progress	129,484	-	129,484
Capital Assets, Depreciable:			
Land Improvements	3,952,872	46,716,222	50,669,094
Buildings and Improvements	20,551,160	19,290,089	39,841,249
Machinery and Equipment	9,426,448	18,598,195	28,024,643
Infrastructure	33,468,532	13,981,760	47,450,292
Less: Accumulated Depreciation	<u>(26,118,444)</u>	<u>(44,041,541)</u>	<u>(70,159,985)</u>
Total Noncurrent Assets	<u>43,449,956</u>	<u>55,199,523</u>	<u>98,649,479</u>
TOTAL ASSETS	<u>65,181,416</u>	<u>67,088,946</u>	<u>132,270,362</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	21,937	21,937
Deferred Outflows Related to Pension	4,236,178	746,976	4,983,154
Deferred Outflows Related to Other Post-Employment Benefits	40,842	7,201	48,043
Total Deferred Outflows of Resources	<u>4,277,020</u>	<u>776,114</u>	<u>5,053,134</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	547,626	1,034,717	1,582,343
Accrued and Other Current Liabilities	411,956	16,493	428,449
Special Deposits	24,813	-	24,813
Accrued Interest Payable	59,066	62,366	121,432
Accrued Compensated Absences	-	132,146	132,146
Due to Other Governments	11,146	-	11,146
Current Portion of Long-Term Obligations	1,677,777	1,399,965	3,077,742
Total Current Liabilities	<u>2,732,384</u>	<u>2,645,687</u>	<u>5,378,071</u>
Noncurrent Liabilities			
Net Pension Liability	1,569,077	276,679	1,845,756
Net OPEB Liability	259,292	45,722	305,014
Noncurrent Portion of Long-Term Obligations	19,058,848	11,155,838	30,214,686
Total Noncurrent Liabilities	<u>20,887,217</u>	<u>11,478,239</u>	<u>32,365,456</u>
Total Liabilities	<u>23,619,601</u>	<u>14,123,926</u>	<u>37,743,527</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	7,278,270	-	7,278,270
Deferred Inflows Related to Pension	2,163,851	381,557	2,545,408
Deferred Inflows Related to Other Post-Employment Benefits	83,531	14,729	98,260
Total Deferred Inflows of Resources	<u>9,525,652</u>	<u>396,286</u>	<u>9,921,938</u>
NET POSITION			
Net Investment in Capital Assets	24,396,310	42,636,179	67,032,489
Restricted for:			
Community Development	2,451,821	-	2,451,821
Tax Incremental Districts	796,817	-	796,817
Debt Service	113,476	1,426,139	1,539,615
Capital Projects	735,563	-	735,563
Plant Replacement	-	3,855,177	3,855,177
Pension Benefits	503,250	88,740	591,990
Unrestricted	<u>7,315,946</u>	<u>5,338,613</u>	<u>12,654,559</u>
TOTAL NET POSITION	<u>\$ 36,313,183</u>	<u>\$ 53,344,848</u>	<u>\$ 89,658,031</u>

See Accompanying Notes

CITY OF MARINETTE, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2019

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General Government	\$ 1,877,404	\$ 260,802	\$ -	\$ -
Public Safety	5,254,871	448,320	96,412	-
Public Works	4,705,301	71,221	1,215,165	13,125
Culture and Recreation	2,236,201	380,822	522,341	-
Conservation and Development	1,219,337	-	15,522	72,691
Interest on Debt	376,816	-	-	-
Total Governmental Activities	<u>15,669,930</u>	<u>1,161,165</u>	<u>1,849,440</u>	<u>85,816</u>
BUSINESS-TYPE ACTIVITIES				
Cemetery	248,424	85,886	-	-
Water Utility	3,459,239	4,632,603	-	-
Wastewater Utility	4,728,922	4,866,790	-	-
Storm Water Utility	542,589	665,569	-	-
Total Business-Type Activities	<u>8,979,174</u>	<u>10,250,848</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,649,104</u>	<u>\$ 11,412,013</u>	<u>\$ 1,849,440</u>	<u>\$ 85,816</u>

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

NET POSITION - END OF YEAR

See Accompanying Notes

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

Governmental Activities	Business- Type Activities	Total
\$ (1,616,602)	\$ -	\$ (1,616,602)
(4,710,139)	-	(4,710,139)
(3,405,790)	-	(3,405,790)
(1,333,038)	-	(1,333,038)
(1,131,124)	-	(1,131,124)
(376,816)	-	(376,816)
<u>(12,573,509)</u>	<u>-</u>	<u>(12,573,509)</u>
-	(162,538)	(162,538)
-	1,173,364	1,173,364
-	137,868	137,868
-	122,980	122,980
<u>-</u>	<u>1,271,674</u>	<u>1,271,674</u>
<u>(12,573,509)</u>	<u>1,271,674</u>	<u>(11,301,835)</u>
5,625,265	-	5,625,265
1,072,743	-	1,072,743
459,347	-	459,347
4,920,981	-	4,920,981
301,218	292,285	593,503
53,229	-	53,229
149,188	-	149,188
54,112	-	54,112
516,758	6,495	523,253
<u>13,152,841</u>	<u>298,780</u>	<u>13,451,621</u>
<u>785,219</u>	<u>(785,219)</u>	<u>-</u>
1,364,551	785,235	2,149,786
<u>34,948,632</u>	<u>52,559,613</u>	<u>87,508,245</u>
<u>\$ 36,313,183</u>	<u>\$ 53,344,848</u>	<u>\$ 89,658,031</u>

See Accompanying Notes

CITY OF MARINETTE, WISCONSIN

Balance Sheet
Governmental Funds
As of December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>TID No. 3</u>
ASSETS			
Cash and Investments	\$ 6,997,987	\$ 172,542	\$ 3,500
Receivables:			
Taxes	5,340,706	-	-
Accounts	74,253	-	-
Special Assessments	36,743	-	-
Delinquent Personal Property Taxes	53,381	-	-
Loans	-	-	-
Restricted Cash and Investments	640,494	-	-
Due from Other Funds	484,313	-	-
Inventories and Prepaid Items	8,233	-	-
TOTAL ASSETS	<u>\$ 13,636,110</u>	<u>\$ 172,542</u>	<u>\$ 3,500</u>
LIABILITIES			
Accounts Payable	\$ 413,636	\$ -	\$ 3,500
Accrued and Other Current Liabilities	404,832	-	-
Special Deposits	24,813	-	-
Due to Other Fund	-	-	-
Due to Other Governments	9,095	-	-
Total Liabilities	<u>852,376</u>	<u>-</u>	<u>3,500</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	5,970,180	-	-
Unavailable - Special Assessments	36,744	-	-
Total Deferred Inflows of Resources	<u>6,006,924</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventories and Prepaid Items	8,233	-	-
Delinquent Personal Property Taxes	53,381	-	-
Restricted:			
Tax Incremental Districts	-	-	-
Loans	-	-	-
Debt Service	-	172,542	-
Capital Projects	-	-	-
Assigned:			
Vacation and Sick Leave	500,000	-	-
Special Revenue Funds	-	-	-
Capital Projects	-	-	-
Unassigned (Deficit)	6,215,196	-	-
Total Fund Balances	<u>6,776,810</u>	<u>172,542</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 13,636,110</u>	<u>\$ 172,542</u>	<u>\$ 3,500</u>

See Accompanying Notes

Capital Projects Recreation Center	Other Governmental Funds	Total Governmental Funds
\$ 752,656	\$ 4,516,597	\$ 12,443,282
-	1,168,903	6,509,609
1,500	231,838	307,591
-	-	36,743
-	-	53,381
-	1,606,723	1,606,723
-	125,404	765,898
-	-	484,313
-	-	8,233
<u>\$ 754,156</u>	<u>\$ 7,649,465</u>	<u>\$ 22,215,773</u>
\$ 18,593	\$ 111,897	\$ 547,626
-	7,124	411,956
-	-	24,813
-	484,313	484,313
-	2,051	11,146
<u>18,593</u>	<u>605,385</u>	<u>1,479,854</u>
-	1,308,090	7,278,270
-	-	36,744
-	<u>1,308,090</u>	<u>7,315,014</u>
-	-	8,233
-	-	53,381
-	1,246,788	1,246,788
-	2,451,821	2,451,821
-	-	172,542
735,563	-	735,563
-	-	500,000
-	1,402,878	1,402,878
-	1,142,099	1,142,099
-	(507,596)	5,707,600
<u>735,563</u>	<u>5,735,990</u>	<u>13,420,905</u>
<u>\$ 754,156</u>	<u>\$ 7,649,465</u>	<u>\$ 22,215,773</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, 2019

Total Fund Balances - Governmental Funds \$ 13,420,905

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	69,568,400	
Accumulated Depreciation	<u>(26,118,444)</u>	43,449,956

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		36,744
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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

Deferred Outflows Related to Pension		4,236,178
Deferred Inflows Related to Pension		<u>(2,163,851)</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		40,842
Deferred Inflows of Resources Related to Other Post-Employment Benefits:		
Cost-Sharing Plan		<u>(83,531)</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	(19,696,871)	
Debt Premium	(40,050)	
Debt Discount	22,933	
Net Pension Liability	(1,569,077)	
Net OPEB Liability	(259,292)	
Compensated Absences	(1,022,637)	
Accrued Interest	<u>(59,066)</u>	<u>(22,624,060)</u>

