

**CITY OF MARSHALL, MICHIGAN**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2021**

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**CITY OF MARSHALL, MICHIGAN**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Prepared by: Finance Department

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## **INTRODUCTORY SECTION**

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November 29, 2021

To the Honorable Mayor & City Council, and Citizens of the City of Marshall:

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Maner Costerisan, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Marshall’s financial statements for the year ending June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The City of Marshall, founded in 1830, is located in the south-central part of the state. It currently occupies approximately 6.28 square miles and, according to the 2010-2019 US Census, serves a population of 6,964. The City of Marshall is empowered to levy a property tax on real & personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation and PA 425 Conditional Land Transfers, which it has done from time to time.

The City of Marshall operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in the governing council (Council) consisting of the Mayor and six other members. Council members serve four-year terms, with three members elected every two years. The Mayor is elected for a two-year term. The Mayor, with Council approval, appoints the Marshall City Manager, who in turn appoints City department heads and directors. The City Attorney is appointed by the Mayor, with Council approval.

The City of Marshall provides a full range of services, including police and fire protection; snow and leaf removal; traffic control; on- and off-street parking; building inspections; licenses and permits; the construction and maintenance of streets, and other infrastructure; recreational and cultural activities; Federal subsidized housing; and transit services. The City of Marshall is a public power community, providing electric, water, and wastewater services to the City and surrounding townships. On March 20, 2017, Council approved the construction of a high-speed fiber-optic utility for Marshall City residents and the main “backbone” was completed in 2019 and continues to add customers on a weekly basis.

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Marshall, MI 49068

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The Council is required to adopt an initial budget for the fiscal year no later than the first meeting in June preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City of Marshall's financial planning and control. The budget is prepared by fund, function (e.g., General Fund), and department (e.g., police). Department heads may request transfers of resources within a department as they see fit. Transfers in excess of \$20,000 requires approval from City Council.

### **Local Economy**

The City of Marshall is a rural metropolitan area located near the intersection of two major interstates. The City of Marshall is the home for many corporations, and functions as a central shopping area for the surrounding community. Major industries located within the government's boundaries or in close proximity include hospitals, computer hardware and software support firms, automotive supply and other assorted manufacturing, retail stores, and several financial institutions and insurance agencies. Marshall School district and the City of Marshall also have a significant economic presence, employing nearly 330 teachers, professionals, and support staff.

Because of its varied economic base, unemployment has been relatively stable except during the three years between 2009 and 2011. The unemployment rate dropped to 6.4% in fiscal year 2021 from 15.2% in fiscal year 2020 due to the effects of COVID-19 pandemic. The City of Marshall continues to experience unemployment rates slightly higher than state and national averages.

According to Homefacts.com, the City's median family income was \$46,376, compared to the national average of \$57,617. The City's population remains steady at 6,964. Housing values in the vicinity of the City of Marshall continue to remain strong due to a short supply of houses for sale. The median value of an owner-occupied home in the City of Marshall was \$109,000, as compared to \$205,000 for the national average.

Due to its strong and healthy local economy, the City of Marshall received a credit rating of AA- from Standard & Poor's Service in 2014, an increase from A+ in the prior period; and confirmed in 2016.

Over the past year, the City experienced a comfortable period of economic growth and investment. One downtown rehabilitation project converting obsolete or underutilized buildings into mixed use commercial and residential housing is underway. In addition, the City has seen growth in the industrial sector due to the marijuana industry.

### **Long-term Financial Planning and Major Initiatives**

City Council and Administrative Staff use a ten-year budget model for all funds and activities. This budget model is built with parameters set forth by Council and staff that were discussed over several work sessions, and is a continuous work in progress.

As part of its strategic plan, the Council also envisions the continued revitalization of Marshall's Downtown corridor and expansion of the City's Industrial Park. A close working relationship with the Marshall Area Economic Development Alliance (MAEDA) is intended to assure that the needs of the community and the City are accomplished.

The City of Marshall operates a senior residence facility called Marshall House Apartments. The facility receives rent subsidies through the U.S. Department of Housing and Urban Development to offset reduced rents for qualified residents. In 2020, Marshall House conducted a Rent Comparability Study that was approved by the Department of Housing and Urban Development (HUD) that will ensure the viability of Marshall House for the near-term future. The City is in discussions to sell the Marshall House to a private firm which will continue the operations of the facility.

The City of Marshall maintains a six-year Capital Improvement Program which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. This process gives the City of Marshall the ability to plan for its capital needs and allocate short and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with the City's capital projects and budgets resources accordingly. The City of Marshall maintains a vehicle replacement policy which serves as its fleet replacement guide over a ten-year period. The Regional Law Enforcement Center, completed in 2016, is a cooperative project with Calhoun County Sheriff's Department and the Michigan State Police. While the City will own the structure, long-term lease agreements with the County and State will provide for sharing of operational costs. The fiscal year 2021-2022 Capital Improvement Program anticipates \$1,535,050 in capital projects for vehicle replacement, equipment maintenance, and infrastructure upgrades.

#### **Relevant Financial Policies**

The City of Marshall has adopted a comprehensive set of financial policies. The Marshall City Council reviewed and adopted new financial policies in April 2021. These policies include amendments to the Investment Policy, Fund Balance Reserves Policy, and Debt Management Policy. In addition, City administration has recently adopted a Grant Policy.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the City of Marshall. We wish to thank all departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Marshall's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tom Tarkiewicz".

Tom Tarkiewicz, City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Marshall  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**CITY OF MARSHALL  
LIST OF CITY OFFICIALS  
YEAR ENDED JUNE 30, 2021**

**ELECTED OFFICIALS**

Joe Caron, Mayor  
Scott Wolfersberger, Ward 1  
Jim Schwartz, Ward 2  
Jacob Gates, Ward 3  
Jen Rice, Ward 4  
Ryan Underhill, Ward 5  
Ryan Traver, At-Large

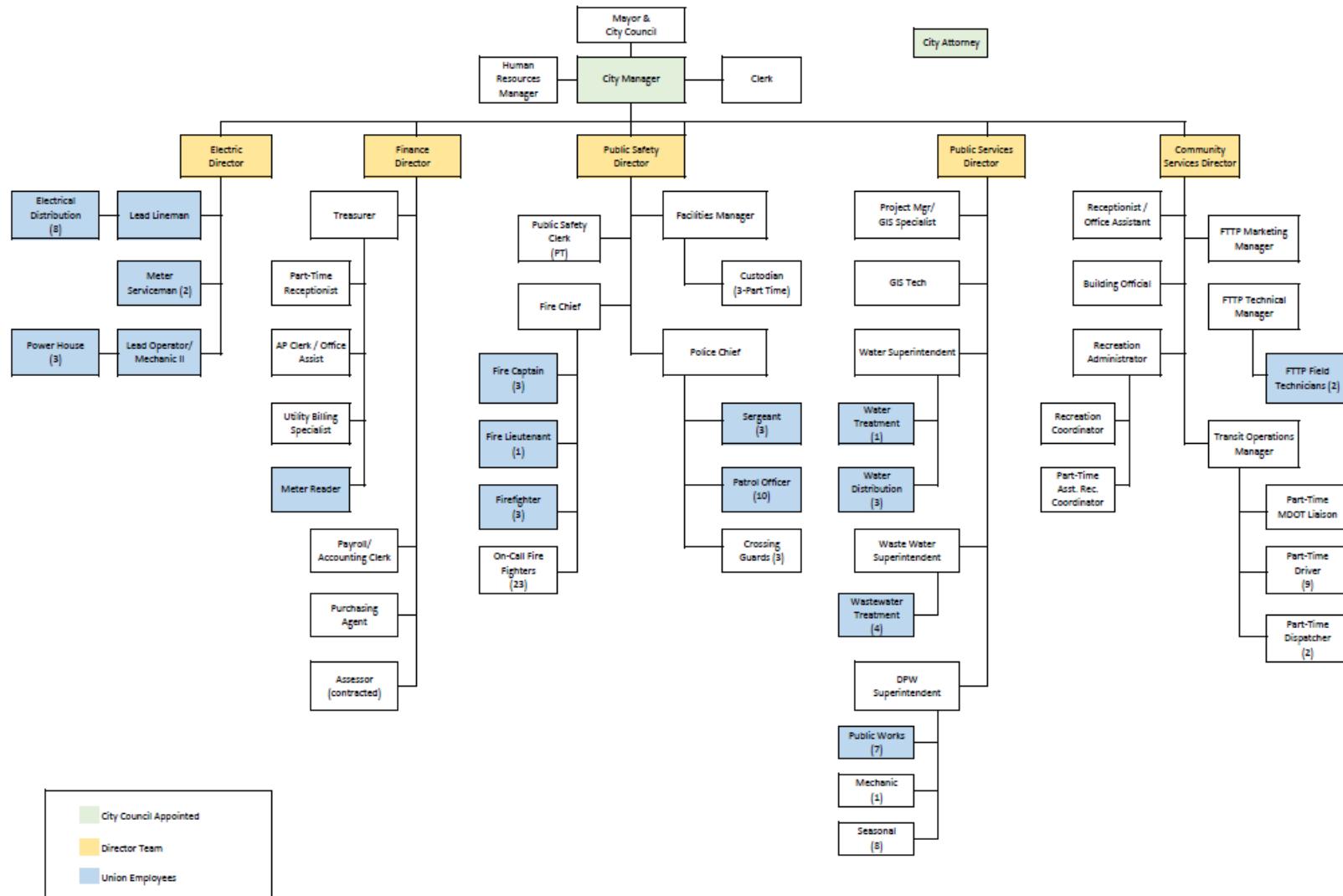
**CITY MANAGER**

Tom Tarkiewicz

**APPOINTED OFFICIALS**

Trisha Nelson, City Clerk  
William Dopp III, Treasurer/Deputy Finance Director  
Ed VanderVries, Assessor  
David Revore, City Attorney

# City of Marshall - Organization Chart



	City Council Appointed
	Director Team
	Union Employees



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the City Council  
City of Marshall, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Michigan (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Michigan, as of June 30, 2021, 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.

## ***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 17 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, in the current year. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and historical pension and other post-employment benefits supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, transit schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and transit schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Maney Costeiran PC*

November 29, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Marshall, Michigan (the "City" or "government"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information that we have furnished in our letter of transmittal (pages 1-3).

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$31.20 million (*net position*);
- The City had total revenue of \$29.54 million and total expenses of \$28.5 million resulting in an increase in total net position by \$1.04 million.
- As of the close of the 2021 fiscal year, the City's *governmental funds* reported combined ending fund balances of \$10.67 million, an increase of \$5.00 million in comparison of the prior year. Approximately 22% of the combined fund balances, or \$2.36 million was available for spending at the government's discretion ("*unassigned fund balance*").
- The General Fund balance was \$3.87 million, or 43.31% of the total General Fund budgetary revenues and other financing sources. Of the total \$3.87 million fund balance, \$1.14 million was nonspendable, leaving \$2.73 million, or 30.55% of budgetary revenues and other financing sources. The unassigned fund balance for the General Fund was \$2.36 million, or 29.39% of total General Fund revenues and other financing sources.

### Overview and Analysis of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Marshall's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, and recreation and culture. The business-type activities of the City include electric, wastewater, water, public transit, public housing, fiber to the premise, and solid waste disposal.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The Building Authority, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### *Governmental Funds*

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the City's General Fund and Municipal Street Fund, which are considered to be major funds of the City. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### ***Proprietary Funds***

The City maintains two different types of proprietary funds, *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the electric, wastewater, water, Dial-A-Ride, public housing (Marshall House), solid waste disposal, and fiber to the premise funds. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses an internal service funds to account for its motor pool, employee safety services, and data processing/computer technology. These services predominantly benefit governmental rather than business-type functions, therefore, they have been allocated to *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, wastewater, water, and FiberNet, which are considered to be major funds of the City. The nonmajor enterprise funds and internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic propriety fund financial statements include the *statement of cash flows*. The *statement of cash flows* allows financial statement users to assess the proprietary funds' adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds, as well as Dial-A-Ride transit schedules, are presented immediately following the required supplementary information.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Marshall, assets exceeded liabilities by \$31,195,285 at the close of the most recent fiscal year. The following chart illustrates the composition of net position:

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
<b>ASSETS</b>						
Current and other assets	\$ 5,870,475	\$ 12,234,413	\$ 10,415,041	\$ 10,540,218	\$ 16,285,516	\$ 22,774,631
Capital assets, net	<u>29,640,730</u>	<u>30,647,522</u>	<u>27,691,749</u>	<u>29,788,917</u>	<u>57,332,479</u>	<u>60,436,439</u>
<b>TOTAL ASSETS</b>	<b>35,511,205</b>	<b>42,881,935</b>	<b>38,106,790</b>	<b>40,329,135</b>	<b>73,617,995</b>	<b>83,211,070</b>
DEFERRED OUTFLOWS OF RESOURCES	719,807	648,766	645,639	591,251	1,365,446	1,240,017
<b>LIABILITIES</b>						
Current liabilities	933,069	1,690,547	2,633,623	3,991,627	3,566,692	5,682,174
Noncurrent liabilities	<u>17,515,397</u>	<u>22,247,848</u>	<u>24,262,963</u>	<u>24,447,593</u>	<u>41,778,360</u>	<u>46,695,441</u>
<b>TOTAL LIABILITIES</b>	<b>18,448,466</b>	<b>23,938,395</b>	<b>26,896,586</b>	<b>28,439,220</b>	<b>45,345,052</b>	<b>52,377,615</b>
DEFERRED INFLOWS OF RESOURCES	22,378	477,933	18,109	400,254	40,487	878,187
<b>NET POSITION</b>						
Investment in capital assets	23,051,780	24,098,498	15,873,829	15,862,495	38,925,609	39,960,993
Restricted	2,034,087	6,584,668	1,090,894	965,927	3,124,981	7,550,595
Unrestricted	<u>(7,325,699)</u>	<u>(11,568,793)</u>	<u>(5,126,989)</u>	<u>(4,747,510)</u>	<u>(12,452,688)</u>	<u>(16,316,303)</u>
<b>TOTAL NET POSITION</b>	<b>\$ 17,760,168</b>	<b>\$ 19,114,373</b>	<b>\$ 11,837,734</b>	<b>\$ 12,080,912</b>	<b>\$ 29,597,902</b>	<b>\$ 31,195,285</b>

A significant portion of the City's net position, \$39,960,993, reflects its investment in capital assets (e.g. land, land improvements, buildings, 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 citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$7,550,595, represents resources that are subject to external restrictions on how they may be used. Restricted net position includes amounts set aside for endowments, debt service, debt-financed projects, and externally mandated commitments. The remaining balance of *unrestricted net position*, the amount that may be used to meet the government's ongoing obligations to citizens and creditors, is (\$16,316,303), representing the amount of resources that the City could utilize to promptly satisfy all accrued future liabilities.

Generally accepted accounting principles (GAAP) require that the City show our liability for pension benefits promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of December 31, 2020, provided a total pension liability of \$38,623,997. The City had plan fiduciary net position of \$23,778,122 as of plan year-end, with a net pension liability of \$14,845,875. The net pension liability was allocated to the Governmental Activities and Business-type Activities.

GAAP also require that the City show our liability for retiree health care and death benefits or other post-employment benefits (OPEB) promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of June 30, 2021 provided a total OPEB liability of \$8,962,032. The City's plan fiduciary net position was \$1,773,838. The resulting net OPEB liability of \$7,188,194 was allocated to the Governmental Activities and Business-type Activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The government's total net position increased by \$1.04 million or 3.4%. This net increase was a combination of a \$796k increase in governmental activities net position and a \$243k increase in business-type activities net position.

### City of Marshall's Changes in Net Position For the Year Ended June 30, 2020 and June 30, 2021

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
<b>REVENUES</b>						
Program revenue						
Charges for services	\$ 1,445,669	\$ 963,413	\$ 17,279,314	\$ 18,910,738	\$ 18,724,983	\$ 19,874,151
Operating grants and contributions	1,621,515	2,053,825	910,257	1,030,295	2,531,772	3,084,120
Capital grants and contributions	-	786,152	273,100	-	273,100	786,152
General revenue						
Property taxes	3,798,086	4,027,086	200,955	213,737	3,999,041	4,240,823
State shared revenues - unrestricted	771,316	754,440	-	-	771,316	754,440
Investment earnings	67,284	25,960	95,161	186,129	162,445	212,089
Gain on disposal of capital assets	-	61,026	-	-	-	61,026
Other	-	274,074	(658)	252,370	(658)	526,444
<b>TOTAL REVENUES</b>	<b>7,703,870</b>	<b>8,945,976</b>	<b>18,758,129</b>	<b>20,593,269</b>	<b>26,461,999</b>	<b>29,539,245</b>
<b>EXPENSES</b>						
General government	2,734,519	2,062,868	-	-	2,734,519	2,062,868
Public safety	3,376,028	4,096,107	-	-	3,376,028	4,096,107
Public works	2,109,203	2,591,943	-	-	2,109,203	2,591,943
Community development	75,281	49,691	-	-	75,281	49,691
Recreation and culture	509,228	404,928	-	-	509,228	404,928
Interest on long-term debt	252,168	288,495	-	-	252,168	288,495
Electric	-	-	11,280,547	14,607,928	11,280,547	14,607,928
Wastewater	-	-	1,882,828	1,433,429	1,882,828	1,433,429
Water	-	-	1,660,486	1,183,889	1,660,486	1,183,889
DART	-	-	413,444	(27,114)	413,444	(27,114)
Marshall house	-	-	671,210	653,588	671,210	653,588
Solid waste	-	-	-	116,839	-	116,839
FiberNet	-	-	1,093,127	1,037,640	1,093,127	1,037,640
<b>TOTAL EXPENSES</b>	<b>9,056,427</b>	<b>9,494,032</b>	<b>17,001,642</b>	<b>19,006,199</b>	<b>26,058,069</b>	<b>28,500,231</b>
Change in net position before transfers	(1,352,557)	(548,056)	1,756,487	1,587,070	403,930	1,039,014
Transfers (out) in	1,453,696	1,343,892	(1,453,696)	(1,343,892)	-	-
Change in net position	101,139	795,836	302,791	243,178	403,930	1,039,014
Net position - beginning of year	17,659,029	18,318,537	11,534,943	11,837,734	29,193,972	30,156,271
Net position - end of year	<b>\$ 17,760,168</b>	<b>\$ 19,114,373</b>	<b>\$ 11,837,734</b>	<b>\$ 12,080,912</b>	<b>\$ 29,597,902</b>	<b>\$ 31,195,285</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Governmental Activities

Governmental activities increased the City's net position \$796k in 2021 as compared to a net increase of \$101k in 2020. Governmental revenues increased by \$1.24 million or 16.12% due primarily to an increase in capital grants and contributions related to the COVID pandemic. There was a slight increase of total governmental expenditures as compared to 2020 of 4.83%.

### Business-type Activities

Business-type activities increased the City's net position by \$243k as compared to a prior year increase of \$303k. The net increase in 2021 compared to 2020 is consistent.

### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available at the end of the fiscal year.

As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$10,674,124, an increase of \$4,999,041 in comparison of the prior year. This is primarily due to the sale of bonds for the new Municipal Street Fund. Approximately 22% of the combined fund balances, or \$2,360,945 was available for spending at the government's discretion ("*unassigned fund balance*").

The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been committed 1) for encumbrances, inventories, and prepaid expenditures, 2) for advances to other funds and component units, 3) to generate income to pay for the municipal cemetery and future recreation programs, and 4) designated for use for next year's expenditures.

### General Fund

The General Fund balance was \$3,874,259, or 43.31% of the total General Fund revenues. Of the total, \$3.87 million fund balance, \$1.33 million was nonspendable or committed, and \$187k was assigned, leaving \$2.36 million of unassigned fund balance, or 29.39% of revenues.

The General Fund favorably increased the fund balance a total of \$751k over the amended budget. Revenues unfavorably exceeded budget by \$767k due primarily to favorable intergovernmental revenue due to increased Federal revenue sharing related to the COVID-19 pandemic. The savings in General Fund operating expenses of \$831k was due primarily to various departmental spending reductions and personnel vacancies due to COVID-19.

During the year, there was an increase of \$1.13 million in appropriations between the original and final amended General Fund expenditure budget adopted by the City Council. The increase was primarily due to a large grant project for the City's Airport.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Municipal Street Fund**

The municipal street fund is used to account for the funds received from bond proceeds for various infrastructure street projects throughout the City. This fund is new for fiscal year 2021.

The municipal street fund balance was \$4,389,534, or 271%% of the total municipal street revenues. The entire fund balance is restricted.

### ***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

### **Electric Fund**

The electric fund had a deficit unrestricted net position of \$(3,136,362) with a total net position of \$2,615,898. The fund had a decrease in net position of \$1,717,046.

### **Wastewater Fund**

The wastewater fund had an unrestricted net position of \$1,479,385 with a total net position of \$23,182,778. The fund had an increase in net position of \$367,494.

### **Water Fund**

The water fund had an unrestricted net position of \$295,761 with a total net position of \$4,995,683. The fund had an increase in net position of \$624,361.

### **FiberNet Fund**

The FiberNet fund had a deficit unrestricted net position of \$(4,401,667) with a total deficit net position of \$1,242,990). The fund had an increase in net position of \$34,443.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Asset and Debt Administration

#### *Capital Assets*

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$60.44 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, vehicles, machinery and equipment, and infrastructure. Construction in progress includes capital outlay expenditures for projects that are not completed at June 30, 2021 and the asset has not yet been placed into service.

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Land	\$ 1,759,160	\$ 1,759,160	\$ 377,033	\$ 377,033	\$ 2,136,193	\$ 2,136,193
Building and improvements	14,782,453	14,873,132	1,609,796	1,632,936	16,392,249	16,506,068
Land improvements	490,116	333,528	576,938	547,044	1,067,054	880,572
Machinery and equipment	342,045	325,025	2,705,094	2,547,287	3,047,139	2,872,312
Vehicles	7,653	5,865	365,404	333,894	373,057	339,759
Infrastructure	9,081,728	8,630,915	19,605,896	21,779,481	28,687,624	30,410,396
Data processing	36,549	23,318	-	-	36,549	23,318
Motor pool	3,141,026	3,077,060	-	-	3,141,026	3,077,060
Construction in progress	-	1,619,519	2,451,588	2,571,242	2,451,588	4,190,761
<b>Total</b>	<b>\$ 29,640,730</b>	<b>\$ 30,647,522</b>	<b>\$ 27,691,749</b>	<b>\$ 29,788,917</b>	<b>\$ 57,332,479</b>	<b>\$ 60,436,439</b>

Additional information on the City's capital assets can be found in note 6 of this report.

#### *Long-term debt*

At the end of the current fiscal year, the City had total bonded debt outstanding of \$23,540,000.

The City's balance of long-term obligations increased by \$6.4 million during the current fiscal year. The City issued \$7.42 million in General Obligation Bonds. The City made scheduled bond principal payments totaling \$1.14 million.

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
General obligation bonds	\$ 5,500,000	\$ 9,965,000	7,295,000	9,465,000	12,795,000	19,430,000
Revenue Bonds	-	-	4,200,000	4,110,000	4,200,000	4,110,000
<b>Total bonded debt</b>	<b>\$ 5,500,000</b>	<b>\$ 9,965,000</b>	<b>\$ 11,495,000</b>	<b>\$ 13,575,000</b>	<b>\$ 16,995,000</b>	<b>\$ 23,540,000</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table depicts the City's credit rating for the various outstanding debt by Standard & Poor's:

	<u>Standard &amp; Poor's</u>
General obligation limited tax bonds	AA-
General obligation unlimited tax bonds	AA-
Revenue bonds	AA

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total state equalized valuation. The current debt limitation for the City is \$27,654,560 which is greater than the amount of issued general obligation debt as of year-end.

Additional information on the City's long-term debt can be found in Note 7.

