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City of Marion, Illinois

Financial Statements

April 30, 2016

GRAY HUNTER STENN LLP

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GRAY HUNTER STENN LLP
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QUINCY, ILLINOIS
OAK BROOK, ILLINOIS
SYCAMORE, ILLINOIS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Commissioners
City of Marion
Marion, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Marion, Ilinois' 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, each major fund, and the aggregate remaining fund information of the City of Marion, Illinois, as of April 30, 2016, 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.

Change in Accounting Principle

As described in Note 21 to the financial statements, in 2015, the City adopted new accounting guidance, GASB *Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB No. 71, Pension Transition for Contributions Made Subsequent to measurement Date – an amendment of GASB No. 68.* Our opinion is 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 budgetary comparison information, and pension information on pages 6 - 15 and 79 - 85 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 of Marion, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements, 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 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016, on our consideration of the City of Marion, Illinois' 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 of Marion, Illinois' internal control over financial reporting and compliance.

Gray Hunter Stenn LLP

Marion, Illinois
December 9, 2016

GRAY HUNTER STENN LLP

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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

Honorable Mayor and Commissioners
City of Marion
Marion, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Marion, Illinois' basic financial statements, and have issued our report thereon dated December 9, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Marion, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Marion, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Marion, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Marion, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Gray Hunter Stenn LLP

Marion, Illinois
December 9, 2016

CITY OF MARION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2016

The City of Marion's (the "City") discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements (beginning on page 16).

USING THIS ANNUAL REPORT

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 16-17) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 17) is focused on both the gross and net cost of various activities (including governmental, business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the City's basic services, including police, fire, public works, culture and recreation and administration. Shared state sales tax, home rule sales tax, utility taxes and shared state income tax finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Wastewater) where the fee for service typically covers all or most of the cost of operation, including depreciation.

2015 balances in table one have been restated to reflect various reclasses made in the 2016 balances.

Fund Financial Statements
Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

The Governmental Major Fund (see pages 18 and 20) presentation is presented on a sources and uses of liquid resources basis. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension and Firefighters Pension Funds). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Proprietary Fund Financial Statements (see pages 22-23) are the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 19 and 21). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into Governmental Activities column (in the Governmental-wide statements).

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. The notes to the financial statements can be found on pages 28 through 78 of this report.

Other Information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide benefits to its employees and budget to actual information for the General Fund and major Special Revenue Funds. Required supplementary information can be found on pages 79 through 85 of this report.

Infrastructure Assets
Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. This new statement requires that that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation.

The City has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed.

GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

The following table reflects the condensed Statement of Net Position:

Table 1
Statement of Net Position
As of April 30, 2016
(in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	$ 35,377	$ 37,543	$ 3,339	$ 3,354	$ 38,716	$ 40,897
Capital Assets	98,164	92,595	29,065	29,087	127,229	121,682
Total Assets	$ 133,541	$130,138	$ 32,404	$ 32,441	$ 165,945	$ 162,579
Deferred Outflows of Resources	$ 2,678	$ 370	$ 436	$ 9	$ 3,114	$ 379
Current Liabilities	$ 6,761	$ 7,016	$ 1,609	$ 1,478	$ 8,370	$ 4,632
Noncurrent Liabilities	64,337	49,699	12,695	12,201	77,032	65,762
Total Liabilities	$ 71,098	$ 56,715	$ 14,304	$ 13,679	$ 85,402	$ 70,394
Deferred Inflows of Resources	$ 7,849	$ 7,550	$ -	$ -	$ 7,849	$ 7,550
Net Position:						
Invested in Capital Assets, Net of Related Debt	$ 62,048	$ 56,384	$ 17,985	$ 17,507	$ 80,033	$ 73,891
Restricted	6,895	6,305	1,057	994	7,952	7,299
Nonspendable	1	1		-	1	1
Unrestricted	(11,672)	3,553	(506)	270	(12,178)	3,823
Total Net Position	$ 57,272	$ 66,243	$ 18,536	$ 18,771	$ 75,808	$ 85,014

For more detailed information see the Statement of Net Position (page 16).

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation:

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase invested in capital assets and an increase in related new debt which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Current year impacts

The City's combined net position (which is the City's bottom line) decreased from $85.00 million to $75.81 million for a total drop of $9.19 million in net position. Of this decrease, governmental activities decreased by $8.97 million and business–type activities decreased by $235 thousand. The City implemented GASB 68 Accounting and Financial Reporting for Pensions in the current year. This GASB, among other items, requires local governments to fully record their long-term pension liabilities on the Statement of Net Position. This one-time adjustment (commonly referred to as a prior period adjustment) and the increase in net pension liability for the current year significantly increased the City's long-term pension liabilities. Due to this adjustment, long-term liabilities increased from $65.76 million to $77.03 million. Without the new GASB standard, long-term liabilities would have decreased from the prior year. Governmental investment in capital assets net of related debt had an increase at $6.14 million. This increase was due to new road construction such as the work on Morgan Avenue.

Changes in Net Position
The following table represents the condensed statement of Changes in Net Position:

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2016
(in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program revenues:						
Charges for services	$ 3,046	$ 1,549	$ 6,599	$ 6,674	$ 9,645	$ 8,223
Operating grants and Contributions	834	973	75	16	909	989
Capital grants and Contributions	3,512	2,464	-	-	3,512	2,464
General revenues:						
Property taxes	7,171	6,547	-	-	7,171	6,547
Sales Tax (shared and Home rule)	13,873	13,393	-	-	13,873	13,393
Other taxes	5,571	5,482	-	-	5,571	5,482
Special Items		-	-	(407)	-	(407)
Transfers	21	(305)	(21)	254	-	(51)
Other	98	333	8	12	106	345
Total Revenues	$ 34,126	$ 30,436	$ 6,661	$ 6,549	$ 40,787	$ 36,985
EXPENSES:						
General government	$ 2,888	$ 3,045	$ -	$ -	$ 2,888	$ 3,045
Public health and safety	10,718	10,392	-	-	10,718	10,392
Streets, alleys & cemeteries	4,131	3,267	-	-	4,131	3,267
Culture and recreation	4,868	3,451	-	-	4,868	3,451
Development	3,159	3,411	-	-	3,159	3,411
Interest	1,531	1,429	-	-	1,531	1,429
Unallocated depreciation	1,166	1,102	-	-	1,166	1,102
Water	-	-	3,451	3,556	3,451	3,556
Sewer	-	-	3,015	2,959	3,015	2,959
Total Expenses	$ 28,461	$ 26,097	$ 6,466	$ 6,515	$ 34,927	$ 32,612
Change in Net Position	$ 5,665	$ 4,339	$ 195	$ 34	$ 5,860	$ 4,373
Net Position as Restated, May 1	51,607	61,904	18,341	18,737	69,948	80,641
Net Position, April 30	$ 57,272	$ 66,243	$ 18,536	$ 18,771	$ 75,808	$ 85,014

Normal Impacts

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, and sales tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in City Approved Rates – while certain rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fees, building fees, home rule sales tax, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment Income – the City's investment portfolio is managed using a short-term average maturity and the market condition may cause investment income to fluctuate less than alternative longer term options.

Expenses:

Introduction of New Programs – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 46.97% of the City's operating cost.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Governmental Activities

Revenue:

The City's largest of revenues is sales tax which was 40.65% of total revenue. The second largest source of revenue is property taxes at 21.01% of total revenue. Tax Increment Financing districts (TIF) generate $5.55 million or 73.57% of the property tax. The property tax generated by the TIF districts must be used for development or other eligible costs within the TIF districts.

Total revenues increased by $3.69 million. The two largest Increases were recognized in charges for services $1.50 million and capital grants and contributions $1.05 million. The increase in charges for services was due to the HUB Recreational Center being open for the entire year. The increase in capital grant and contributions was due to the State turning over to the City the completed roadway known as Joseph Cannon Way. Property, sales and other taxes increased by $1.19 million.

Expenses:

Total expenses increased by $2.36 million over the prior year. The largest single increase was in culture and recreation at $1.42 million. This increase was due the Hub Recreational Center being in operation for the entire fiscal year. Streets, alleys and cemeteries increased by $864 thousand. The increase was due to street asphalting in the amount of $1.06 million. Police and Fire departments without including depreciation or interest make up about 30% for the total expenses for governmental activities. Streets, alleys and cemeteries include highways and streets costs as well as the two City cemeteries. Culture and recreation includes the Marion Pavilion, the Marion Cultural and Civic Center and the HUB Recreational Center. Development costs consists mainly of payments to developers within the TIF districts including administrative costs. Gross payroll for the City as a whole for the current year was approximately 30% of total expenditures. The City contributes to three different defined benefit pension plans which are the Illinois Municipal Retirement Fund, Police Pension Fund and the Firefighters Pension Fund. See the Notes to Financial Statements for a detailed analysis of the various pension funds.

Business-type Activities

Revenues:

Total revenues remained constant from the prior year. There were no special write downs this year or any transfer of completed projects from the TIF districts.

Expenses:

Total expenses decreased by $49 thousand over the prior year. The reason for this decrease was due to the Water Department paying the Rend Lake Water Conservancy District $178 thousand less than the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2016, the governmental funds (as presented on the balance sheet on page 18) reported a fund balance of $23.98 million which is a 2.50% decrease from the beginning of the year ($24.60 million). The prior year fund balance however included $1.95 million of unspent bond proceeds. Of the total fund balance of $23.98 million, $5.52 million is unassigned general fund types indicating availability for the continuing City services. The $4.60 in committed funds represents cash reserves which are set aside for emergency situations.

General Fund Budgetary Highlights

The City passes a Budget Ordinance as the means to provide legal authority to allocate funds to specific spending activities. Transfers between line items within a department do not required Council Approval. If required, the City passes budget revisions to approve the spending of funds which were not anticipated. The Budget Ordinance is on the cash basis of accounting.