Total Net Position - Governmental Activities **\$ 36,313,183**

CITY OF MARINETTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>TID No. 3</u>
REVENUES			
Taxes	\$ 5,788,547	\$ -	\$ 231,533
Intergovernmental	5,821,014	-	16,810
Licenses and Permits	335,440	-	-
Fines and Forfeits	244,571	-	-
Public Charges for Services	130,049	-	-
Miscellaneous	600,430	13,524	2,508
Total Revenues	<u>12,920,051</u>	<u>13,524</u>	<u>250,851</u>
EXPENDITURES			
Current:			
General Government	1,872,741	1,170	-
Public Safety	4,916,452	-	-
Public Works	2,410,788	-	-
Culture and Recreation	649,278	-	-
Conservation and Development	187,554	-	294,758
Debt Service:			
Principal	-	1,185,000	-
Interest and Fiscal Charges	-	262,753	-
Capital Outlay	906,243	-	-
Total Expenditures	<u>10,943,056</u>	<u>1,448,923</u>	<u>294,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,976,995</u>	<u>(1,435,399)</u>	<u>(43,907)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	905,812	1,435,328	-
Transfers Out	(3,100,751)	-	(13,003)
Total Other Financing Sources (Uses)	<u>(2,194,939)</u>	<u>1,435,328</u>	<u>(13,003)</u>
NET CHANGE IN FUND BALANCES	(217,944)	(71)	(56,910)
FUND BALANCES - BEGINNING	<u>6,994,754</u>	<u>172,613</u>	<u>56,910</u>
FUND BALANCES - ENDING	<u>\$ 6,776,810</u>	<u>\$ 172,542</u>	<u>\$ -</u>

See Accompanying Notes

Capital Projects Recreation Center	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,138,420	\$ 7,158,500
-	361,285	6,199,109
-	-	335,440
-	25	244,596
-	500,436	630,485
513,953	553,701	1,684,116
<u>513,953</u>	<u>2,553,867</u>	<u>16,252,246</u>
22	-	1,873,933
-	159,514	5,075,966
-	456,680	2,867,468
-	1,226,949	1,876,227
-	694,759	1,177,071
-	500,618	1,685,618
-	141,968	404,721
523,604	1,028,569	2,458,416
<u>523,626</u>	<u>4,209,057</u>	<u>17,419,420</u>
(9,673)	(1,655,190)	(1,167,174)
450,000	1,944,012	4,735,152
(531,485)	(304,694)	(3,949,933)
<u>(81,485)</u>	<u>1,639,318</u>	<u>785,219</u>
(91,158)	(15,872)	(381,955)
826,721	5,751,862	13,802,860
<u>\$ 735,563</u>	<u>\$ 5,735,990</u>	<u>\$ 13,420,905</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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (381,955)

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	2,458,416	
Depreciation expense reported in the statement of activities	<u>(1,760,030)</u>	
Amount by which capital outlays are more than depreciation in current period		698,386

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. (26,649)

Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements. (651,691)

Amounts related to the OPEB that affect the statement of activities but do not affect the fund financial statements. (17,045)

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. 2,418

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: 1,685,618

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 27,564

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 404,721
The amount of interest accrued during the current period (375,416)
Interest paid is more than interest accrued by 29,305

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 \$ 1,364,551

CITY OF MARINETTE, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2019

	Cemetery	Water Utility	Wastewater Utility
CURRENT ASSETS			
Cash and Investments	\$ 1,246,387	\$ 1,089,802	\$ 2,087,088
Accounts Receivable	6,622	571,867	823,367
Inventories and Prepaid Expenses	37,531	46,883	-
Other Current Assets	-	2,340	-
Total Current Assets	1,290,540	1,710,892	2,910,455
NON-CURRENT ASSETS			
Special Assessments	-	15,292	-
Restricted Cash	-	1,426,139	3,855,177
Capital Assets:			
Land	-	619,406	20,100
Land Improvements	-	26,748,733	19,967,489
Buildings	1,019,528	11,891,792	6,378,769
Machinery and Equipment	-	9,600,779	8,997,416
Infrastructure	-	-	-
Less: Accumulated Depreciation	(726,826)	(13,601,810)	(21,628,087)
Total Noncurrent Assets	292,702	36,700,331	17,590,864
Total Assets	1,583,242	38,411,223	20,501,319
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	21,937	-
Deferred Outflows Related to Pension	-	435,030	311,946
Deferred Outflows Related to Other			
Post-Employment Benefits	-	4,194	3,007
Total Deferred Outflows of Resources	-	461,161	314,953
CURRENT LIABILITIES			
Accounts Payable	665	299,845	733,485
Accrued and Other Current Liabilities	7,585	5,505	3,349
Accrued Interest Payable	-	60,628	1,738
Accrued Compensated Absences	-	72,730	59,416
Current Portion of Long-Term Obligations	-	1,313,986	71,603
Total Current Liabilities	8,250	1,752,694	869,591
NON-CURRENT LIABILITIES			
Net Other Post-Employment Benefits	-	26,628	19,094
Net Pension Liability	-	161,135	115,544
Long-Term Obligations	-	10,697,986	303,750
Total Noncurrent Liabilities	-	10,885,749	438,388
Total Liabilities	8,250	12,638,443	1,307,979
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	-	222,215	159,342
Deferred Inflows Related to Other			
Post-Employment Benefits	-	8,578	6,151
Total Deferred Outflows of Resources	-	230,793	165,493
NET POSITION			
Net Investment in Capital Assets	292,702	23,254,679	13,360,334
Restricted for:			
Debt Service	-	1,426,139	-
Plant Replacement	-	-	3,855,177
Pension Benefits	-	51,680	37,060
Unrestricted	1,282,290	1,270,650	2,090,229
TOTAL NET POSITION	\$ 1,574,992	\$ 26,003,148	\$ 19,342,800

See Accompanying Notes

Storm Water		
Utility		Total
\$ 628,845	\$	5,052,122
67,375		1,469,231
-		84,414
-		2,340
<u>696,220</u>		<u>6,608,107</u>
-		15,292
-		5,281,316
-		639,506
-		46,716,222
-		19,290,089
-		18,598,195
13,981,760		13,981,760
(8,084,818)		(44,041,541)
<u>5,896,942</u>		<u>60,480,839</u>
<u>6,593,162</u>		<u>67,088,946</u>
-		21,937
-		746,976
-		7,201
<u>-</u>		<u>776,114</u>
722		1,034,717
54		16,493
-		62,366
-		132,146
<u>14,376</u>		<u>1,399,965</u>
<u>15,152</u>		<u>2,645,687</u>
-		45,722
-		276,679
<u>154,102</u>		<u>11,155,838</u>
<u>154,102</u>		<u>11,478,239</u>
<u>169,254</u>		<u>14,123,926</u>
-		381,557
-		14,729
<u>-</u>		<u>396,286</u>
5,728,464		42,636,179
-		1,426,139
-		3,855,177
-		88,740
<u>695,444</u>		<u>5,338,613</u>
<u>\$ 6,423,908</u>	<u>\$</u>	<u>53,344,848</u>

CITY OF MARINETTE, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	<u>Cemetery</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
OPERATING REVENUES			
Charges for Services	\$ 38,290	\$ 4,547,186	\$ 2,164,690
Sale of Lots and Crypts	15,388	-	-
Bio-waste Disposal	-	-	2,621,777
Other	32,208	85,417	80,323
Total Operating Revenues	<u>85,886</u>	<u>4,632,603</u>	<u>4,866,790</u>
OPERATING EXPENSES			
Operation and Maintenance	225,966	1,823,386	3,816,900
Depreciation	22,458	1,258,628	902,584
Total Operating Expenses	<u>248,424</u>	<u>3,082,014</u>	<u>4,719,484</u>
OPERATING INCOME (LOSS)	<u>(162,538)</u>	<u>1,550,589</u>	<u>147,306</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	49,631	87,974	136,570
Miscellaneous Revenues	-	6,495	-
Loss on Disposal of Capital Asset	-	-	-
Interest and Fiscal Charges	-	(377,225)	(9,438)
Total Non-Operating Revenues (Expenses)	<u>49,631</u>	<u>(282,756)</u>	<u>127,132</u>
INCOME (LOSS) BEFORE TRANSFERS	(112,907)	1,267,833	274,438
TRANSFERS	<u>89,000</u>	<u>(794,088)</u>	<u>(9,558)</u>
CHANGE IN NET POSITION	(23,907)	473,745	264,880
NET POSITION - BEGINNING	<u>1,598,899</u>	<u>25,529,403</u>	<u>19,077,920</u>
NET POSITION - ENDING	<u>\$ 1,574,992</u>	<u>\$ 26,003,148</u>	<u>\$ 19,342,800</u>

See Accompanying Notes

Storm Water		
Utility		Total
\$ 665,569	\$	7,415,735
-		15,388
-		2,621,777
-		197,948
<u>665,569</u>		<u>10,250,848</u>
204,753		6,071,005
<u>327,853</u>		<u>2,511,523</u>
<u>532,606</u>		<u>8,582,528</u>
132,963		1,668,320
18,110		292,285
-		6,495
(3,881)		(3,881)
<u>(6,102)</u>		<u>(392,765)</u>
<u>8,127</u>		<u>(97,866)</u>
141,090		1,570,454
<u>(70,573)</u>		<u>(785,219)</u>
70,517		785,235
<u>6,353,391</u>		<u>52,559,613</u>
<u>\$ 6,423,908</u>	<u>\$</u>	<u>53,344,848</u>