### **Economic Factors and Next Year's Budgets and Rates**

In FY2022, the City plans to use current revenues to provide essential services and to maintain the City's financial reserves at levels in line with financial policies. The planned use of fund balance will be used for one-time capital outlay items. Both the Electric Fund and Fibernet Fund have rate increases to assist with the removal of the deficits in those funds.

### **Requests for Information**

This financial report is designed to provide a general overview of the City'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, 323 West Michigan Avenue, Marshall, Michigan 49068-1578.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF MARSHALL**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and investments	\$ 8,563,841	\$ 6,662,404	\$ 15,226,245	\$ 1,345,186
Receivables				
Accounts, net	84,904	1,098,607	1,183,511	-
Interest	85,000	136,667	221,667	85,000
Special assessments	-	26,893	26,893	-
Due from other governmental units	90,937	132,036	222,973	-
Internal balances	2,163,395	(2,163,395)	-	-
Inventories	22,843	1,007,496	1,030,339	-
Prepays	223,493	157,342	380,835	979
<b>Total current assets</b>	<b>11,234,413</b>	<b>7,058,050</b>	<b>18,292,463</b>	<b>1,431,165</b>
<b>Noncurrent assets</b>				
Cash - restricted	-	965,927	965,927	-
Internal balances	1,000,000	(1,000,000)	-	-
Advances to primary government	-	-	-	1,000,000
Investment in MSCPA	-	3,516,241	3,516,241	-
Capital assets not being depreciated	3,378,679	2,948,275	6,326,954	1,156,674
Capital assets, net of accumulated depreciation	27,268,843	26,840,642	54,109,485	618,972
<b>Total noncurrent assets</b>	<b>31,647,522</b>	<b>33,271,085</b>	<b>64,918,607</b>	<b>2,775,646</b>
<b>TOTAL ASSETS</b>	<b>42,881,935</b>	<b>40,329,135</b>	<b>83,211,070</b>	<b>4,206,811</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	-	47,945	47,945	-
Deferred outflows of resources related to pensions	648,766	543,306	1,192,072	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>648,766</b>	<b>591,251</b>	<b>1,240,017</b>	<b>-</b>



**CITY OF MARSHALL**  
**STATEMENT OF NET POSITION (concluded)**  
**YEAR ENDED JUNE 30, 2021**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 260,899	\$ 2,700,541	\$ 2,961,440	\$ 470,461
Accrued liabilities	265,100	86,301	351,401	2,838
Accrued interest payable	68,159	412,786	480,945	5,401
Unearned revenue	71,628	25,817	97,445	9,250
Current portion of compensated absences	83,612	61,182	144,794	-
Current portion of long-term debt	941,149	705,000	1,646,149	-
<b>Total current liabilities</b>	<b>1,690,547</b>	<b>3,991,627</b>	<b>5,682,174</b>	<b>487,950</b>
Noncurrent liabilities				
Advances from component unit	-	1,000,000	1,000,000	-
Noncurrent portion of compensated absences	250,833	183,538	434,371	-
Noncurrent portion of long-term debt	10,005,579	13,221,422	23,227,001	765,000
Net other post-employment benefits liability	3,911,814	3,276,380	7,188,194	-
Net pension liability	8,079,622	6,766,253	14,845,875	-
<b>Total noncurrent liabilities</b>	<b>22,247,848</b>	<b>24,447,593</b>	<b>46,695,441</b>	<b>765,000</b>
<b>TOTAL LIABILITIES</b>	<b>23,938,395</b>	<b>28,439,220</b>	<b>52,377,615</b>	<b>1,252,950</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	383,799	321,411	705,210	-
Deferred inflows of resources related to OPEB	94,134	78,843	172,977	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>477,933</b>	<b>400,254</b>	<b>878,187</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	24,098,498	15,862,495	39,960,993	1,092,272
Restricted				
Debt service	-	965,927	965,927	-
Streets	5,597,894	-	5,597,894	-
Regional Law Enforcement Center	362,308	-	362,308	-
Drug law enforcement	4,469	-	4,469	-
Capital projects	50	-	50	-
Leaf, brush, and trash removal	7,099	-	7,099	-
Cemetery perpetual care	612,848	-	612,848	-
Unrestricted	(11,568,793)	(4,747,510)	(16,316,303)	1,861,589
<b>TOTAL NET POSITION</b>	<b>\$ 19,114,373</b>	<b>\$ 12,080,912</b>	<b>\$ 31,195,285</b>	<b>\$ 2,953,861</b>

See accompanying notes to financial statements.

continued

**CITY OF MARSHALL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 2,062,868	\$ 392,356	\$ 926,491	\$ 7,098	\$ (736,923)	\$ -	\$ (736,923)	\$ -
Public safety	4,096,107	248,278	-	5,346	(3,842,483)	-	(3,842,483)	-
Public works	2,591,943	193,436	1,032,064	724,547	(641,896)	-	(641,896)	-
Community development	49,691	29,153	6,337	-	(14,201)	-	(14,201)	-
Recreation and culture	404,928	100,190	88,933	49,161	(166,644)	-	(166,644)	-
Interest on long-term debt	288,495	-	-	-	(288,495)	-	(288,495)	-
Total governmental activities	<u>9,494,032</u>	<u>963,413</u>	<u>2,053,825</u>	<u>786,152</u>	<u>(5,690,642)</u>	<u>-</u>	<u>(5,690,642)</u>	<u>-</u>
Business-type activities								
Electric	14,607,928	13,319,851	98,140	-	-	(1,189,937)	(1,189,937)	-
Wastewater	1,433,429	1,919,558	-	-	-	486,129	486,129	-
Water	1,183,889	1,961,597	3,142	-	-	780,850	780,850	-
FiberNet	1,037,640	1,099,610	-	-	-	61,970	61,970	-
Marshall House	653,588	376,644	551,772	-	-	274,828	274,828	-
DART	(27,114)	26,797	377,241	-	-	431,152	431,152	-
Solid waste	116,839	206,681	-	-	-	89,842	89,842	-
Total business-type activities	<u>19,006,199</u>	<u>18,910,738</u>	<u>1,030,295</u>	<u>-</u>	<u>-</u>	<u>934,834</u>	<u>934,834</u>	<u>-</u>
Total primary government	<u>\$ 28,500,231</u>	<u>\$ 19,874,151</u>	<u>\$ 3,084,120</u>	<u>\$ 786,152</u>	<u>(5,690,642)</u>	<u>934,834</u>	<u>(4,755,808)</u>	<u>-</u>
Component units								
Local Development Finance Authority	\$ 408,900	\$ -	\$ 142,251	\$ -	-	-	-	(266,649)
Economic Development Corporation	-	-	-	-	-	-	-	-
Downtown Development Authority	162,598	-	30,302	-	-	-	-	(132,296)
Northeast Neighborhood Improvement Authority	11,604	-	-	-	-	-	-	(11,604)
South Neighborhood Improvement Authority	-	-	-	-	-	-	-	-
Total component units	<u>\$ 583,102</u>	<u>\$ -</u>	<u>\$ 172,553</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(410,549)</u>
General revenues								
Property taxes					4,027,086	213,737	4,240,823	649,024
Unrestricted state shared revenues					754,440	-	754,440	-
Investment earnings					25,960	186,129	212,089	20,124
Gain on disposal of capital assets					61,026	-	61,026	-
Miscellaneous					274,074	252,370	526,444	39,475
Transfers					1,343,892	(1,343,892)	-	-
Total general revenues and transfers					<u>6,486,478</u>	<u>(691,656)</u>	<u>5,794,822</u>	<u>708,623</u>
Change in net position					795,836	243,178	1,039,014	298,074
Restated net position, beginning of the year					<u>18,318,537</u>	<u>11,837,734</u>	<u>30,156,271</u>	<u>2,655,787</u>
Net position, end of the year					<u>\$ 19,114,373</u>	<u>\$ 12,080,912</u>	<u>\$ 31,195,285</u>	<u>\$ 2,953,861</u>

See accompanying notes to financial statements.

**CITY OF MARSHALL  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

	General	Municipal Street	Nonmajor Governmental Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 900,749	\$ 4,397,704	\$ 2,339,277	\$ 7,637,730
Receivables				
Accounts, net	72,853	-	12,051	84,904
Interest	85,000	-	-	85,000
Due from other funds	2,163,395	-	-	2,163,395
Advances to other funds	1,000,000	-	-	1,000,000
Due from other governmental units	15,571	-	75,366	90,937
Inventories	9,603	-	12,810	22,413
Prepays	132,186	-	21,747	153,933
	<u>\$ 4,379,357</u>	<u>\$ 4,397,704</u>	<u>\$ 2,461,251</u>	<u>\$ 11,238,312</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 174,831	\$ 7,069	\$ 48,285	\$ 230,185
Accrued liabilities	258,639	1,101	2,635	262,375
Unearned revenue	71,628	-	-	71,628
	<u>505,098</u>	<u>8,170</u>	<u>50,920</u>	<u>564,188</u>
<b>FUND BALANCES</b>				
Nonspendable	1,141,789	-	356,408	1,498,197
Restricted	-	4,389,534	1,839,871	6,229,405
Committed	184,000	-	214,052	398,052
Assigned	187,525	-	-	187,525
Unassigned	2,360,945	-	-	2,360,945
	<u>3,874,259</u>	<u>4,389,534</u>	<u>2,410,331</u>	<u>10,674,124</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,379,357</u>	<u>\$ 4,397,704</u>	<u>\$ 2,461,251</u>	<u>\$ 11,238,312</u>

See accompanying notes to financial statements.

**CITY OF MARSHALL**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

**Total Fund Balance - Governmental Funds** \$ 10,674,124

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

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

The cost of capital assets is	\$ 49,242,390	
Accumulated depreciation is	<u>(21,695,246)</u>	
Capital assets, net		27,547,144

Governmental fund report actual pension/OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension/OPEB liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consisted of:

Deferred outflows of resources related to pensions	641,415	
Deferred inflows of resources related to pensions	(379,451)	
Deferred inflows of resources related to OPEB	<u>(93,062)</u>	
		168,902

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in the governmental activities in the government-wide statement of net position.

Net position of governmental activities accounted for in governmental activities internal service funds		3,433,170
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Long-term obligations	(10,464,585)	
Net other post-employment benefits liability	(3,867,247)	
Net pension liability	(7,988,082)	
Accrued interest payable	(61,905)	
Compensated absences	<u>(327,148)</u>	
		<u>(22,708,967)</u>

<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 19,114,373</u></u></b>
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**CITY OF MARSHALL  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021**

	General	Municipal Street	Nonmajor Governmental Funds	Total
<b>REVENUES</b>				
Property taxes	\$ 3,925,176	\$ -	\$ 101,910	\$ 4,027,086
Licenses and permits	404,074	-	-	404,074
Intergovernmental	2,346,177	-	1,014,917	3,361,094
Charges for services	192,870	-	256,558	449,428
Fines and forfeits	12,935	-	250	13,185
Interest and rents	110,057	80	2,993	113,130
Other	362,809	-	153,343	516,152
<b>TOTAL REVENUES</b>	<b>7,354,098</b>	<b>80</b>	<b>1,529,971</b>	<b>8,884,149</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	1,920,496	-	-	1,920,496
Public safety	3,156,660	-	369,954	3,526,614
Public works	2,318,657	427,515	859,234	3,605,406
Community and economic development	69,949	-	-	69,949
Recreation and culture	404,928	-	-	404,928
Debt service	60,973	-	463,013	523,986
Capital outlay	50,665	-	98,539	149,204
<b>TOTAL EXPENDITURES</b>	<b>7,982,328</b>	<b>427,515</b>	<b>1,790,740</b>	<b>10,200,583</b>
<b>EXCESS OF REVENUES (UNDER) EXPENDITURES</b>	<b>(628,230)</b>	<b>(427,435)</b>	<b>(260,769)</b>	<b>(1,316,434)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	100,000	4,750,000	-	4,850,000
Bond premium	-	66,969	-	66,969
Transfers in	1,491,249	-	493,425	1,984,674
Transfers out	(480,655)	-	(105,513)	(586,168)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,110,594</b>	<b>4,816,969</b>	<b>387,912</b>	<b>6,315,475</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>482,364</b>	<b>4,389,534</b>	<b>127,143</b>	<b>4,999,041</b>
Fund balances, beginning of year	3,391,895	-	2,283,188	5,675,083
Fund balances, end of year	<u>\$ 3,874,259</u>	<u>\$ 4,389,534</u>	<u>\$ 2,410,331</u>	<u>\$ 10,674,124</u>

See accompanying notes to financial statements.

**CITY OF MARSHALL  
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

**Net Change in Fund Balances - Total Governmental Funds** \$ 4,999,041

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,755,843	
Depreciation expense	<u>(1,230,223)</u>	
Excess of capital outlay over depreciation expense and other items		525,620

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain individual funds are included in the governmental activities.

Net income of governmental activities internal service funds		197,296
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Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Bond and loan proceeds	(4,850,000)	
Debt principal retirement	<u>324,836</u>	
		(4,525,164)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

(Decrease) in deferred outflows of resources related to pensions	(28,530)	
(Decrease) in deferred outflows of resources related to OPEB	(36,364)	
(Increase) in deferred inflows of resources related to pensions	(357,412)	
(Increase) in deferred inflows of resources related to OPEB	(93,062)	
(Decrease) in deferred charges on refunding	(2,652)	
(Increase) in deferred amounts on debt issuance	(58,090)	
(Increase) in accrued interest payable	(11,650)	
Decrease in compensated absences	13,762	
Decrease in net pension liability	118,371	
Decrease in net OPEB liability	<u>54,670</u>	
		<u>(400,957)</u>

<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 795,836</u></b>
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**CITY OF MARSHALL  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Enterprise Funds					Total	Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds		Internal Service Funds
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and investments	\$ -	\$ 2,099,120	\$ 2,486,305	\$ 98,118	\$ 1,978,861	\$ 6,662,404	\$ 926,111
Receivables							
Accounts, net	711,890	140,601	160,647	7,801	77,668	1,098,607	-
Interest	94,167	42,500	-	-	-	136,667	-
Special assessments	26,893	-	-	-	-	26,893	-
Due from other governmental units	122,034	3,985	5,789	228	-	132,036	-
Inventories	845,719	-	59,551	102,226	-	1,007,496	430
Prepays	87,466	30,793	16,472	3,165	19,446	157,342	69,560
<b>Total current assets</b>	<b>1,888,169</b>	<b>2,316,999</b>	<b>2,728,764</b>	<b>211,538</b>	<b>2,075,975</b>	<b>9,221,445</b>	<b>996,101</b>
<b>Noncurrent assets</b>							
Cash - restricted	668,494	49,002	248,431	-	-	965,927	-
Advance to other funds	1,700,000	500,000	-	-	-	2,200,000	-
Investment in MSCPA	3,516,241	-	-	-	-	3,516,241	-
Capital assets not being depreciated	1,536,695	89,852	1,321,728	-	-	2,948,275	-
Capital assets, net of accumulated depreciation	9,498,700	3,524,317	9,144,778	3,158,677	1,514,170	26,840,642	3,100,378
<b>Total noncurrent assets</b>	<b>16,920,130</b>	<b>4,163,171</b>	<b>10,714,937</b>	<b>3,158,677</b>	<b>1,514,170</b>	<b>36,471,085</b>	<b>3,100,378</b>
<b>TOTAL ASSETS</b>	<b>18,808,299</b>	<b>6,480,170</b>	<b>13,443,701</b>	<b>3,370,215</b>	<b>3,590,145</b>	<b>45,692,530</b>	<b>4,096,479</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>							
Deferred amounts on refunding	33,280	-	14,665	-	-	47,945	-
Deferred outflows of resources related to pensions	343,462	68,391	80,148	-	51,305	543,306	7,351
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>376,742</b>	<b>68,391</b>	<b>94,813</b>	<b>-</b>	<b>51,305</b>	<b>591,251</b>	<b>7,351</b>

**CITY OF MARSHALL  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION (concluded)  
JUNE 30, 2021**

	Enterprise Funds					Total	Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds		Internal Service Funds
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Accounts payable	\$ 1,611,735	\$ 33,018	\$ 886,233	\$ 87,867	\$ 81,688	\$ 2,700,541	\$ 30,714
Accrued liabilities	43,529	13,591	11,628	7,013	10,540	86,301	2,725
Accrued interest payable	42,530	15,010	48,579	306,667	-	412,786	6,254
Due to other funds	2,163,395	-	-	-	-	2,163,395	-
Unearned revenue	-	-	-	-	25,817	25,817	-
Current portion of compensated absences	38,740	7,417	10,285	2,915	1,825	61,182	1,825
Current portion of long-term debt	275,000	155,000	275,000	-	-	705,000	236,651
<b>Total current liabilities</b>	<b>4,174,929</b>	<b>224,036</b>	<b>1,231,725</b>	<b>404,462</b>	<b>119,870</b>	<b>6,155,022</b>	<b>278,169</b>
<b>Noncurrent liabilities</b>							
Advances from other funds	-	-	-	3,200,000	-	3,200,000	-
Advances from component unit	-	-	-	1,000,000	-	1,000,000	-
Noncurrent portion of compensated absences	116,218	22,249	30,856	8,743	5,472	183,538	5,472
Noncurrent portion of long-term debt	5,676,629	1,804,778	5,740,015	-	-	13,221,422	245,492
Net other post-employment benefits liability	2,070,919	412,602	483,047	-	309,812	3,276,380	44,567
Net pension liability	4,277,426	851,730	998,150	-	638,947	6,766,253	91,540
<b>Total noncurrent liabilities</b>	<b>12,141,192</b>	<b>3,091,359</b>	<b>7,252,068</b>	<b>4,208,743</b>	<b>954,231</b>	<b>27,647,593</b>	<b>387,071</b>
<b>TOTAL LIABILITIES</b>	<b>16,316,121</b>	<b>3,315,395</b>	<b>8,483,793</b>	<b>4,613,205</b>	<b>1,074,101</b>	<b>33,802,615</b>	<b>665,240</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows of resources related to pensions	203,187	40,459	47,414	-	30,351	321,411	4,348
Deferred inflows of resources related to OPEB	49,835	9,929	11,624	-	7,455	78,843	1,072
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>253,022</b>	<b>50,388</b>	<b>59,038</b>	<b>-</b>	<b>37,806</b>	<b>400,254</b>	<b>5,420</b>
<b>NET POSITION</b>							
Net investment in capital assets	5,083,766	1,654,391	4,451,491	3,158,677	1,514,170	15,862,495	2,618,235
Restricted for debt service	668,494	49,002	248,431	-	-	965,927	-
Unrestricted	(3,136,362)	1,479,385	295,761	(4,401,667)	1,015,373	(4,747,510)	814,935
<b>TOTAL NET POSITION</b>	<b>\$ 2,615,898</b>	<b>\$ 3,182,778</b>	<b>\$ 4,995,683</b>	<b>\$ (1,242,990)</b>	<b>\$ 2,529,543</b>	<b>\$ 12,080,912</b>	<b>\$ 3,433,170</b>

See accompanying notes to financial statements.



**CITY OF MARSHALL  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED JUNE 30, 2021**

	Enterprise Funds					Total	Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds		Internal Service Funds
OPERATING REVENUES							
Charges for services	\$ 13,319,851	\$ 1,919,558	\$ 1,961,597	\$ 1,099,610	\$ 610,122	\$ 18,910,738	\$ 1,198,567
Intergovernmental	-	-	-	-	-	-	20,425
<b>TOTAL OPERATING REVENUES</b>	13,319,851	1,919,558	1,961,597	1,099,610	610,122	18,910,738	1,218,992
OPERATING EXPENSES							
Personnel services	3,097,206	443,086	171,708	287,308	53,295	4,052,603	80,446
Material and supplies	108,355	125,499	45,699	157,398	56,111	493,062	172,761
Utilities	9,154,934	125,648	38,281	11,873	94,227	9,424,963	25,239
Contractual	557,476	78,047	86,807	237,033	244,931	1,204,294	131,198
Insurance	56,180	30,754	6,074	-	21,271	114,279	87,292
Maintenance	323,970	91,863	81,712	94,651	52,671	644,867	93,097
Other expenses	424,694	115,218	106,701	25,669	33,977	706,259	7,639
Depreciation	568,727	363,053	434,442	139,708	156,082	1,662,012	407,661
<b>TOTAL OPERATING EXPENSES</b>	14,291,542	1,373,168	971,424	953,640	712,565	18,302,339	1,005,333
<b>OPERATING INCOME (LOSS)</b>	(971,691)	546,390	990,173	145,970	(102,443)	608,399	213,659

**CITY OF MARSHALL  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (concluded)  
 YEAR ENDED JUNE 30, 2021**

	Enterprise Funds						Governmental
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Total	Internal Service Funds
NONOPERATING REVENUES (EXPENSES)							
Intergovernmental	\$ 98,140	\$ -	\$ 3,142	\$ -	\$ 929,013	\$ 1,030,295	\$ -
Property taxes	-	-	-	-	213,737	213,737	-
Interest earnings	171,230	12,541	1,679	15	664	186,129	801
Other revenue	126,211	43,824	31,832	7,267	43,236	252,370	-
Gain (loss) on sale of capital assets	(136,642)	-	-	-	(30,748)	(167,390)	61,026
Bond issuance costs	(65,233)	-	(13,750)	-	-	(78,983)	-
Interest expense and fiscal charges	(114,511)	(60,261)	(198,715)	(84,000)	-	(457,487)	(23,576)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>79,195</b>	<b>(3,896)</b>	<b>(175,812)</b>	<b>(76,718)</b>	<b>1,155,902</b>	<b>978,671</b>	<b>38,251</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(892,496)</b>	<b>542,494</b>	<b>814,361</b>	<b>69,252</b>	<b>1,053,459</b>	<b>1,587,070</b>	<b>251,910</b>
<b>TRANSFERS OUT</b>	<b>(824,550)</b>	<b>(175,000)</b>	<b>(190,000)</b>	<b>(34,809)</b>	<b>(119,533)</b>	<b>(1,343,892)</b>	<b>(54,614)</b>
<b>CHANGE IN NET POSITION</b>	<b>(1,717,046)</b>	<b>367,494</b>	<b>624,361</b>	<b>34,443</b>	<b>933,926</b>	<b>243,178</b>	<b>197,296</b>
Net position, beginning of year	4,332,944	2,815,284	4,371,322	(1,277,433)	1,595,617	11,837,734	3,235,874
Net position, end of year	\$ 2,615,898	\$ 3,182,778	\$ 4,995,683	\$ (1,242,990)	\$ 2,529,543	\$ 12,080,912	\$ 3,433,170

See accompanying notes to financial statements.