The City incurred additional long-term debt borrowings of $722 thousand for parking lot improvements and the purchase of an additional fire truck. The additional fire truck was purchased due to a federal grant that was approved. Grant monies will be received in the next fiscal year to pay down the additional borrowings for the fire truck. The budget was also amended for $196 thousand in payroll and related cost increases which were covered by increased revenue.

Table 3
Budget Compared to Actual
For the Fiscal Year Ended April 30, 2016
(in thousands)

General Fund	Original Budget	Amended Budget	Actual
Expenditures			
General government	$ 2,809	$ 3,285	$ 3,266
Public health and safety	9,450	9,819	9,385
Streets, alleys & Cemeteries	3,007	2,922	2,881
Cultural & recreation	1,411	1,523	1,483
Development	863	863	859
Capital Outlay	938	1,521	1,566
Total	$ 18,478	$ 19,933	$ 19,440

Capital Assets

At the end of Fiscal year 2016, the City's Governmental Funds had invested $98.2 million, net of depreciation (see Notes to Financial Statements #9) in a variety of capital assets and infrastructure as reflected in the following schedule.

Table 4
Governmental Funds
Change in Capital Assets
(in thousands)

	Balance April 30, 2015	Net Additions/ Deletions	Balance April 30, 2016
Non-depreciable Assets			
Land	$ 24,434	$ 2,952	$ 27,386
Construction in Progress	12,097	(10,765)	1,332
Other Capital Assets			
Infrastructure	51,159	15,420	66,579
Parking Lot Improvements	92	216	308
Buildings	37,719	35	37,754
Machinery and Equipment	4,570	92	4,662
Vehicles	4,088	134	4,222
Software	122	-	122
Land Improvements	367	-	367
Less Accumulated Depreciation on Other Capital Assets	(42,053)	(2,515)	(44,568)
Totals	$ 92,595	$ 5,569	$ 98,164

The increase in infrastructure was due to the completion of several road projects.

Debt Outstanding

The City of Marion has an AA- stable rating with Standard and Poor's Ratings Service. As a home rule authority, the City does not have a legal debt limit. As of April 30, 2016 the City had total long-term debt and loans payable of $56.73 million. The schedule below does not include liabilities owed for pension and other post-employment benefits which are detailed on the Statement of Net Position on page 16 and further explained in the Notes to the Financial Statements.

Table 5
Changes in Long-Term Debt
(in thousands)

	Balance April 30, 2015	Net Additions/ Deletions	Balance April 30, 2016
Governmental Activities			
General Obligation Debt	$ 38,676	$ (11,081)	$ 27,595
Other Contractual Liabilities	9,346	8,634	17,980
Governmental Activities Total	$ 48,022	$ (2,447)	$ 45,575

Business Activities			
General Obligation Debt	$ 8,120	$ (1,329)	$ 6,791
Other Contractual Liabilities	3,541	827	4,368
Business Activities Total	$ 11,661	$ (502)	$ 11,159
Total Long-Term Debt	$ 59,683	$ (2,949)	$ 56,734

The City during the year incurred a bank loan in the amount of $8.229 million to refund a Business Activities bond issue of $475 thousand and a Governmental Activities bond issue of $7.665 million. See Note 12 of Notes to Financial Statements for additional detail.

Economic Factors

Economic factors were on a positive pace as shown by stable unemployment numbers, increasing single-family home and commercial building permits, and increasing consumer spending.

Unemployment over the fiscal year was a low of 5.8% in May 2015, and a high of 8.2% in January 2016. The 12-month unemployment average for the fiscal year was 6.7%, which is the same average as the previous fiscal year.

Commercial building permits increased over previous year by 109% with 21 commercial permits totaling $35,335,780. Twenty-nine new home permits were issued which surpassed the previous year of 17 permits and apartment/duplex building permits saw an increase of 71%. A total of 68 building permits were issued in the fiscal year which includes homes, apartments, additions, and commercial buildings which is 15% more than permits in the previous year whereas, the total dollars invested in these buildings was $40,564,424 compared to previous year total of $21,799,345.

This year's economic growth was shown by increasing consumer spending as measured by retail sales tax, which grew $218,000 over the previous year. The Morgan Avenue overpass and the Interstate 57 and Morgan Avenue interchange were completed and opened on August 12, 2015. The opening of this interchange created new commercial building sites with interstate visibility and easy off-interstate access. The success of the city's investment can be seen with the opening or construction of 5 new businesses where one year before was raw land for sale.

Most notable commercial projects in this fiscal year were a $10.3 million expansion of Aisin Light Metals which added 170 new jobs. The City also had 5 restaurants, 2 gas stations, and a veterinary clinic to start during the fiscal year.

The City continues to be optimistic about economic activity with growing interest in commercial real estate sites and continuing commercial building permits.

FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for 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 Steve Hale, City Treasurer, City of Marion, 1102 Tower Square, Marion, IL 62959.

City of Marion, Illinois
Statement of Net Position
April 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 13,566,947.46	$ 1,297,416.34	$ 14,864,363.80
Restricted cash	483,697.60	1,081,573.02	1,565,270.62
Investments	4,658,956.92	-	4,658,956.92
Restricted investments	65,057.32	-	65,057.32
Receivables, net			
Property taxes	7,848,959.36	-	7,848,959.36
Sales taxes	3,244,298.02	-	3,244,298.02
Accrued interest	44,297.84	-	44,297.84
Accounts receivable	464,909.50	654,421.62	1,119,331.12
Grant receivable	1,250,000.00	-	1,250,000.00
Loans receivable	1,259,617.51	-	1,259,617.51
Bonds receivable	1,845,000.00	-	1,845,000.00
Due from other governments	645,643.24	-	645,643.24
Inventories	-	305,618.32	305,618.32
Capital assets, non-depreciable	28,718,349.82	3,582,856.50	32,301,206.32
Capital assets, net of accumulated depreciation	69,445,726.07	25,482,303.70	94,928,029.77
Total Assets	$ 133,541,460.66	$ 32,404,189.50	$ 165,945,650.16
Deferred Outflow of Resources			
Deferred amounts related to net pension liability	$ 2,379,274.43	431,127.43	$ 2,810,401.86
Unamortized loss on refunding	298,571.65	4,389.35	302,961.00
Total Deferred Outflow of Resources	$ 2,677,846.08	$ 435,516.78	$ 3,113,362.86
Liabilities			
Accounts payable	$ 768,553.07	322,596.01	$ 1,091,149.08
Accrued payroll	367,667.19	69,855.70	437,522.89
Accrued payroll related expenses	25,410.15	-	25,410.15
Accrued interest payable	44,592.81	24,464.13	69,056.94
Accrued vacation payable	377,095.40	73,867.60	450,963.00
Due to other funds	473.12	(473.12)	-
Customer deposits	-	635,623.15	635,623.15
Other liabilities	1,418.45	-	1,418.45
Long-term liabilities			
Due within one year	5,175,439.72	1,118,762.12	6,294,201.84
Due in more than one year	40,022,139.49	9,966,113.01	49,988,252.50
Net OPEB Obligation	6,825,809.00	1,182,904.00	8,008,713.00
Net Pension Liability	17,489,442.00	910,574.00	18,400,016.00
Total Liabilities	$ 71,098,040.40	$ 14,304,286.60	$ 85,402,327.00
Deferred Inflow of Resources			
Unavailable revenue	$ 7,848,959.36	$ -	$ 7,848,959.36
Net Position			
Invested in capital assets, net of related debt	$ 62,047,732.11	$ 17,984,674.42	$ 80,032,406.53
Restricted for:			
Donor restricted expenditures	81,244.38	-	81,244.38
Future loans	1,584,944.78	-	1,584,944.78
Public safety expenditures	165,304.49	-	165,304.49
Development	1,225,096.72	-	1,225,096.72
Debt service	1,962,797.14	1,057,108.89	3,019,906.03
Cemetery	8,002.14	-	8,002.14
Maintenance of roadways	1,486,351.34	-	1,486,351.34
Capital projects	575.00	-	575.00
Tourism and recreation	381,713.32	-	381,713.32
Nonspendable	1,000.00	-	1,000.00
Unrestricted	(11,672,454.44)	(506,363.63)	(12,178,818.07)
Total Net Position	$ 57,272,306.98	$ 18,535,419.68	$ 75,807,726.66

See accompanying notes to financial statements.

City of Marion, Illinois
Statement of Activities
For the Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Business-type Activities	Net (Expenses) Revenues and Changes in Net Assets: Total
Governmental Activities							
General government	$ 2,887,403.59	$ 259,679.93	$ 111,667.25	$ 1,250,000.20	$ (1,266,056.21)		$ (1,266,056.21)
Public health and safety	10,717,970.27	206,155.52	252,114.75	-	(10,259,700.00)		(10,259,700.00)
Streets, alleys and cemeteries	4,131,493.35	97,406.82	453,685.73	2,262,457.62	(1,317,943.18)		(1,317,943.18)
Culture and recreation	4,868,410.49	2,434,950.18	15,830.89	-	(2,417,629.42)		(2,417,629.42)
Development	3,158,928.54	47,751.55	-	-	(3,111,176.99)		(3,111,176.99)
Interest expense	1,531,122.33	-	-	-	(1,531,122.33)		(1,531,122.33)
Unallocated depreciation expense	1,165,719.37	-	-	-	(1,165,719.37)		(1,165,719.37)
Total Governmental Activities	$ 28,461,047.94	$ 3,045,944.00	$ 833,298.62	$ 3,512,457.82	$ (21,069,347.50)		$ (21,069,347.50)
Business-Type Activities							
Water	$ 3,451,018.86	$ 3,490,645.71	$ 75,098.00	$ -		$ 114,724.85	$ 114,724.85
Sewer	3,014,815.99	3,108,393.52	-	-		93,577.53	93,577.53
Total Business-Type Activities	$ 6,465,834.85	$ 6,599,039.23	$ 75,098.00	$ -		$ 208,302.38	$ 208,302.38
Totals	$ 34,926,882.79	$ 9,644,983.23	$ 908,396.62	$ 3,512,457.82	$ (21,069,347.50)	$ 208,302.38	$ (20,861,045.12)
General Revenues							
Taxes							
Property taxes					$ 7,170,615.53	$ -	$ 7,170,615.53
Sales taxes					13,873,245.25	-	13,873,245.25
Other taxes and franchise fees					3,792,258.14	-	3,792,258.14
Intergovernmental					1,779,036.26	-	1,779,036.26
Investment income					58,784.12	1,349.74	60,133.86
Miscellaneous					68,480.86	6,633.01	75,113.87
Gain (loss) on sale of capital assets					(29,480.63)		(29,480.63)
Transfers					21,288.18	(21,288.18)	(0.00)
Total General Revenues, Special Items, and Transfers					$ 26,734,227.71	$ (13,305.43)	$ 26,720,922.28
Change in Net Position					$ 5,664,880.21	$ 194,996.95	$ 5,859,877.16
Net Position - Beginning of Year - As Restated					51,607,426.77	18,340,422.73	69,947,849.50
Net Position - End of Year					$ 57,272,306.98	$ 18,535,419.68	$ 75,807,726.66

See accompanying notes to financial statements.