CITY OF MARINETTE, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2019

	Cemetery	Water Utility	Wastewater Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from User Charges	\$ 95,920	\$ 4,596,316	\$ 4,300,824
Other Receipts	-	30,674	-
Cash Payments to Suppliers	(83,237)	(1,044,313)	(2,769,743)
Cash Payments to Employees and for Benefits	<u>(129,279)</u>	<u>(513,610)</u>	<u>(341,698)</u>
Net Cash Flows From Operating Activities	<u>(116,596)</u>	<u>3,069,067</u>	<u>1,189,383</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from (to) Municipality	<u>89,000</u>	<u>(794,088)</u>	<u>(9,558)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	<u>49,631</u>	<u>87,974</u>	<u>136,570</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	(879,290)	(676,260)
Special Assessment Collections from Customers	-	7,450	-
Principal Payments on Long-Term Debt	-	(1,270,228)	(69,948)
Interest Payments on Long-term Debt	-	(368,140)	(9,704)
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>(2,510,208)</u>	<u>(755,912)</u>
NET CHANGE IN CASH AND INVESTMENTS	22,035	(147,255)	560,483
CASH AND INVESTMENTS - BEGINNING	<u>1,224,352</u>	<u>2,663,196</u>	<u>5,381,782</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 1,246,387</u>	<u>\$ 2,515,941</u>	<u>\$ 5,942,265</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (162,538)	\$ 1,550,589	\$ 147,306
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:			
Depreciation	22,458	1,258,628	902,584
Meter Depreciation Charged to Sewer	-	30,674	(30,674)
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:			
Accounts Receivable	10,034	(36,287)	(565,966)
Inventories and Prepaid Expense	12,891	(674)	-
Net Pension Asset	-	103,610	49,110
Deferred Outflows Related to Pension	-	(268,852)	(218,818)
Deferred Outflows Related to OPEB	-	(668)	(1,336)
(Decrease) Increase in Operating Liabilities:			
Accounts Payable	(1,076)	218,541	711,369
Accrued and Other Liabilities	1,635	2,115	1,848
Net Pension Liability	-	161,134	115,544
Net OPEB Liability	-	2,842	7,820
Compensated Absences	-	(8,947)	6,718
Deferred Inflows Related to Pension	-	49,481	58,532
Deferred Inflows Related to OPEB	-	6,881	5,346
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (116,596)</u>	<u>\$ 3,069,067</u>	<u>\$ 1,189,383</u>
RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS			
Cash and Investments	\$ 1,246,387	\$ 1,089,802	\$ 2,087,088
Restricted Cash	-	1,426,139	3,855,177
TOTAL CASH PER STATEMENT OF CASH FLOWS	<u>\$ 1,246,387</u>	<u>\$ 2,515,941</u>	<u>\$ 5,942,265</u>

See Accompanying Notes

Storm Water		
Utility		Total
\$ 668,554	\$	9,661,614
-		30,674
(148,232)		(4,045,525)
<u>(58,853)</u>		<u>(1,043,440)</u>
<u>461,469</u>		<u>4,603,323</u>
<u>(70,573)</u>		<u>(785,219)</u>
<u>18,110</u>		<u>292,285</u>
(522,438)		(2,077,988)
-		7,450
(13,893)		(1,354,069)
<u>(6,102)</u>		<u>(383,946)</u>
<u>(542,433)</u>		<u>(3,808,553)</u>
(133,427)		301,836
<u>762,272</u>		<u>10,031,602</u>
<u>\$ 628,845</u>	<u>\$</u>	<u>10,333,438</u>
\$ 132,963	\$	1,668,320
327,853		2,511,523
-		-
2,985		(589,234)
-		12,217
-		152,720
-		(487,670)
-		(2,004)
(2,386)		926,448
54		5,652
-		276,678
-		10,662
-		(2,229)
-		108,013
-		12,227
<u>\$ 461,469</u>	<u>\$</u>	<u>4,603,323</u>
\$ 628,845	\$	5,052,122
-		5,281,316
<u>\$ 628,845</u>	<u>\$</u>	<u>10,333,438</u>

CITY OF MARINETTE, WISCONSIN

Statement of Net Position

Fiduciary Fund

As of December 31, 2019

	Custodial Fund
	Tax Collection Fund
	Fund
ASSETS	
Restricted Cash and Investments	\$ 1,035,606
Taxes Receivable	8,697,136
Total Assets	<u>9,732,742</u>
LIABILITIES	
Due to Other Governments	<u>9,732,742</u>
NET POSITION	<u>\$ -</u>

CITY OF MARINETTE, WISCONSIN

Statement of Changes in Net Position

Fiduciary Fund

For the Year Ended December 31, 2019

	Custodial Fund
	Tax Collection Fund
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 4,997,444
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>4,997,444</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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 administrator 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, 2019

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, 2019

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 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, 2019

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

The City follows the presentation requirements of accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board. As such, the presentation requirements of GASB Statement No. 84, *Fiduciary Activities* were adopted for the year ended December 31, 2019. This statement revised the criteria on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Four types of fiduciary funds that should be reported, if applicable, include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. As a result of adopting this statement, the City has reclassified the tax collection fund to a custodial fund.

The City reports the following custodial fund:

Tax Collection Fund

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

Measurement Focus And Basis Accounting

The government-wide financial statements and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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, 2019

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, 2019

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:

Assets	Years	
	Governmental Activities	Business-Type Activities
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 are 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, 2019

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 three 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, 2019

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, 2019

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.
- 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, 2019

Note 2 - Cash and Investments (Continued)

At December 31, 2019, the City's deposits had a bank balance of \$21,402,161. 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, 2019, 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, 2019:

Fully Insured Deposits	\$ 1,010,733
Collateralized	<u>20,391,428</u>
Total	<u>\$ 21,402,161</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2019.

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, 2019

Note 2 - Cash and Investments (Continued)

Investments

As of December 31, 2019 the City had the following investments:

Equity Securities	\$ 135,086
Fixed Income Bonds	50,047
Real Estate Securities	5,912
Global Infrastructure Securities	2,936
Nature Resource Securities	2,931
	<u>\$ 196,912</u>

The investments disclosed above are recorded at Fair Value using Level 1 inputs and will mature within a year. Since all of the balances disclosed above are mutual funds, they are unrated.

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.

As of December 31, 2019 the City's investments were as follows:

<u>Investments</u>	<u>Less Than One Year</u>	<u>One to Two Years</u>	<u>Three to Four Years</u>	<u>More Than Five Years</u>	<u>Total</u>
Equity Securities	\$ 135,086	\$ -	\$ -	\$ -	\$ 135,086
Fixed Income Bonds	50,047	-	-	-	50,047
Real Estate Securities	5,912	-	-	-	5,912
Global Infrastructure Securities	2,936	-	-	-	2,936
Nature Resource Securities	2,931	-	-	-	2,931
	<u>\$ 196,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,912</u>

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.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 2 - Cash and Investments (Continued)

As of December 31, 2019 the City's credit quality ratings are as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>AA+</u>	<u>A+</u>	<u>Not Rated</u>
Equity Securities	\$ 135,086	\$ -	\$ -	\$ 135,086
Fixed Income Bonds	50,047	-	-	50,047
Real Estate Securities	5,912	-	-	5,912
Global Infrastructure Securities	2,936	-	-	2,936
Nature Resource Securities	2,931	-	-	2,931
	<u>\$ 196,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,912</u>

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. 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. Investments in the LGIP are valued at amortized cost. The balance in the local government investment pool at December 31, 2019 was \$2,347,131.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 3 - Restricted Assets

Restricted assets on December 31, 2019 totaled \$7,082,820 and consisted of cash and investments held for the following purposes:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Funds:		
General Fund	\$ 640,494	Advance tax collections to finance 2020 operations
TID No. 6	15,587	Advance tax increment collections
TID No. 7	5,497	Advance tax increment collections
TID No. 8	14,577	Advance tax increment collections
TID No. 9	3,005	Advance tax increment collections
TID No. 10	22,520	Advance tax increment collections
TID No. 11	36,898	Advance tax increment collections
TID No. 12	3,499	Advance tax increment collections
TID No. 13	23,821	Advance tax collections to finance 2020 operations
Total Governmental Funds	<u>765,898</u>	
Fiduciary Funds:		
Tax Collection Fund	<u>1,035,606</u>	Advance tax collections for other taxing jurisdictions
Enterprise Funds:		
Water Utility	601,235	To accumulate for debt service payments over next 12 months
Water Utility	<u>824,904</u>	To make up potential future deficiencies in redemption account
	<u>1,426,139</u>	
Wastewater Utility	<u>3,855,177</u>	To provide funds for equipment to maintain plant capacity
Total Enterprise Funds	<u>5,281,316</u>	
Total Restricted Assets	<u>\$ 7,082,820</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, and Northeast Wisconsin Technical College) 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, 2019