**CITY OF MARSHALL  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	Enterprise Funds					Governmental	
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Internal Service Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash receipts from customers and interfund services	\$ 13,169,302	\$ 1,896,179	\$ 2,195,931	\$ 1,101,293	\$ 674,542	\$ 19,037,247	\$ 1,218,992
Cash paid to suppliers	(10,342,836)	(549,302)	(359,442)	(563,754)	(483,692)	(12,299,026)	(560,297)
Cash paid to employees	(2,306,666)	(629,760)	(640,460)	(283,241)	(515,016)	(4,375,143)	(116,709)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>519,800</b>	<b>717,117</b>	<b>1,196,029</b>	<b>254,298</b>	<b>(324,166)</b>	<b>2,363,078</b>	<b>541,986</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Intergovernmental	98,140	-	3,142	-	929,013	1,030,295	-
Property taxes	-	-	-	-	213,737	213,737	-
Miscellaneous revenue	126,211	43,824	31,832	7,267	43,236	252,370	-
Changes in interfund and advances balances	(706,055)	900,000	1,969,450	(128,653)	-	2,034,742	-
Transfers out	(824,550)	(175,000)	(190,000)	(34,809)	(119,533)	(1,343,892)	(54,614)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(1,306,254)</b>	<b>768,824</b>	<b>1,814,424</b>	<b>(156,195)</b>	<b>1,066,453</b>	<b>2,187,252</b>	<b>(54,614)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchases of capital assets	(1,643,844)	(100,263)	(959,277)	-	(252,887)	(2,956,271)	(330,464)
Cash received (paid) on disposal of capital asset	(136,642)	-	-	-	22,478	(114,164)	61,026
Payments on borrowings	(180,000)	(150,000)	(255,000)	-	-	(585,000)	(228,128)
Interest paid	(114,649)	(64,540)	(202,123)	-	-	(381,312)	(26,537)
Bond issuance costs	(65,233)	-	(13,750)	-	-	(78,983)	-
Proceeds from debt issuance	2,665,000	-	-	-	-	2,665,000	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>524,632</b>	<b>(314,803)</b>	<b>(1,430,150)</b>	<b>-</b>	<b>(230,409)</b>	<b>(1,450,730)</b>	<b>(524,103)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Changes in investment in MSCPA	(405)	-	-	-	-	(405)	-
Interest received	137,230	2,541	577	15	664	141,027	801
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>136,825</b>	<b>2,541</b>	<b>577</b>	<b>15</b>	<b>664</b>	<b>140,622</b>	<b>801</b>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>(124,997)</b>	<b>1,173,679</b>	<b>1,580,880</b>	<b>98,118</b>	<b>512,542</b>	<b>3,240,222</b>	<b>(35,930)</b>
Cash and investments, beginning of year	793,491	974,443	1,153,856	-	1,466,319	4,388,109	962,041
Cash and investments, end of year	\$ 668,494	\$ 2,148,122	\$ 2,734,736	\$ 98,118	\$ 1,978,861	\$ 7,628,331	\$ 926,111

See accompanying notes to financial statements.

continued

**CITY OF MARSHALL  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (concluded)  
 YEAR ENDED JUNE 30, 2021**

	Enterprise Funds					Total	Internal
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds		Service Fund Insurance and Benefits
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ (971,691)	\$ 546,390	\$ 990,173	\$ 145,970	\$ (102,443)	\$ 608,399	\$ 213,659
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation	568,727	363,053	434,442	139,708	156,082	1,662,012	407,661
(Increase) decrease in:							
Accounts receivable	(28,515)	(19,394)	240,123	1,911	67,420	261,545	-
Due from other governmental units	(122,034)	(3,985)	(5,789)	(228)	-	(132,036)	-
Inventories	(30,796)	5,830	10,599	(26,626)	-	(40,993)	-
Prepays	(56,914)	(15,779)	(5,771)	(2,014)	(11,984)	(92,462)	(51,505)
Deferred outflows of resources related to pension	(61,877)	29,012	7,353	-	17,307	(8,205)	2,946
Deferred outflows of resources related to OPEB	21,721	3,249	22,766	-	5,955	53,691	549
Increase (decrease) in:							
Accounts payable	370,483	27,676	1,004	(8,490)	31,480	422,153	8,434
Accrued liabilities	(6,480)	1,153	1,390	127	620	(3,190)	716
Unearned revenue	-	-	-	-	(3,000)	(3,000)	-
Compensated absences	(4,964)	(2,606)	1,191	3,940	2,609	170	2,194
Net pension liability	870,202	(326,861)	(247,119)	-	(191,248)	104,974	(33,058)
Net other post-employment benefits liability	(271,821)	62,195	(309,986)	-	(332,513)	(852,125)	(14,691)
Deferred inflows of resources related to pension	193,924	37,255	44,029	-	28,094	303,302	4,009
Deferred inflows of resources related to OPEB	49,835	9,929	11,624	-	7,455	78,843	1,072
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 519,800</b>	<b>\$ 717,117</b>	<b>\$ 1,196,029</b>	<b>\$ 254,298</b>	<b>\$ (324,166)</b>	<b>\$ 2,363,078</b>	<b>\$ 541,986</b>

See accompanying notes to financial statements.

**CITY OF MARSHALL  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021**

	Other Employee Benefit Trust Fund	Custodial Fund
	Retiree Health Insurance Plan Trust	Current Tax Collection
<b>TOTAL ASSETS</b>		
Cash and investments	\$ 1,773,838	\$ -
<b>TOTAL LIABILITIES</b>	-	-
<b>TOTAL NET POSITION</b>		
Restricted for other post-employment benefits (health insurance)	\$ 1,773,838	\$ -

See accompanying notes to financial statements.

**CITY OF MARSHALL  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2021**

	Other Employee Benefit Trust Fund	Custodial Fund
	Retiree Health Insurance Plan Trust	Current Tax Collection
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 899,489	\$ -
Investment earnings	386,713	-
Collection of taxes for other governments	-	8,940,890
<b>TOTAL ADDITIONS</b>	<b>1,286,202</b>	<b>8,940,890</b>
<b>DEDUCTIONS</b>		
Administrative expenses	2,862	-
Benefit payments	699,489	-
Payment of taxes collected for other governments	-	8,940,890
<b>TOTAL DEDUCTIONS</b>	<b>702,351</b>	<b>8,940,890</b>
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	<b>583,851</b>	<b>-</b>
Net position, beginning of year	1,189,987	-
Net position, end of year	<b>\$ 1,773,838</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**CITY OF MARSHALL  
COMPONENT UNITS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Local Development Finance Authority	Economic Development Corporation	Downtown Development Authority	Northeast Neighborhood Improvement Authority	South Neighborhood Improvement Authority	Total Component Units
<b>ASSETS</b>						
Current assets						
Cash and investments	\$ 521,448	\$ 9,309	\$ 215,430	\$ 35,384	\$ 563,615	\$ 1,345,186
Interest receivable	85,000	-	-	-	-	85,000
Prepays	-	-	979	-	-	979
Total current assets	<u>606,448</u>	<u>9,309</u>	<u>216,409</u>	<u>35,384</u>	<u>563,615</u>	<u>1,431,165</u>
Noncurrent assets						
Advances to primary government	1,000,000	-	-	-	-	1,000,000
Capital assets not being depreciated	417,630	-	55,670	-	683,374	1,156,674
Capital assets, net of accumulated depreciation	<u>618,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,972</u>
Total noncurrent assets	<u>2,036,602</u>	<u>-</u>	<u>55,670</u>	<u>-</u>	<u>683,374</u>	<u>2,775,646</u>
<b>TOTAL ASSETS</b>	<u><u>2,643,050</u></u>	<u><u>9,309</u></u>	<u><u>272,079</u></u>	<u><u>35,384</u></u>	<u><u>1,246,989</u></u>	<u><u>4,206,811</u></u>
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	531	-	1,800	-	468,130	470,461
Accrued liabilities	-	-	975	-	1,863	2,838
Accrued interest payable	-	-	-	-	5,401	5,401
Unearned revenue	-	-	9,250	-	-	9,250
Total current liabilities	<u>531</u>	<u>-</u>	<u>12,025</u>	<u>-</u>	<u>475,394</u>	<u>487,950</u>
Noncurrent liabilities						
Noncurrent portion of long-term debt	-	-	-	-	765,000	765,000
<b>TOTAL LIABILITIES</b>	<u>531</u>	<u>-</u>	<u>12,025</u>	<u>-</u>	<u>1,240,394</u>	<u>1,252,950</u>
<b>NET POSITION</b>						
Net investment in capital assets	1,036,602	-	55,670	-	-	1,092,272
Unrestricted	<u>1,605,917</u>	<u>9,309</u>	<u>204,384</u>	<u>35,384</u>	<u>6,595</u>	<u>1,861,589</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,642,519</u></u>	<u><u>\$ 9,309</u></u>	<u><u>\$ 260,054</u></u>	<u><u>\$ 35,384</u></u>	<u><u>\$ 6,595</u></u>	<u><u>\$ 2,953,861</u></u>

See accompanying notes to financial statements.

**CITY OF MARSHALL  
COMPONENT UNITS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenues and Changes in Net Position					Total Component Units
		Operating Grants and Contributions	Local Development Finance Authority	Economic Development Corporation	Downtown Development Authority	Northeast Neighborhood Improvement Authority	South Neighborhood Improvement Authority	
<b>Governmental Activities</b>								
Local Development Finance Authority	\$ 408,900	\$ 142,251	\$ (266,649)	\$ -	\$ -	\$ -	\$ -	\$ (266,649)
Downtown Development Authority	162,598	30,302	-	-	(132,296)	-	-	(132,296)
Northeast Neighborhood Improvement Authority	11,604	-	-	-	-	(11,604)	-	(11,604)
<b>TOTALS</b>	<b>\$ 583,102</b>	<b>\$ 172,553</b>	<b>(266,649)</b>	<b>-</b>	<b>(132,296)</b>	<b>(11,604)</b>	<b>-</b>	<b>(410,549)</b>
<b>General revenues</b>								
Property taxes			450,647	-	156,330	35,468	6,579	649,024
Investment earnings			20,029	-	77	2	16	20,124
Miscellaneous			39,440	-	35	-	-	39,475
Total general revenues			510,116	-	156,442	35,470	6,595	708,623
Change in net position			243,467	-	24,146	23,866	6,595	298,074
Net position, beginning of year			2,399,052	9,309	235,908	11,518	-	2,655,787
Net position, end of year			<u>\$ 2,642,519</u>	<u>\$ 9,309</u>	<u>\$ 260,054</u>	<u>\$ 35,384</u>	<u>\$ 6,595</u>	<u>\$ 2,953,861</u>

See accompanying notes to financial statements.



## **NOTES TO FINANCIAL STATEMENTS**

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Marshall (the City) is located within Calhoun County, Michigan and has a population of approximately 7,000. The City of Marshall, Michigan is a municipal corporation formed in 1830 and governed by a seven-member Council and administered by an appointed City Manager.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the City of Marshall (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. The blended and discretely presented component units each have a June 30 year-end.

Blended Component Unit

The City of Marshall Building Authority is a blended component unit which finances and constructs the City's public buildings and other structures. It is included within the reporting entity as it provides services exclusively to the City.

Discretely Presented Component Units

The Downtown Development Authority (the "DDA") is a discretely presented component unit which corrects and prevents deterioration in the downtown district, encourages historical preservation, and promotes economic growth within the district. It is included within the reporting entity as the City Council appoints and may remove the DDA board and approves the DDA budget.

The Local Development Finance Authority (the "LDFA") is a discretely presented component unit which enhances and expands industrial development to eliminate the conditions of joblessness and underemployment. It is included within the reporting entity as the City Council appoints and may remove the LDFA board and approves the LDFA budget.

The Economic Development Corporation (the "EDC") is a discretely presented component unit which promotes economic development within the community. It is included within the reporting entity as the City Council appoints and may remove the EDC board and approves the EDC budget.

The Northeast Neighborhood Improvement Authority (the "NIA") is a discretely presented component unit which promotes economic development for the Northeast Marshall neighborhood. It is included within the reporting entity as the City Council appoints and may remove the NIA board and approves the NIA budget.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Discretely Presented Component Units (concluded)

The South Neighborhood Improvement Authority (the "SNIA") is a discretely presented component unit which promotes economic development for the South Marshall neighborhood. It is included within the reporting entity as the City Council appoints and may remove the SNIA board and approves the SNIA budget.

The discretely presented component units' financial statements are included in the City's audited financial statements and are not audited separately.

Fiduciary Component Unit

The Retiree Health Insurance Plan Trust Fund was established to account for the assets set aside to fund the City of Marshall Retiree Health Insurance Plan. The primary purpose of the Trust is to provide the necessary funding for the retiree health insurance premiums provided to eligible City employees during retirement. The Trust was established through MERS Retiree Health Funding Vehicle, with the City Council serving as the trustees. The assets of the Trust are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other purchase prior to the satisfaction of all liabilities. The assets are protected from any of the City's creditors. The City Council has the ability to exercise responsibility, specifically in the area of designation of management.

Joint Venture

The City is a member of the Michigan South Central Power Agency (MSCPA), which provided electric services to the residents of its member communities. The participating communities provide annual funding for its operations. During the current year, the City paid \$9,154,934 for purchased power. The City is unaware of any other circumstances that would cause any additional benefit or burden to participating governments in the near future. Complete financial statements for the Michigan South Central Power Agency can be obtained from the administrative offices at 168 Division St., Coldwater, Michigan 49036. The City owns an approximate 17.51% interest in the MSCPA. The City records the investment using the equity method and calculates 17.51% of the MSCPA's equity at year end. The MSCPA also holds assets of the City, which have been included in the MSCPA's equity over the years. The calculation of the investment includes 100% of the City's assets held at the MSCPA plus 17.51% of the equity net of the City's assets. At June 30, 2021, the City's investment in MSCPA was \$3,516,241, consisting of a \$3,366,018 equity share and \$150,223 of assets held at the MSCPA.

Basis of Presentation

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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 support.

**CITY OF MARSHALL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (concluded)

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them, demonstrating how governmental functions are either self-financing or supported by general revenues. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. General revenues include all taxes, interest, unrestricted State revenue sharing payments, and other revenues that are not required to be presented as program revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The reports the following *major governmental funds*:

- a. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Municipal Street Fund was established to account for the funds received from bond proceeds for various infrastructure street projects throughout the City.

The reports the following *major enterprise funds*:

- a. The Electric Fund accounts for the operations and maintenance of the electric supply system; financing is provided primarily by user charges.
- b. The Wastewater Fund accounts for the activities of the City's sewage disposal and treatment system; financing is provided primarily by user charges.
- c. The Water Fund accounts for the activities of the City's water distribution and treatment system; financing is provided primarily by user charges.
- d. The FiberNet Fund accounts for the building, operation and maintenance of the fiber system; financing is provided through the internal advances and charges for services.

**CITY OF MARSHALL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (concluded)

FUND FINANCIAL STATEMENTS (concluded)

Additionally, the reports the following fund types:

- a. Special revenue funds account for revenue sources that are restricted or committed to expenditures for specific purposes other than capital projects or permanent funds.
- b. Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. Capital projects funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.
- d. Permanent funds account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support specified government programs.
- e. Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.
- f. The internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. This includes data processing, motor pool, and safety programs.
- g. The other employee benefits trust fund accounts for the activities of the Other Post-Employment Benefits Plan, which accumulates resources for other post-employment benefit payments to qualified employees.
- h. The custodial fund accounts for taxes collected and distributed to other governments.

Measurement Focus

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balance.

**CITY OF MARSHALL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and a deferred inflow of resources. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary and fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

If/when both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The General and Special Revenue Fund budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. All annual appropriations lapse at year end. The legal level of budgetary control is the departmental level. On or before its first meeting in April of each year, the City Manager must present the proposed budget to the government’s council for review. The proposed budget must be on file and available for public inspection for a period of not less than one week prior to adoption by City Council, which must occur not later than the first meeting in June.

Formal budgetary integration is employed as a management control device during the year. Supplemental appropriations were approved by the Commission in the form of budget amendment resolutions or as part of special authorizing motions for grants, bonds, or notes, the total of which was not significant in relation to the original budget appropriation valuations.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year-end are reported as commitments of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and Investments

Cash and investments consist of various cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value. Certain proceeds of bond issues as well as other resources set aside for the repayment of debt are classified as restricted cash on the statement of net position because their use is limited by applicable bond covenants.

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. The United States government or federal agency obligations repurchase agreements.
- d. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

Receivables

Receivables consist of amounts due from individuals, and businesses related to charges for services, amounts owed to the City from taxes levied, and interest that have not been collected.

Inventories

Inventories are values at cost using the first in/first out (FIFO) method and consist of expendable supplies and vehicles repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Inventories of governmental funds are recorded as expenditures when purchased, except for road salt included in the Major Street Fund.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Prepays

Prepaid expenditures in the governmental and proprietary funds, such as memberships, software agreements, and insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute “available spendable resources” even though they are a component of net current assets. Prepaid expenditures in the governmental funds are reported using the consumption method.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activity and component units columns in the government-wide financial statements. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received. In accordance with the provisions of GASB Statement No. 34, the government has only capitalized infrastructure assets acquired or constructed since 1980.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is recognized as an expense in the period in which the cost is incurred.

Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	5 - 50 years
Buildings and improvements	5 - 50 years
Systems infrastructure	25 - 50 years
Machinery, Vehicles, and Equipment	3 - 25 years
Public infrastructure	50 years

Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits, subject to certain limitations. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.



**CITY OF MARSHALL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from debt proceeds received, are reported as expenses.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Unearned Revenue

Unearned revenues are reported for resources that have been received, but not yet earned.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position and in the proprietary funds statement of net position.

The City reports items in both categories, deferred outflows and inflows of resources, which correspond to the City's net pension liability and net OPEB liability and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual plan investment earnings, and contributions subsequent to the measurement date. The City also reports deferred outflows of resources in the business-type activities and certain enterprise funds for deferred charges on refunding.

Net Pension Liability

A net pension liability is calculated by subtracting the pension net position from the total pension liability. The net pension liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements as well as the enterprise funds.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net OPEB Liability

A net OPEB liability is calculated by subtracting the OPEB net position from the total OPEB liability. The net OPEB liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements as well as the enterprise funds.

Property Taxes

The City of Marshall bills and collects its own property taxes and taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the City of Marshall on August 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date, and are payable without penalty through September 15. The August 1 levy was composed of the County's levy, the State Education Tax assessment and the City's millage and assessments. The City bills and collects its own property taxes for general governmental services, recreation, DART, and leaf and trash removal, and also collects for Calhoun County, the District Library, and various school districts. Collections of property taxes and remittances of them to the appropriate authorities are accounted for in the Current Tax Collection custodial fund.

The City is permitted by state statute to levy taxes up to 20 mills (\$20 per \$1,000 of assessed valuation) for general governmental services other than the payment of principal and interest on long-term debt. For the year ended June 30, 2021, the City levied 17.1629 mills for general governmental services, 0.9171mills for recreation, 0.9171 mills for DART, and 0.4882 mills for leaf and trash removal. The total taxable value for the 2020 levy for property within the City was \$228,622,347.

The Downtown Development Authority is permitted by P.A. 197 of Michigan to levy taxes up to \$2.00 per \$1,000 of assessed valuation of property in the downtown district. The Authority's current year tax rate was \$1.5981 per \$1,000 of assessed valuation.

Advances to Other Governmental Units

Long-term advances from the primary government to component units are made to finance activities during their operations and to finance capital acquisitions. The applicable governmental fund balance is reported as nonspendable in the fund financial statements for such advances to reflect the amount of fund balance not currently available for expenditure.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The Internal Service Funds record charges for motor pool, technology, and safety provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses. The net revenues or losses of the Internal Service Fund, as well as the net position are included in the reconciliation to the government-wide financial statements.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Balance Classifications

Fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance:

*Nonspendable* - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

*Assigned* - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

*Unassigned* - all other resources; the remaining fund balance after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

For committed fund balance, City of Marshall's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is a Council Resolution.

For assigned fund balance, the City Council has delegated the responsibility for making fund balance assignments to the Finance Director and City Treasurer.

For the classification of fund balances, the City of Marshall considers restricted or unrestricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, after restricted amounts have been depleted, the City considers committed, assigned, or unassigned amounts to have been spent, in succession when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Policy

The City Council has adopted a fund balance reserve policy to provide a general framework for setting unassigned fund balance. The ratios vary depending on the fund, ranging from 18-25 percent of the annual operating expenditures or 1.2 debt service ratio. If the unassigned fund balance falls below the minimum range, the City will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy. At year end, total fund balance of the general fund met the minimum percentage requirement.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate restrictions imposed by the funding source or some other outside source, which precludes their use for unrestricted purposes.

Federal Programs

Federal programs are accounted for in the funds to which the programs pertain. The single audit reports and financial data will be issued under separate cover as supplementary information to the basic financial statements.

Comparative Data

Comparative data has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

As of June 30, 2021, the City had deposits subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2021, \$10,026,935 of the City's bank balance of \$11,292,703 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$11,291,417. The financial statements report \$1,070 of imprest cash on hand.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's banking and investment policy does not specifically address custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designating its investment portfolio with the objective of obtaining a rate of return through the economic cycles considering risk constraints and cash flow characteristics. The City’s policy is that, unless matched to a specific cash flow, the government will not directly invest in securities maturing more than three years from the date of purchase. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

	Fair Value	Weighted Average Maturity
PRIMARY GOVERNMENT		
Michigan CLASS Investment Pool	\$ 6,179,856	55 days
COMPONENT UNIT		
Michigan CLASS Investment Pool	65,015	55 days
	\$ 6,244,871	

The City’s investment in MERS total market portfolio is reported at it’s individual Net Asset Value. The weighted average maturity for the underlying investments held by each portfolio is not calculated or provided.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO’s). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of June 30, 2021, the City investment in the MI Class investments was rated AAAM by S&P Global Ratings. All of the City’s investments comply with its policy regarding the types of investments it may hold.

Concentration of Credit Risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City’s investment in a single issuer, by security type and institution. Among other provisions, the City’s investment policy provides that, except for U.S. treasuries and authorized investment pools, no more than 50 percent of the total investment portfolio may be invested in a single security type or with a single financial institution.

Foreign Currency Risk

The City is not authorized to invest in investments which have this type of risk.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)**

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified using the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in MERS and Michigan CLASS Investment Pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. MERS invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

At the year ended June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Weighted Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
PRIMARY GOVERNMENT				
Michigan CLASS Investment Pool	\$ 6,179,856	\$ -	No restrictions	None
COMPONENT UNIT				
Michigan CLASS Investment Pool	65,015	-	No restrictions	None
FIDUCIARY FUNDS				
MERS total market portfolio	1,773,838	-	No restrictions	None
	<u>\$ 8,018,709</u>	<u>\$ -</u>		

The cash and investments referred to above have been reported in the cash and investments captions on the basic financial statements, based upon criteria disclosed in Note 1. The following summarizes the categorization of these amounts as of June 30, 2021:

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash and investments	\$ 15,226,245	\$ 1,345,186	\$ 1,773,838	\$ 18,345,269
Cash and investments - restricted	965,927	-	-	965,927
	<u>\$ 16,192,172</u>	<u>\$ 1,345,186</u>	<u>\$ 1,773,838</u>	<u>\$ 19,311,196</u>

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES**

The amount of interfund receivables and payables at June 30, 2021, are as follows:

Due to General Fund from:	
Electric Fund	<u>\$ 2,163,395</u>

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transactions that have not cleared as of the balance sheet date.

**NOTE 4 - ADVANCES RECEIVABLE AND PAYABLE**

The following schedule details advances receivable and payable between funds of the primary government at June 30, 2021:

Advance to FiberNet Fund from:	
General Fund	\$ 1,000,000
Wastewater Fund	500,000
Electric Fund	<u>1,700,000</u>
	<u>\$ 3,200,000</u>

The \$3,200,000 interfund balance between the FiberNet Fund and other funds listed above represents the amount advanced to the FiberNet Fund to finance the installation of a fiber system. The amounts are not expected paid back in the next fiscal year. The FiberNet Fund also has a \$1,000,000 long-term advance from the Local Development Financing Authority, a component unit of the City.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - INTERFUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds and enterprise funds have been eliminated.