City of Marion, Illinois
Governmental Funds
Balance Sheet
April 30, 2016

	General Fund	TIF Redevelopment Fund	General Projects Fund	Non-Major Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 1,236,334.30	$ 8,216,018.37	$ -	$ 4,328,614.69	$ 13,780,967.36
Restricted cash and cash equivalents	129,799.04	-	-	1,844.90	131,643.94
Investments	4,658,956.92	-	-	-	4,658,956.92
Restricted investments	65,057.32	-	-	-	65,057.32
Property taxes receivable	1,539,946.51	5,811,661.16	-	497,351.69	7,848,959.36
Sales taxes receivable	3,244,298.02	-	-	-	3,244,298.02
Accrued interest receivable	10,472.84	-	-	-	10,472.84
Grant receivable	1,250,000.00	-	-	-	1,250,000.00
Loans receivable	-	-	-	1,232,891.12	1,232,891.12
Due from other funds	-	-	575.00	185,970.79	186,545.79
Due from other governments	610,393.22	-	-	39,128.05	649,521.27
Accounts receivable	243,732.80	-	-	244,025.06	487,757.86
Total Assets	$ 12,988,990.97	$ 14,027,679.53	$ 575.00	$ 6,529,826.30	$ 33,547,071.80
Liabilities, Deferred Inflow of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 319,709.87	$ 282,288.12	$ -	$ 166,555.08	$ 768,553.07
Due to other funds	179,860.41	-	-	-	179,860.41
Accrued payroll	323,291.14	-	-	44,376.05	367,667.19
Accrued vacation payable	364,898.60	-	-	12,196.80	377,095.40
Accrued payroll related expenses	25,410.15	-	-	-	25,410.15
Other liabilities	-	-	-	1,418.37	1,418.37
Total Liabilities	$ 1,213,170.17	$ 282,288.12	$ -	$ 224,546.30	$ 1,720,004.59
Deferred Inflow of Resources					
Unavailable revenue	$ 1,399,970.92	$ 5,811,661.16	$ -	$ 637,327.28	$ 7,848,959.36
Fund Balances					
Nonspendable	$ -	$ -	$ -	$ 1,000.00	$ 1,000.00
Restricted	194,866.36	7,933,730.25	575.00	5,666,952.72	13,796,124.33
Assigned	62,132.05	-	-	-	62,132.05
Committed	4,601,530.20	-	-	-	4,601,530.20
Unassigned	5,517,321.27	-	-	-	5,517,321.27
Total Fund Balances	$ 10,375,849.88	$ 7,933,730.25	$ 575.00	$ 5,667,952.72	$ 23,978,107.85
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 12,988,990.97	$ 14,027,679.53	$ 575.00	$ 6,529,826.30	$ 33,547,071.80

See accompanying notes to financial statements.

City of Marion, Illinois
Reconciliation of the Governmental Fund Balances to the Governmental Activities in the Statement of Net Position
April 30, 2016

Total Fund Balances of Governmental Funds	$	23,978,107.85
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental activities of the governmental funds.		98,164,075.89
Interest payable is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.		(44,592.81)
The assets and liabilities of the health reimbursement fund are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		130,875.18
Long-term liabilities, including bonds, unamortized loss, and notes payable are not due and payable in the current period and therefore, are not reported in the governmental funds.		(44,899,007.56)
Long-term bonds receivable and the related accrued interest receivable are not due and receivable in the current period and therefore, are not reported in the governmental funds.		1,878,825.00
Deferred outflows of resources related to pensions are not reported in governmental funds.		2,379,274.43
Net Pension Liability and Net OPEB obligation are not reported in the governmental funds.		(24,315,251.00)
Net Position of Governmental Activities	$	57,272,306.98

See accompanying notes to financial statements.

City of Marion, Illinois
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2016

	General Fund	TIF Redevelopment Fund	General Projects Fund	Non-Major Funds	Total Governmental Funds
Revenues					
Property taxes	$ 1,211,285.33	$ 5,547,966.21	$ -	$ 781,863.99	$ 7,541,115.53
Sales tax	13,871,400.10	-	-	-	13,871,400.10
Grant revenue	1,585,031.98	-	-	312,570.64	1,897,602.62
Licenses and permits	135,813.84	-	-	-	135,813.84
Intergovernmental revenue	1,779,036.26	-	-	453,385.73	2,232,421.99
Service charges and fees	538,595.60	-	-	2,348,253.46	2,886,849.06
Other taxes and franchise fees	1,556,903.61	-	-	2,237,199.68	3,794,103.29
Investment income	47,969.06	8,421.91	208.74	2,184.21	58,783.92
Miscellaneous revenue	125,078.20	-	1,949,887.18	500.00	2,075,465.38
Restricted donations	10,457.89	-	-	-	10,457.89
Total Revenues	$ 20,861,571.87	$ 5,556,388.12	$ 1,950,095.92	$ 6,135,957.71	$ 34,504,013.62
Expenditures					
General government	$ 3,095,426.84	$ -	$ -	$ -	$ 3,095,426.84
Public health and safety	9,357,700.25	-	-	90,053.88	9,447,754.13
Streets, alleys and cemeteries	2,873,573.48	5,618.50	-	1,104,988.57	3,984,180.55
Culture and recreation	1,494,533.87	-	-	2,431,488.51	3,926,022.38
Capital outlay	1,739,304.05	92,850.29	5,417,543.58	1,153,239.13	8,402,937.05
Development	801,615.95	2,343,133.37	-	9,914.22	3,154,663.54
Debt Service	7,665,000.00	140,000.00	-	4,534,633.66	12,339,633.66
Total Expenditures	$ 27,027,154.44	$ 2,581,602.16	$ 5,417,543.58	$ 9,324,317.97	$ 44,350,618.15
Excess (Deficiency) of Revenues Over Expenditures	$ (6,165,582.57)	$ 2,974,785.96	$ (3,467,447.66)	$ (3,188,360.26)	$ (9,846,604.53)
Other Financing Sources (Uses)					
Transfers in (out)	$ (3,035,695.35)	$ (788,315.00)	$ 1,275,640.97	$ 2,569,657.56	$ 21,288.18
Proceeds from long-term debt	9,200,855.00	-	-	-	9,200,855.00
Total Other Financing Sources (Uses)	$ 6,165,159.65	$ (788,315.00)	$ 1,275,640.97	$ 2,569,657.56	$ 9,222,143.18
Net Change in Fund Balances	$ (422.92)	$ 2,186,470.96	$ (2,191,806.69)	$ (618,702.70)	$ (624,461.35)
Fund Balances - Beginning of Year	10,376,272.80	5,747,259.29	2,192,381.69	6,286,655.42	24,602,569.20
Fund Balances - End of Year	$ 10,375,849.88	$ 7,933,730.25	$ 575.00	$ 5,667,952.72	$ 23,978,107.85

See accompanying notes to financial statements.

City of Marion, Illinois
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds		$ (624,461.35)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the Statement of Activities.		
Depreciation expense	$ (2,804,303.29)	
Capital asset purchases, capitalized	8,402,937.05	5,598,633.76
The effect of various transactions involving capital assets (sales, trade-ins, and contributions) is to increase (decrease) net assets.		(29,480.63)
The net effect of transactions involving the loan receivable on the Special Service Area.		(259,675.00)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
OPEB obligations	(929,796.00)	
Net pension liability	(602,800.01)	(1,532,596.01)
The issuance of long-term debt (bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of long-term debt	3,866,227.66	
Interest	85,332.32	
Amortization of bond premium	136,833.85	
Deferred amount on refunding	(71,349.61)	
Amortization of bond discount	(498.67)	
Issuance of general obligation bonds	(9,200,855.00)	
Refunding of general obligation bonds	7,665,000.00	2,480,690.55
The Health Reimbursement fund is used by management to charge the costs of health insurance reimbursements to individual funds. The net revenue (expense) is reported with governmental activities.		31,768.89
Change in Net Position of Governmental Activities		$ 5,664,880.21

See accompanying notes to financial statements.