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,969,904	\$ 70,000	\$ -	\$ 2,039,904
Construction in Progress	16,597,176	63,517	16,531,209	129,484
Total Capital Assets Not Being Depreciated	<u>18,567,080</u>	<u>133,517</u>	<u>16,531,209</u>	<u>2,169,388</u>
Capital Assets Being Depreciated				
Land Improvements	2,004,472	1,948,400	-	3,952,872
Buildings and Improvements	5,622,412	14,928,748	-	20,551,160
Machinery and Equipment	8,648,823	836,405	58,780	9,426,448
Infrastructure	32,389,331	1,142,555	63,354	33,468,532
Less Accumulated Depreciation	<u>(24,453,899)</u>	<u>(1,760,030)</u>	<u>(95,485)</u>	<u>(26,118,444)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>24,211,139</u>	<u>17,096,078</u>	<u>26,649</u>	<u>41,280,568</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 42,778,219</u>	<u>\$ 17,229,595</u>	<u>\$ 16,557,858</u>	<u>\$ 43,449,956</u>
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Business-Type Activities				
Capital Assets not Being Depreciated				
Land	\$ 639,506	\$ -	\$ -	\$ 639,506
Capital Assets Being Depreciated				
Land Improvements	45,756,295	1,145,360	185,433	46,716,222
Buildings and Improvements	18,976,643	313,446	-	19,290,089
Machinery and Equipment	18,487,265	110,930	-	18,598,195
Infrastructure	13,543,055	522,438	83,733	13,981,760
Less Accumulated Depreciation	<u>(41,795,302)</u>	<u>(2,511,524)</u>	<u>(265,285)</u>	<u>(44,041,541)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>54,967,956</u>	<u>(419,350)</u>	<u>3,881</u>	<u>54,544,725</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 55,607,462</u>	<u>\$ (419,350)</u>	<u>\$ 3,881</u>	<u>\$ 55,184,231</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 5 - Capital Assets (Continued)

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

Governmental Activities:		
General Government		\$ 63,745
Public Safety		187,758
Public Works		948,354
Culture and Recreation		<u>560,173</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,760,030</u>
Business-Type Activities:		
Cemetery		<u>\$ 22,458</u>
Storm Water Utility		<u>327,853</u>
Water Utility Depreciation Charged to Accumulated Depreciation		1,289,302
Less: Share of Meter Depreciation		<u>(30,674)</u>
Water Utility Depreciation Expense		<u>1,258,628</u>
Wastewater Utility Depreciation Charged to Accumulated Depreciation		871,910
Plus: Share of Meter Depreciation		<u>30,674</u>
Wastewater Utility Depreciation Expense		<u>902,584</u>
Total Depreciation Expense - Business-Type Activities		<u>\$ 2,511,524</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	\$ 12,353	Year End Cash Flow Timing
General Fund	Rec Center	168,372	Year End Cash Flow Timing
General Fund	TID No. 12	6,692	Year End Cash Flow Timing
General Fund	DPW Garage	<u>296,896</u>	Year End Cash Flow Timing
		<u>\$ 484,313</u>	

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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

Interfund transfers for the year ended December 31, 2019 were as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Recreation Center</u>	<u>Nonmajor Governmental Funds</u>
Transfer From:				
General Fund	\$ -	\$ 903,843	\$ 450,000	\$ 1,657,908
TID No. 3	13,003	-	-	-
Recreation Center	-	531,485	-	-
Nonmajor Governmental Funds				
General Capital Projects	-	-	-	2,000
Fire Education	-	-	-	1,986
Hall Avenue	-	-	-	38,114
Room Tax	89,163	-	-	163,000
Anti-Drug Abuse Grant	-	-	-	10,431
Storm Water Utility	-	-	-	70,573
Water Utility	794,088	-	-	-
Wastewater Utility	9,558	-	-	-
Total Transfers	<u>\$ 905,812</u>	<u>\$ 1,435,328</u>	<u>\$ 450,000</u>	<u>\$ 1,944,012</u>

	<u>Cemetery</u>	<u>Total</u>	<u>Purpose</u>
Transfer From:			
General Fund	\$ 89,000	\$ 3,100,751	Reimburse Expenditures and Capital Projects
TID No. 3	-	13,003	Closeout Payment
Recreation Center	-	531,485	Debt Service
Nonmajor Governmental Funds			
General Capital Projects	-	2,000	Capital Projects
Fire Education	-	1,986	Reimburse Expenditures
Hall Avenue	-	38,114	Capital Projects
Room Tax	-	252,163	Reimburse Expenditures
Anti-Drug Abuse Grant	-	10,431	Reimburse Expenditures
Storm Water Utility	-	70,573	Capital Projects
Water Utility	-	794,088	Property Tax Equivalent
Wastewater Utility	-	9,558	Property Tax Equivalent
Total Transfers	<u>\$ 89,000</u>	<u>\$ 4,824,152</u>	

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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, 2019:

	<u>Balance 1/1/19</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/19</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Debt:					
G.O. Refunding Bonds	\$ 760,000	\$ -	\$ 135,000	\$ 625,000	\$ 145,000
G.O. Community Development	3,575,000	-	230,000	3,345,000	230,000
G.O. Promissory Notes	9,610,000	-	580,000	9,030,000	585,000
Note Anticipation Notes	7,135,000	-	610,000	6,525,000	615,000
Total General Obligation Debt	<u>21,080,000</u>	<u>-</u>	<u>1,555,000</u>	<u>19,525,000</u>	<u>1,575,000</u>
Promissory Note	302,489	-	130,618	171,871	102,777
Adjustments For					
Premium on Debt	45,390	-	5,340	40,050	-
Debt Discount	(29,673)	-	(6,740)	(22,933)	-
Compensated Absences	1,050,201	375,381	402,945	1,022,637	-
Net Pension Liability	-	2,642,744 *	1,073,667	1,569,077	-
Net OPEB Liability	308,670	24,479	73,857	259,292	-
Total Governmental Activity Long-Term Liabilities	<u>\$ 22,757,077</u>	<u>\$ 3,042,604</u>	<u>\$ 3,234,687</u>	<u>\$ 22,564,994</u>	<u>\$ 1,677,777</u>
Business-Type Activities					
General Obligation Debt:					
G.O. Refunding Bonds	\$ 182,370	\$ -	\$ 13,892	\$ 168,478	\$ 14,376
Revenue Bonds	4,525,000	-	380,000	4,145,000	390,000
Adjustments For					
Premium on Debt	82,446	-	10,024	72,422	10,025
Clean Water Fund Loans	445,301	-	69,948	375,353	71,603
Safe Drinking Water Loans	8,684,779	-	890,229	7,794,550	913,961
Compensated Absences	134,375	23,510	25,739	132,146	-
Net Pension Liability	-	466,000 *	189,321	276,679	-
Net OPEB Liability	35,060	14,979	4,317	45,722	-
Total Business Activity Long-Term Liabilities	<u>\$ 14,089,331</u>	<u>\$ 504,489</u>	<u>\$ 1,583,470</u>	<u>\$ 13,010,350</u>	<u>\$ 1,399,965</u>

*The net pension liability additions have been adjusted for the beginning net pension asset balance at December 31, 2018.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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 12/31/19</u>
Governmental Activities					
Long-Term Obligations					
G.O. Community Development	12/20/12	06/01/27	0.75-2.00%	\$ 1,490,000	\$ 945,000
G.O. Community Development	06/06/13	06/01/32	2.00-3.20%	3,100,000	2,400,000
G.O. Refunding Bonds	01/19/12	02/01/25	1.50-3.50%	1,520,000	625,000
G.O. Promissory Notes	09/28/11	09/01/20	2.00-2.30%	1,090,000	145,000
G.O. Promissory Notes	06/01/17	05/01/22	1.52%	7,500,000	7,100,000
G.O. Promissory Notes	06/28/17	04/01/27	1.00-2.50%	2,065,000	1,785,000
Promissory Note	03/08/02	02/28/22	5.00%	1,290,216	171,871
Note Anticipation Notes	06/28/17	05/01/22	1.15-1.80%	7,890,000	6,525,000
Total Governmental Activities Long-Term Obligations					<u>\$ 19,696,871</u>

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
Business Type Activities					
Long-Term Obligations					
Clean Water Fund Loan	03/09/05	05/01/24	2.365%	\$ 1,254,553	\$ 375,353
G.O. Promissory Notes - Storm	12/23/09	05/01/29	3.478%	336,443	168,478
Safe Drinking Water Loan	12/23/09	05/01/29	2.668%	11,107,582	6,740,567
Safe Drinking Water Loan	02/13/03	05/01/22	2.750%	4,226,755	753,946
Safe Drinking Water Loan	04/28/04	05/01/23	2.365%	1,284,296	300,037
Revenue Bonds	01/07/14	05/01/27	3.00-4.00%	2,850,000	2,480,000
Revenue Bonds	08/26/15	05/01/24	2.25-3.125%	2,830,000	1,665,000
Total Business Type Activities Long-Term Obligations					<u>\$ 12,483,381</u>

Total interest paid in 2019 was \$788,667.

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>
2020	\$ 1,677,777	\$ 375,357	\$ 1,389,940	\$ 348,427	\$ 3,067,717	\$ 723,785
2021	1,569,094	340,714	1,426,499	311,407	2,995,593	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	535,000	91,208	1,533,445	182,043	2,068,445	273,251
2025-2029	2,100,000	256,340	5,158,236	344,885	7,258,236	601,225
2030-2032	825,000	40,108	-	-	825,000	40,108
	<u>\$ 19,696,871</u>	<u>\$ 1,424,700</u>	<u>\$ 12,483,381</u>	<u>\$ 1,687,681</u>	<u>\$ 32,180,252</u>	<u>\$ 3,112,381</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 7 - Long-Term Obligations (Continued)

Legal Margin For Debt

The 2019 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$756,179,800. The legal debt limit and margin of indebtedness as of December 31, 2019, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt Limit (5% of \$756,179,800)		\$	37,808,990
Deduct Long-Term Debt Applicable to Debt Margin	19,693,478		
Less: Amounts available for financing general obligation debt	<u>172,542</u>		<u>19,520,936</u>
Margin of Indebtedness		\$	<u><u>18,288,054</u></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 \$397,961. Principal and interest paid for the current year and total Sewerage System net revenues were \$79,652 and \$1,186,460, respectively. The Sewerage System did meet the Clean Water Fund Loan revenue requirements in 2019.