Fund	Transfers In	Transfers Out
General Fund	\$ 1,491,249	\$ (480,655)
Nonmajor governmental funds	493,425	(105,513)
Electric Fund	-	(824,550)
Wastewater Fund	-	(175,000)
Water Fund	-	(190,000)
FiberNet Fund	-	(34,809)
Nonmajor enterprise funds	-	(119,533)
Data Processing Fund	-	(17,269)
Motor Pool Fund	-	(37,345)
	\$ 1,984,674	\$ (1,984,674)

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, was as follows:

**Primary Government**

	Restated Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 1,759,160	\$ -	\$ -	\$ 1,759,160
Construction in progress	-	1,619,519	-	1,619,519
Subtotal	<u>1,759,160</u>	<u>1,619,519</u>	<u>-</u>	<u>3,378,679</u>
Capital assets being depreciated				
Land improvements	5,727,676	-	-	5,727,676
Buildings and improvements	24,159,767	91,755	-	24,251,522
Vehicles	22,278	-	-	22,278
Machinery and equipment	1,111,618	44,569	-	1,156,187
Infrastructure	14,706,048	-	-	14,706,048
Subtotal	<u>45,727,387</u>	<u>136,324</u>	<u>-</u>	<u>45,863,711</u>
Less accumulated depreciation for:				
Land improvements	(5,237,560)	(156,588)	-	(5,394,148)
Buildings and improvements	(8,818,945)	(559,445)	-	(9,378,390)
Vehicles	(14,625)	(1,788)	-	(16,413)
Machinery and equipment	(769,573)	(61,589)	-	(831,162)
Infrastructure	(5,624,320)	(450,813)	-	(6,075,133)
Subtotal	<u>(20,465,023)</u>	<u>(1,230,223)</u>	<u>-</u>	<u>(21,695,246)</u>
Net capital assets being depreciated	<u>25,262,364</u>	<u>(1,093,899)</u>	<u>-</u>	<u>24,168,465</u>
<b>Internal Service Funds</b>				
Data processing	36,549	-	(13,231)	23,318
Motor pool	3,141,026	330,464	(394,430)	3,077,060
Subtotal	<u>3,177,575</u>	<u>330,464</u>	<u>(407,661)</u>	<u>3,100,378</u>
Capital assets, net	<u>\$ 30,199,099</u>	<u>\$ 856,084</u>	<u>\$ (407,661)</u>	<u>\$ 30,647,522</u>

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

**Primary Government (continued)**

Depreciation expense was charged to the following governmental activities:

General government	\$ 160,551
Public safety	439,374
Public works	576,422
Parks and recreation	53,876
Internal service funds	<u>407,661</u>
	<u><u>\$ 1,637,884</u></u>

	Balance July 1, 2020	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2021
<b>Business-Type Activities</b>				
Capital assets not being depreciated				
Land	\$ 377,033	\$ -	\$ -	\$ 377,033
Construction in progress	<u>2,451,588</u>	<u>3,295,080</u>	<u>(3,175,426)</u>	<u>2,571,242</u>
Subtotal	<u>2,828,621</u>	<u>3,295,080</u>	<u>(3,175,426)</u>	<u>2,948,275</u>
Capital assets being depreciated				
Land improvements	889,149	-	-	889,149
Building and improvements	8,055,125	208,812	-	8,263,937
Vehicles	1,126,350	80,761	(77,422)	1,129,689
Machinery and equipment	13,275,138	56,963	-	13,332,101
Infrastructure	<u>35,421,871</u>	<u>3,346,216</u>	<u>-</u>	<u>38,768,087</u>
Subtotal	<u>58,767,633</u>	<u>3,692,752</u>	<u>(77,422)</u>	<u>62,382,963</u>
Less accumulated depreciation for:				
Land improvements	(312,211)	(29,894)	-	(342,105)
Building and improvements	(6,445,329)	(185,672)	-	(6,631,001)
Vehicles	(760,946)	(59,045)	24,196	(795,795)
Machinery and equipment	(10,570,044)	(214,770)	-	(10,784,814)
Infrastructure	<u>(15,815,975)</u>	<u>(1,172,631)</u>	<u>-</u>	<u>(16,988,606)</u>
Subtotal	<u>(33,904,505)</u>	<u>(1,662,012)</u>	<u>24,196</u>	<u>(35,542,321)</u>
Net capital assets being depreciated	<u>24,863,128</u>	<u>2,030,740</u>	<u>(53,226)</u>	<u>26,840,642</u>
Capital assets, net	<u><u>\$ 27,691,749</u></u>	<u><u>\$ 5,325,820</u></u>	<u><u>\$ (3,228,652)</u></u>	<u><u>\$ 29,788,917</u></u>

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (concluded)**

**Primary Government (concluded)**

Depreciation expense was charged to the following business-type activities:

Electric	\$ 568,727
Wastewater	363,053
Water	434,442
FiberNet	139,708
Marshall House	93,608
DART	<u>62,474</u>
	<u><u>\$ 1,662,012</u></u>

**Component Units**

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 473,300	\$ -	\$ -	\$ 473,300
Construction in progress	<u>-</u>	<u>683,374</u>	<u>-</u>	<u>683,374</u>
Subtotal	<u>473,300</u>	<u>683,374</u>	<u>-</u>	<u>1,156,674</u>
Capital assets being depreciated				
Infrastructure	640,096	-	-	640,096
Machinery and equipment	<u>97,240</u>	<u>-</u>	<u>-</u>	<u>97,240</u>
Subtotal	<u>737,336</u>	<u>-</u>	<u>-</u>	<u>737,336</u>
Less accumulated depreciation for:				
Infrastructure	(12,802)	(12,802)	-	(25,604)
Machinery and equipment	<u>(92,200)</u>	<u>(560)</u>	<u>-</u>	<u>(92,760)</u>
Subtotal	<u>(105,002)</u>	<u>(13,362)</u>	<u>-</u>	<u>(118,364)</u>
Net capital assets being depreciated	<u>632,334</u>	<u>(13,362)</u>	<u>-</u>	<u>618,972</u>
Capital assets, net	<u><u>\$ 1,105,634</u></u>	<u><u>\$ 670,012</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,775,646</u></u>

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2021:

**Primary Government**

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities					
General obligation bonds	\$ 5,500,000	\$ 4,750,000	\$ (285,000)	\$ 9,965,000	\$ 655,000
Direct borrowings	942,268	100,000	(267,964)	774,304	286,149
Compensated absences	346,013	6,389	(17,957)	334,445	83,612
Unamortized bond premiums	149,334	66,969	(8,879)	207,424	-
<b>Total Governmental Activities</b>	<b>6,937,615</b>	<b>4,923,358</b>	<b>(579,800)</b>	<b>11,281,173</b>	<b>1,024,761</b>
Business-type Activities					
General obligation bonds	7,295,000	2,665,000	(495,000)	9,465,000	605,000
Revenue bonds	4,200,000	-	(90,000)	4,110,000	100,000
Compensated absences	244,550	7,203	(7,033)	244,720	61,182
Unamortized bond premiums	379,767	-	(28,345)	351,422	-
<b>Total Business-type Activities</b>	<b>12,119,317</b>	<b>2,672,203</b>	<b>(620,378)</b>	<b>14,171,142</b>	<b>766,182</b>
<b>Total Primary Government Long-term Debt</b>	<b>\$ 19,056,932</b>	<b>\$ 7,595,561</b>	<b>\$ (1,200,178)</b>	<b>\$ 25,452,315</b>	<b>\$ 1,790,943</b>
<b>COMPONENT UNIT</b>					
South Neighborhood Improvement Authority					
General obligation bonds	\$ -	\$ 765,000	\$ -	\$ 765,000	\$ -

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - LONG-TERM OBLIGATIONS (continued)**

Significant details regarding outstanding long-term debt (including current portion) are presented below:

**Primary Government**

Governmental Activities

General Obligation Bonds

\$145,000 2012 Improvements Bond dated August 14, 2012 due in an annual installment of \$15,000 on April 1, 2022, with interest of 3.00%, payable semiannually.	\$ 15,000
\$5,325,000 2014 Building Authority General Obligation Bonds dated July 29, 2014 due in annual installments ranging from \$165,000 to \$320,000 through April 1, 2039, with interest ranging from 3.00% to 4.00% payable semiannually.	4,235,000
\$1,680,000 2014 Michigan Transportation General Obligation Bonds dated April 10, 2013 due in annual installments ranging from \$110,000 to \$135,000 through October 1, 2028, with interest ranging from 2.00% to 3.00% payable semiannually.	965,000
\$4,750,000 2021 Roads General Obligation Bonds dated May 18, 2021 due in annual installments ranging from \$365,000 to \$595,000 through April 1, 2031, with interest ranging from 1.00% to 2.00% payable semiannually.	4,750,000
	\$ 9,965,000

Direct Borrowings

\$145,000 Fire Truck Installment Purchase dated July 9, 2015 due in annual installments ranging from \$23,159 through \$43,747 through July 9, 2025, with interest of 2.33%, payable semiannually.	\$ 192,161
\$684,659 IPA 1 Loan dated February 7, 2018 due in annual installments ranging from \$141,735 through \$146,894 through February 7, 2023, with interest of 3.64%.	288,629
\$457,516 IPA 2 Loan dated February 7, 2018 due in annual installments ranging from \$94,916 through \$98,599 through April 15, 2023, with interest of 3.88%.	193,514
\$100,000 Airport Loan dated September 28, 2020 due in annual installments ranging from \$8,723 through \$11,382 through September 28, 2030, with interest of 3.00%.	100,000
	\$ 774,304

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - LONG-TERM OBLIGATIONS (continued)**

**Primary Government**

Business-type Activities

General Obligation Bonds

\$1,345,000 2009 General Obligation Bonds dated July 7, 2009 due in annual installments ranging from \$70,000 to \$100,000 through April 1, 2029, with interest ranging from 4.90% to 5.10% payable semiannually.	\$ 670,000
\$1,615,000 2012 Water General Obligation Bond dated September 5, 2012 due in annual installments ranging from \$70,000 to \$115,000 through April 1, 2032, with interest ranging from 3.00% to 3.30%, payable semiannually.	1,065,000
\$2,175,000 2012 Wastewater General Obligation Bond dated September 5, 2012 due in annual installments ranging from \$155,000 to \$205,000 through April 1, 2032, with interest ranging from 3.00% to 3.30%, payable semiannually	1,945,000
\$460,000 2016 Refunding Bond dated July 20, 2016 due in annual installments ranging from \$45,000 to \$55,000 through April 1, 2027, with interest ranging from 3.00% to 4.00%, payable	290,000
\$310,000 2016 Refunding Bond dated July 20, 2016 due in annual installments ranging from \$35,000 to \$40,000 through April 1, 2024, with interest ranging from 3.00% to 4.00%, payable	125,000
\$3,370,000 2016 General Obligation Bonds dated July 20, 2016 due in annual installments ranging from \$135,000 to \$230,000 through April 1, 2036, with interest ranging from 3.00% to 4.00%, payable semiannually.	2,705,000
\$2,665,000 2021 Dam General Obligation Bonds dated May 13, 2021 due in annual installments ranging from \$95,000 to \$175,000 through April 1, 2041, with interest of 2.75%, payable semiannually.	<u>2,665,000</u>
	<u>\$ 9,465,000</u>

Revenue Bonds

\$4,200,000 2019 Water Revenue Bonds dated July 9, 2019 due in annual installments ranging from \$100,000 to \$370,000 through April 1, 2040, with interest of 3.00%, payable semiannually.	<u>\$ 4,110,000</u>
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**Component Unit**

General Obligation Bonds

\$765,000 2021 Revenue Bonds dated May 13, 2021 due in annual installments ranging from \$50,000 to \$65,000 through October 1, 2037, with interest of 3.40%, payable semiannually.	<u>\$ 765,000</u>
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**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - LONG-TERM OBLIGATIONS (concluded)**

Compensated Absences

In accordance with City personnel policies and/or contracts negotiated with various employee groups of the City, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$334,445 and \$244,720 for vacation and sick for governmental and business-type activities, respectively, at June 30, 2021. Of those amounts, \$83,612 and \$61,182 have been recorded as current liabilities for governmental and business-type activities, respectively.

All City departments and funds with employees liquidate vacation, compensated absences, and normal sick leave as a direct payout. For governmental activities, compensated absences are generally liquidated by the General Fund.

Year Ending June 30,	Primary Government					
	General Obligation / Revenue Bonds				Direct Borrowing	
	Governmental Activities		Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 655,000	\$ 244,604	\$ 705,000	\$ 424,474	\$ 286,149	\$ 22,312
2023	670,000	240,637	755,000	414,650	296,221	12,500
2024	705,000	223,700	785,000	388,725	51,990	2,337
2025	740,000	209,874	775,000	361,713	53,279	1,326
2026	775,000	195,454	810,000	334,995	32,977	272
2027 - 2031	4,165,000	724,329	4,175,000	1,248,375	53,688	-
2032 - 2036	1,325,000	349,000	3,385,000	608,898	-	-
2037 - 2041	930,000	75,200	2,185,000	174,338	-	-
	<u>\$ 9,965,000</u>	<u>\$ 2,262,798</u>	<u>\$ 13,575,000</u>	<u>\$ 3,956,168</u>	<u>\$ 774,304</u>	<u>\$ 38,747</u>

Year Ending June 30,	Component Units	
	General Obligation Bonds	
	Principal	Interest
2022	\$ -	\$ 21,603
2023	-	26,010
2024	-	26,010
2025	-	26,010
2026	50,000	25,160
2027 - 2031	270,000	99,450
2032 - 2036	315,000	49,385
2037 - 2038	130,000	4,420
	<u>\$ 765,000</u>	<u>\$ 278,048</u>

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN**

Plan Description

The City participates in the Michigan Municipal Employees' Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at [www.mersofmich.com](http://www.mersofmich.com).

Summary of Significant Accounting Policies

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

Benefits Provided

Benefits provided include plans with multipliers ranging from 2.50% to 3.00%.

Vesting period of 10 years.

Normal retirement age is 60 with early retirement of 50 to 55 with 25 years of service or reduced early retirement at 50 with 25 years of service or 55 with 15 years of service.

Final average compensation is calculated based on three to five years.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Benefit terms may be subject to binding arbitration in certain circumstances.

At the December 31, 2020, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	105
Inactive employees entitled to but not yet receiving benefits	22
Active employees	<u>41</u>
Total employees covered by the Plan	<u><u>168</u></u>



**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (continued)**

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Payable to the Pension Plan

At June 30, 2021, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2021.

Net Pension Liability

The employer's net pension liability reported at June 30, 2021 was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2019	\$ 37,120,096	\$ 22,227,766	\$ 14,892,330
Changes for the Year			
Service cost	382,455	-	382,455
Interest on total pension liability	2,734,814	-	2,734,814
Difference between expected and actual experience	224,980	-	224,980
Changes of assumptions	815,496	-	815,496
Employer contributions	-	1,259,552	(1,259,552)
Employee contributions	-	275,570	(275,570)
Net investment income	-	2,712,878	(2,712,878)
Benefit payments, including employee refunds	(2,653,844)	(2,653,844)	-
Administrative expense	-	(43,800)	43,800
Net changes	<u>1,503,901</u>	<u>1,550,356</u>	<u>(46,455)</u>
Balances as of December 31, 2020	<u>\$ 38,623,997</u>	<u>\$ 23,778,122</u>	<u>\$ 14,845,875</u>

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (continued)**

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of \$2,008,445. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 112,490	\$ -
Assumption changes	407,748	-
Net difference between projected and actual earnings on pension plan investments	-	705,210
Contributions subsequent to the measurement date*	671,834	-
Total	\$ 1,192,072	\$ 705,210

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the net pension liability for the year ending June 30, 2022.

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

Years Ending June 30,	Pension Expense
2022	\$ 386,327
2023	84,343
2024	(442,093)
2025	(213,549)
	\$ (184,972)

**CITY OF MARSHALL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (continued)**

Actuarial Assumptions

The total pension liability in the December 31, 2020, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.35%, net of investment expenses, including inflation.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables; 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. The RP-2014 Employee Mortality Tables, and 3. The RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disable plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in valuation were based on the 2014-2018 Five Year Experience Study.

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

Increase in merit and longevity pay assumption.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (concluded)**

Projected Cash Flows (concluded)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money- Weighted Rate of Return</u>
Global equity	60.00%	5.25%	3.15%
Global fixed income	20.00%	1.25%	0.25%
Private investments	20.00%	7.25%	1.45%
	<u>100.00%</u>		
Inflation			<u>2.50%</u>
Assumed investment rate of return			7.35%
Administrative expense netted above			<u>0.25%</u>
Investment rate of return			<u>7.60%</u>

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rates 7.60%, as well as what the employer's Net Position Liability would be using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate.

	<u>1% Decrease Rate 6.60%</u>	<u>Current Discount Rate 7.60%</u>	<u>1% Increase Rate 8.60%</u>
Net pension liability	\$ 19,021,107	\$ 14,845,875	\$ 11,339,374

**NOTE 9 - DEFINED CONTRIBUTION PENSION PLAN**

The City provides a defined contribution pension plan, which provides retirement benefits to qualified employees who were hired after July 1, 2013. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City's contribution for employees eligible to participate in the plans vests based on years of service with 100% vesting occurring after 5 years of service. The City and participants contribute a percentage of participant's salary to the plans. City contributions to the MERS plan are 10% of salary and participant contributions are 7.7% of salary. City contributions for the fiscal year 2021 were \$245,592 and participant contributions were \$189,033. The plan provisions and contribution amounts were established by the City Council and may be amended by the Council. The plan is administered along with the defined benefit pension plans, through MERS.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

The City of Marshall Other Post-Employment Benefits Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the City using MERS’ retiree health funding vehicle (RHFV). The Plan provides certain retiree medical benefits as other post-employment benefits (OPEB) to all applicable employees, in accordance with union agreements and/or personnel policies. Benefit provisions are established by the City Council. The Plan does not issue a separate stand-alone financial statement.

Benefits Provided

The plan was established and is being funded under the authority of the City. The plan’s funding policy is that the employer will contribute \$200,000 per year to the OPEB Trust in addition to paying retiree benefits from general operating funds at least until the plan is 40% funded. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

Summary of Plan Participants

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

Active plan members	6	
Retirees and beneficiaries	69	
Total employees covered by the plan	75	

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2021 and was determined by an actuarial valuation from June 30, 2020, rolled forward to June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%	
Salary increases	3.50%	
Investment rate of return	7.35%, including inflation	
Healthcare cost trend rate	7.50% graded down 4.50% by 0.25%	
	per year	
20-year Municipal bond rate	2.18%	

Mortality rates were based on the 2010 public general and public safety employees and healthy and disabled retirees, headcount weighted with improvement scale MP-2019.

The assumptions used in the June 30, 2020 valuation were determined by the City’s management as of June 30, 2020.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions (concluded)

The long-term expected rate of return on OPEB 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 OPEB 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:

Asset Class	Target Allocation	Real Rate of Return
Global equity	60.00%	5.25%
Global fixed income	20.00%	1.25%
Private investments	20.00%	7.25%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35%. The projection of cash flows used to determine the discount rate assumed that City contributions will be \$200,000 in addition to paying retiree benefits from general operating funds for the foreseeable future. Thus, based on those assumptions, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. There is no cross-over point. This discount rate is used to determine the Total OPEB Liability. As of June 30, 2020, the discount rate used to value OPEB liabilities was 7.35%.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

- Salary increase assumption changed from 3.00% to 3.50%.
- 20-year Municipal bond rate changed from 2.66% to 2.18%.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended June 30, 2021 is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPB Liability (a)-(b)
Balances at June 30, 2020	\$ 9,299,667	\$ 1,189,987	\$ 8,109,680
Changes for the Year			
Service cost	8,348	-	8,348
Interest on total OPEB liability	658,434	-	658,434
Difference between expected and actual experience	(78,507)	-	(78,507)
Changes of assumptions	(226,421)	-	(226,421)
Employer contributions	-	899,489	(899,489)
Net investment income	-	386,713	(386,713)
Benefit payments, including employee refunds	(699,489)	(699,489)	-
Administrative expense	-	(2,862)	2,862
Net changes	<u>(337,635)</u>	<u>583,851</u>	<u>(921,486)</u>
Balances as of June 30, 2021	<u>\$ 8,962,032</u>	<u>\$ 1,773,838</u>	<u>\$ 7,188,194</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.35%) or 1-percentage-point higher (8.35%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 8,023,711</u>	<u>\$ 7,188,194</u>	<u>\$ 6,481,396</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 6,378,405</u>	<u>\$ 7,188,194</u>	<u>\$ 8,135,406</u>

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (concluded)**

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$226,171. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ 172,977

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

Year Ending June 30,	OPEB Expense
2022	\$ (36,593)
2023	(35,222)
2024	(44,211)
2025	(56,951)
	\$ (172,977)

**NOTE 11 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for excess claims for general and auto liability, auto physical damage and property loss claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The City also participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required in any of the past three fiscal years.



**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

The City participates in a number of Federal and State assisted grant programs which are subject to compliance audits. The periodic program compliance audits of many of the programs have not yet been completed or final resolution has not been received. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Contingent liabilities represent items that are not recognized in the Statement of Net Position at June 30, 2021 because there is significant uncertainty as to the outcome of a future event. Contingent liabilities are recorded in the Statement of Net Position only when the contingency is probable, and the amount can be estimated. The City is a defendant in various legal actions arising in the normal course of its activities including certain discrimination cases on file with the Equal Employment Opportunity Commission and the Michigan Department of Civil Rights. The City estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

**NOTE 13 - DIAL-A-RIDE DISCLOSURES**

The following disclosures are required by the Michigan Department of Transportation (MDOT) relative to the City's Dial-A-Ride program which is funded by and through MDOT:

*Cost Allocation Plans*

The Dial-A-Ride has one cost allocation plan (central service - building) where the methodology has been approved by the Office of Passenger Transportation (OPT). The cost allocation plan was adhered to in the preparation of the financial statements.

*Nonfinancial Methodology*

The methodology used for compiling vehicle mileage is adequate and reliable.

*Depreciation*

The depreciation expense reported in 51300 equals the ineligible depreciation reported in 55007. Therefore, the depreciation assurance regarding approval of useful life is not required.

*Capital Funds Used to Pay for Operating*

No operating expenses are subtracted out as ineligible because no capital money was used to pay for operating expenses for the fiscal year ended June 30, 2021.

*Expenses Associated with PTMS Codes 406 & 407*

Expenses associated with 406xx Auxiliary Transportation Revenue (advertising revenue) and / or 407xx Non-transportation, if any, are subtracted out as ineligible under 56002 Ineligible Expenses Associated with Advertising Revenue for the fiscal year ended September 30, 2020.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 - DIAL-A-RIDE DISCLOSURES (concluded)**

*Retirement Benefits*

The Dial-A-Ride offers two pension compensation plans: MERS defined benefit and MERS defined contribution. During the fiscal year ended September 30, 2020 the Dial-A-Ride paid \$0 in 50210 DC Pensions under its MERS defined contribution plan. The entire amount was expensed on the books and reported in 50210 DC Pensions. The entire sum of \$0 was paid (e.g., an out-of-pocket payment) and, therefore, no DC pension is subtracted out under 58010 Ineligible DC Pensions.

Pension costs incurred for the MERS defined benefit plan were calculated pursuant to the MERS GASB 68 Implementation Guide. The total pension expense recognized as calculated in STEP 6 of the guide was \$136,736 for the Dial-A-Ride's fiscal year end of September 30, 2020. The entire amount of \$136,736 was expensed on the books and is reported in 50220 DB Pensions as of September 30, 2020. The transit agency paid (e.g., an out of pocket payment) \$27,157, therefore, \$109,579 is subtracted out under 58020 Ineligible DB Pension.

The transit agency incurred \$(67,462) in 50230 Other Post-employment Benefits (OPEB) and expensed the entire amount on its books. The transit agency paid (e.g., an out of pocket payment) \$53,448, therefore, \$(120,910) is subtracted out under 58030 Ineligible OPEB.

**NOTE 14 - UNCERTAINTIES**

The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain.

**NOTE 15 - SUBSEQUENT EVENT**

The American Rescue Plan (ARP) Act was signed into law on March 11, 2021, and it guaranteed direct relief to local municipalities. The City is estimated to receive approximately \$729,000 in ARP funding. Funding is being released by the U.S. Department of Treasury in two tranches. Half of the funding the City is entitled to was released in September 2021, and the second half of the funding will be released under the second tranche approximately one year after the disbursement of the first tranche. The City will have until 2024 to obligate the federal funds and until 2026 to spend the funds on allowable expenditures.