City of Marion, Illinois
Proprietary Funds
Statement of Net Position
April 30, 2016

	Enterprise Funds			Governmental Activities Internal Service
	Water Department	Sewer Department	Total Business-Type Activities	Health Reimbursement Fund
Assets				
Current Assets				
Cash and cash equivalents	$ 519,078.50	$ 778,337.84	$ 1,297,416.34	$ 138,033.76
Accounts receivable, net	374,718.50	279,703.12	654,421.62	-
Inventories	190,802.32	114,816.00	305,618.32	-
Due from other funds	-	-	-	(6,685.38)
Restricted Assets				
Restricted cash and cash equivalents	339,040.32	742,532.70	1,081,573.02	-
Total Current Assets	$ 1,423,639.64	$ 1,915,389.66	$ 3,339,029.30	$ 131,348.38
Non-Current Assets				
Capital assets, non-depreciable	3,528,478.38	54,378.12	3,582,856.50	-
Capital assets, net of accumulated depreciation	10,007,979.04	15,474,324.66	25,482,303.70	-
Total Assets	$ 14,960,097.06	$ 17,444,092.44	$ 32,404,189.50	$ 131,348.38
Deferred Outflow of Resources				
Deferred amounts related to net pension liability	$ 200,462.62	$ 230,664.81	$ 431,127.43	$ -
Unamortized loss of refunding	4,389.35	-	4,389.35	-
Total Deferred Outflow of Resources	$ 204,851.97	$ 230,664.81	$ 435,516.78	$ -
Liabilities				
Current Liabilities				
Accounts payable	$ 196,972.56	$ 125,623.45	$ 322,596.01	$ -
Accrued payroll	31,913.71	37,941.99	69,855.70	-
Accrued interest payable	7,386.38	17,077.75	24,464.13	-
Accrued vacation payable	28,234.74	45,632.86	73,867.60	-
Bonds payable, current	160,131.55	489,145.86	649,277.41	-
Notes payable, current	298,279.07	171,205.64	469,484.71	-
Total Current Liabilities	$ 722,918.01	$ 886,627.55	$ 1,609,545.56	$ -
Non-current liabilities				
Customer deposits	$ 635,623.15	$ -	$ 635,623.15	$ -
Bonds payable, long-term	2,452,014.39	3,689,861.17	6,141,875.56	-
Notes payable, long-term	1,102,592.92	2,721,644.53	3,824,237.45	-
Net Pension Liability	423,069.00	487,505.00	910,574.00	-
Net OPEB liability	559,582.00	623,322.00	1,182,904.00	-
Total Non-Current Liabilities	$ 5,172,881.46	$ 7,522,332.70	$ 12,695,214.16	$ -
Total Liabilities	$ 5,895,799.47	$ 8,408,960.25	$ 14,304,759.72	$ -
Net Position				
Invested in capital assets, net of related debt	$ 9,527,828.84	$ 8,456,845.58	$ 17,984,674.42	$ -
Restricted by ordinance	331,653.94	725,454.95	1,057,108.89	-
Unassigned	(590,333.22)	83,496.47	(506,836.75)	131,348.38
Total Net Position	$ 9,269,149.56	$ 9,265,797.00	$ 18,534,946.56	$ 131,348.38
The net position reported for enterprise in the statement of net position is different because: Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds.			473.12	
			$ 18,535,419.68	

See accompanying notes to financial statements.

City of Marion, Illinois
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended April 30, 2016

	Enterprise Funds			Governmental Activities Internal Service
	Water Department	Sewer Department	Total Business-Type Activities	Health Reimbursement Fund
Operating Revenues				
Service charges and fees	$ 3,480,243.80	$ 3,108,393.52	$ 6,588,637.32	$ 394,352.44
Miscellaneous	3,705.76	2,094.16	5,799.92	-
Total Operating Revenues	$ 3,483,949.56	$ 3,110,487.68	$ 6,594,437.24	$ 394,352.44
Operating Expenses				
Personnel services	$ 864,259.61	$ 1,053,526.86	$ 1,917,786.47	$ -
Contractual services	50,962.91	75,810.44	126,773.35	-
Utilities	66,982.94	269,683.58	336,666.52	-
Repairs and maintenance	83,427.89	243,544.66	326,972.55	-
Other supplies and expenses	199,495.76	237,716.66	437,212.42	-
Insurance claims and expenses	329,787.00	373,645.87	703,432.87	355,371.19
Water purchases	1,330,799.26	-	1,330,799.26	-
Depreciation	402,604.54	625,426.66	1,028,031.20	-
Total Operating Expenses	$ 3,328,319.91	$ 2,879,354.73	$ 6,207,674.64	$ 355,371.19
Operating Income (Loss)	$ 155,629.65	$ 231,132.95	$ 386,762.60	$ 38,981.25
Non-Operating Revenues (Expenses)				
Interest income	$ 448.69	$ 901.05	$ 1,349.74	$ 51.27
Rental Income, net	10,401.91	-	10,401.91	-
Bond premium amortization	127.44	28,512.26	28,639.70	-
Interest expense	(126,024.11)	(168,039.41)	(294,063.52)	-
Gain (loss) on sale of capital assets	(4,983.98)	(579.79)	(5,563.77)	-
Insurance proceeds	-	6,396.86	6,396.86	-
Total Non-Operating Revenues (Expenses)	$ (120,030.05)	$ (132,809.03)	$ (252,839.08)	$ 51.27
Income (Loss) Before Contributions and Transfers	$ 35,599.60	$ 98,323.92	$ 133,923.52	$ 39,032.52
Capital contributions	75,098.00	-	75,098.00	-
Transfers in (out)	(10,644.09)	(10,644.09)	(21,288.18)	-
Change in Net Position	$ 100,053.51	$ 87,679.83	$ 187,733.34	$ 39,032.52
Net Position - Beginning of Year - As Restated	9,169,096.05	9,178,117.17		92,315.86
Net Position - End of Year	$ 9,269,149.56	$ 9,265,797.00		$ 131,348.38
Amounts reported for enterprise activities are different because:				
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds.			7,263.61	
			$ 194,996.95	

See accompanying notes to financial statements.

City of Marion, Illinois
Proprietary Funds
Statement of Cash Flows
For the Year Ended April 30, 2016

	Enterprise Funds			Governmental Activities Internal Service
	Water Department	Sewer Department	Total Business-Type Activities	Health Reimbursement Fund
Cash Flows from Operating Activities				
Receipts from customers	$ 3,375,683.79	$ 3,131,303.96	$ 6,506,987.75	$ 394,352.44
Receipts from grants and contributions	-	16,105.60	16,105.60	-
Payments to employees	(687,668.52)	(812,937.12)	(1,500,605.64)	-
Payments to suppliers of goods and services	(2,088,426.22)	(1,334,948.85)	(3,423,375.07)	(355,371.19)
Net Cash Provided (Used) by Operating Activities	$ 599,589.05	$ 999,523.59	$ 1,599,112.64	$ 38,981.25
Cash Flows From Noncapital Financing Activities				
Net operating transfers	$ (17,185.28)	$ (10,644.09)	$ (27,829.37)	$ 6,685.38
Net Cash Provided (Used) by Noncapital Financing Activities	$ (17,185.28)	$ (10,644.09)	$ (27,829.37)	$ 6,685.38
Cash Flows from Capital and Related Financing Activities				
Proceeds from capital contributions	$ 142,446.65	$ -	$ 142,446.65	$ -
Interest paid on capital debt	(123,649.61)	(168,990.14)	(292,639.75)	-
Proceeds from insurance	-	6,396.86	6,396.86	-
Purchase of capital assets	(785,650.59)	(225,968.74)	(1,011,619.33)	-
Principal paid on capital debt	(901,711.13)	(629,522.74)	(1,531,233.87)	-
Proceeds from long-term debt	1,064,831.00	-	1,064,831.00	-
Net Cash Provided (Used) by Capital and Related Financing Activities	$ (603,733.68)	$ (1,018,084.76)	$ (1,621,818.44)	$ -
Cash Flows from Investing Activities				
Interest on investments	$ 448.69	$ 901.05	$ 1,349.74	$ 51.27
Rental income, net	10,401.91	-	10,401.91	-
Net Cash Provided (Used) by Investing Activities	$ 10,850.60	$ 901.05	$ 11,751.65	$ 51.27
Increase (Decrease) in Cash and Cash Equivalents	$ (10,479.31)	$ (28,304.21)	$ (38,783.52)	$ 45,717.90
Cash and Cash Equivalents at Beginning of Year	868,598.13	1,549,174.75	2,417,772.88	92,315.86
Cash and Cash Equivalents at End of Year	$ 858,118.82	$ 1,520,870.54	$ 2,378,989.36	$ 138,033.76
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$ 155,629.65	$ 231,132.95	$ 386,762.60	$ 38,981.25
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	$ 402,604.54	$ 625,426.66	$ 1,028,031.20	$ -
Bad debts	18,884.08	16,540.20	35,424.28	-
(Increase) decrease in accounts receivable	(127,149.85)	4,276.08	(122,873.77)	-
(Increase) decrease in due from other governments	-	16,105.60	16,105.60	-
(Increase) decrease in inventories	14,264.32	(34,230.00)	(19,965.68)	-
(Increase) decrease in deferred pension	(401,096.24)	(460,367.34)	(861,463.58)	-
Increase (decrease) in customer deposits	32,184.68	-	32,184.68	-
Increase (decrease) in accounts payable	43,762.59	41,906.67	85,669.26	-
Increase (decrease) in accrued payroll	5,680.28	5,168.77	10,849.05	-
Increase (decrease) in other liabilities	31,756.00	66,059.00	97,815.00	-
Increase (decrease) in Net Pension Liability	423,069.00	487,505.00	910,574.00	-
Total adjustments	$ 443,959.40	$ 768,390.64	$ 1,212,350.04	$ -
Net Cash Provided (Used) by Operating Activities	$ 599,589.05	$ 999,523.59	$ 1,599,112.64	$ 38,981.25

See accompanying notes to financial statements.