The Safe Drinking Water Loans and Revenue Bonds are payable from Water System net revenues and are payable through 2029 and 2027. The total principal and interest remaining to be paid on the loans is \$13,573,676. Principal and interest paid for the current year and total water system net revenues were \$1,638,369 and \$2,897,191, respectively. The Water System did meet the Safe Drinking Water Loans and Revenue Bonds revenue requirements in 2019.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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, 2019 is \$171,871.

Note 8 - Fund Equity

Fund Financial Statements

At December 31, 2019 the assigned and restricted fund balances are as follows:

Assigned

General Fund:	
Vacation and Sick Leave	\$ 500,000
Special Revenue and Capital Projects Funds:	
Taxi Program	22,502
Senior Center	2,429
Room Tax	306,663
Downtown Development	245,472
General Economic Development	453,957
Water Front Project	157,033
Historical Society	1,459
Fire Education	50,209
Hazardous Materials	14,962
Fire Department for Hazmat	3,608
Tri-County Drug Enforcement	63,500
Canine Unit	66,294
Crime Prevention	3,903
Police Rifle Range	10,887
Sidwalks	17,959
General Capital Projects	850,955
Riverside Project	1,090
Water Street Construction	429
Police Equipment	74,640
Recreation Equipment	15,442
Assessor Equipment	11,567
Fire Department Equipment	170,017
	<u>2,544,977</u>
Total Assigned Fund Balance	<u>\$ 3,044,977</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 8 - Fund Equity (Continued)

Restricted

Capital Projects:

Recreation Center \$ 735,563

Tax Incremental Districts:

TID # 6	438
TID # 7	20,478
TID # 8	101,963
TID # 9	19,005
TID # 10	247,129
TID # 11	839,127
TID # 13	<u>18,648</u>
	<u>1,246,788</u>

Loans:

HCRI Grant	41,248
Rehabilitation Loan	1,449,526
Business Development Loan	<u>961,047</u>
	<u>2,451,821</u>

Debt Service

172,542

Total Restricted Fund Balance \$ 4,606,714

Government-Wide Financial Statements

At December 31, 2019 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	\$ 43,449,956	\$ 55,184,231	\$ 98,634,187
Less: Related Long-Term Debt	(18,916,900)	(12,483,381)	(31,400,281)
Premium on Capital Debt	(40,050)	(72,422)	(112,472)
Capital Accounts Payable	(119,629)	(14,186)	(133,815)
Add: Discount on Capital Debt	22,933	-	22,933
Deferred charge on Advanced Refunding	-	21,937	21,937
Total Net Investment in Capital Assets	<u>24,396,310</u>	<u>42,636,179</u>	<u>67,032,489</u>
Restricted			
Community Development Loans	2,451,821	-	2,451,821
Tax Incremental Districts	796,817	-	796,817
Debt Service	113,476	1,426,139	1,539,615
Capital Projects	735,563	-	735,563
Plant Replacement	-	3,855,177	3,855,177
Pension Benefits	503,250	88,740	591,990
Total Restricted	<u>4,600,927</u>	<u>5,370,056</u>	<u>9,970,983</u>
Unrestricted	<u>7,315,946</u>	<u>5,338,613</u>	<u>12,654,559</u>
Total Government-Wide Activities Net Position	<u>\$ 36,313,183</u>	<u>\$ 53,344,848</u>	<u>\$ 89,658,031</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 8 - Fund Equity (Continued)

A 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 portions of the 2008 G.O. Community Development Bonds and 2017 G.O. Notes are not for acquisition of capital assets. These issues therefore are excluded from the net investment in capital assets calculation.

Note 9 - Individual Fund Balance Disclosures

The following governmental funds have a deficit fund balance as of December 31, 2019.

Welcome Center	<u>\$ 11,574</u>
TID No. 12	<u>\$ 7,075</u>
DPW Garage	<u>\$ 306,153</u>
Rec Center	<u>\$ 182,794</u>

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

Note 10 - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (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.

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.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 10 - Defined Benefit Pension Plan (Continued)

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
2018	2.4	17

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 \$519,083 in contributions from the City.

Contribution rates as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 10 - Defined Benefit Pension Plan (Continued)

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

At December 31, 2019, the City reported a liability of \$1,845,756 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.05188081%, which was an increase of 0.00145316% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$1,262,989.

At December 31, 2019, 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	\$ 1,437,564	\$ 2,541,097
Changes in assumptions	311,127	-
Net differences between projected and actual earnings on pension plan investments	2,695,601	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,779	4,311
Employer contributions subsequent to the measurement date	519,083	-
Total	<u>\$ 4,983,154</u>	<u>\$ 2,545,408</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 10 - Defined Benefit Pension Plan (Continued)

The \$519,083 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 liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ 701,132
2021	177,913
2022	302,014
2023	737,604
	<u>\$ 1,918,663</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 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:

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.50%

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, 2019

Note 10 - Defined Benefit Pension Plan (Continued)

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49.0	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9.0	6.5	3.9
Private Equity/Debt	8.0	9.4	6.7
Multi-Asset	4.0	6.7	4.1
Total Core Fund	110.0	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70.0	7.6	5.0
International Equities	30.0	8.5	5.9
Total Variable Fund	100.0	8.0	5.4

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase To Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 7,335,230	\$ 1,845,756	\$ (2,236,092)

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, 2019 is \$79,422.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 11 - Post-Employment Benefits Other Than Pension Benefits

Plan Description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF 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 LRLIF 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.

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, 2019 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% 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, 2018 are as listed below:

**Life Insurance
Employee Contribution Rates*
For the year ended December 31, 2018**

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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

During the reporting period, the plan recognized \$2,375 in contributions from the employer.

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

At December 31, 2019, the City reported a liability of \$305,014 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the City's proportion was 0.11820700%, which was an increase of 0.003957% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized OPEB expense of \$28,795.

At December 31, 2019, 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	\$ -	\$ 15,473
Changes in assumptions	29,103	66,115
Net differences between projected and actual earnings on OPEB plan investments	7,289	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,276	16,672
Employer contributions subsequent to the measurement date	2,375	-
Total	<u>\$ 48,043</u>	<u>\$ 98,260</u>

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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

The \$2,375 reported as deferred outflows related to OPEB resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending December 31, 2020. 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 Outflows (Inflows) of Resources</u>
2020	\$ (7,510)
2021	(7,510)
2022	(7,510)
2023	(8,534)
2024	(9,588)
Thereafter	(11,940)
	<u>\$ (52,592)</u>

Actuarial Assumptions. The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The total OPEB liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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 LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF 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.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount Rate. A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. 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. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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 4.22 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 (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease (3.22%)	Discount Rate (4.22%)	1% Increase (5.22%)
Net OPEB Liability	<u>\$ 433,903</u>	<u>\$ 305,014</u>	<u>\$ 205,606</u>

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, 2019, the City had no outstanding payables to the OPEB plan.

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.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

Note 12 - Tax Incremental Financing Districts (continued)

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, 2019 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.9</u>
Net Unreimbursed Project Costs	<u>\$3,620,216</u>	<u>\$ 171,435</u>	<u>\$ 274,521</u>	<u>\$ 928,037</u>	<u>\$ (19,005)</u>
		<u>TID No.10</u>	<u>TID No.11</u>	<u>TID No. 12</u>	<u>TID No. 13</u>
Net Unreimbursed Project Costs		<u>\$ (247,129)</u>	<u>\$2,260,874</u>	<u>\$ 252,075</u>	<u>\$ (18,648)</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. TID No. 3 terminated on May 31, 2019. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	<u>Termination Date</u>
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

Tax Abatements

The City has entered into agreements within some of the Districts that require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2019, the City abated property taxes of \$348,161 under this program which include the following tax abatement agreements:

- A property tax abatement of \$203,822 to a developer within Tax Incremental District No. 10.
- A property tax abatement of \$144,339 to a developer within Tax Incremental District No. 13.

CITY OF MARINETTE, WISCONSIN

Notes to Financial Statements

December 31, 2019

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 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 Custodial for expenditures disallowed under terms of the grants. The City believes such disallowances, if any, would be immaterial.

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, 2019, are not likely to have a material adverse impact on the District's financial position.

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 16 - Subsequent Event

The City's operations may be affected by the recent outbreak of COVID-19 which was declared as a pandemic. The ultimate disruption which may be caused by the outbreak is uncertain and the related financial impact and duration cannot be reasonably estimated.