Subsequent to year end the City of Marshall entered into an agreement to sell the Marshall House Apartments, an enterprise activity of the City, for \$10,300,000, payable in full at closing.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 16 - FUND BALANCE CLASSIFICATIONS**

The following are the various fund balance classifications as of June 30, 2021:

	General Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total
Fund Balances				
Nonspendable				
Inventory	\$ 9,603	\$ -	\$ 12,810	\$ 22,413
Prepays	132,186	-	21,747	153,933
Advances	1,000,000	-	-	1,000,000
Endowments	-	-	321,851	321,851
Restricted				
Streets	-	4,389,534	1,193,648	5,583,182
Regional law enforcement center	-	-	344,106	344,106
Capital projects	-	-	50	50
Leaf, brush, and trash removal	-	-	5,456	5,456
Drug and law enforcement	-	-	4,469	4,469
Cemetery perpetual care	-	-	290,997	290,997
Debt service	-	-	1,145	1,145
Committed				
Fire truck	184,000	-	-	184,000
Special projects	-	-	214,052	214,052
Assigned				
Subsequent year's expenditures	187,525	-	-	187,525
Unassigned	2,360,945	-	-	2,360,945
TOTAL FUND BALANCES	<u>\$ 3,874,259</u>	<u>\$ 4,389,534</u>	<u>\$ 2,410,331</u>	<u>\$ 10,674,124</u>

**NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLES**

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has two funds that meet the criteria (an OPEB trust fund and a custodial fund for tax collections), which are presented in a statement of fiduciary net position and a statement of changes in fiduciary net position.

**CITY OF MARSHALL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 18 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022 fiscal year.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The City is currently evaluating the impact this standard will have on the financial statements when adopted during 2023 fiscal year.

**NOTE 19 - RESTATEMENT**

Beginning net position for governmental activities has been adjusted to correct understated capital assets as noted below:

	Governmental Activities
Beginning net position	\$ 17,760,168
Capital assets not being depreciated	558,369
Beginning net position, restated	\$ 18,318,537

**NOTE 20 - NET POSITION DEFICITS**

The following funds had net position deficits at June 30, 2021:

	Net Position	
	Unrestricted	Total
<b>PRIMARY GOVERNMENT</b>		
Business-type Activities		
Electric Fund	\$ (3,136,362)	\$ 2,615,898
FiberNet Fund	(4,401,667)	(1,242,990)

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MARSHALL  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 3,939,622	\$ 3,939,622	\$ 3,925,176	\$ (14,446)
Licenses and permits	347,240	347,240	404,074	56,834
Intergovernmental	1,316,501	1,476,501	2,346,177	869,676
Charges for services	388,019	388,019	192,870	(195,149)
Fines and forfeits	31,800	31,800	12,935	(18,865)
Interest and rents	111,020	86,020	110,057	24,037
Other	417,447	317,447	362,809	45,362
<b>TOTAL REVENUES</b>	<b>6,551,649</b>	<b>6,586,649</b>	<b>7,354,098</b>	<b>767,449</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General government</b>				
Council	5,014	5,014	3,403	1,611
Manager	264,703	264,703	265,907	(1,204)
Assessor	71,010	71,010	69,691	1,319
Attorney	55,000	155,000	114,918	40,082
Human resources	95,609	95,609	87,770	7,839
Clerk	72,081	72,081	69,923	2,158
Treasurer	560,046	560,046	501,826	58,220
City hall	97,704	97,704	84,494	13,210
Chapel	4,643	4,643	3,454	1,189
Other City properties	56,000	58,000	57,691	309
Non-departmental	631,741	681,741	661,419	20,322
<b>Total general government</b>	<b>1,913,551</b>	<b>2,065,551</b>	<b>1,920,496</b>	<b>145,055</b>
<b>Public safety</b>				
Police	1,738,233	1,738,233	1,729,096	9,137
Crossing guards	8,670	8,670	7,792	878
Dispatch operations	123,200	191,000	130,380	60,620
Fire	1,228,503	1,228,503	1,153,224	75,279
Inspection	138,527	138,527	121,012	17,515
Code enforcement	25,881	25,881	15,156	10,725
<b>Total public safety</b>	<b>3,263,014</b>	<b>3,330,814</b>	<b>3,156,660</b>	<b>174,154</b>
<b>Public works</b>				
Street	886,169	952,769	895,540	57,229
Composting	26,270	46,270	41,692	4,578
Engineering	52,413	52,413	35,641	16,772
Cemetery	170,533	170,533	162,193	8,340
Airport	329,939	1,153,024	1,069,320	83,704
Public services building	121,881	121,881	114,271	7,610
<b>Total public works</b>	<b>1,587,205</b>	<b>2,496,890</b>	<b>2,318,657</b>	<b>178,233</b>

**CITY OF MARSHALL  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE (concluded)  
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (continued)				
Current - concluded				
Community and economic development				
Farmers market	\$ 31,179	\$ 31,179	\$ 21,748	\$ 9,431
Planning and zoning	58,180	58,180	48,201	9,979
Total community and economic development	89,359	89,359	69,949	19,410
Recreation and culture				
Recreation	512,289	512,289	314,418	197,871
Parks	85,592	85,592	90,510	(4,918)
Total recreation and culture	597,881	597,881	404,928	192,953
Debt service	50,855	50,855	60,973	(10,118)
Capital outlay	181,747	181,747	50,665	131,082
TOTAL EXPENDITURES	7,683,612	8,813,097	7,982,328	830,769
EXCESS OF REVENUES (UNDER) EXPENDITURES	(1,131,963)	(2,226,448)	(628,230)	1,598,218
OTHER FINANCING SOURCES (USES)				
Issuance of debt	100,000	923,085	100,000	(823,085)
Transfers in	1,536,179	1,536,179	1,491,249	(44,930)
Transfers out	(501,351)	(501,351)	(480,655)	20,696
TOTAL OTHER FINANCING SOURCES (USES)	1,134,828	1,957,913	1,110,594	(847,319)
NET CHANGE IN FUND BALANCE	2,865	(268,535)	482,364	750,899
Fund balance, beginning of year	3,391,895	3,391,895	3,391,895	-
Fund balance, end of year	\$ 3,394,760	\$ 3,123,360	\$ 3,874,259	\$ 750,899

**CITY OF MARSHALL  
MUNICIPAL STREET FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	\$ -	\$ -	\$ 80	\$ 80
EXPENDITURES				
Current				
Public works	-	1,000,000	427,515	572,485
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	(1,000,000)	(427,435)	572,565
OTHER FINANCING SOURCES				
Proceeds from issuance of debt	-	4,750,000	4,750,000	-
Bond premium	-	66,969	66,969	-
TOTAL OTHER FINANCING SOURCES	-	4,816,969	4,816,969	-
NET CHANGE IN FUND BALANCE	-	3,816,969	4,389,534	572,565
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 3,816,969	\$ 4,389,534	\$ 572,565



**CITY OF MARSHALL**  
**DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST SEVEN FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)**

	2020	2019	2018	2017	2016	2015	2014
<b>CHANGE IN TOTAL PENSION LIABILITY</b>							
Service cost	\$ 382,455	\$ 408,090	\$ 394,120	\$ 433,744	\$ 479,907	\$ 499,467	\$ 494,170
Interest	2,734,814	2,752,916	2,682,389	2,674,178	2,624,048	2,516,972	2,450,825
Changes of benefit terms	-	70	-	4,811	-	-	-
Difference between expected and actual experience	224,980	(80,974)	288,807	(639,786)	(201,324)	(31,309)	-
Changes of assumptions	815,496	1,114,526	-	-	-	1,499,182	-
Benefit payments, including employee refunds	<u>(2,653,844)</u>	<u>(2,563,879)</u>	<u>(2,417,509)</u>	<u>(2,283,549)</u>	<u>(2,222,675)</u>	<u>(2,142,685)</u>	<u>(2,143,777)</u>
Net Change in Total Pension Liability	1,503,901	1,630,749	947,807	189,398	679,956	2,341,627	801,218
Total Pension Liability, beginning	<u>37,120,096</u>	<u>35,489,347</u>	<u>34,541,540</u>	<u>34,352,142</u>	<u>33,672,186</u>	<u>31,330,559</u>	<u>30,529,341</u>
Total Pension Liability, ending	<u>\$ 38,623,997</u>	<u>\$ 37,120,096</u>	<u>\$ 35,489,347</u>	<u>\$ 34,541,540</u>	<u>\$ 34,352,142</u>	<u>\$ 33,672,186</u>	<u>\$ 31,330,559</u>
<b>CHANGE IN PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	\$ 1,259,552	\$ 1,104,995	\$ 984,063	\$ 862,172	\$ 790,417	\$ 710,139	\$ 611,791
Contributions - employee	275,570	248,537	269,424	282,382	311,834	329,215	353,729
Net investment income (loss)	2,712,878	2,751,161	(856,613)	2,742,993	2,241,410	(311,804)	1,337,330
Benefit payments, including employee refunds	(2,653,844)	(2,563,879)	(2,417,509)	(2,283,549)	(2,222,675)	(2,142,685)	(2,143,777)
Administrative expenses	<u>(43,800)</u>	<u>(47,356)</u>	<u>(43,320)</u>	<u>(43,520)</u>	<u>(44,490)</u>	<u>(46,163)</u>	<u>(48,890)</u>
Net Change in Plan Fiduciary Net Position	1,550,356	1,493,458	(2,063,955)	1,560,478	1,076,496	(1,461,298)	110,183
Plan Fiduciary Net Position, beginning	<u>22,227,766</u>	<u>20,734,308</u>	<u>22,798,263</u>	<u>21,237,785</u>	<u>20,161,289</u>	<u>21,622,587</u>	<u>21,512,404</u>
Plan Fiduciary Net Position, ending	<u>\$ 23,778,122</u>	<u>\$ 22,227,766</u>	<u>\$ 20,734,308</u>	<u>\$ 22,798,263</u>	<u>\$ 21,237,785</u>	<u>\$ 20,161,289</u>	<u>\$ 21,622,587</u>
City's Net Pension Liability	<u>\$ 14,845,875</u>	<u>\$ 14,892,330</u>	<u>\$ 14,755,039</u>	<u>\$ 11,743,277</u>	<u>\$ 13,114,357</u>	<u>\$ 13,510,897</u>	<u>\$ 9,707,972</u>
Plan fiduciary net position as a percentage of the total pension liability	61.56%	59.88%	58.42%	66.00%	61.82%	59.88%	69.01%
Covered payroll	\$ 2,781,676	\$ 2,978,869	\$ 2,879,640	\$ 3,220,900	\$ 3,544,724	\$ 3,714,381	\$ 3,702,727
City's net pension liability as a percentage of covered payroll	533.7%	499.9%	512.4%	364.6%	370.0%	363.7%	262.2%

**CITY OF MARSHALL  
 DEFINED BENEFIT PENSION PLAN  
 SCHEDULE OF CITY CONTRIBUTIONS  
 LAST TEN FISCAL YEARS  
 (AMOUNTS WERE DETERMINED AS OF 6/30 EACH FISCAL YEAR)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 1,351,493	\$ 1,166,246	\$ 984,063	\$ 862,172	\$ 815,277	\$ 710,139	\$ 654,990	\$ 568,171	\$ 480,936	\$ 415,427
Contributions in relation to the actuarially determined contribution	<u>1,351,493</u>	<u>1,166,246</u>	<u>984,063</u>	<u>862,172</u>	<u>815,277</u>	<u>710,139</u>	<u>654,990</u>	<u>568,171</u>	<u>480,936</u>	<u>415,427</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,950,962	\$ 2,919,292	\$ 2,822,047	\$ 3,317,527	\$ 3,459,896	\$ 3,751,525	\$ 3,702,728	\$ 4,139,755	\$ 4,165,476	\$ 4,390,462
Contributions as a percentage of covered payroll	45.80%	39.95%	34.87%	25.99%	23.56%	18.93%	17.69%	13.72%	11.55%	9.46%

**CITY OF MARSHALL**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST FOUR MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>CHANGE IN TOTAL OPEB LIABILITY</b>				
Service cost	\$ 8,348	\$ 31,537	\$ 165,819	\$ 155,319
Interest	658,434	690,180	761,974	764,687
Difference between expected and actual experience	(78,507)	(1,272,562)	(78,697)	(107,694)
Changes of assumptions	(226,421)	(287,369)	(14,990,818)	471,768
Benefit payments, including refunds of member contributions	<u>(699,489)</u>	<u>(575,706)</u>	<u>(587,200)</u>	<u>(548,507)</u>
Net Change in Total OPEB Liability	(337,635)	(1,413,920)	(14,728,922)	735,573
Total OPEB Liability, beginning	<u>9,299,667</u>	<u>10,713,587</u>	<u>25,442,509</u>	<u>24,706,936</u>
Total OPEB Liability, ending	<u>\$ 8,962,032</u>	<u>\$ 9,299,667</u>	<u>\$ 10,713,587</u>	<u>\$ 25,442,509</u>
<b>CHANGE IN PLAN FIDUCIARY NET POSITION</b>				
Employer contributions	\$ 200,000	\$ 200,000	\$ -	\$ -
Contributions/benefits paid from general operating funds	699,489	575,706	587,200	548,507
OPEB plan net investment income	386,713	26,540	27,816	67,943
Benefit payments, including refunds of member contributions	(699,489)	(575,706)	(587,200)	(548,507)
Administrative expenses	<u>(2,862)</u>	<u>(2,111)</u>	<u>(1,972)</u>	<u>(2,206)</u>
Net Change in Plan Fiduciary Net Position	583,851	224,429	25,844	65,737
Plan Fiduciary Net Position, beginning	<u>1,189,987</u>	<u>965,558</u>	<u>939,714</u>	<u>873,977</u>
Plan Fiduciary Net Position, ending	<u>\$ 1,773,838</u>	<u>\$ 1,189,987</u>	<u>\$ 965,558</u>	<u>\$ 939,714</u>
Plan's Net OPEB Liability	<u>\$ 7,188,194</u>	<u>\$ 8,109,680</u>	<u>\$ 9,748,029</u>	<u>\$ 24,502,795</u>
Plan fiduciary net position as a percentage of the total OPEB liability	19.79%	12.80%	9.01%	3.69%
Covered payroll	\$ 336,660	\$ 456,791	\$ 301,626	N/A
Plan's net OPEB liability as a percentage of covered payroll	2135.15%	1775.36%	3231.83%	N/A

**CITY OF MARSHALL  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS  
LAST FOUR FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)  
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 4,516,130	\$ 3,721,006	\$ 1,579,522	\$ 8,242,097
Contributions in relation to the actuarially determined contribution	<u>200,000</u>	<u>775,706</u>	<u>587,200</u>	<u>548,507</u>
Contribution deficiency	<u>\$ 4,316,130</u>	<u>\$ 2,945,300</u>	<u>\$ 992,322</u>	<u>\$ 7,693,590</u>
Covered payroll	\$ 336,660	\$ 456,791	\$ 301,626	N/A
Contributions as a percentage of covered payroll	59.41%	169.82%	194.68%	N/A

**CITY OF MARSHALL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City's budgeted expenditures have been shown at the activity level for the General Fund and the functional classification level for the major special revenue fund. The approved budgets for the City have been adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2021, the City incurred expenditures in the General Fund in excess of the amounts appropriated as follows:

	Amounts Appropriated	Amounts Expended	Variance
General Fund			
Current			
General government			
Manager	\$ 264,703	\$ 265,907	\$ (1,204)
Recreation and culture			
Parks	85,592	90,510	(4,918)
Debt service	50,855	60,973	(10,118)

**NOTE 2 - EMPLOYEE RETIREMENT PLAN**

Changes of Benefit Terms: There were no changes of benefit terms for the plan year 2020.

Changes in Assumptions: Increases in merit and longevity pay assumptions.

**NOTE 3 - OTHER POST-EMPLOYMENT BENEFITS PLAN**

Changes of Benefit Terms: There were no changes of benefit terms during plan year 2021.

Changes of Assumptions: Reduction in the AA 20-year municipal bond rate from 2.66% to 2.18%.  
Increase in salary increase assumption from 3.00% to 3.50%.

## **OTHER SUPPLEMENTARY INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Major Streets** - This fund is used to account for the receipt and expenditures of state shared gas and weight taxes under Act 51, P.A. 1951 as amended which are for use on Major streets within the City. Gas and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

**Local Streets** - This fund is used to account for the receipt and expenditures of state shared gas and weight taxes under Act 51, P.A. 1951 as amended which are for use on local streets within the City. Gas and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

**Marshall Regional Law Enforcement Center** – This fund is used to account for the operations of the Marshall Regional Law Enforcement Center.

**Leaf, Brush, and Trash Removal** - This fund is used to account for property taxes collected for the gathering and disposal of City resident's yard waste and waste.

**Drug Forfeiture** - This fund is used to account for drug forfeitures collected by the City to be used for public safety purposes.

### DEBT SERVICE FUND

**Building Authority** - To account for the payment of bonds issued to acquire and construct various buildings and building improvements.

### CAPITAL PROJECT FUNDS

**Building Authority Construction** - accounts for the large capital projects of the City.

**Special Projects** - This fund is used to account for grants and other revenue sources received by the City intended to finance short-term projects.

### PERMANENT FUND

**Cemetery** - Perpetual care of a cemetery lot is part of the purchase price. This principal amount is an endowment and the investment income is used to maintain the cemetery operation.

**CITY OF MARSHALL  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021**

	Special Revenue					Debt Service	Capital Projects		Permanent	Total
	Major Streets	Local Streets	Marshall Regional Law Enforcement Center	Leaf, Brush, and Trash Removal	Drug Forfeiture	Building Authority	Building Authority Construction	Special Projects	Cemetery	
<b>ASSETS</b>										
Cash and investments	\$ 277,790	\$ 845,552	\$ 361,259	\$ 23,487	\$ 4,469	\$ 1,145	\$ 50	\$ 214,327	\$ 611,198	\$ 2,339,277
Accounts receivable, net	-	-	10,401	-	-	-	-	-	1,650	12,051
Due from other governmental units	56,447	18,118	801	-	-	-	-	-	-	75,366
Inventories	12,810	-	-	-	-	-	-	-	-	12,810
Prepays	1,013	889	18,202	1,643	-	-	-	-	-	21,747
<b>TOTAL ASSETS</b>	<b>\$ 348,060</b>	<b>\$ 864,559</b>	<b>\$ 390,663</b>	<b>\$ 25,130</b>	<b>\$ 4,469</b>	<b>\$ 1,145</b>	<b>\$ 50</b>	<b>\$ 214,327</b>	<b>\$ 612,848</b>	<b>\$ 2,461,251</b>
<b>LIABILITIES</b>										
Accounts payable	\$ 3,044	\$ 614	\$ 26,626	\$ 17,726	\$ -	\$ -	\$ -	\$ 275	\$ -	\$ 48,285
Accrued liabilities	374	227	1,729	305	-	-	-	-	-	2,635
<b>TOTAL LIABILITIES</b>	<b>3,418</b>	<b>841</b>	<b>28,355</b>	<b>18,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>275</b>	<b>-</b>	<b>50,920</b>
<b>FUND BALANCES</b>										
Nonspendable	13,823	889	18,202	1,643	-	-	-	-	321,851	356,408
Restricted	330,819	862,829	344,106	5,456	4,469	1,145	50	-	290,997	1,839,871
Committed	-	-	-	-	-	-	-	214,052	-	214,052
<b>TOTAL FUND BALANCES</b>	<b>344,642</b>	<b>863,718</b>	<b>362,308</b>	<b>7,099</b>	<b>4,469</b>	<b>1,145</b>	<b>50</b>	<b>214,052</b>	<b>612,848</b>	<b>2,410,331</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 348,060</b>	<b>\$ 864,559</b>	<b>\$ 390,663</b>	<b>\$ 25,130</b>	<b>\$ 4,469</b>	<b>\$ 1,145</b>	<b>\$ 50</b>	<b>\$ 214,327</b>	<b>\$ 612,848</b>	<b>\$ 2,461,251</b>



**CITY OF MARSHALL  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021**

	Special Revenue					Debt Service	Capital Projects		Permanent	Total
	Major Streets	Local Streets	Marshall Regional Law Enforcement Center	Leaf, Brush, and Trash Removal	Drug Forfeiture	Building Authority	Building Authority Construction	Special Projects	Cemetery	
<b>REVENUES</b>										
Property taxes	\$ -	\$ -	\$ -	101,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,910
Intergovernmental	745,010	257,483	-	12,424	-	-	-	-	-	1,014,917
Charges for services	-	-	239,233	-	-	-	-	-	17,325	256,558
Fines and forfeits	-	-	-	-	250	-	-	-	-	250
Interest and rents	529	1,048	69	2	-	-	-	214	1,131	2,993
Other	-	-	90,067	-	-	-	-	63,276	-	153,343
<b>TOTAL REVENUES</b>	<b>745,539</b>	<b>258,531</b>	<b>329,369</b>	<b>114,336</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>63,490</b>	<b>18,456</b>	<b>1,529,971</b>
<b>EXPENDITURES</b>										
Current										
Public safety	-	-	369,954	-	-	-	-	-	-	369,954
Public works	563,356	182,824	-	113,054	-	-	-	-	-	859,234
Debt service	129,963	-	-	-	-	333,050	-	-	-	463,013
Capital outlay	-	-	-	-	-	-	-	98,539	-	98,539
<b>TOTAL EXPENDITURES</b>	<b>693,319</b>	<b>182,824</b>	<b>369,954</b>	<b>113,054</b>	<b>-</b>	<b>333,050</b>	<b>-</b>	<b>98,539</b>	<b>-</b>	<b>1,790,740</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>52,220</b>	<b>75,707</b>	<b>(40,585)</b>	<b>1,282</b>	<b>250</b>	<b>(333,050)</b>	<b>-</b>	<b>(35,049)</b>	<b>18,456</b>	<b>(260,769)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	50,000	110,375	-	-	333,050	-	-	-	493,425
Transfers out	(86,454)	(19,059)	-	-	-	-	-	-	-	(105,513)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(86,454)</b>	<b>30,941</b>	<b>110,375</b>	<b>-</b>	<b>-</b>	<b>333,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>387,912</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(34,234)</b>	<b>106,648</b>	<b>69,790</b>	<b>1,282</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>(35,049)</b>	<b>18,456</b>	<b>127,143</b>
Fund balances, beginning of year	378,876	757,070	292,518	5,817	4,219	1,145	50	249,101	594,392	2,283,188
Fund balances, end of year	\$ 344,642	\$ 863,718	\$ 362,308	\$ 7,099	\$ 4,469	\$ 1,145	\$ 50	\$ 214,052	\$ 612,848	\$ 2,410,331

**CITY OF MARSHALL  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2021**

	<u>Major Streets Fund</u>			Variances with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 771,043	\$ 771,043	\$ 745,010	\$ (26,033)
Interest and rents	18,064	18,064	529	(17,535)
TOTAL REVENUES	<u>789,107</u>	<u>789,107</u>	<u>745,539</u>	<u>(43,568)</u>
EXPENDITURES				
Current				
Public works	572,690	644,156	563,356	80,800
Debt service	129,963	129,963	129,963	-
TOTAL EXPENDITURES	<u>702,653</u>	<u>774,119</u>	<u>693,319</u>	<u>80,800</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>86,454</u>	<u>14,988</u>	<u>52,220</u>	<u>37,232</u>
OTHER FINANCING (USES)				
Transfers out	<u>(86,454)</u>	<u>(86,454)</u>	<u>(86,454)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(71,466)	(34,234)	37,232
Fund balance, beginning of year	<u>378,876</u>	<u>378,876</u>	<u>378,876</u>	<u>-</u>
Fund balance, end of year	<u>\$ 378,876</u>	<u>\$ 307,410</u>	<u>\$ 344,642</u>	<u>\$ 37,232</u>

**CITY OF MARSHALL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (continued)**  
**YEAR ENDED JUNE 30, 2021**

	<u>Local Streets Fund</u>			Variances with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 242,228	\$ 242,228	\$ 257,483	\$ 15,255
Interest and rents	9,583	9,583	1,048	(8,535)
TOTAL REVENUES	251,811	251,811	258,531	6,720
EXPENDITURES				
Current				
Public works	282,752	282,752	182,824	99,928
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,941)	(30,941)	75,707	106,648
OTHER FINANCING SOURCES (USES)				
Transfers in	(50,000)	(50,000)	50,000	100,000
Transfers out	(19,059)	(19,059)	(19,059)	-
TOTAL OTHER FINANCING SOURCES (USES)	(69,059)	(69,059)	30,941	100,000
NET CHANGE IN FUND BALANCE	(100,000)	(100,000)	106,648	206,648
Fund balance, beginning	757,070	757,070	757,070	-
Fund balance, ending	<u>\$ 657,070</u>	<u>\$ 657,070</u>	<u>\$ 863,718</u>	<u>\$ 206,648</u>