City of Marion, Illinois
Statement of Fiduciary Net Position
April 30, 2016

	Pension Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	$ 1,020,823.28	$ -
Receivables -		
Accrued interest receivable	61,315.68	-
Receivable from sale of investments	856,542.96	-
Investments -		
U.S. Government and agency obligations	6,301,087.13	-
Corporate Bonds	1,304,091.85	-
Insurance company contracts	992,726.31	-
Mutual funds	1,989,945.69	-
Stocks	3,261,447.36	-
State and local obligations	901,693.95	-
Exchange traded funds	3,343,314.46	-
Total Assets	$ 20,032,988.67	$ -
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	$ -	$ -
Net Position		
Held in trust for pension benefits	$ 20,032,988.67	

See accompanying notes to financial statements.

City of Marion, Illinois
Pension Trust Funds
Statement of Changes in Plan Net Position
For the Year Ended April 30, 2016

Additions	
Contributions	
Employer	$ 1,215,799.99
Plan members	319,528.29
Total Contributions	$ 1,535,328.28
Investment Income	
Net appreciation (depreciation) in fair value of investments	$ (197,899.50)
Interest and dividends	441,890.53
Investment expense	(45,962.66)
Net Investment Income	$ 198,028.37
Total Additions	$ 1,733,356.65
Deductions	
Benefits	$ 1,401,537.07
Administrative expense	31,282.14
Total Deductions	$ 1,432,819.21
Net Increase	$ 300,537.44
Net Position -	
Beginning of Year	19,732,451.23
End of Year	$ 20,032,988.67

See accompanying notes to financial statements.

City of Marion, Illinois
Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended April 30, 2016

	Balance May 01, 2015	Additions	Deletions	Balance April 30, 2016
Southern Illinois Enforcement Group	$ -	88,026.12	88,026.12	$ -

See accompanying notes to financial statements.

City of Marion, Illinois
Notes to Financial Statements
April 30, 2016

Note 1. Summary of Significant Accounting Policies

The City's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

A. Reporting Entity

The City of Marion was created in 1841 and operates under an elected Mayor/Council form of government. The City's major operations include public safety, fire protection, street maintenance, recreation, and general administrative services.

The City's reporting entity includes the City's governing board and all related organizations for which the City exercises oversight responsibility.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City should be included within its financial reporting entity or as a component unit. The criteria include, but are not limited to, whether the City exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public services, and special financing relationships.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements to its governmental activities. The City also has business-type activities and proprietary funds on which to apply the pronouncements. The significant accounting policies established in GAAP and used by the City are described below.

B. Basic Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. 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. The City's government-wide activities include both governmental and business-type activities.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Interfund receivables/payables resulting from short-term interfund loans are eliminated in the government-wide Statement of Net Position. The City's net position is reported in four parts - invested in capital assets, net of related debt; restricted net assets; non-spendable; and unrestricted. The City first utilizes restricted resources to finance qualifying activities. This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

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.

Fund Financial Statements

Fund financial statements report detailed information about the City.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The following fund types are used by the City:

GOVERNMENTAL FUND TYPES - These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund Types - The General Fund, Goddard Chapel Restoration Fund, and the Semi-Autonomous Departments (Cultural and Civic Center, Senior Citizens Council, Recreation Department, Boyton Street Community Center, and Carnegie Library Funds) are the general operating funds of the City. They are used to account for all financial resources devoted to financing the general services that the City performs for its citizens, except those required to be accounted for in another fund.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes. The City's special revenue funds are the Tax Increment Financing Redevelopment Fund, the Road and Bridge Fund, the Motor Fuel Tax Fund, the Gas Tax Fund, Foreign Fire Insurance Fund, Business Improvement Fund, the Pavilion Fund, the HUB Recreation Center Fund, and the Special Revenues - Police Fund.

Debt Service Fund - This fund is established for the purpose of accumulating resources for the payment of long-term debt including capital lease obligations, principal and interest other than those payable from Enterprise Funds.

Capital Projects Fund - This fund is established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

PROPRIETARY FUND TYPES - These funds account for operations that are organized to be self-supporting through user charges. The fund included in this category is the Enterprise Fund.

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

FIDUCIARY FUND TYPES - These funds account for assets held by the City as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Pension Trust Funds - These funds were established to provide pension benefits for City police and fire employees. The principal revenue source for this fund is employer and employee contributions. The financial statements presented for these funds, the Statement of Plan Net Position and Statement of Changes in Plan Net Position, are not consistent with conventional basic financial statements.

Agency Funds - This fund is custodial in nature and does not present results of operations or have a measurement focus. The agency fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Fund	Brief Description
Major Governmental:	
General Fund Types	Accounts for financial resources devoted to financing the general services that the City performs for its citizens.
Tax Increment Financing Redevelopment Fund	Accounts for revenues and expenditures of providing tax incentives related to the development, redevelopment, and rehabilitation of real property within the TIF districts.
General Projects Fund	Accounts for revenues and expenditures to acquire and construct major capital facilities.
Major Proprietary:	
Water	Accounts for activities related to providing water service to the citizens of the City.
Sewer	Accounts for activities related to providing sewer service to the citizens of the City.
Non-major Governmental:	
Permanent:	
Throgmorton Endowment Fund	Accounts for the revenues and expenditures to maintain the Throgmorton gravesite.

Fund	Brief Description
Special Revenue Funds:	
Road and Bridge Fund	Accounts for revenues and expenditures of improving roads and infrastructure.
Motor Fuel Tax Fund	Accounts for revenues and expenditures of improving roads and infrastructure.
Gas Tax Fund	Accounts for revenues and expenditures of improving roads and infrastructure.
Business Improvement Fund	Accounts for revenues and expenditures of promoting economic development through providing low interest loans to businesses in the City.
Foreign Fire Insurance Fund	Accounts for revenues received from the Illinois Municipal League and the corresponding expenditures of that money. The money can be used for the maintenance, use, and benefit of the fire department.
Special Revenues - Police Fund	Accounts for the revenues received from 911 fees, DUI fees, vehicle impound fees, and drug enforcement income. The money can be used for the benefit of the police department.
Pavilion Fund	Accounts for revenues and expenditures of the City's event center.
HUB Recreation Center Fund	Accounts for revenues and expenditures of the City's recreation center.
Debt Service Fund:	
Debt Service Fund	Accounts for the payment of long-term debt principal, interest and related costs.
Non-Major Proprietary:	
Internal Service	Accounts for reimbursements to City employees and certain retirees to cover medical claims for deductibles over $500.

C. Basis of Accounting

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

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The accrual basis of accounting is also utilized by the proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The accrual basis of accounting is followed for presentation of assets of the Pension Trust Funds. Liabilities pertaining to benefits payable or refunds payable are presented on the modified accrual basis, with remaining liabilities presented on the accrual basis of accounting.

Modified Accrual

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable" and "available." Revenues are considered "available" when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be "available" as they are collected within 60 days of the end of the current fiscal period except for sales tax and telecommunication taxes which are 90 days and state income tax which is 120 days. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Taxes, including property taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

D. Annual Budget Ordinance

The City Council annually passes a budget ordinance which includes all fund types using the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Each fund's budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: salaries and benefits, services and charges, supplies, capital outlay, debt service. For each fund, total fund expenditures may not legally exceed the budgeted amounts. All unexpended budgetary items lapse at the end of each fiscal year.

E. Cash and Cash Equivalents

Cash includes cash on hand and cash on deposit with financial institutions that can be withdrawn without prior notice or penalty.

Cash equivalents include short term, highly liquid investments with original maturities of 90 days or less. For purposes of proprietary fund statement of cash flows presentation, cash and cash equivalents totaled $2,378,989.36 at April 30, 2016.

Separate bank accounts are not maintained for all City funds. Certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

F. Investments

Investments are stated at fair value. Cash deposits are reported at carrying value which reasonably estimates fair value.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Bad debts of the Special Revenue Fund (Business Improvement Fund) are accounted for by the allowance reserve method in recognizing bad debt expense. This method better matches the cost of operating the fund with revenues of the fund and is consistent with generally accepted accounting principles.

H. Inventory

Inventory is valued at cost using the first-in, first-out method, and consists of expendable supplies held for consumption for governmental funds and the proprietary funds. Reported inventories of governmental funds are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources.

I. Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables are eliminated in the government-wide statement of net position.

J. Restricted Assets

Enterprise funds and debt service funds are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. Carnegie Library, Senior Citizens, Boyton Street, and Civic Center are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only for donor-designated purchases.

K. Capital Assets

The City is required to spread the cost of its capital assets over the assets' useful lives. These capital assets include land, buildings, and related equipment. The depreciation expense amounts charged to each of the functions are in the statement of activities.

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets.

Capital assets purchased or acquired with an original cost of $2,500.00 or more are reported at historical or estimated historical cost, including all ancillary charges necessary to place the asset in its intended location and condition for use. Infrastructure projects with a cost of $100,000.00 or more are also reported at historical cost. Donated assets are reported at fair market value at the time of acquisition plus all appropriate ancillary costs. Additions, improvements and other capital outlays that exceed $15,000.00 for building improvements, $10,000.00 for land improvements, $25,000.00 for water and sewer line improvements and which significantly extend the useful life of an asset are capitalized. Depreciation on all assets is calculated using the straight-line method. The estimated useful lives of assets are based on local government suggested basis, past experience, or other reliable sources. Useful lives typically will not exceed fifty (50) years. The following estimated useful lives are used for depreciation purposes:

Infrastructure	15-40 years
Buildings and improvements	15-50 years
Furniture and equipment	5-20 years

Property, plant and equipment acquired for proprietary funds is capitalized in the respective fund to which it applies.

Property, plant and equipment is stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation applied to the cost of each class of property, plant and equipment. Estimated useful lives, in years, for depreciable assets of the Water and Sewer departments are as follows:

Buildings and grounds	15-75 years
Improvements	15-75 years
Machinery and equipment	5-15 years
Water and sewer lines	50-75 years

L. Compensated Absences

For the City as a whole, benefit pay is accrued for benefits earned but not taken at April 30, 2016. Unused vacation time cannot be carried over to subsequent years with the exception of the Police Department.