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, 2019

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
12/31/2018	0.05188081%	\$ 1,845,756	\$ 5,832,980	31.64%	96.45%
12/31/2017	0.05042765%	(1,497,256)	5,535,805	-27.05%	102.93%
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, 2019

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
12/31/2019	\$ 519,083	\$ 519,083	\$ -	\$ 5,998,318	8.65%
12/31/2018	508,306	508,306	-	5,832,980	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 Net OPEB Liability
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan
For the Year Ended December 31, 2019

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2018	0.11820700%	\$ 305,014	\$ 5,545,000	5.50%	48.69%
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, 2019

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
12/31/2019	\$ 2,375	\$ 2,375	-	\$ 6,136,546	0.04%
12/31/2018	2,277	2,277	-	5,545,000	0.04%

*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, 2019

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 5,798,256	\$ 5,788,547	\$ (9,709)
Intergovernmental	5,769,406	5,821,014	51,608
Licenses and Permits	304,575	335,440	30,865
Fines and Forfeits	249,500	244,571	(4,929)
Public Charges for Services	126,250	130,049	3,799
Miscellaneous	157,600	600,430	442,830
Total Revenues	<u>12,405,587</u>	<u>12,920,051</u>	<u>514,464</u>
EXPENDITURES			
General Government	1,851,580	1,872,741	(21,161)
Public Safety	5,003,759	4,916,452	87,307
Public Works	2,377,865	2,410,788	(32,923)
Culture and Recreation	647,874	649,278	(1,404)
Conservation and Development	182,178	187,554	(5,376)
Capital Outlay	1,030,000	906,243	123,757
Total Expenditures	<u>11,093,256</u>	<u>10,943,056</u>	<u>150,200</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,312,331</u>	<u>1,976,995</u>	<u>664,664</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	903,000	905,812	2,812
Transfers Out	(2,215,103)	(3,100,751)	(885,648)
Total Other Financing Sources (Uses)	<u>(1,312,103)</u>	<u>(2,194,939)</u>	<u>(882,836)</u>
NET CHANGE IN FUND BALANCE	228	(217,944)	(218,172)
FUND BALANCE - BEGINNING	<u>6,994,754</u>	<u>6,994,754</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 6,994,982</u>	<u>\$ 6,776,810</u>	<u>\$ (218,172)</u>

CITY OF MARINETTE, WISCONSIN
Notes to Required Supplementary Information
For the Year Ended December 31, 2019

Defined Benefit Pension Plan

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total pension liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

Post-Employment Benefits Other Than Pension Benefits

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total OPEB liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

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, 2019:

General Fund	Excess Expenditures
General Government	\$ 21,161
Public Works	32,923
Culture and Recreation	1,404
Conservation and Development	5,376

SUPPLEMENTARY INFORMATION

CITY OF MARINETTE, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2019

	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	\$ 11,424	\$ 115,621	\$ 715,293	\$ 30,765	\$ 3,871	\$ -	\$ 218,181	\$ 173,057	\$ 453,957	\$ 157,033
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	2,760	45,886	356	5,000	88,482	75,952	-	-
Loans	29,824	1,333,905	242,994	-	-	-	-	-	-	-
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 41,248</u>	<u>\$ 1,449,526</u>	<u>\$ 961,047</u>	<u>\$ 76,651</u>	<u>\$ 4,227</u>	<u>\$ 5,000</u>	<u>\$ 306,663</u>	<u>\$ 249,009</u>	<u>\$ 453,957</u>	<u>\$ 157,033</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ 52,098	\$ 1,251	\$ 3,447	\$ -	\$ 3,537	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	547	774	-	-	-	-
Due to Other Funds	-	-	-	-	-	12,353	-	-	-	-
Due to Other Governments	-	-	-	2,051	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,149</u>	<u>1,798</u>	<u>16,574</u>	<u>-</u>	<u>3,537</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Leived for Subsequent Periods	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)										
Restricted:										
Tax Incremental District	-	-	-	-	-	-	-	-	-	-
Loans	41,248	1,449,526	961,047	-	-	-	-	-	-	-
Assigned	-	-	-	22,502	2,429	-	306,663	245,472	453,957	157,033
Unassigned (Deficits)	-	-	-	-	-	(11,574)	-	-	-	-
Total Fund Balances	<u>41,248</u>	<u>1,449,526</u>	<u>961,047</u>	<u>22,502</u>	<u>2,429</u>	<u>(11,574)</u>	<u>306,663</u>	<u>245,472</u>	<u>453,957</u>	<u>157,033</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 41,248</u>	<u>\$ 1,449,526</u>	<u>\$ 961,047</u>	<u>\$ 76,651</u>	<u>\$ 4,227</u>	<u>\$ 5,000</u>	<u>\$ 306,663</u>	<u>\$ 249,009</u>	<u>\$ 453,957</u>	<u>\$ 157,033</u>

CITY OF MARINETTE, WISCONSIN

Combining Balance Sheet - Continued

Nonmajor Governmental Funds

As of December 31, 2019

	Special Revenue Funds										
	Rec Center	Historical Society	Fire Education	Hazardous Materials Grant	Fire Department for Hazmat	Anti-Drug Abuse Grant	Tri-County Drug Enforcement	Canine Unit	Crime Prevention	Police Rifle Range	Totals
ASSETS											
Cash and Investments	\$ -	\$ 1,459	\$ 50,209	\$ 14,962	\$ 3,608	\$ -	\$ 63,500	\$ 66,346	\$ 3,903	\$ 10,137	\$ 2,093,326
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Accounts	12,000	-	-	-	-	-	-	-	-	750	231,186
Loans	-	-	-	-	-	-	-	-	-	-	1,606,723
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 12,000</u>	<u>\$ 1,459</u>	<u>\$ 50,209</u>	<u>\$ 14,962</u>	<u>\$ 3,608</u>	<u>\$ -</u>	<u>\$ 63,500</u>	<u>\$ 66,346</u>	<u>\$ 3,903</u>	<u>\$ 10,887</u>	<u>\$ 3,931,235</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	\$ 21,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ -	\$ -	\$ 82,260
Accrued and Other Current Liabilities	4,547	-	-	-	-	-	-	-	-	-	5,868
Due to Other Funds	168,372	-	-	-	-	-	-	-	-	-	180,725
Due to Other Governments	-	-	-	-	-	-	-	-	-	-	2,051
Total Liabilities	<u>194,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>270,904</u>
DEFERRED INFLOWS OF RESOURCES											
Taxes Leived for Subsequent Periods	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)											
Restricted:											
Tax Incremental District	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	2,451,821
Assigned	-	1,459	50,209	14,962	3,608	-	63,500	66,294	3,903	10,887	1,402,878
Unassigned (Deficits)	(182,794)	-	-	-	-	-	-	-	-	-	(194,368)
Total Fund Balances	<u>(182,794)</u>	<u>1,459</u>	<u>50,209</u>	<u>14,962</u>	<u>3,608</u>	<u>-</u>	<u>63,500</u>	<u>66,294</u>	<u>3,903</u>	<u>10,887</u>	<u>3,660,331</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,000</u>	<u>\$ 1,459</u>	<u>\$ 50,209</u>	<u>\$ 14,962</u>	<u>\$ 3,608</u>	<u>\$ -</u>	<u>\$ 63,500</u>	<u>\$ 66,346</u>	<u>\$ 3,903</u>	<u>\$ 10,887</u>	<u>\$ 3,931,235</u>

CITY OF MARINETTE, WISCONSIN

Combining Balance Sheet - Continued

Nonmajor Governmental Funds

As of December 31, 2019

	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	\$ 17,307	\$ 864,628	\$ 1,090	\$ 2,150	\$ 21,082	\$ 103,566	\$ 19,336	\$ 249,882	\$ 843,182	\$ 1
Receivables:										
Taxes	-	-	-	145,287	51,234	135,871	28,008	209,915	343,932	32,612
Accounts	652	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Restricted Cash and Investments	-	-	-	15,587	5,497	14,577	3,005	22,520	36,898	3,499
TOTAL ASSETS	<u>\$ 17,959</u>	<u>\$ 864,628</u>	<u>\$ 1,090</u>	<u>\$ 163,024</u>	<u>\$ 77,813</u>	<u>\$ 254,014</u>	<u>\$ 50,349</u>	<u>\$ 482,317</u>	<u>\$ 1,224,012</u>	<u>\$ 36,112</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ 13,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	6,692
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>13,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>6,692</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Leived for Subsequent Periods	-	-	-	162,586	57,335	152,051	31,344	234,910	384,885	36,495
FUND BALANCES (DEFICITS)										
Restricted:										
Tax Incremental District	-	-	-	438	20,478	101,963	19,005	247,129	839,127	-
Loans	-	-	-	-	-	-	-	-	-	-
Assigned	17,959	850,955	1,090	-	-	-	-	-	-	-
Unassigned (Deficits)	-	-	-	-	-	-	-	-	-	(7,075)
Total Fund Balances	<u>17,959</u>	<u>850,955</u>	<u>1,090</u>	<u>438</u>	<u>20,478</u>	<u>101,963</u>	<u>19,005</u>	<u>247,129</u>	<u>839,127</u>	<u>(7,075)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 17,959</u>	<u>\$ 864,628</u>	<u>\$ 1,090</u>	<u>\$ 163,024</u>	<u>\$ 77,813</u>	<u>\$ 254,014</u>	<u>\$ 50,349</u>	<u>\$ 482,317</u>	<u>\$ 1,224,012</u>	<u>\$ 36,112</u>