**CITY OF MARSHALL  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (continued)  
YEAR ENDED JUNE 30, 2021**

	<u>Marshall Regional Law Enforcement Center Fund</u>			
	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 226,615	\$ 226,615	\$ 239,233	\$ 12,618
Interest	500	500	69	(431)
Other	31,200	31,200	90,067	58,867
TOTAL REVENUES	<u>258,315</u>	<u>258,315</u>	<u>329,369</u>	<u>71,054</u>
EXPENDITURES				
Current				
Public safety	<u>377,661</u>	<u>389,661</u>	<u>369,954</u>	<u>19,707</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(119,346)</u>	<u>(131,346)</u>	<u>(40,585)</u>	<u>90,761</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>110,364</u>	<u>110,364</u>	<u>110,375</u>	<u>11</u>
NET CHANGE IN FUND BALANCE	(8,982)	(20,982)	69,790	90,772
Fund balance, beginning of year	<u>292,518</u>	<u>292,518</u>	<u>292,518</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 283,536</u></u>	<u><u>\$ 271,536</u></u>	<u><u>\$ 362,308</u></u>	<u><u>\$ 90,772</u></u>

**CITY OF MARSHALL  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL (continued)  
YEAR ENDED JUNE 30, 2021**

	<u>Leaf, Brush, and Trash Removal Fund</u>			
	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variances with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 98,045	\$ 102,970	\$ 101,910	\$ (1,060)
Intergovernmental	3,000	3,000	12,424	9,424
Interest and rents	30	30	2	(28)
TOTAL REVENUES	<u>101,075</u>	<u>106,000</u>	<u>114,336</u>	<u>8,336</u>
EXPENDITURES				
Current				
Public works	<u>100,058</u>	<u>125,058</u>	<u>113,054</u>	<u>12,004</u>
NET CHANGE IN FUND BALANCE	1,017	(19,058)	1,282	20,340
Fund balance, beginning of year	<u>5,817</u>	<u>5,817</u>	<u>5,817</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,834</u>	<u>\$ (13,241)</u>	<u>\$ 7,099</u>	<u>\$ 20,340</u>

**CITY OF MARSHALL  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (concluded)  
YEAR ENDED JUNE 30, 2021**

	<u>Drug Forfeiture Fund</u>			Variances with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	
REVENUES				
Fines and forfeits	\$ -	\$ 500	\$ 250	\$ (250)
Fund balance, beginning of year	<u>4,219</u>	<u>4,219</u>	<u>4,219</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,219</u>	<u>\$ 4,719</u>	<u>\$ 4,469</u>	<u>\$ (250)</u>

## **NONMAJOR ENTERPRISE FUNDS**

***Marshall House*** - This fund is used to account for the activity of a lower-income senior citizen housing facility.

***DART*** - This fund is used to account for the operation and maintenance of a local public transportation system.

***Solid Waste*** - This fund is used to account for the activity of City trash collection.

**CITY OF MARSHALL  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Marshall House	DART	Solid Waste	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 1,144,356	\$ 791,150	\$ 43,355	\$ 1,978,861
Receivables				
Accounts receivable	813	623	76,232	77,668
Prepays	13,153	6,253	40	19,446
Total current assets	<u>1,158,322</u>	<u>798,026</u>	<u>119,627</u>	<u>2,075,975</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation	<u>1,285,892</u>	<u>228,278</u>	<u>-</u>	<u>1,514,170</u>
<b>TOTAL ASSETS</b>	<u>2,444,214</u>	<u>1,026,304</u>	<u>119,627</u>	<u>3,590,145</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	<u>24,056</u>	<u>27,249</u>	<u>-</u>	<u>51,305</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	49,123	3,512	29,053	81,688
Accrued liabilities	4,321	5,839	380	10,540
Unearned revenue	-	25,817	-	25,817
Current portion of compensated absences	<u>1,737</u>	<u>-</u>	<u>88</u>	<u>1,825</u>
Total current liabilities	<u>55,181</u>	<u>35,168</u>	<u>29,521</u>	<u>119,870</u>
Noncurrent liabilities				
Noncurrent portion of compensated absences	5,209	-	263	5,472
Net other post-employment benefits obligation	145,202	164,610	-	309,812
Net pension liability	<u>299,587</u>	<u>339,360</u>	<u>-</u>	<u>638,947</u>
Total noncurrent liabilities	<u>449,998</u>	<u>503,970</u>	<u>263</u>	<u>954,231</u>
<b>TOTAL LIABILITIES</b>	<u>505,179</u>	<u>539,138</u>	<u>29,784</u>	<u>1,074,101</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	14,231	16,120	-	30,351
Deferred inflows of resources related to OPEB	<u>3,494</u>	<u>3,961</u>	<u>-</u>	<u>7,455</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>17,725</u>	<u>20,081</u>	<u>-</u>	<u>37,806</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,285,892	228,278	-	1,514,170
Unrestricted	<u>659,474</u>	<u>266,056</u>	<u>89,843</u>	<u>1,015,373</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,945,366</u>	<u>\$ 494,334</u>	<u>\$ 89,843</u>	<u>\$ 2,529,543</u>



**CITY OF MARSHALL  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

	Marshall House	DART	Solid Waste	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 376,644	\$ 26,797	\$ 206,681	\$ 610,122
<b>OPERATING EXPENSES</b>				
Personnel services	247,699	(195,135)	731	53,295
Material and supplies	27,198	28,126	787	56,111
Utilities	92,310	1,917	-	94,227
Contractual	117,480	12,130	115,321	244,931
Insurance	14,551	6,720	-	21,271
Maintenance	43,440	9,231	-	52,671
Other expenses	17,302	16,675	-	33,977
Depreciation	93,608	62,474	-	156,082
<b>TOTAL OPERATING EXPENSES</b>	<b>653,588</b>	<b>(57,862)</b>	<b>116,839</b>	<b>712,565</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(276,944)</b>	<b>84,659</b>	<b>89,842</b>	<b>(102,443)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	551,772	377,241	-	929,013
Property taxes	-	213,737	-	213,737
Interest earnings	86	577	1	664
Loss on sale of capital assets	-	(30,748)	-	(30,748)
Miscellaneous revenue	39,755	3,481	-	43,236
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>591,613</b>	<b>564,288</b>	<b>1</b>	<b>1,155,902</b>
<b>NET INCOME BEFORE TRANSFERS</b>	<b>314,669</b>	<b>648,947</b>	<b>89,843</b>	<b>1,053,459</b>
<b>TRANSFERS OUT</b>	<b>(93,818)</b>	<b>(25,715)</b>	<b>-</b>	<b>(119,533)</b>
<b>CHANGE IN NET POSITION</b>	<b>220,851</b>	<b>623,232</b>	<b>89,843</b>	<b>933,926</b>
Net position, beginning of year	1,724,515	(128,898)	-	1,595,617
Net position, end of year	<u>\$ 1,945,366</u>	<u>\$ 494,334</u>	<u>\$ 89,843</u>	<u>\$ 2,529,543</u>

**CITY OF MARSHALL  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	Marshall House	DART	Solid Waste	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 377,158	\$ 166,935	\$ 130,449	\$ 674,542
Cash paid to suppliers	(320,347)	(76,250)	(87,095)	(483,692)
Cash paid to employees	(222,356)	(292,660)	-	(515,016)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(165,545)</b>	<b>(201,975)</b>	<b>43,354</b>	<b>(324,166)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental receipts	551,772	377,241	-	929,013
Property taxes received	-	213,737	-	213,737
Miscellaneous receipts	39,755	3,481	-	43,236
Transfers out	(93,818)	(25,715)	-	(119,533)
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>497,709</b>	<b>568,744</b>	<b>-</b>	<b>1,066,453</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(172,128)	(80,759)	-	(252,887)
Proceeds from sale of capital assets	-	22,478	-	22,478
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(172,128)</b>	<b>(58,281)</b>	<b>-</b>	<b>(230,409)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	86	577	1	664
<b>NET INCREASE IN CASH AND INVESTMENTS</b>	<b>160,122</b>	<b>309,065</b>	<b>43,355</b>	<b>512,542</b>
Cash and investments, beginning of year	984,234	482,085	-	1,466,319
Cash and investments, end of year	<u>\$ 1,144,356</u>	<u>\$ 791,150</u>	<u>\$ 43,355</u>	<u>\$ 1,978,861</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ (276,944)	\$ 84,659	\$ 89,842	\$ (102,443)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>				
Depreciation	93,608	62,474	-	156,082
(Increase) decrease in:				
Accounts receivable	514	143,138	(76,232)	67,420
Prepays	(11,119)	(825)	(40)	(11,984)
Deferred outflows of resources related to pension	7,938	9,369	-	17,307
Deferred outflows of resources related to OPEB	549	5,406	-	5,955
Increase (decrease) in:				
Accounts payable	3,053	(626)	29,053	31,480
Accrued liabilities	(494)	734	380	620
Unearned revenue	-	(3,000)	-	(3,000)
Compensated absences	2,258	-	351	2,609
Net pension liability	(87,525)	(103,723)	-	(191,248)
Net other post-employment benefits liability	85,944	(418,457)	-	(332,513)
Deferred inflows of resources related to pension	13,179	14,915	-	28,094
Deferred inflows of resources related to OPEB	3,494	3,961	-	7,455
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (165,545)</b>	<b>\$ (201,975)</b>	<b>\$ 43,354</b>	<b>\$ (324,166)</b>

## **INTERNAL SERVICE FUNDS**

***Data Processing*** - Provides computer services to the various other funds that use the City's network.

***Motor Pool*** - This fund is used to account for the operations of the motor pool for the City.

***Safety*** - This fund was created to educate and encourage safety throughout the City organization.

**CITY OF MARSHALL  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Data <u>Processing</u>	<u>Motor Pool</u>	<u>Safety</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 407,926	\$ 506,782	\$ 11,403	\$ 926,111
Inventories	-	-	430	430
Prepays	9,399	60,161	-	69,560
Total current assets	417,325	566,943	11,833	996,101
Noncurrent assets				
Capital assets, net of accumulated depreciation	23,318	3,077,060	-	3,100,378
Total noncurrent assets	23,318	3,077,060	-	3,100,378
<b>TOTAL ASSETS</b>	<b>440,643</b>	<b>3,644,003</b>	<b>11,833</b>	<b>4,096,479</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	-	7,351	-	7,351
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	14,133	16,581	-	30,714
Accrued liabilities	538	2,187	-	2,725
Accrued interest payable	-	6,254	-	6,254
Current portion of compensated absences	482	1,343	-	1,825
Current portion of long-term debt	-	236,651	-	236,651
Total current liabilities	15,153	263,016	-	278,169
Noncurrent liabilities				
Net other post-employment benefits liability	-	44,567	-	44,567
Net pension liability	-	91,540	-	91,540
Noncurrent portion of compensated absences	1,444	4,028	-	5,472
Noncurrent portion of long-term debt	-	245,492	-	245,492
Total noncurrent liabilities	1,444	385,627	-	387,071
<b>TOTAL LIABILITIES</b>	<b>16,597</b>	<b>648,643</b>	<b>-</b>	<b>665,240</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	-	4,348	-	4,348
Deferred inflows of resources related to OPEB	-	1,072	-	1,072
Total deferred inflows of resources	-	5,420	-	5,420
<b>NET POSITION</b>				
Invested in capital assets	23,318	2,594,917	-	2,618,235
Unrestricted	400,728	402,374	11,833	814,935
<b>TOTAL NET POSITION</b>	<b>\$ 424,046</b>	<b>\$ 2,997,291</b>	<b>\$ 11,833</b>	<b>\$ 3,433,170</b>

**CITY OF MARSHALL  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

	Data Processing	Motor Pool	Safety	Total
<b>OPERATING REVENUES</b>				
Intergovernmental	\$ -	\$ 20,425	\$ -	\$ 20,425
Charges for services	219,618	978,949	-	1,198,567
<b>TOTAL OPERATING REVENUES</b>	<b>219,618</b>	<b>999,374</b>	<b>-</b>	<b>1,218,992</b>
<b>OPERATING EXPENSES</b>				
Personnel services	11,630	68,816	-	80,446
Material and supplies	29,234	141,362	2,165	172,761
Utilities	-	25,239	-	25,239
Contractual	71,963	59,235	-	131,198
Insurance	-	87,292	-	87,292
Maintenance	41,139	51,958	-	93,097
Other expenses	-	4,590	3,049	7,639
Depreciation	13,231	394,430	-	407,661
<b>TOTAL OPERATING EXPENSES</b>	<b>167,197</b>	<b>832,922</b>	<b>5,214</b>	<b>1,005,333</b>
<b>OPERATING INCOME (LOSS)</b>	<b>52,421</b>	<b>166,452</b>	<b>(5,214)</b>	<b>213,659</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earnings	389	374	38	801
Gain on sale of capital assets	3,500	57,526	-	61,026
Interest expense	-	(23,576)	-	(23,576)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>3,889</b>	<b>34,324</b>	<b>38</b>	<b>38,251</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>56,310</b>	<b>200,776</b>	<b>(5,176)</b>	<b>251,910</b>
<b>TRANSFERS</b>				
Transfers out	(17,269)	(37,345)	-	(54,614)
<b>CHANGE IN NET POSITION</b>	<b>39,041</b>	<b>163,431</b>	<b>(5,176)</b>	<b>197,296</b>
Net position, beginning of year	385,005	2,833,860	17,009	3,235,874
Net position, end of year	<u>\$ 424,046</u>	<u>\$ 2,997,291</u>	<u>\$ 11,833</u>	<u>\$ 3,433,170</u>

**CITY OF MARSHALL  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	Data Processing	Motor Pool	Safety	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from interfund services provided	\$ 219,618	\$ 999,374	\$ -	\$ 1,218,992
Cash paid to suppliers	(133,289)	(421,644)	(5,364)	(560,297)
Cash paid to employees	(9,166)	(107,543)	-	(116,709)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>77,163</b>	<b>470,187</b>	<b>(5,364)</b>	<b>541,986</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(17,269)	(37,345)	-	(54,614)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets, net	-	(330,464)	-	(330,464)
Proceeds from sale of capital assets	3,500	57,526	-	61,026
Payments on borrowings	-	(228,128)	-	(228,128)
Interest and fees paid	-	(26,537)	-	(26,537)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>3,500</b>	<b>(527,603)</b>	<b>-</b>	<b>(524,103)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	389	374	38	801
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>63,783</b>	<b>(94,387)</b>	<b>(5,326)</b>	<b>(35,930)</b>
Cash and investments, beginning of year	344,143	601,169	16,729	962,041
Cash and investments, end of year	<u>\$ 407,926</u>	<u>\$ 506,782</u>	<u>\$ 11,403</u>	<u>\$ 926,111</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 52,421	\$ 166,452	\$ (5,214)	\$ 213,659
Adjustment to reconciled operating income (loss) to net cash provided (used) by operating activities				
Depreciation	13,231	394,430	-	407,661
(Increase) decrease in:				
Prepays	7,398	(58,903)	-	(51,505)
Deferred outflows of resources related to pension	-	2,946	-	2,946
Deferred outflows of resources related to OPEB	-	549	-	549
Increase (decrease) in:				
Accounts payable	1,649	6,935	(150)	8,434
Accrued liabilities	538	178	-	716
Compensated absences	1,926	268	-	2,194
Net pension liability	-	(33,058)	-	(33,058)
Other post-employment benefits obligation	-	(14,691)	-	(14,691)
Deferred inflows of resources related to pension	-	4,009	-	4,009
Deferred inflows of resources related to OPEB	-	1,072	-	1,072
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 77,163</b>	<b>\$ 470,187</b>	<b>\$ (5,364)</b>	<b>\$ 541,986</b>

**DIAL A RIDE FUND  
TRANSIT SCHEDULES**

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
SCHEDULE 1 - SCHEDULE OF LOCAL REVENUES  
YEAR ENDED JUNE 30, 2021**

Description	7/1/2020 - 9/30/2020	10/1/2020 - 6/30/2021	Total
Demand Response (Farebox)			
Regular Service	\$ 5,045	\$ 21,752	\$ 26,797
Advertising	(1,628)	1,628	-
Other revenues	9,084	(5,603)	3,481
Tax levy	190,576	23,161	213,737
Contributions from local units	6,500	-	6,500
Interest income	242	335	577
<b>TOTAL LOCAL REVENUES</b>	<b>\$ 209,819</b>	<b>\$ 41,273</b>	<b>\$ 251,092</b>

**DIAL-A-RIDE FUND  
SCHEDULE 1A - SCHEDULE OF LOCAL REVENUES  
YEAR ENDED SEPTEMBER 30, 2020**

Description	10/1/2019 - 6/30/2020	7/1/2020 - 9/30/2020	Total
Demand Response (Farebox)			
Regular Service	\$ 25,170	\$ 5,045	\$ 30,215
Advertising	2,828	(1,628)	1,200
Other revenues	(9,084)	9,084	-
Tax levy	20,848	190,576	211,424
Contributions from local units	3,500	6,500	10,000
Interest income	3,894	242	4,136
<b>TOTAL LOCAL REVENUES</b>	<b>\$ 47,156</b>	<b>\$ 209,819</b>	<b>\$ 256,975</b>



**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2021**

Federal and State Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant No./ Authorization Number	Program Award Amount	Current Year's Expenditures		
				Total	Federal	State
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Passed through Michigan Department of Transportation						
Formula Grants for Other than Urbanized Areas						
	20.509					
Operating Assistance - Section 5311 (FY21)		N/A	\$ 37,211	\$ 37,211	\$ 37,211	\$ -
Operating Assistance - Section 5311 (FY20)		N/A	37,793	37,793	37,793	-
COVID-19 -Operating Assistance - Section 5311		N/A	75,003	75,003	75,003	-
			<u>150,007</u>	<u>150,007</u>	<u>150,007</u>	<u>-</u>
<b>MICHIGAN DEPARTMENT OF TRANSPORTATION</b>						
Operating Assistance - Act 51		N/A				
Nonurban/Small Urban		N/A	140,665	140,665	-	140,665
			<u>140,665</u>	<u>140,665</u>	<u>-</u>	<u>140,665</u>
<b>TOTALS</b>			<u><u>\$ 290,672</u></u>	<u><u>\$ 290,672</u></u>	<u><u>\$ 150,007</u></u>	<u><u>\$ 140,665</u></u>

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
SCHEDULE 2A - SCHEDULE OF FEDERAL AND STATE AWARDS  
OPERATING REVENUE ONLY  
YEAR ENDED JUNE 30, 2021**

Description	7/1/2020 - 9/30/2020	10/1/2020 - 6/30/2021	Total
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ 56,751	\$ 163,983	\$ 220,734
Federal Transit Administration			
Section 5311	37,793	37,211	75,004
Section 5311 (CARES)	33,684	41,319	75,003
	<u>\$ 128,228</u>	<u>\$ 242,513</u>	<u>\$ 370,741</u>

**DIAL-A-RIDE FUND  
SCHEDULE 2B - SCHEDULE OF FEDERAL AND STATE AWARDS  
OPERATING REVENUE ONLY  
YEAR ENDED SEPTEMBER 30, 2020**

Description	10/1/2019 - 6/30/2020	7/1/2020 - 9/30/2020	Total
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ 106,124	\$ 56,751	\$ 162,875
Local Bus Operating (Act 51) - PY	9,426	-	9,426
Federal Transit Administration			
Section 5311	34,189	37,793	71,982
Section 5311 (CARES)	34,188	33,684	67,872
Section 5311 - PY	942	-	942
	<u>\$ 184,869</u>	<u>\$ 128,228</u>	<u>\$ 313,097</u>

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
SCHEDULE 3 - OPERATING AND CONTRACT EXPENSES  
YEAR ENDED JUNE 30, 2021**

	<u>Nonurban</u>
EXPENSES	
Labor	\$ 194,248
Fringe benefits	(389,383)
Services	12,130
Materials and supplies	37,357
Insurance	6,720
Miscellaneous	1,735
Depreciation	<u>62,474</u>
 TOTAL EXPENSES	 <u><u>\$ (74,719)</u></u>

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
SCHEDULE 3A - OPERATING EXPENSES BY PROGRAM  
YEAR ENDED JUNE 30, 2021**

	<u>7/1/2020 - 9/30/2020</u>	<u>10/1/2020 - 6/30/2021</u>	<u>Total</u>
<b>EXPENSES</b>			
Labor	\$ 5,293	\$ 188,955	\$ 194,248
Fringe benefits	46,151	(435,534)	(389,383)
Services	4,742	7,388	12,130
Materials and supplies	19,555	17,802	37,357
Utilities	665	1,252	1,917
Insurance	6,720	-	6,720
Miscellaneous	(496)	2,231	1,735
Operating lease and rentals	10,689	4,251	14,940
Depreciation	10,913	51,561	62,474
	<u>\$ 104,232</u>	<u>\$ (162,094)</u>	<u>\$ (57,862)</u>
Total expenses	<u>\$ 104,232</u>	<u>\$ (162,094)</u>	<u>\$ (57,862)</u>

**DIAL-A-RIDE FUND  
SCHEDULE 3B - OPERATING EXPENSES BY PROGRAM  
YEAR ENDED SEPTEMBER 30, 2020**

	<u>10/1/2019 - 6/30/2020</u>	<u>7/1/2020 - 9/30/2020</u>	<u>Total</u>
<b>EXPENSES</b>			
Labor	\$ 180,402	\$ 5,293	\$ 185,695
Fringe benefits	39,749	46,151	85,900
Services	21,838	4,742	26,580
Materials and supplies	19,634	19,555	39,189
Utilities	4,989	665	5,654
Insurance	6,720	6,720	13,440
Taxes and fees	139	-	139
Miscellaneous	1,262	(496)	766
Operating lease and rentals	9,229	10,689	19,918
Depreciation	37,495	10,913	48,408
	<u>\$ 321,457</u>	<u>\$ 104,232</u>	<u>\$ 425,689</u>
Total expenses	<u>\$ 321,457</u>	<u>\$ 104,232</u>	<u>\$ 425,689</u>

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
NONURBAN REGULAR SERVICE REVENUE REPORT - SCHEDULE 4R  
YEAR ENDED SEPTEMBER 30, 2020**

Code	Description	Amount
401	Farebox revenue	
40100	Regular service	\$ 30,215
406	Auxiliary transportation revenue	
40615	Advertising	1,200
408	Local revenue	
40800	Tax levied directly for/by transit agency	211,424
409	Local revenue	
40910	Local operating assistance	10,000
411	State formula and contracts	
41101	State operating assistance	162,875
413	Federal contracts	
41301	Federal section 5311	71,982
41361	CARES Act	67,872
414	Other revenue	
41400	Interest income	<u>4,136</u>
TOTAL NONURBAN SERVICE REVENUE		<u><u>\$ 559,704</u></u>

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
NONURBAN REGULAR SERVICE EXPENSE REPORT - SCHEDULE 4E  
YEAR ENDED SEPTEMBER 30, 2020**