Police Department officers may carryover up to 40 hours of vacation to the first two months of the next year or six months of the next year if preapproved vacation has been cancelled by the employer. The City allows employees to accumulate unused sick leave to a maximum of 1,920 hours, for all except dispatchers, police officers and firefighters which is 1200 hours. Sick leave will be paid upon illness while in the employment of the City. This sick leave program also includes an annual buy-back provision upon the meeting of certain requirements, and is not paid upon termination. As of April 30, 2016, the liability for sick leave is $2,175,008.71.

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Equity Classifications

Government-wide Statements

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

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net assets that do not meet the definition of "restricted", "invested in capital asset, net of related debt", or "nonspendable".

d. Nonspendable – Consists of assets that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually to be maintained intact.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned.

O. Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred amount on refunding is recognized as a deferred outflow, but the related expense will be amortized to future periods. Additionally, the City has deferred outflows related to pension expense to be recognized in future periods and for pension contributions made after the measurement dates. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable/unearned property taxes in this category.

Q. Use of Estimates

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

Note 2. Property Tax Revenues

Property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the County Collector, the property taxes are not "available" to finance current year expenditures. For those funds on the modified accrual basis, the current year tax levy is recorded as property taxes receivable and deferred tax inflow of resources.

The following are the taxes extended and collected, and assessed valuations for the calendar years 2013, 2014, and 2015:

	2013 Taxes Payable in 2014	2014 Taxes Payable in 2015	2015 Taxes Payable in 2016
Taxes Extended			
Real and personal	$ 1,378,659	$ 1,505,800	
Total Taxes Extended	$ 1,378,659	$ 1,505,800	$ 1,539,947
Add - Current and back taxes and interest	$ 280	$ 2,444	
Trustee sale	78	-	
Forfeited taxes redeemed after settlement	-	-	
Trustee redemption	819	-	
Housing authority	3,960	4,049	
Taxes collected not extended			
- Special Service debt service	368,700	370,529	
- Road and Bridge	118,386	121,347	
- Tax Increment Financing	5,053,483	5,547,966	
Total Additions	$ 5,545,706	$ 6,046,335	
Total	$ 6,924,365	$ 7,552,135	

	2013 Taxes Payable in 2014	2014 Taxes Payable in 2015	2015 Taxes Payable in 2016
Deduct- Errors and corrections	$ 2,767	$ 2,788	
Forfeits	631	303	
Prior years abatement refund	3,722	5,892	
Amounts due from Trustee Program	1,934	2,036	
Total Deductions	$ 9,054	$ 11,019	
Income from Taxes	$ 6,915,311	$ 7,541,116	
Assessed Valuation	$ 296,511,439	$ 296,499,051	$ 307,166,097

The City's property tax is levied each year on all taxable real property located in the City. Property taxes attach as an enforceable lien on property as of January 1 and were payable in two installments on July 10, 2015 and September 10, 2015. The City receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from 2014 and prior tax levies.

The following are the tax rate limits permitted and the actual rates levied per $100.00 of assessed valuation:

Tax Rates	Limit	2013	2014	2015
Recreation		.04721	.04721	.04557
Bonds and interest	No Limit	.05059	.05060	-
Police Pension	No Limit	.22356	.24371	.27672
Fire Pension	No Limit	.14360	.16634	.17905
Total		.46496	.50786	.50134

Extensions	2013	2014	2015
Recreation	$ 139,983	$ 139,977	$ 139,976
Bonds and interest	150,005	150,028	-
Police Pension	662,881	722,598	849,990
Fire Pension	425,790	493,197	549,981
	$ 1,378,659	$ 1,505,800	$ 1,539,947

The Road and Bridge Fund taxes received are a pro-rata portion of such taxes collected by Williamson County, Illinois, and are not extended separately for the City of Marion, Illinois.

The Tax Increment Financing taxes received are calculated based on the increase in the assessed valuation of the property located within the TIF district.

Note 3. Deposits and Investments

Permitted Deposits and Investments - Statutes authorize the City to make deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities. The Illinois Funds was created by the Illinois State Legislature and is managed by the Illinois State Treasurer. It acts as a money market fund that maintains a $1 per share value.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold. At April 30, 2016, the City had $7,138,244.10 in Illinois Funds.

A. Custodial Credit Risk Related to Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned to it. The City's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be protected using one of two methods. The first method is a) collateralization with securities eligible for City investment or any other high-quality, interest bearing security, b) the second method is using an irrevocable letter of credit issued by the Federal Home Loan Bank of Chicago. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

At April 30, 2016, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was $21,507,627.76 (excludes $59,808.93 in cash on hand held at the City). The bank balance was $21,520,048.41. As of April 30, 2016, the following City's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk as follows:

	Bank Balance
Category #3	$ - 0 -

Category #3 includes deposits which are uninsured, uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, in the City's name.

During the year ended April 30, 2016, the depository banks used by the City had pledged $1,871,917.15 in federal securities by U.S. Bank to secure the City's deposits in excess of the amounts insured by the FDIC. The pledged securities are held by the pledging financial institutions' trust department or agent but not in the City's name.

The City also had a $11,000,000.00 irrevocable letter of credit issued by the Federal Home Loan Bank to cover deposits held by First Southern Bank.

B. Investments

Investments Authorized by the City of Marion's Investment Policy

The table below identifies the investment types that are authorized for the City of Marion by the City's Investment Policy. The table also identifies certain provisions of the City's Investment Policy that address interest rate risk, credit risk, and concentration risk. The police and fire pension funds are not covered by this policy, but are governed by state statutes and their own separate investment policies.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U. S. Government Bonds or Similar Obligations	5 years	50%	not addressed
U. S. Government Treasury Bills	5 years	N/A	not addressed
Other U. S. Government Securities	5 years	50%	not addressed
Time Deposits	5 years	50%	not addressed
Investments Constituting Direct Obligations of any Bank	5 years	50%	not addressed
State of Illinois Public Treasurer's Investment Pool	N/A	N/A	not addressed

Reserve funds may exceed five years.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

As of April 30, 2016, the City, including pension trust funds, had the following investments and maturities:

		Investment Maturities (in Years)				
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10	Moody's Rating
Mutual funds	$ 1,989,945.69	$ 1,989,945.69	$ -	$ -	$ -	N/A
Common stocks	3,263,482.61	3,263,482.61	-	-	-	N/A
Municipal bonds	1,506,693.95	605,000.00	192,927.00	291,998.20	416,768.75	AA3-A2
Federal National Mortgage Association	287,687.96	-	202,020.00	-	85,667.96	AAA
United States Treasury	6,013,399.17	862,523.80	2,967,582.95	2,183,292.42	-	N/A
Insurance contracts - Fixed	992,726.31	142,653.15	271,623.32	578,449.84	-	N/A
Illinois Funds Money Market	7,138,244.10	7,138,244.10	-	-	-	N/A
Corporate Bonds	1,304,091.85	-	671,771.50	622,132.25	10,188.10	AAA-BAA3
Exchange traded funds	3,343,314.46	3,343,314.46	-	-	-	N/A
Total	$25,839,586.10	$17,345,163.81	$ 4,305,924.77	$ 3,675,872.71	$ 512,624.81	

Investments with Fair Values Highly Sensitive to Interest Rate Risk

The City's pension trust funds' investments include the following investments that are highly sensitive to interest rate fluctuations:

Highly Sensitive Investments	Fair Value at Year End
Federal agency securities. Some of these securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	$ 287,687.96

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City minimizes its exposure to credit risk by limiting its investments to the safest types of securities; by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers which the City will do business; and by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The investment policy of the City contains a 50% limitation on the amount that can be invested in any one issuer, with the exception of U.S. Treasuries and the Illinois Public Treasurers Investment Pool.

At April 30, 2016, the general fund's investments representing greater than five percent of their portfolio were the Memorial Park District Bonds. At April 30, 2016, the Police Pension Funds investments representing greater than five percent of their portfolio were exchange traded funds, annuities, municipal bonds, U.S. treasury obligations, equities, corporate bonds and mutual funds. At April 30, 2016, the Firefighters' Pension Funds investments representing greater than five percent of their portfolio were U.S. treasury obligations, equities, corporate bonds, exchange traded funds, and mutual funds.

Investment in State Investment Pool

During the year ended April 30, 2016, the City maintained accounts with the Illinois Funds Money Market (formerly known as IPTIP). Illinois Funds Money Market is an external investment pool created by the Illinois General Assembly in 1975. Its primary purpose is to provide Public Treasurers and other custodians of public funds with an alternative investment vehicle which will enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

The time deposits are collateralized 110% over FDIC or FSLIC $250,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations and collateral is checked daily to determine sufficiency. Individual participants maintain separate investment accounts representing a proportionate share of the pool assets and in respective collateral; therefore no collateral is identified with each participant's account.