CITY OF MARINETTE, WISCONSIN

Combining Balance Sheet - Continued

Nonmajor Governmental Funds

As of December 31, 2019

	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	\$ 21,267	\$ -	\$ 429	\$ -	\$ 80,041	\$ 17,479	\$ 11,567	\$ 170,264	\$ 2,423,271	\$ 4,516,597
Receivables:										
Taxes	222,044	-	-	-	-	-	-	-	1,168,903	1,168,903
Accounts	-	-	-	-	-	-	-	-	652	231,838
Loans	-	-	-	-	-	-	-	-	-	1,606,723
Restricted Cash and Investments	23,821	-	-	-	-	-	-	-	125,404	125,404
TOTAL ASSETS	<u>\$ 267,132</u>	<u>\$ -</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 80,041</u>	<u>\$ 17,479</u>	<u>\$ 11,567</u>	<u>\$ 170,264</u>	<u>\$ 3,718,230</u>	<u>\$ 7,649,465</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ 8,001	\$ 5,401	\$ 2,037	\$ -	\$ 247	\$ 29,637	\$ 111,897
Accrued and Other Current Liabilities	-	-	-	1,256	-	-	-	-	1,256	7,124
Due to Other Funds	-	-	-	296,896	-	-	-	-	303,588	484,313
Due to Other Governments	-	-	-	-	-	-	-	-	-	2,051
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,153</u>	<u>5,401</u>	<u>2,037</u>	<u>-</u>	<u>247</u>	<u>334,481</u>	<u>605,385</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Leived for Subsequent Periods	248,484	-	-	-	-	-	-	-	1,308,090	1,308,090
FUND BALANCES (DEFICITS)										
Restricted:										
Tax Incremental District	18,648	-	-	-	-	-	-	-	1,246,788	1,246,788
Loans	-	-	-	-	-	-	-	-	-	2,451,821
Assigned	-	-	429	-	74,640	15,442	11,567	170,017	1,142,099	2,544,977
Unassigned (Deficits)	-	-	-	(306,153)	-	-	-	-	(313,228)	(507,596)
Total Fund Balances	<u>18,648</u>	<u>-</u>	<u>429</u>	<u>(306,153)</u>	<u>74,640</u>	<u>15,442</u>	<u>11,567</u>	<u>170,017</u>	<u>2,075,659</u>	<u>5,735,990</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 267,132</u>	<u>\$ -</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 80,041</u>	<u>\$ 17,479</u>	<u>\$ 11,567</u>	<u>\$ 170,264</u>	<u>\$ 3,718,230</u>	<u>\$ 7,649,465</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, 2019

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,210	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	251,457	-	6,041	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-	-	-
Public Charges for Services	-	-	-	131,510	-	-	-	-	-	-
Miscellaneous	242	2,410	20,331	-	18,383	127,426	6,285	144,201	-	-
Total Revenues	<u>242</u>	<u>2,410</u>	<u>20,331</u>	<u>382,967</u>	<u>18,383</u>	<u>133,467</u>	<u>303,495</u>	<u>144,201</u>	<u>-</u>	<u>-</u>
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	456,680	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	67,485	280,683	-	-	-	-
Conservation and Development	-	6,737	43,578	-	-	-	23,009	136,915	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>6,737</u>	<u>43,578</u>	<u>456,680</u>	<u>67,485</u>	<u>280,683</u>	<u>23,009</u>	<u>136,915</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>242</u>	<u>(4,327)</u>	<u>(23,247)</u>	<u>(73,713)</u>	<u>(49,102)</u>	<u>(147,216)</u>	<u>280,486</u>	<u>7,286</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	73,860	49,000	128,500	-	-	-	-
Transfers Out	-	-	-	-	-	-	(252,163)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,860</u>	<u>49,000</u>	<u>128,500</u>	<u>(252,163)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>242</u>	<u>(4,327)</u>	<u>(23,247)</u>	<u>147</u>	<u>(102)</u>	<u>(18,716)</u>	<u>28,323</u>	<u>7,286</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - BEGINNING	<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>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 41,248</u>	<u>\$ 1,449,526</u>	<u>\$ 961,047</u>	<u>\$ 22,502</u>	<u>\$ 2,429</u>	<u>\$ (11,574)</u>	<u>\$ 306,663</u>	<u>\$ 245,472</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, 2019

	Special Revenue Funds									
	Rec Center	Historical Society	Fire Education	Hazardous Materials Grant	Fire Department for Hazmat	Anti-Drug Abuse Grant	Tri-County Drug Enforcement	Canine Unit	Crime Prevention	Police Rifle Range
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,210
Intergovernmental	-	-	31,362	18,890	-	-	-	-	-	307,750
Fines and Forfeits	-	-	-	-	-	25	-	-	-	25
Public Charges for Services	367,270	-	-	-	-	-	-	-	1,656	500,436
Miscellaneous	50,251	-	3,483	314	7,022	-	2,447	16	-	409,809
Total Revenues	<u>417,521</u>	<u>-</u>	<u>34,845</u>	<u>19,204</u>	<u>7,022</u>	<u>-</u>	<u>2,472</u>	<u>16</u>	<u>1,656</u>	<u>1,515,230</u>
EXPENDITURES										
Current:										
Public Safety	-	-	25,107	24,132	5,400	3,600	-	11,596	-	69,835
Public Works	-	-	-	-	-	-	-	-	-	456,680
Culture and Recreation	878,781	-	-	-	-	-	-	-	-	1,226,949
Conservation and Development	-	-	-	-	-	-	-	-	-	210,239
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>878,781</u>	<u>-</u>	<u>25,107</u>	<u>24,132</u>	<u>5,400</u>	<u>3,600</u>	<u>-</u>	<u>11,596</u>	<u>-</u>	<u>1,963,703</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(461,260)</u>	<u>-</u>	<u>9,738</u>	<u>(4,928)</u>	<u>1,622</u>	<u>(3,600)</u>	<u>2,472</u>	<u>16</u>	<u>1,656</u>	<u>(448,473)</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	307,000	-	-	-	1,986	-	-	1,401	9,030	570,777
Transfers Out	-	-	(1,986)	-	-	(10,431)	-	-	-	(264,580)
Total Other Financing Sources (Uses)	<u>307,000</u>	<u>-</u>	<u>(1,986)</u>	<u>-</u>	<u>1,986</u>	<u>(10,431)</u>	<u>-</u>	<u>1,401</u>	<u>9,030</u>	<u>306,197</u>
NET CHANGE IN FUND BALANCES	<u>(154,260)</u>	<u>-</u>	<u>7,752</u>	<u>(4,928)</u>	<u>3,608</u>	<u>(14,031)</u>	<u>2,472</u>	<u>16,803</u>	<u>9,046</u>	<u>(142,276)</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>(28,534)</u>	<u>1,459</u>	<u>42,457</u>	<u>19,890</u>	<u>-</u>	<u>14,031</u>	<u>61,028</u>	<u>49,491</u>	<u>(5,143)</u>	<u>3,802,607</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ (182,794)</u>	<u>\$ 1,459</u>	<u>\$ 50,209</u>	<u>\$ 14,962</u>	<u>\$ 3,608</u>	<u>\$ -</u>	<u>\$ 63,500</u>	<u>\$ 66,294</u>	<u>\$ 3,903</u>	<u>\$ 3,660,331</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, 2019

	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	\$ -	\$ -	\$ -	\$ 147,744	\$ 57,804	\$ 112,414	\$ 46,134	\$ 31,179	\$ 403,241	\$ 25,823
Intergovernmental	-	-	-	-	7	118	181	2,304	44,957	5,968
Fines and Forfeits	-	-	-	-	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,106	6,774	-	-	215	37,592	668	11,368	18,942	15,523
Total Revenues	<u>1,106</u>	<u>6,774</u>	<u>-</u>	<u>147,744</u>	<u>58,026</u>	<u>150,124</u>	<u>46,983</u>	<u>44,851</u>	<u>467,140</u>	<u>47,314</u>
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Conservation and Development	-	-	-	150	401	377	40,672	441,644	974	151
Debt service:										
Principal	-	-	-	130,618	45,000	95,000	-	-	200,000	30,000
Interest and Fiscal Charges	-	-	-	15,124	9,808	24,188	-	-	86,688	6,160
Capital Outlay	14,486	543,484	-	-	-	-	669	-	-	-
Total Expenditures	<u>14,486</u>	<u>543,484</u>	<u>-</u>	<u>145,892</u>	<u>55,209</u>	<u>119,565</u>	<u>41,341</u>	<u>441,644</u>	<u>287,662</u>	<u>36,311</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,380)</u>	<u>(536,710)</u>	<u>-</u>	<u>1,852</u>	<u>2,817</u>	<u>30,559</u>	<u>5,642</u>	<u>(396,793)</u>	<u>179,478</u>	<u>11,003</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	16,000	770,814	-	-	-	-	-	-	-	-
Transfers Out	-	(2,000)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>16,000</u>	<u>768,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,620	232,104	-	1,852	2,817	30,559	5,642	(396,793)	179,478	11,003
FUND BALANCES (DEFICITS) - BEGINNING	<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>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 17,959</u>	<u>\$ 850,955</u>	<u>\$ 1,090</u>	<u>\$ 438</u>	<u>\$ 20,478</u>	<u>\$ 101,963</u>	<u>\$ 19,005</u>	<u>\$ 247,129</u>	<u>\$ 839,127</u>	<u>\$ (7,075)</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, 2019