Code	Description	Operations	Maintenance	Administrative	Amount
501	Labor				
50101	Operators' salaries and wages	\$ 126,820	\$ -	\$ -	\$ 126,820
50102	Other salaries and wages	-	-	30,842	30,842
50103	Dispatchers' salaries and wages	28,033	-	-	28,033
502	Fringe benefits				
50200	Payroll taxes and fringe benefits	14,059	-	2,567	16,626
50220	DB Pensions	136,736	-	-	136,736
50230	DB other post-employment benefits	(67,462)	-	-	(67,462)
503	Services				
50302	Advertising	-	-	782	782
50305	Audit	1,155	-	-	1,155
50399	Professional services	999	1,517	22,127	24,643
504	Materials and supplies				
50401	Fuel and lubricants	18,857	-	-	18,857
50402	Tires and tubes	1,464	-	-	1,464
50499	Other materials and supplies	1,555	17,038	275	18,868
505	Utilities				
50500	Utilities	5,654	-	-	5,654
506	Insurance				
50603	Liability insurance	13,440	-	-	13,440
507	Taxes and fees				
50700	Taxes and fees	139	-	-	139
509	Miscellaneous expenses				
50902	Travel, meetings and training	-	-	66	66
50903	Association dues and subscriptions	700	-	-	700
512	Operating leases and rentals				
51200	Operating leases and rentals	12,964	-	6,954	19,918
513	Depreciation				
51300	Depreciation	48,408	-	-	48,408
550	Ineligible expenses				
55007	Ineligible depreciation	48,408	-	-	48,408
55009	Ineligible dues	130	-	-	130
580	Ineligible expenses				
58020	Ineligible pension	109,579	-	-	109,579
55009	Ineligible OPEB	(120,910)	-	-	(120,910)
	Total expenses				425,689
	Total ineligible expenses				37,207
	Total eligible expenses				<u>\$ 388,482</u>

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
NONURBAN REGULAR SERVICE NONFINANCIAL REPORT - SCHEDULE 4N (UNAUDITED)  
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Miles</u>	<u>Hours</u>
Demand Response	<u>63,779</u>	<u>6,708</u>

**CITY OF MARSHALL  
DIAL-A-RIDE FUND  
OPERATING ASSISTANCE CALCULATION  
YEAR ENDED SEPTEMBER 30, 2020**

	October 1 through March 31	April 1 through September 30	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses	\$ 216,409	\$ 209,280	\$ 425,689
Less ineligible expenses			
Depreciation	(27,661)	(20,747)	(48,408)
Percent of association dues	(130)	-	(130)
Ineligible DB pensions	(109,579)	-	(109,579)
Ineligible OPEB pensions	120,910	-	120,910
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total ineligible expenses per R&E Manual	(16,460)	(20,747)	(37,207)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL STATE ELIGIBLE EXPENSES	\$ 199,949	\$ 188,533	\$ 388,482
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Eligible expense for state reimbursement			\$ 388,482
x Reimbursement percentage			<u>42.050916%</u>
State operating assistance			<u>\$ 163,360</u>
Less additional Federal ineligible expenses			
Audit costs	\$ 1,155	\$ -	\$ 1,155
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Eligible expense for federal reimbursement			
x Reimbursement percentage	<u>36.0000%</u>	<u>36.0000%</u>	<u>36.0000%</u>
Federal Section 5311 operating assistance	<u>\$ 71,566</u>	<u>\$ 67,872</u>	<u>\$ 139,438</u>



## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

Contents	Page
Financial Trends.....	110-114
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	115-118
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity.....	119-123
<i>These schedules present information to help the reader assess the affordability of the government’s current level of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information .....	124-125
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information.....	126-128
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

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

**TABLE 1**

**CITY OF MARSHALL  
NET POSITION BY COMPONENT  
2012-2021  
(UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)**

	2012	2013	2014*	2015	2016	2017**	2018	2019***	2020	2021***
<b>Governmental activities</b>										
Net investment in capital assets	\$ 13,632,575	\$ 12,672,273	\$ 15,176,566	\$ 21,390,237	\$ 23,338,239	\$ 23,386,578	\$ 22,198,207	\$ 23,064,591	\$ 23,051,780	\$ 24,098,498
Restricted	787,803	2,422,083	2,182,533	4,086,071	2,292,920	2,415,504	2,694,704	2,234,225	2,034,087	6,584,668
Unrestricted	2,174,819	2,155,568	(3,815,329)	(5,137,373)	(4,322,028)	(17,105,118)	(16,958,677)	(7,639,787)	(7,325,699)	(11,568,793)
<b>Total governmental activities net position</b>	<b>\$ 16,595,197</b>	<b>\$ 17,249,924</b>	<b>\$ 13,543,770</b>	<b>\$ 20,338,935</b>	<b>\$ 21,309,131</b>	<b>\$ 8,696,964</b>	<b>\$ 7,934,234</b>	<b>\$ 17,659,029</b>	<b>\$ 17,760,168</b>	<b>\$ 19,114,373</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 8,876,689	\$ 7,186,806	\$ 9,411,751	\$ 9,538,687	\$ 11,447,031	\$ 10,180,090	\$ 12,732,553	\$ 15,808,973	\$ 15,873,829	\$ 15,862,495
Restricted	5,285,471	5,511,602	2,862,097	843,583	844,514	770,975	1,169,433	1,083,788	1,090,894	965,927
Unrestricted	12,825,500	12,538,534	9,553,805	11,752,693	1,733,727	(5,873,464)	(7,799,181)	(5,357,818)	(5,126,989)	(4,747,510)
<b>Total business-type activities net position</b>	<b>\$ 26,987,660</b>	<b>\$ 25,236,942</b>	<b>\$ 21,827,653</b>	<b>\$ 22,134,963</b>	<b>\$ 14,025,272</b>	<b>\$ 5,077,601</b>	<b>\$ 6,102,805</b>	<b>\$ 11,534,943</b>	<b>\$ 11,837,734</b>	<b>\$ 12,080,912</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 22,509,264	\$ 19,859,079	\$ 24,588,317	\$ 30,928,924	\$ 34,785,270	\$ 33,566,668	\$ 34,930,760	\$ 38,873,564	\$ 38,925,609	\$ 39,960,993
Restricted	6,073,274	7,933,685	5,044,630	4,929,654	3,137,434	3,186,479	3,864,137	3,318,013	3,124,981	7,550,595
Unrestricted	15,000,319	14,694,102	5,738,476	6,615,320	(2,588,301)	(22,978,582)	(24,757,858)	(12,997,605)	(12,452,688)	(16,316,303)
<b>Total primary government net position</b>	<b>\$ 43,582,857</b>	<b>\$ 42,486,866</b>	<b>\$ 35,371,423</b>	<b>\$ 42,473,898</b>	<b>\$ 35,334,403</b>	<b>\$ 13,774,565</b>	<b>\$ 14,037,039</b>	<b>\$ 29,193,972</b>	<b>\$ 29,597,902</b>	<b>\$ 31,195,285</b>

Source: City of Marshall Finance Department

\* Restated due to GASB 68

\*\* Restated due to GASB 75

\*\*\* Restated due to capital assets

**TABLE 2**

**CITY OF MARSHALL  
CHANGES IN NET POSITION (concluded)  
2012-2021  
(UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)**

	2012	2013	2014	2015	2016	2017	2018	2019*	2020	2021
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 2,035,070	\$ 1,536,135	\$ 1,180,247	\$ 1,927,654	\$ 2,375,248	\$ 2,888,618	\$ 3,217,359	\$ (2,123,658)	\$ 2,734,519	\$ 2,062,868
Public safety	2,675,567	2,662,719	2,680,317	3,151,608	3,608,123	4,178,752	3,936,316	(620,350)	3,376,028	4,096,107
Public works	1,954,109	1,980,187	2,337,102	2,331,817	2,145,946	2,360,788	2,044,894	1,083,166	2,109,203	2,591,943
Community development	599,982	591,491	588,463	593,371	599,585	577,100	570,898	292,389	509,228	49,691
Recreation and culture	167,198	148,806	154,714	202,552	146,387	116,746	140,500	33,103	75,281	404,928
Interest on long-term debt	121,582	178,430	138,467	318,524	296,478	265,533	248,324	274,544	252,168	288,495
Total governmental activities expenses	<u>7,553,508</u>	<u>7,097,768</u>	<u>7,079,310</u>	<u>8,525,526</u>	<u>9,171,767</u>	<u>10,387,537</u>	<u>10,158,291</u>	<u>(1,060,806)</u>	<u>9,056,427</u>	<u>9,494,032</u>
Business-type activities										
Marshall House	584,902	532,270	565,450	618,134	626,970	564,916	609,052	312,214	671,210	653,588
Electric fund	12,352,835	13,118,049	12,432,134	12,301,471	17,440,376	12,221,708	11,653,138	8,525,415	11,280,547	14,607,928
DART	385,992	397,214	398,912	416,893	533,012	494,707	481,432	93,753	413,444	(27,114)
Wastewater	1,343,044	1,453,850	1,329,436	1,600,776	1,760,453	1,689,523	1,353,468	843,246	1,882,828	1,433,429
Water	1,219,040	1,326,138	1,329,071	1,333,100	1,549,304	1,467,345	1,438,552	767,944	1,660,486	1,183,889
Solid waste	-	-	-	-	-	-	-	-	-	116,839
FiberNet	-	-	-	-	-	135,729	419,049	915,867	1,093,127	1,037,640
Total business-type activities expenses	<u>15,885,813</u>	<u>16,827,521</u>	<u>16,055,003</u>	<u>16,270,374</u>	<u>21,910,115</u>	<u>16,573,928</u>	<u>15,954,691</u>	<u>11,458,439</u>	<u>17,001,642</u>	<u>19,006,199</u>
Total primary government expenses	<u>\$ 23,439,321</u>	<u>\$ 23,925,289</u>	<u>\$ 23,134,313</u>	<u>\$ 24,795,900</u>	<u>\$ 31,081,882</u>	<u>\$ 26,961,465</u>	<u>\$ 26,112,982</u>	<u>\$ 10,397,633</u>	<u>\$ 26,058,069</u>	<u>\$ 28,500,231</u>
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	\$ 1,173,148	\$ 362,535	\$ 346,127	\$ 536,501	\$ 526,366	\$ 617,103	\$ 535,441	\$ 587,060	\$ 689,874	\$ 392,356
Public safety	-	-	-	56,895	219,946	287,850	219,709	272,208	282,133	248,278
Public works	-	-	-	82,703	89,057	128,518	110,252	103,107	311,694	193,436
Community development and planning	-	-	-	41,429	13,286	14,373	13,191	10,100	8,549	29,153
Recreation and culture	217,355	207,822	209,400	205,607	208,262	185,244	198,028	208,060	153,419	100,190
Operating grants and contributions	1,426,002	1,317,998	1,799,614	985,757	1,360,797	1,700,557	2,033,744	1,874,934	1,621,515	2,053,825
Capital grants and contributions	-	308,299	28,658	8,068,221	861,121	-	-	64,128	-	786,152
Total governmental activities program revenues	<u>2,816,505</u>	<u>2,196,654</u>	<u>2,383,799</u>	<u>9,977,113</u>	<u>3,278,835</u>	<u>2,933,645</u>	<u>3,110,365</u>	<u>3,119,597</u>	<u>3,067,184</u>	<u>3,803,390</u>
Business-type activities										
Marshall House	562,688	563,818	565,867	618,300	896,406	878,634	958,293	861,765	890,205	928,416
Electric fund	12,260,940	12,271,455	13,129,478	13,597,667	11,819,594	12,421,717	12,573,684	12,787,101	11,990,960	13,417,991
DART	299,264	240,024	291,195	383,125	338,098	357,567	323,689	464,792	380,438	404,038
Wastewater	1,433,183	1,550,497	2,256,421	1,565,950	1,530,627	1,734,039	1,915,230	1,870,404	2,075,506	1,919,558
Water	1,261,023	1,431,091	1,534,055	1,560,798	1,577,947	1,755,013	1,834,575	1,775,906	2,278,951	1,964,739
Solid waste	-	-	-	-	-	-	-	-	-	206,681
FiberNet	-	-	-	-	-	-	38,483	509,292	846,611	1,099,610
Total business-type activities program revenues	<u>15,817,098</u>	<u>16,056,885</u>	<u>17,777,016</u>	<u>17,725,840</u>	<u>16,162,672</u>	<u>17,146,970</u>	<u>17,643,954</u>	<u>18,269,260</u>	<u>18,462,671</u>	<u>19,941,033</u>
Total primary government program revenues	<u>\$ 18,633,603</u>	<u>\$ 18,253,539</u>	<u>\$ 20,160,815</u>	<u>\$ 27,702,953</u>	<u>\$ 19,441,507</u>	<u>\$ 20,080,615</u>	<u>\$ 20,754,319</u>	<u>\$ 21,388,857</u>	<u>\$ 21,529,855</u>	<u>\$ 23,744,423</u>
Net (Expense) Revenue										
Governmental activities	\$ (4,737,003)	\$ (4,901,114)	\$ (4,695,511)	\$ 1,451,587	\$ (5,892,932)	\$ (7,453,892)	\$ (7,047,926)	\$ 4,180,403	\$ (5,989,243)	\$ (5,690,642)
Business-type activities	(68,715)	(770,636)	1,722,013	1,455,466	(5,747,443)	573,042	1,689,263	6,810,821	1,461,029	934,834
Total primary government net expense	<u>\$ (4,805,718)</u>	<u>\$ (63,779,779)</u>	<u>\$ (47,101,712)</u>	<u>\$ (47,044,147)</u>	<u>\$ (47,736,010)</u>	<u>\$ (53,702,572)</u>	<u>\$ (41,021,364)</u>	<u>\$ (24,198,997)</u>	<u>\$ (4,528,214)</u>	<u>\$ (4,755,808)</u>

\* Change in retiree healthcare assumptions created one-time reduction of expenses of \$14,990,818 across all opinion units.

**TABLE 2**

**CITY OF MARSHALL  
CHANGES IN NET POSITION  
2012-2021  
(UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities										
General revenues										
Property taxes	\$ 3,400,641	\$ 3,352,166	\$ 3,768,238	\$ 3,672,699	\$ 3,713,910	\$ 3,814,806	\$ 3,822,332	\$ 3,747,754	\$ 3,798,086	\$ 4,027,086
Unrestricted state shared revenues	639,043	627,376	645,432	653,948	647,700	678,605	698,620	727,192	771,316	754,440
Investment earnings	11,760	8,912	6,890	19,120	19,200	40,139	69,369	109,642	67,284	25,960
Gain (loss) on disposal of assets	70,729	2,937	46,366	(278,809)	-	-	22,078	67,965	-	61,026
Miscellaneous	-	-	-	-	-	-	-	-	-	274,074
Transfers	236,925	1,143,440	1,235,502	1,276,620	1,284,794	2,124,207	1,672,797	1,691,839	1,453,696	1,343,892
Total governmental activities	<u>4,359,098</u>	<u>5,134,831</u>	<u>5,702,428</u>	<u>5,343,578</u>	<u>5,665,604</u>	<u>6,657,757</u>	<u>6,285,196</u>	<u>6,344,392</u>	<u>6,090,382</u>	<u>6,486,478</u>
Business-type activities										
Property taxes	99,887	94,849	94,396	91,882	93,691	102,840	181,114	193,338	200,955	213,737
Investment earnings	29,323	970,211	21,691	22,111	26,379	32,943	60,816	114,234	95,161	186,129
Gain (loss) on disposal of assets	-	(178,079)	-	14,471	-	-	766,808	5,584	-	-
Miscellaneous	-	-	-	-	-	-	-	-	(658)	252,370
Transfers	(236,925)	(1,143,440)	(1,235,502)	(1,276,620)	(1,284,794)	(2,124,207)	(1,672,797)	(1,691,839)	(1,453,696)	(1,343,892)
Total business-type activities	<u>(107,715)</u>	<u>(256,459)</u>	<u>(1,119,415)</u>	<u>(1,148,156)</u>	<u>(1,164,724)</u>	<u>(1,988,424)</u>	<u>(664,059)</u>	<u>(1,378,683)</u>	<u>(1,158,238)</u>	<u>(691,656)</u>
Total primary government	<u>\$ 4,251,383</u>	<u>\$ 4,878,372</u>	<u>\$ 4,583,013</u>	<u>\$ 4,195,422</u>	<u>\$ 4,500,880</u>	<u>\$ 4,669,333</u>	<u>\$ 5,621,137</u>	<u>\$ 4,965,709</u>	<u>\$ 4,932,144</u>	<u>\$ 5,794,822</u>
Change in Net Position										
Governmental activities	\$ (377,905)	\$ 233,717	\$ 1,006,917	\$ 6,795,165	\$ (227,328)	\$ (796,135)	\$ (762,730)	\$ 10,524,795	\$ 101,139	\$ 795,836
Business-type activities	(176,430)	(1,027,095)	602,598	307,310	(6,912,167)	(1,415,382)	1,025,204	5,432,138	302,791	243,178
Total primary government	<u>\$ (554,335)</u>	<u>\$ (793,378)</u>	<u>\$ 1,609,515</u>	<u>\$ 7,102,475</u>	<u>\$ (7,139,495)</u>	<u>\$ (2,211,517)</u>	<u>\$ 262,474</u>	<u>\$ 15,956,933</u>	<u>\$ 403,930</u>	<u>\$ 1,039,014</u>

Source: City of Marshall Finance Department

**TABLE 3**

**CITY OF MARSHALL  
 FUND BALANCES  
 GOVERNMENTAL FUNDS  
 2012-2021  
 (UNAUDITED)  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2012	2013	2014	2015	2016	2017 <sup>1</sup>	2018	2019	2020	2021
General fund										
Nonspendable	\$ 105,373	\$ 77,186	\$ 33,049	\$ 44,757	\$ 83,788	\$ 1,087,598	\$ 1,087,160	\$ 1,088,540	\$ 1,081,519	\$ 1,141,789
Restricted	-	-	-	1,778,715	-	-	-	-	-	-
Committed	560,089	560,089	735,594	163,014	185,450	184,490	184,000	184,000	184,000	184,000
Assigned	-	-	-	-	-	-	-	273,166	290,237	187,525
Unassigned	1,705,362	2,192,258	839,801	2,640,174	1,800,039	928,304	1,394,704	1,722,725	1,836,139	2,360,945
Total general fund	<u>\$ 2,370,824</u>	<u>\$ 2,829,533</u>	<u>\$ 1,608,444</u>	<u>\$ 4,626,660</u>	<u>\$ 2,069,277</u>	<u>\$ 2,200,392</u>	<u>\$ 2,665,864</u>	<u>\$ 3,268,431</u>	<u>\$ 3,391,895</u>	<u>\$ 3,874,259</u>
All other governmental funds										
Nonspendable	\$ 487,746	\$ 327,004	\$ 328,494	\$ 360,458	\$ 364,687	\$ 376,438	\$ 377,644	\$ 381,222	\$ 399,570	\$ 356,408
Restricted	643,073	2,115,425	1,854,039	1,946,898	1,928,233	2,039,066	2,317,060	1,853,003	1,634,517	6,229,405
Committed	201,989	152,197	265,120	140,250	127,171	339,059	147,140	534,093	249,101	214,052
Total all other governmental funds	<u>\$ 1,332,808</u>	<u>\$ 2,594,626</u>	<u>\$ 2,447,653</u>	<u>\$ 2,447,606</u>	<u>\$ 2,420,091</u>	<u>\$ 2,754,563</u>	<u>\$ 2,841,844</u>	<u>\$ 2,768,318</u>	<u>\$ 2,283,188</u>	<u>\$ 6,799,865</u>

Source: City of Marshall Finance Department

**TABLE 4**

**CITY OF MARSHALL  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
2012-2021  
(UNAUDITED)  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2012	2013	2014*	2015	2016	2017**	2018	2019***	2020	2021
<b>REVENUES</b>										
Property taxes	\$ 3,400,641	\$ 3,352,166	\$ 3,768,238	\$ 3,672,699	\$ 3,713,910	\$ 3,814,806	\$ 3,822,332	\$ 3,747,754	\$ 3,798,086	\$ 4,027,086
Licenses and permits	41,394	50,050	104,559	123,507	135,298	154,236	216,119	206,052	260,993	404,074
Intergovernmental	1,718,070	1,444,400	1,724,191	9,637,134	2,779,687	2,101,157	2,496,885	2,136,286	2,093,704	3,361,094
Charges for services	387,488	391,519	350,833	357,153	551,026	598,347	592,638	552,211	500,043	449,428
Fines and forfeits	113,861	128,788	100,135	56,895	55,654	66,563	24,814	30,083	24,358	13,185
Other	346,975	500,974	720,855	456,372	404,870	691,947	463,086	857,061	728,601	516,152
Investment earnings	32,037	16,883	13,761	19,120	19,200	38,522	66,676	101,644	64,792	113,130
<b>TOTAL REVENUES</b>	<b>6,040,466</b>	<b>5,884,780</b>	<b>6,782,572</b>	<b>14,322,880</b>	<b>7,659,645</b>	<b>7,465,578</b>	<b>7,682,550</b>	<b>7,631,091</b>	<b>7,470,577</b>	<b>8,884,149</b>
<b>EXPENDITURES</b>										
Current Expenditures										
General government	1,222,585	1,972,898	1,699,623	1,674,114	2,054,008	2,496,542	2,470,220	1,964,623	2,682,256	1,920,496
Public safety	2,504,409	2,552,181	2,575,066	2,852,751	3,040,070	3,211,194	2,872,453	2,955,186	3,177,552	3,526,614
Public works	891,416	834,956	829,025	1,385,688	1,383,425	1,481,661	1,470,182	2,480,694	1,796,123	3,605,406
Community development	121,126	103,562	99,855	191,161	134,469	104,064	140,500	33,103	75,281	69,949
Recreation and culture	461,359	460,439	463,674	463,145	507,962	469,366	472,191	446,882	453,886	404,928
Capital outlay	335,312	528,865	2,973,015	10,606,331	3,619,529	545,248	535,648	55,818	174,870	149,204
Debt service										
Principal	439,073	364,905	355,000	495,000	492,773	2,076,185	647,140	673,001	758,904	324,836
Interest	118,213	101,660	122,391	239,424	297,101	250,902	248,874	235,727	221,681	199,150
Bond issuance Costs	-	58,020	-	37,275	-	32,782	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>6,093,493</b>	<b>6,977,486</b>	<b>9,117,649</b>	<b>17,944,889</b>	<b>11,529,337</b>	<b>10,667,944</b>	<b>8,857,208</b>	<b>8,845,034</b>	<b>9,340,553</b>	<b>10,200,583</b>
Excess (deficiency) of revenues over expenditures	(53,027)	(1,092,706)	(2,335,077)	(3,622,009)	(3,869,692)	(3,202,366)	(1,174,658)	(1,213,943)	(1,869,976)	(1,316,434)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	514,153	1,355,328	1,438,770	1,661,141	1,891,677	3,007,109	2,554,699	2,463,044	2,126,097	1,984,674
Transfers out	(277,228)	(211,888)	(203,268)	(519,521)	(1,006,883)	(828,288)	(827,288)	(720,060)	(617,787)	(586,168)
Issuance of long-term debt	-	1,825,000	-	5,325,000	400,000	1,470,000	-	-	-	4,850,000
Bond premium (discount)	-	26,472	-	173,558	-	19,132	-	-	-	66,969
Sale of capital assets	201,520	-	15,057	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>438,445</b>	<b>2,994,912</b>	<b>1,250,559</b>	<b>6,640,178</b>	<b>1,284,794</b>	<b>3,667,953</b>	<b>1,727,411</b>	<b>1,742,984</b>	<b>1,508,310</b>	<b>6,315,475</b>
<b>Net change in fund balances</b>	<b>\$ 385,418</b>	<b>\$ 1,902,206</b>	<b>\$ (1,084,518)</b>	<b>\$ 3,018,169</b>	<b>\$ (2,584,898)</b>	<b>\$ 465,587</b>	<b>\$ 552,753</b>	<b>\$ 529,041</b>	<b>\$ (361,666)</b>	<b>\$ 4,999,041</b>
Debt service as a percentage of noncapital expenditures	9.68%	7.24%	7.77%	10.01%	9.99%	22.99%	10.77%	10.34%	10.70%	5.21%

Source: City of Marshall Finance Department

\* Restated Due to GASB 68

\*\* Restated Due to GASB 75

\*\*\* Restated Due to Capital Assets

**TABLE 5**

**CITY OF MARSHALL  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (UNAUDITED)**

As of Dec. 31,	FYE June 30,	Residential (1)		Commercial (1)		Industrial (1)		Utility		Total		(2) Total
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Direct Tax Rate
2020	2021	\$ 142,749,926	\$ 343,118,800	\$ 47,580,100	\$ 114,175,800	\$ 34,802,606	\$ 82,045,200	\$ 6,875,700	\$ 13,751,400	\$ 232,008,332	\$ 553,091,200	19.4853
2019	2020	137,605,316	321,867,400	46,281,249	115,089,200	31,267,372	73,303,400	3,371,700	5,780,800	218,525,637	516,040,800	19.4932
2018	2019	132,634,396	312,333,200	43,462,831	111,977,600	32,268,391	81,288,600	2,765,350	5,539,000	211,130,968	511,138,400	19.5195
2017	2018	129,289,499	306,267,400	41,893,918	112,751,800	29,636,539	75,629,400	2,461,152	4,941,200	203,281,108	499,589,800	19.5415
2016	2017	126,837,660	294,034,800	41,423,975	106,609,200	33,813,213	86,241,400	2,505,119	5,018,400	204,579,967	491,903,800	19.0862
2015	2016	126,638,972	292,882,000	39,386,893	98,290,980	50,108,403	120,615,600	2,419,716	4,847,600	218,553,984	516,636,180	18.9862
2014	2015	124,599,214	284,523,200	39,547,803	97,879,200	47,124,743	114,202,400	2,277,213	4,572,400	213,548,973	501,177,200	19.0862
2013	2014	126,770,173	278,727,900	47,608,965	112,412,200	42,502,565	91,783,800	2,805,420	5,662,200	219,687,123	488,586,100	19.0862
2012	2013	130,379,679	279,414,900	47,317,444	110,927,484	38,281,232	95,792,472	2,480,653	4,961,306	218,459,008	491,096,162	16.8862
2011	2012	136,530,496	301,750,600	53,082,869	113,507,598	36,262,417	91,800,800	1,941,829	4,061,000	227,817,611	511,119,998	16.8862

(1) Includes properties subject to Industrial Facility Tax exemptions.