At April 30, 2016, the City had $7,138,244.10 invested with the Illinois Funds.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The City had no foreign currency risk as of April 30, 2016.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments, other than the following provision for investments: a list will be maintained of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness who maintain an office in the State of Illinois. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). The policy also states that, at the request of the City, the firms performing investment services for the City shall provide their most current audited financial statements and or their most current Consolidated Report of Condition (call report) for review. At year end, none of the City's investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool
- Investments were book-entry only in the name of the City and were fully insured
- Investments were part of a mutual fund
- Investments were held by an agent in the City's name
- Investments which are secured by an irrevocable letter of credit with the FHLB of Chicago

As of April 30, 2016, the City's investments were held by the same broker-dealers (counterparties) that were used by the City to buy the securities:

Broker/Dealer	Reported Amount
Edward Jones	$ 992,726.01

Reconciliation

A reconciliation of cash and investments as shown on the statement of net position and statement of fiduciary net position follows:

Cash on Hand	$ 59,808.93
Carrying Amount of Deposits	21,507,627.76
Carrying Amount of Investments	18,701,342.00
	$ 40,268,778.69
Cash and Cash Equivalents	$ 17,450,457.70
Investments	22,818,320.99
	$ 40,268,778.69

Note 4. Defined Benefit Pension Plans

Summary:

Net Pension Liability

Net Pension Liability is reported in the accompanying statement of net position as follows:

	Net Pension Liability
Illinois Municipal Retirement Fund	$ 3,682,062.00
Fire Pension Fund	5,457,573.00
Police Pension Fund	9,260,381.00
Total Aggregate Net Pension Liability	$ 18,400,016.00

Deferred Outflows of Resources

Deferred Outflows of Resources are reported in the accompanying statement of net position as follows:

	Differences Between Expected & Actual Experience	Employer Contributions	Net Differences Between Projected and Actual Earnings
Illinois Municipal Retirement Fund	$ 306,033.00	$ 187,635.86	$ 1,256,195.00
Fire Pension Fund	-	-	442,813.00
Police Pension Fund	216,600.00	-	401,125.00
Totals	$ 522,633.00	$ 187,635.86	$ 2,100,133.00

Pension Expense

Pension expenses are included in the accompanying statement of revenues, expense, and changes in net position as follows:

	Pension Expense
Illinois Municipal Retirement Fund	$ 782,572.05
Fire Pension Fund	682,750.99
Police Pension Fund	1,002,827.00
Total Pension Expense	$ 2,468,150.04

IMRF Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	89
Inactive Plan Members entitled to but not yet receiving benefits	44
Active Plan Members	130
Total	263

Contributions

As set by statute, the City's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2015 was 10.91%. For the fiscal year ended April 30, 2016, the City contributed $592,729.19 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability
The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.49%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	2.75-6.00%
Alternative Investments	9%	8.15%
Cash equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2014	$24,605,192	$22,648,633	$1,956,559
Changes for the year:			
Service Cost	$ 556,314	$ -	$ 556,314
Interest on the Total Pension Liability	1,813,559	-	1,813,559
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	372,714	-	372,714
Changes of Assumptions	-	-	-
Contributions – Employer	-	618,207	(618,207)
Contributions – Employees	-	253,187	(253,187)
Net Investment Income	-	112,070	(112,070)
Benefit Payments, including Refunds of Employee Contributions	(1,340,561)	(1,340,561)	-
Other (Net Transfer)	-	33,620	(33,620)
Net Changes	$ 1,402,026	$ (323,477)	$ 1,725,503
Balances at December 31, 2015	$26,007,218	$22,325,156	$3,682,062

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

The following presents the plans net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.49%)	Current Discount (7.49%)	1% Higher (8.49%)
Net Pension Liability	$7,029,261	$3,682,062	$923,650

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

For the year ended April 30, 2016, the City recognized pension expense of $782,572.05. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	$ 306,033.00	$ -
Changes of assumptions	-	-
Net Difference between projected and actual earnings on pension plan investments	1,256,195.00	-
Total Deferred Amounts to be recognized in pension expense in future periods	$ 1,562,228.00	$ -
Pension Contributions made subsequent to the Measurement Date	$ 187,635.86	$ -
Total Deferred Amounts Related to Pensions	$ 1,749,863.86	$ -

The $187,635.86 reported as deferred outflow of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ending December 31	**Net Deferred Outflows of Resources**
2016	$ 380,730.00
2017	380,730.00
2018	380,730.00
2019	380,729.00
2020	39,309.00
Thereafter	-
Total	$ 1,562,228.00

Fire Pension Fund -

A. Plan Description

Fire-sworn personnel are covered by the Fire Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Fire Pension Board consists of five members. Two are elected by active plan members. One is elected by the retired members and two are appointed by the City. At April 30, 2016, the Fire Pension Plan membership consisted of:

Active members	25
Retirees and beneficiaries	14
Inactive, Non-retired members	1
Total	40

The Fire Pension Plan provides retirement benefits as well as death and disability benefits. The Fire Pension Plan now has a two Tier coverage. Tier 1 coverage is for Firefighters employed prior to January 1, 2011. Tier 2 coverage is for Firefighters employed after December 31, 2010. Tier 1 employees attaining the age of 50 or more with 20 years of creditable service are entitled to receive a monthly benefit of ½ the monthly salary attached to the rank held in the fire service at the date of retirement. Tier 2 employees must attain the age of 55 or more with 10 years of creditable service to receive a monthly benefit computed by multiplying 2.50% for each year of service completed by the final average salary (as defined in the statutes). Tier 1 employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. Tier 2 employees attaining the age 50 with 10 or more years of creditable service may retire with a reduced benefit. The maximum pension under Tier 1 or Tier 2 is 75% of the computed salary. The monthly benefit of Tier 1 employees who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of 55 years by 3% of the original pension and 3% compounded annually thereafter. The monthly benefit of Tier 2 employees shall be increased on January 1st occurring either on or after the attainment of age 60. Each annual increase shall be the lesser of ½ of the Consumer Price Index-Urban or 3% of the original pension.

Covered employees are required to contribute 9.455% of their base salary to the Fire Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 2011, the City has until the year 2040 to fund the plan in an amount sufficient to bring the total assets of the fire pension fund up to 90% of the total actuarial liabilities. For the year ended April 30, 2016, the City's contribution was 33.95% of covered payroll.

A separate report on the fire pension fund may be obtained at the City Clerk's office in City Hall.

B. Net Pension Liability

The City's net pension liability was measured as of April 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

C. Actuarial Assumptions

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Ends in fiscal year 2041
Asset Valuation Method	5-year smoothed market, no corridor
Salary Increases	Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 1.50% inflation allowance
Payroll Growth	3.50% per year
Investment Rate of Return	6.75% per year

Retirement Age

Age	Rate of Retirement	Age	Rate of Retirement
50	.19	60	.28
51	.12	61	.36
52	.04	62	.44
53	.06	63	.52
54	.09	64	.60
55	.12	65	.68
56	.15	66	.76
57	.19	67	.84
58	.22	68	.92
59	.25	69	1.00

Mortality

Active Lives
RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015

Disabled Lives
RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015 with a 150% load for participants under age 50

D. Long-term Expected Rate of Return

Every year Marion Fire Pension's investment advisor develops 10 year capital market assumptions. The capital market assumptions on plan investments reflect market-implied equilibrium returns combined with Marion Fire's investment advisor's subjective views using a technique known as the Black-Litterman method. These returns are then used in robust stochastic analysis to produce the 10 year expected median nominal rate of return for each asset class in which the Pension is invested. This creates rolling 10 year expected returns that can fluctuate as expected market conditions change. Marion Fire's target allocations are then combined with the average expected return for each asset class to calculate a long-term expected annual return of the Pension. Given its current asset allocation and the investment advisor's current 10-year capital market return assumptions, the long-term expected rate of return of the Marion Fire Pension plan is currently 4.9375%. Given investment restrictions imposed by the State of Illinois, the Marion Fire Pension is subject to a maximum allocation of 45% to equities, as total assets in the plan are currently (as of September 1, 2016) under $10 million.

Asset Class	**Target Allocation**	**Long-Term Expected Rate of Return (10-Year Annualized)**
US Large Cap Equity	30%	7.50%
US Small Cap Equity	3%	8.45%
International Developed Equity	8%	8.90%
Emerging Markets Equity	2%	10.70%
Real Estate Investment Trusts	2%	6.65%
Fixed Income (Investment Grade Only)	55%	2.50%
Total	**100%**	**4.937500%**

E. Single Discount Rate

A Single Discount Rate of 6.75% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 3.32%, and the resulting single discount rate is 6.75%.

F. Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2015	$ 14,207,562	$ 9,382,353	$ 4,825,209
Changes for the year:			
Service Cost	$ 356,987	$ -	$ 356,987
Interest on the Total Pension Liability	943,345	-	943,345
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(31,023)	-	(31,023)
Changes of Assumptions	-	-	-
Contributions – Employer	-	493,200	(493,200)
Contributions – Employees	-	139,192	(139,192)
Net Investment Income	-	19,891	(19,891)
Benefit Payments, including Refunds of Employee Contributions	(506,344)	(506,344)	-
Other (Admin. Expenses)	-	(15,338)	15,338
Net Changes	$ 762,965	$ 130,601	$ 632,364
Balances at April 30, 2016	$ 14,970,527	$ 9,512,954	$ 5,457,573

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 63.54%

G. Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (5.75%)	Current Discount (6.75%)	1% Higher (7.75%)
Net Pension Liability	$ 7,660,345	$ 5,457,573	$ 3,647,145

H. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the City recognized pension expense of $682,750.99. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	$ -	$ 28,362
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	471,175	-
Total Deferred Amounts to be recognized in pension expense in future periods	$ 471,175	$ 28,362
Pension Contributions made subsequent to the Measurement Date	-	-
Total Deferred Amounts Related to Pensions	$ 471,175	$ 28,362

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

Year Ending April 30	Net Deferred Outflows of Resources
2017	$ 115,133
2018	115,133
2019	115,133
2020	115,132
2021	(2,661)
Thereafter	(15,057)
Total	$ 442,813

Police Pension Fund -

A. Plan Description

Police-sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and the employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Police Pension Board consists of five members. Two are elected by active plan members. One is elected by the retired members and two are appointed by the City. At April 30, 2016, the Police Pension Plan membership consisted of:

Active members	33
Retirees and beneficiaries	24
Inactive, Non-retired members	2
Total	59

The Police Pension Plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan now has a two Tier coverage. Tier 1 coverage is for policemen employed prior to January 1, 2011. Tier 2 coverage is for policemen employed after December 31, 2010. Tier 1 employees attaining the age of 50 or more with 20 years of creditable service are entitled to receive a monthly benefit of ½ the monthly salary attached to the rank held in the police service at the date of retirement. Tier 2 employees must attain the age of 55 or more with 10 years of creditable service to receive a monthly benefit computed by multiplying 2.50% for each year of service completed by the final average salary (as defined in the statutes). Tier 1 employees with at least 8 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. Tier 2 employees attaining the age 50 with 10 or more years of creditable service may retire with a reduced benefit. The maximum pension under Tier 1 or Tier 2 is 75% of the computed salary. The monthly benefit of Tier 1 employees who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of 55 years by 3% of the original pension and 3% compounded annually thereafter. The monthly benefit of Tier 2 employees shall be increased on January 1st occurring either on or after the attainment of age 60. Each annual increase shall be the lesser of ½ of the Consumer Price Index-Urban or 3% of the original pension.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For the year ended April 30, 2016, the City's contribution was 39.70% of covered payroll.