	Capital Projects Funds								Totals	Total Nonmajor Governmental Funds
	TID No. 13	Hall Avenue	Water Street Reconstruction	DPW Garage	Police Equipment	Recreation Equipment	Assessor Equipment	Fire Department Equipment		
REVENUES										
Taxes	\$ 16,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 841,210	\$ 1,138,420
Intergovernmental	-	-	-	-	-	-	-	-	53,535	361,285
Fines and Forfeits	-	-	-	-	-	-	-	-	-	25
Public Charges for Services	-	-	-	-	-	-	-	-	-	500,436
Miscellaneous	1,335	-	-	19,308	26,463	338	245	4,015	143,892	553,701
Total Revenues	<u>18,206</u>	<u>-</u>	<u>-</u>	<u>19,308</u>	<u>26,463</u>	<u>338</u>	<u>245</u>	<u>4,015</u>	<u>1,038,637</u>	<u>2,553,867</u>
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	89,679	-	-	-	89,679	159,514
Public Works	-	-	-	-	-	-	-	-	-	456,680
Culture and Recreation	-	-	-	-	-	-	-	-	-	1,226,949
Conservation and Development	151	-	-	-	-	-	-	-	484,520	694,759
Debt service:										
Principal	-	-	-	-	-	-	-	-	500,618	500,618
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	141,968	141,968
Capital Outlay	-	-	-	368,641	36,000	8,100	-	57,189	1,028,569	1,028,569
Total Expenditures	<u>151</u>	<u>-</u>	<u>-</u>	<u>368,641</u>	<u>125,679</u>	<u>8,100</u>	<u>-</u>	<u>57,189</u>	<u>2,245,354</u>	<u>4,209,057</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>18,055</u>	<u>-</u>	<u>-</u>	<u>(349,333)</u>	<u>(99,216)</u>	<u>(7,762)</u>	<u>245</u>	<u>(53,174)</u>	<u>(1,206,717)</u>	<u>(1,655,190)</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	407,632	100,030	12,000	-	66,759	1,373,235	1,944,012
Transfers Out	-	(38,114)	-	-	-	-	-	-	(40,114)	(304,694)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(38,114)</u>	<u>-</u>	<u>407,632</u>	<u>100,030</u>	<u>12,000</u>	<u>-</u>	<u>66,759</u>	<u>1,333,121</u>	<u>1,639,318</u>
NET CHANGE IN FUND BALANCES	18,055	(38,114)	-	58,299	814	4,238	245	13,585	126,404	(15,872)
FUND BALANCES (DEFICITS) - BEGINNING	593	38,114	429	(364,452)	73,826	11,204	11,322	156,432	1,949,255	5,751,862
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 18,648</u>	<u>\$ -</u>	<u>\$ 429</u>	<u>\$ (306,153)</u>	<u>\$ 74,640</u>	<u>\$ 15,442</u>	<u>\$ 11,567</u>	<u>\$ 170,017</u>	<u>\$ 2,075,659</u>	<u>\$ 5,735,990</u>

CITY OF MARINETTE, WISCONSIN
Detailed Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
TAXES			
General Property Taxes	\$ 5,625,256	\$ 5,625,265	\$ 9
Mobile Home Taxes	85,000	76,896	(8,104)
Payment in Lieu of Taxes	86,250	85,241	(1,009)
Interest and Penalties	1,750	1,145	(605)
Total Taxes	<u>5,798,256</u>	<u>5,788,547</u>	<u>(9,709)</u>
INTERGOVERNMENTAL			
State Shared Taxes	4,740,607	4,740,608	1
Exempt Computer Aid	34,744	35,070	326
Municipal Services Payment	77,440	74,958	(2,482)
Local Highway Aids	722,312	721,981	(331)
Connecting Streets	67,519	67,519	-
Recycling	43,000	42,698	(302)
Other Grants	83,784	138,180	54,396
Total Intergovernmental	<u>5,769,406</u>	<u>5,821,014</u>	<u>51,608</u>
LICENSES AND PERMITS			
Liquor and Malt Beverages	34,500	35,246	746
Operator's Licenses	12,000	13,801	1,801
Cigarette Licenses	2,000	1,900	(100)
Bicycle Licenses	225	60	(165)
Dog Licenses	1,800	1,982	182
Other Licenses	8,550	9,083	533
Cable TV Franchise Fee	138,500	182,675	44,175
Trailer Park	1,000	1,400	400
Building Permits	60,000	55,749	(4,251)
Electrical Permits	13,000	8,503	(4,497)
Plumbing Permits	8,000	3,637	(4,363)
Occupancy Permits	1,000	265	(735)
Other Permits	24,000	21,139	(2,861)
Total Licenses and Permits	<u>304,575</u>	<u>335,440</u>	<u>30,865</u>
FINES AND FORFEITS			
Municipal Court Penalties and Costs	235,000	220,636	(14,364)
Parking Violations	14,000	23,935	9,935
Miscellaneous	500	-	(500)
Total Fines and Forfeits	<u>249,500</u>	<u>244,571</u>	<u>(4,929)</u>
PUBLIC CHARGES FOR SERVICES			
Special Assessment Letters	8,000	10,330	2,330
Snow and Ice Removal	3,000	3,300	300
City Clerk	11,550	4,325	(7,225)
Police Department	1,700	2,333	633
Fire Department	2,000	2,093	93
Weed and Nuisance Control	800	3,000	2,200
Garbage and Refuse Collection	48,000	46,583	(1,417)
Park and Recreation	51,200	58,085	6,885
Total Public Charges for Services	<u>126,250</u>	<u>130,049</u>	<u>3,799</u>
MISCELLANEOUS REVENUES			
Interest Income	100,000	170,204	70,204
Rent	21,100	22,081	981
Insurance Dividends and Recoveries	15,000	45,123	30,123
Sale of Capital Assets	2,000	12,750	10,750
Other Revenues	19,500	350,272	330,772
Total Miscellaneous	<u>157,600</u>	<u>600,430</u>	<u>442,830</u>
TOTAL REVENUES	<u>12,405,587</u>	<u>12,920,051</u>	<u>514,464</u>

CITY OF MARINETTE, WISCONSIN
Detailed Budgetary Comparison Schedule (Continued)
General Fund
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Council	\$ 40,313	\$ 36,921	\$ 3,392
Mayor	131,215	122,935	8,280
Municipal Court	158,902	151,966	6,936
City Clerk	209,852	196,853	12,999
Finance	251,738	259,604	(7,866)
Assessment of Property	189,924	180,617	9,307
Human Resources	-	6,869	(6,869)
Legal	273,714	262,607	11,107
Technology Services	88,500	78,686	9,814
City Hall	86,110	80,073	6,037
Other General Government	421,312	495,610	(74,298)
Total General Government	<u>1,851,580</u>	<u>1,872,741</u>	<u>(21,161)</u>
PUBLIC SAFETY			
Police Department	3,081,349	3,025,005	56,344
Fire Department	1,911,030	1,880,067	30,963
Rescue Squad	11,380	11,380	-
Total Public Safety	<u>5,003,759</u>	<u>4,916,452</u>	<u>87,307</u>
PUBLIC WORKS			
Roadways and Streets	729,271	810,422	(81,151)
Engineering	146,172	141,669	4,503
Street Construction	109,145	66,717	42,428
Administration	258,633	272,032	(13,399)
Street Lighting	217,899	233,010	(15,111)
Garbage and Refuse Collection	758,202	750,969	7,233
Recycling	158,543	135,969	22,574
Total Public Works	<u>2,377,865</u>	<u>2,410,788</u>	<u>(32,923)</u>
CULTURE AND RECREATION			
Recreation Programs	376,258	381,120	(4,862)
Parks	271,616	268,158	3,458
Total Culture and Recreation	<u>647,874</u>	<u>649,278</u>	<u>(1,404)</u>
CONSERVATION AND DEVELOPMENT			
Community Development	24,371	32,204	(7,833)
Forestry	157,807	155,350	2,457
Total Conservation and Development	<u>182,178</u>	<u>187,554</u>	<u>(5,376)</u>
CAPITAL OUTLAY			
Street Construction	1,030,000	906,243	123,757
Total Expenditures	<u>11,093,256</u>	<u>10,943,056</u>	<u>150,200</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>1,312,331</u>	<u>1,976,995</u>	<u>664,664</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	903,000	905,812	2,812
Transfers Out	(2,215,103)	(3,100,751)	(885,648)
Total Other Financing Sources (Uses)	<u>(1,312,103)</u>	<u>(2,194,939)</u>	<u>(882,836)</u>
NET CHANGE IN FUND BALANCE	228	(217,944)	(218,172)
FUND BALANCE - BEGINNING	<u>6,994,754</u>	<u>6,994,754</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 6,994,982</u>	<u>\$ 6,776,810</u>	<u>\$ (218,172)</u>

CITY OF MARINETTE, WISCONSIN

Schedule of Budgetary Comparison

Debt Service Fund

For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Miscellaneous	\$ 13,524	\$ 13,524	\$ -
EXPENDITURES			
General Government	1,100	1,170	(70)
Debt Service:			
Principal	1,185,000	1,185,000	-
Interest and Fiscal Charges	<u>262,752</u>	<u>262,753</u>	<u>(1)</u>
Total Expenditures	<u>1,448,852</u>	<u>1,448,923</u>	<u>(71)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,435,328)</u>	<u>(1,435,399)</u>	<u>(71)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>1,435,328</u>	<u>1,435,328</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(71)	(71)
FUND BALANCE - BEGINNING	<u>172,613</u>	<u>172,613</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 172,613</u>	<u>\$ 172,542</u>	<u>\$ (71)</u>

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