(2) Per \$1,000 of taxable value.

Source: City of Marshall Finance Department



**TABLE 6**

**CITY OF MARSHALL  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30.	City, Direct Rates					Overlapping Rates						Totals	
	Operating	Leaf, Brush and Trash Pickup	Dial-A-Ride	Recreation	Total City Millage	Marshall Public Schools	State Education Tax	County	Marshall Library	Kellog Community College	Marshall Ambulance Authority	Homestead	Non- Homestead
2021	17.1629	0.4882	0.9171	0.9171	26.0422	6.0000	6.2057	6.6713	1.6687	3.6136	0.6991	52.3931	70.3859
2020	17.1629	0.4899	0.9202	0.9202	26.0422	6.0000	6.2057	6.4713	1.6687	3.6136	0.7000	52.2019	70.1947
2019	17.1629	0.4954	0.9306	0.9306	25.9798	6.0000	6.2057	6.4713	1.6704	3.6136	0.7000	52.2305	70.1603
2018	17.1629	0.5000	0.9393	0.9393	26.0500	6.0000	6.2057	6.4713	1.6711	3.6136	0.7000	52.2532	70.2532
2017	17.1629	0.5000	0.4840	0.9393	26.0500	6.0000	6.2057	6.4713	1.6711	3.6136	0.5000	51.5979	69.5979
2016	17.1629	0.4000	0.4840	0.9393	26.0500	6.0000	6.2057	6.4713	1.9911	3.6136	0.5000	51.8179	69.8179
2015	17.1629	0.5000	0.4840	0.9393	25.8800	6.0000	6.2057	6.4713	2.0711	3.6136	0.5000	51.8279	69.8279
2014	17.1629	0.5000	0.4840	0.9393	25.8800	6.0000	6.2057	6.4713	2.0671	3.6136	0.4819	51.8058	69.8058
2013	15.4629	0.0000	0.4840	0.9393	25.8800	6.0000	6.2057	6.3713	2.0711	3.7106	0.4831	49.6080	67.6080
2012	15.4629	0.0000	0.4840	0.9393	25.8800	6.0000	6.2057	6.3713	2.0711	3.7106	0.4831	49.6080	67.6080

Source: City of Marshall Finance Director.

**TABLE 7**

**CITY OF MARSHALL  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	FY2021			FY2012		
	(1) Taxable Valuation	Rank	% of Total City Taxable Value	(1) Taxable Valuation	Rank	% of Total City Taxable Value
Tenneco	\$ 5,497,118	1	2.37%	\$ 11,425,600	1	5.02%
Consumers Energy	4,610,305	2	1.99%	3,170,380	5	1.39%
Great Lakes Farms	4,331,500	3	1.87%	-		
MEC Realty LLC	2,676,810	4	1.15%	-		
KC Holding Co (K-Mart)	2,366,400	5	1.02%	1,454,600	9	0.64%
Michigan Gas Utility Corp 367	2,159,900	6	0.93%	-		
Casablanca Development Group LLC	2,133,939	7	0.92%	-		
Granite Michigan LLC (Lear)	2,074,300	8	0.89%	-		
Ella Em Brown Charitable Circle	1,733,429	9	0.75%	-		
GE HFS LLC	1,665,100	10	0.72%	-		
Joseph Campbell Co	-		0.00%	6,437,710	2	2.83%
Autocam Corp	-			3,537,000	3	1.55%
Borg Warner	-			3,418,602	4	1.50%
Stelmi America	-			2,151,964	6	0.94%
Financing VI-Healthcare (Laurel Realty)	-			2,097,100	7	0.92%
Tri-State MI Assoc	-			2,054,100	8	0.90%
Orion Properties Sixteen LLC	-			1,280,800	10	0.56%
	<u>\$ 29,248,801</u>		<u>12.61%</u>	<u>\$ 37,027,856</u>		<u>16.25%</u>

(1) Includes ad valorem and Industrial Facilities Tax Properties.  
Source: City of Marshall Finance Department.

**TABLE 8**

**CITY OF MARSHALL  
PROPERTY TAX LEVIES AND COLLECTIONS  
GENERAL PROPERTY TAX LEVY  
LAST TEN YEARS  
(UNAUDITED)**

(1) Fiscal Year Ended June 30,	(2) Taxes Levied for the Fiscal Year	Collections to March 1st of Fiscal Year of the Levy		Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2021	\$ 4,456,064	\$ 4,444,406	99.74%	\$ 686	\$ 4,445,092	99.75%
2020	4,130,047	4,127,215	99.93%	798	4,128,013	99.95%
2019	4,068,629	4,055,986	99.69%	2,092	4,058,078	99.74%
2018	3,874,249	3,871,090	99.92%	1,226	3,872,316	99.95%
2017	3,777,564	3,766,035	99.69%	8,018	3,774,053	99.91%
2016	3,988,294	3,974,085	99.64%	11,633	3,985,718	99.94%
2015	3,973,980	3,965,617	99.79%	5,709	3,971,326	99.93%
2014	4,079,395	4,064,069	99.62%	11,627	4,075,696	99.91%
2013	4,030,907	4,026,677	99.90%	2,796	4,029,473	99.96%
2012	3,847,025	3,843,336	99.90%	919	3,844,255	99.93%

(1) Property taxes are levied August 1 of the current fiscal year based on taxable property values as of the preceding December 31. Unpaid property taxes become delinquent as of March 1 of the current fiscal year. The City's delinquent real property taxes are purchased by the Calhoun County Treasurer. Uncollected personal property taxes are collected by the City Treasurer.

(2) Includes Industrial Facility Tax (Leaf, Brush & Trash collection tax beginning in 2014). Also includes taxes captured by Tax Incremental Finance Authority (TIFA) Districts.

Source: City of Marshall Finance Department

**TABLE 9**

**CITY OF MARSHALL  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS  
(UNAUDITED)**

Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Purchase Contracts	Issuance premium/discount(net)	General Obligation Bonds	Revenue Bonds	Installment Purchase Contracts	Issuance premium/discount(net)			
2021	\$ 9,965,000	\$ 774,304	\$ 207,424	\$ 9,465,000	\$ 4,110,000	\$ -	\$ 351,422	\$ 24,873,150	76.59%	\$ 3,646
2020	5,500,000	942,268	149,334	7,295,000	4,200,000	-	379,767	18,466,369	59.05%	2,605
2019	6,220,000	1,201,084	158,216	7,940,000	-	-	373,429	15,892,729	53.73%	2,265
2018	6,855,000	1,451,077	166,989	8,615,000	175,000	-	408,311	17,671,377	63.29%	2,491
2017	7,465,000	346,042	175,876	9,640,000	265,000	186,912	443,195	18,522,025	72.76%	2,613
2016	8,030,000	502,427	184,763	6,795,000	345,000	280,368	58,884	16,196,442	66.32%	2,283
2015	8,505,000	237,024	193,642	7,535,000	420,000	-	66,677	16,957,343	66.16%	2,410
2014	3,675,000	350,567	28,963	8,245,000	490,000	-	74,470	12,864,000	50.19%	1,829
2013	4,030,000	460,920	30,900	8,940,000	555,000	720,000	82,262	14,819,082	57.82%	2,105
2012	2,540,000	598,552	(93,690)	5,815,000	620,000	720,000	(18,894)	10,180,968	39.72%	1,436

Source: City of Marshall Finance Department; US Census

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

**TABLE 10**

**CITY OF MARSHALL  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS  
(UNAUDITED)**

Year	Governmental General Obligation Bonds	Business-Type General Obligation Bonds	Total	Less: Amounts Available in Debt Service Funds	Net General Bonded GO Debt Outstanding	% of Total Personal Income	% of Actual Taxable Value of Property (A)	Per Capita (B)
2021	\$ 10,172,424	\$ 9,816,422	\$ 19,988,846	\$ (1,145)	\$ 19,987,701	9.02%	8.62%	\$ 2,930
2020	5,649,334	7,674,767	13,324,101	(1,645)	13,322,456	6.01%	6.10%	1,880
2019	6,378,216	8,313,429	14,691,645	(645,617)	14,046,028	6.77%	6.65%	2,002
2018	7,021,989	9,023,311	16,045,300	(317,645)	15,727,655	7.94%	7.74%	2,217
2017	7,640,876	10,083,195	17,724,071	(318,145)	17,405,926	9.65%	8.51%	2,456
2016	8,214,763	6,853,884	15,068,647	(1,000)	15,067,647	8.70%	6.89%	2,124
2015	8,698,642	7,601,677	16,300,319	-	16,300,319	9.04%	7.63%	2,317
2014	3,703,963	8,319,470	12,023,433	(9,404)	12,014,029	6.66%	5.47%	1,708
2013	4,060,900	9,022,262	13,083,162	(29,365)	13,053,797	7.23%	5.98%	1,854
2012	2,446,310	5,796,106	8,242,416	(108,631)	8,133,785	4.48%	3.57%	1,148

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Only General Obligation bonds are reported to show the burden of debt on property tax payers and general revenues of the City. General Obligation Bond amounts are net of any premium or discount.

Source: City of Marshall Finance Department

(A) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property at Table 5 for property value data.

(B) Population data can be found in the Schedule of Demographic and Economic Statistics at Table 14.

**TABLE 11**

**CITY OF MARSHALL  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2021  
(UNAUDITED)**

		Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt				
General obligation bonds (1)		\$ 9,965,000	\$ -	\$ 9,965,000
Unamortized bond premiums		207,424	-	207,424
Installment contracts		774,304	-	774,304
Net direct debt		\$ 10,946,728	\$ -	10,739,304
Overlapping debt	City Share of Debt (2)			
Marshall School District	31.27%	40,170,000		12,561,159
Calhoun County	6.12%	76,692,650		4,693,590
Marshall District Library	39.06%	-		-
Calhoun Intermediate School District	5.71%	-		-
Kellogg Community College	6.12%	12,300,000		752,760
Net overlapping debt				18,007,509
Net direct and overlapping debt				\$ 28,746,813

(1) Governmental activity debt only

(2) Based on Taxable Value of the City of Marshall (\$232,008,332) compared to Taxable Value of the entire other taxing jurisdictions.

Source: Municipal Advisory Council of Michigan and the City of Marshall Finance Department

TABLE 12

**CITY OF MARSHALL**  
**COMPUTATION OF LEGAL DEBT MARGIN AND HISTORICAL INFORMATION**  
**JUNE 30, 2021**  
**(UNAUDITED)**

**Legal debt margin calculation for fiscal 2021**

Assessed value (1) (including IFT values)	\$ 276,545,600
Debt limit (10% of assessed value)	27,654,560
Less: net debt applicable to limit	(19,430,000)
<b>Legal debt margin</b>	<b>\$ 8,224,560</b>

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2021	\$ 27,654,560	\$ 19,430,000	\$ 8,224,560	70.3%
2020	25,745,020	12,795,000	12,950,020	49.7%
2019	25,556,920	14,160,000	11,396,920	55.4%
2018	24,979,490	15,470,000	9,509,490	61.9%
2017	24,595,190	17,105,000	7,490,190	69.5%
2016	25,831,809	14,825,000	11,006,809	57.4%
2015	25,058,860	16,040,000	9,018,860	64.0%
2014	24,429,305	11,920,000	12,509,305	48.8%
2013	24,554,808	12,970,000	11,584,808	52.8%
2012	25,556,000	8,355,000	17,201,000	32.7%

Source: City of Marshall Finance Department

(1) Assessed Value = one-half of Estimated Actual Value (Schedule 5)

TABLE 13

**CITY OF MARSHALL  
PLEGDED-REVENUE COVERAGE  
LAST TEN YEARS  
(UNAUDITED)**

<b>Water Revenue Bonds (3)</b>					
Year	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	Total Debt Service Requirements	Coverage
2021	\$ 1,998,250	\$ 971,424	\$ 1,026,826	\$ 457,123	2.25
2020	2,289,866	1,673,745	616,121	458,225	1.34
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-

<b>Electric Revenue Bonds (4)</b>					
Year	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	Total Debt Service Requirements	Coverage
2021	\$ 13,715,432	\$ 14,291,542	\$ (576,110)	\$ -	n/a
2020	12,055,507	13,054,414	(998,907)	-	n/a
2019	12,009,552	8,415,961	3,593,591	93,500	38.43
2018	12,567,283	12,199,033	368,250	96,570	3.81
2017	12,414,551	11,541,197	873,354	95,860	9.11
2016	11,834,418	11,055,268	779,150	95,860	8.13
2015	13,611,884	11,776,240	1,835,644	94,890	19.34
2014	13,144,054	13,561,207	(417,153)	93,625	(4.46)
2013	13,228,258	11,608,613	1,619,645	95,350	16.99
2012	12,224,904	11,762,521	462,383	93,475	4.95

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

(1) Includes utility service charges along with investment income

(2) Excludes depreciation expense

(3) Water revenue bonds were issued in 1993 and 1999; A portion was refunded in 2006; remaining paid in full 2010. A new issue was sold in 2019.

(4) Electric revenue bonds were issued in 1976 and 1999; 1976 issue was paid in full 2005, 1999 paid in full 2020.

Source: City of Marshall Finance Department



**TABLE 14**

**CITY OF MARSHALL  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>(1) Total Personal Income (in thousands)</u>	<u>(2) Unemployment Rate</u>
2021	6,822	\$ 32,474	\$ 221,538	6.4%
2020	7,088	31,270	221,642	15.2%
2019	7,016	29,578	207,519	3.9%
2018	7,094	27,920	198,064	3.8%
2017	7,088	25,458	180,446	4.8%
2016	7,094	24,421	173,243	4.4%
2015	7,035	25,629	180,300	5.4%
2014	7,035	25,629	180,300	7.6%
2013	7,040	25,629	180,428	7.9%
2012	7,088	25,629	181,658	9.3%

(1) The amount shown is calculated based on City population times the Per capital income

(2) Homefacts.com and Census.gov as of 6/30/2021.

Data Sources: United States Census - Quick Facts Marshall (City)

**TABLE 15**

**CITY OF MARSHALL  
PRINCIPAL EMPLOYERS IN CALHOUN COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2021			2012		
	Employees	Rank	Percentage of Total	Employees	Rank	Percentage of Total
Tenneco Auto.	1,192	1	22%	700	2	13.95%
Oaklawn Hospital	1,004	2	19%	810	1	16.14%
Marshall Schools	330	3	6%	251	3	5.00%
Marshall Excelsior	225	4	4%	65	6	1.30%
Eaton Auto.	161	5	3%	235	4	4.68%
Michigan Kitchen Distributors	120	6	2%	72	10	1.43%
City of Marshall	116	7	2%	94	6	1.87%
Autocam Corp.	110	8	2%	75	8	1.49%
MPM/Common Citizen	105	9	2%	*		
Progressive Dynamics	94	10	2%	90	7	1.79%
Tribal Manuf.	90	11	2%	75	9	1.49%
Medilodge of Marshall/Tendercare	88	12	2%	105	5	2.09%
	<u>3,635</u>		<u>68.00%</u>	<u>2,572</u>		<u>51.23%</u>
Estimated total city employment	<u>5,417</u>			<u>5,019</u>		

\* Not available.

Source: City of Marshall - MAEDA

**TABLE 16**

**CITY OF MARSHALL  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN YEARS  
 (UNAUDITED)**

Full Time Equivalent Employees as of June 30

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	7.1	6.7	10.0	14.5	12.8	11.4	10.3	9.3	10.0	12.0
Community & Economic Development	1.6	1.1	1.2	-	2.2	0.8	2.0	1.0	2.0	2.0
Public Safety (Police & Fire)	22.0	21.0	21.0	21.0	24.0	22.0	21.0	21.5	23.0	23.0
Transportation	3.1	3.0	3.0	3.0	3.0	3.0	1.0	0.0	1.0	0.8
Public Works										
Streets & Roads	6.7	6.4	9.0	11.0	9.9	9.9	12.0	10.4	8.6	8.6
Marshall House	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.2
Electric	19.4	21.7	20.7	16.4	17.2	17.2	17.7	18.6	19.5	19.5
Fiber Net						2.0	4.7	4.7	4.7	4.7
Wastewater	6.2	7.3	7.3	9.5	6.5	6.2	6.5	7.0	6.1	6.1
Water	6.6	6.6	6.6	6.6	5.3	5.3	6.2	6.0	6.1	6.1
Parks and Recreation	3.0	3.0	3.3	4.0	4.3	4.3	3.5	3.0	3.1	3.1
<b>Total</b>	<b>78.8</b>	<b>79.9</b>	<b>85.2</b>	<b>89.1</b>	<b>88.2</b>	<b>85.2</b>	<b>88.0</b>	<b>84.5</b>	<b>87.2</b>	<b>89.0</b>

Source: City of Marshall Human Resources Department

**TABLE 17**

**CITY OF MARSHALL  
OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS  
(UNAUDITED)**

Function/Program	2012	2013	2014	2015	2016	2017	2018 (1)	2019	2020	2021
Election Data (Even Election Years)										
Registered Voters	5,460	-	5,452	5,544	5,659	5,027	5,622	5,394	5,926	5,694
Voters (at the polls or absentee) [November Elections]	3,444	-	2,331	N/A	3,546	N/A	3,125	N/A	3,982	N/A
Percent Participating	63.1%	0%	42.8%	N/A	62.7%	N/A	55.6%	N/A	67.2%	N/A
Police										
Traffic citations	2,254	614	614	920	1,050	621	526	426	429	255
Arrests	959	688	701	525	491	526	570	491	440	332
Crime Rate (U.S. Ave 297.7)	136.1	136.1	136.1	169.6	N/A	151.4	174.6	159.2	128.5	256.9
Calls for service <sup>(1)</sup>	5,189	4,886	4,886	6,947	5,703	3,246	13,009	11,383	9,713	9,580
Community & Economic Development										
Building Inspections Performed	456	1,188	207	172	93	151	140	375	125	215
Building Permits Issued	80	121	118	75	118	114	106	109	162	187
Dollar Value of Building Permits Issued ( e )	\$ 435,000	\$ 4,644,157	\$ 18,765,867	\$ 1,082,500	\$ 2,626,625	\$ 4,506,000	\$ 6,112,000	\$ 10,481,000	\$ 6,207,009	\$ 35,497,553
Public Services										
Energy Billed (kwh)	108,939,712	104,163,961	106,021,809	104,812,021	104,502,417	106,734,000	105,521,658	103,015,070	101,657,445	110,917,030
Water Pumped (gallons)	311,443,072	292,166,800	290,089,956	263,810,557	282,870,000	272,120,000	288,960,000	295,420,000	263,927,340	285,094,007
Water Treated (gallons)	489,780,000	488,730,000	517,870,000	508,440,000	536,010,000	679,680,000	731,610,000	298,134,000	636,320,000	539,230,000
Expenditures on Major Street const. & preserv.	134,120	298,409	311,912	368,205	282,995	644,488	699,754	1,295,062	305,338	779,772
Expenditures on Local Street const. & preserv.	300,161	293,215	673,732	234,230	371,630	437,494	486,633	442,777	-	201,882
Recreation										
Programs Offered	56	55	63	71	119	129	131	109	95	55
Youth Participation in Rec. Activity	2,380	2,521	1,833	1,854	2,715	2,582	2,142	2,173	3,237	747
Adult Participation in Rec. Activity	1,850	1,895	1,811	1,619	2,375	2,481	2,542	1,127	1,677	444
Senior Participation in Rec. Activity	127	50	55	46	243	237	217	44	195	57
Family Participation in Rec. Activity	1,705	1,504	1,645	1,747	1,253	1,108	925	1,078	970	29

e = estimated

(1) Consolidated Dispatch changed how they determine calls for service which now includes self-initiated dispatches

Source: City of Marshall Finance Department

TABLE 18

**CITY OF MARSHALL  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST EIGHT YEARS  
(UNAUDITED)**

Function/Program	2014*	2015	2016	2017	2018	2019	2020	2021
<b>Police</b>								
Police department building	1	1	1	1	1	1	1	1
Vehicle patrol units	7	7	7	7	7	7	7	9
<b>Fire (1)</b>								
Number of stations serving City	1	1	1	1	1	1	1	1
<b>Fire units serving City:</b>								
Fire engines	1	2	2	2	2	2	2	2
Ladder trucks	1	1	1	1	1	1	1	1
Rescue vehicles	1	1	1	1	1	1	1	1
Brush trucks	1	1	1	1	-	-	-	-
Utility vehicles	-	-	1	1	1	1	2	2
<b>Public Works</b>								
<b>City streets:</b>								
Miles of major streets	14	14	14	16	16	16	16	16
Miles of local streets	26	26	26	24	24	24	24	24
Miles of Trunkline	6	6	6	6	6	6	6	6
Miles of sidewalks	34	34	34	34	34	34	34	34
Number of Street Lights	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
<b>Sewer:</b>								
Miles of sanitary mains	49	49	49	49	49	49	49	50
Miles of storm sewers	38	38	38	38	38	38	38	38
Treatment capacity	2.62/mgd	2.62/mgd	2.62/mgd	2.62/mgd	2.62/mgd	2.62/mgd	2.62/mgd	2.62/mgd
<b>Water:</b>								
Miles of water mains	59	59	59	59	59	59	59	59
Number of fire hydrants	496	496	496	496	496	496	506	508
Treatment capacity	3.86/mgd	3.86/mgd	3.86/mgd	3.86/mgd	3.86/mgd	3.86/mgd	3.86/mgd	3.86/mgd
<b>Parks and Recreation</b>								
<b>Parks:</b>								
City	6	6	6	6	7	7	7	7
Skate	1	1	1	1	1	1	1	1
Park acreage	235	235	235	235	236	236	236	236
Play structures	2	3	3	3	3	3	3	4
Pavilions	4	4	4	4	5	5	6	7
Adult Softball Fields	2	2	2	2	2	2	2	2
Youth Softball Fields	2	2	2	2	2	2	2	2
Sand Volleyball Courts	3	3	3	3	3	3	3	3

\* This is the eighth year for the City of Marshall to develop an ACFR and the historically relevant capital asset data was not captured in a manner to accurately provide historical reference prior to this date.

Source: City of Marshall Finance Department