A separate report on the police pension fund may be obtained at the City Clerk's office in City Hall.

B. Net Pension Liability

The City's net pension liability was measured as of April 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

C. Actuarial Assumptions

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Ends in fiscal year 2041
Asset Valuation Method	5-year smoothed market, no corridor
Salary Increases	Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.0% inflation allowance
Payroll Growth	4.00% per year
Investment Rate of Return	6.75% per year
Retirement Age	

Age	Rate of Retirement	Age	Rate of Retirement
50	.36	60	.22
51	.22	61	.30
52	.18	62	.39
53	.19	63	.48
54	.19	64	.57
55	.20	65	.65
56	.20	66	.74
57	.20	67	.83
58	.21	68	.91
59	.21	69	1.00

Mortality	
	Active Lives RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015
	Disabled Lives RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015 with a 150% load for participants under age 50

D. Long-term Expected Rate of Return

Every year Marion Police Pension's investment advisor develops 10 year capital market assumptions. The capital market assumptions on plan investments reflect market-implied equilibrium returns combined with Marion Police's investment advisor's subjective views using a technique known as the Black-Litterman method. These returns are then used in robust stochastic analysis to produce the 10 year expected median nominal rate of return for each asset class in which the Pension is invested. This creates rolling 10 year expected returns that can fluctuate as expected market conditions change. Marion Police's target allocations are then combined with the average expected return for each asset class to calculate a long-term expected annual return of the Pension. Given its current asset allocation and the investment advisor's current 10-year capital market return assumptions, the long-term expected rate of return of the Marion Police Pension plan is currently 5.744%.

Asset Class	**Target Allocation**	**Long-Term Expected Rate of Return (10-Year Annualized)**
US Large Cap Equity	40%	7.50%
US Small Cap Equity	5%	8.45%
International Developed Equity	9%	8.90%
Emerging Markets Equity	3%	10.70%
Real Estate Investment Trusts	3%	6.65%
Fixed Income (Investment Grade Only)	40%	2.50%
Total	**100%**	**5.744000%**

E. Single Discount Rate

A Single Discount Rate of 6.75% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 3.32%, and the resulting single discount rate is 6.75%.

F. Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2015	$18,712,527	$10,350,098	$8,362,429
Changes for the year:			
Service Cost	$ 489,508	$ -	$ 489,508
Interest on the Total Pension Liability	1,235,401	-	1,235,401
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	238,173	-	238,173
Changes of Assumptions	-	-	-
Contributions – Employer	-	722,600	(722,600)
Contributions – Employees	-	180,337	(180,337)
Net Investment Income	-	173,455	(173,455)
Benefit Payments, including Refunds of Employee Contributions	(895,194)	(895,194)	-
Other (Admin. Expenses)	-	(11,262)	11,262
Net Changes	$ 1,067,888	$ 169,936	$ 897,952
Balances at April 30, 2016	$19,780,415	$10,520,034	$9,260,381

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 53.18%

G. Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (5.75%)	Current Discount (6.75%)	1% Higher (7.75%)
Net Pension Liability	$ 12,045,014	$ 9,260,381	$ 6,991,323

H. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the City recognized pension expense of $1,002,827.00. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	$ 216,600	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	401,125	-
Total Deferred Amounts to be recognized in pension expense in future periods	$ 617,725	$ -
Pension Contributions made subsequent to the Measurement Date	-	-
Total Deferred Amounts Related to Pensions	$ 617,725	$ -

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

Year Ending April 30	Net Deferred Outflows of Resources
2017	$ 121,854
2018	121,854
2019	121,854
2020	121,854
2021	21,573
Thereafter	108,736
Total	$ 617,725

Note 5. Other Post Employment Benefits

Plan Description

In addition to providing pension benefits described in Note 4, the City of Marion provides the continuation of health care benefits to employees, who retire from the City. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the City and is the basis for the OPEB obligation accounted for under GASB 45. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended through its personnel manual and union contracts.

Benefits Provided

The City provides continued medical and prescription drug coverage at subsidized rates to all eligible employees, which creates an explicit subsidy of retiree medical and prescription drug coverage. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree can choose to not participate in the plan or continue under the City plan at a Medicare Supplement rate which is also subsidized.

Membership

The City's Retiree Healthcare Program includes five employee groups.

At April 1, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	67
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	150
Total	217
Participating employers	1

Annual OPEB COST

The Annual OPEB Cost has these three components:

1) The Annual Required Contribution Amount (sum of a, b, and c).

   a) Normal Cost - the portion of the Actuarial Present Value of benefits allocated to the valuation year according to the actuarial cost method.
   b) Amortization of the Unfunded Actuarial Accrued Liability - the amount to be amortized over thirty years, of the excess of the Actuarial Accrued Liability over the fair value of assets, both measured at the valuation date.
   c) Amortization of Gains or Losses – in subsequent years, of the unfunded actuarial accrued liability which may be amortized separately or as part of the annual amortization of the unfunded actuarial accrued liability.

2) The ARC Adjustment Amount, an amount which is added/subtracted from the ARC to adjust the annual cost for amounts already accrued and reflected in the beginning of year Net OPEB Obligation.

3) Interest for the year at the valuation discount rate on the beginning of year Net OPEB Obligation.

Net OPEB Obligation

The Net OPEB Obligation is accrued on the financial statement as the amount of accumulated OPEB costs which remain unfunded as of the reporting date. For the first reporting period, the OPEB Cost is the ARC and the year end Net OPEB liability is the OPEB Cost less employer contributions. Exhibits on the following pages illustrate.

Components of Net Annual Obligation and Expense

Schedule of Contributions, OPEB Costs and Obligations

Schedule of Funded Status and Funding Progress

Required Supplementary Information

Funding Policy

The City's retiree health plan is a single employer plan which operates on a pay as you go funding basis. No assets are accumulated or dedicated to funding the retiree health plan benefits.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution. The ARC (Annual Required Contribution) represents the normal cost each year and an amount to amortize the unfunded actuarial liabilities over thirty years.

Components of Net OPEB Obligation and Expense

The following table shows the annual OPEB costs for the year, the amount contributed to the plan and changes in the net OPEB obligation. The *Net OPEB Obligation* is the amount entered as of year end as the net liability for the other post employment benefits.

Components of Net OPEB Obligation and Expense

	Amount as of 4/30/2016					
Item	General Fund	Water	Sewer	Police	Fire	Total
a. Annual Required Contribution	$ 472,894	$ 133,041	$ 168,859	$ 751,602	$ 412,158	$ 1,938,554
b. Interest on OPEB obligation	99,663	25,072	26,470	116,922	63,475	331,602
c. Adjustment to ARC	(126,611)	(31,851)	(33,627)	(148,536)	(80,638)	(421,263)
d. Annual OPEB cost (a+b+c)	$ 445,946	$ 126,262	$ 161,702	$ 719,988	$ 394,995	$ 1,848,893
e. Contributions made	(187,639)	(94,506)	(95,643)	(281,481)	(162,013)	(821,282)
f. Increase in net OPEB obligation	$ 258,307	$ 31,756	$ 66,059	$ 438,507	$ 232,982	$ 1,027,611
g. Net OPEB obligation - beginning of year	2,098,176	527,826	557,263	2,461,518	1,336,319	6,981,102
h. Net OPEB obligation - end of year (f+g)	$ 2,356,483	$ 559,582	$ 623,322	$ 2,900,025	$ 1,569,301	$ 8,008,713

Schedule of Contributions, OPEB Costs and Net Obligations

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/16	$ 1,848,893	$ 821,282	44.4%	$ 8,008,713
4/30/15	1,863,055	760,447	40.8%	6,981,100
4/30/14	1,688,605	656,836	38.9%	5,878,494
4/30/13	1,701,744	602,601	35.4%	4,846,725
4/30/12	1,550,990	554,577	35.8%	3,747,582
4/30/11	1,563,599	508,786	32.5%	2,751,169
4/30/10	1,102,740	278,294	24.6%	1,696,356
4/30/09	1,113,075	233,565	22.3%	864,530

Funded Status and Funding Progress
As of April 30, 2016, the actuarial accrued liability for benefits was $23,159,797. The covered payroll was approximately $7,486,448, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 309.4%.

Actuarial Method and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members

In the actuarial valuation for the fiscal year ended April 30, 2016, the entry age normal cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced to an ultimate rate of 4.5% after five years. Rates include a 2.5% general inflation assumption. The Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over 30 years.

Schedule of Funded Status and Funding Progress

	General Fund	Water	Sewer	Police	Fire	Total
1. Actuarial Accrued Liability (AAL)	$5,374,321	$1,842,406	$2,251,542	$8,838,975	$4,852,553	$23,159,797
2. Actuarial Value of Assets	$ -	$ -	$ -	$ -	$ -	$ -
3. Unfunded Actuarial Accrued Liability (UAAL)	$5,374,321	$1,842,406	$2,251,542	$8,838,975	$4,852,553	$23,159,797
4. Funded Ratio (2) / (1)	0%	0%	0%	0%	0%	0%
5. Covered Payroll (Active Plan Members)	$2,723,184	$ 505,413	$ 698,584	$2,144,813	$1,414,454	$ 7,486,448
6. UAAL as a Percentage of Covered Payroll (3) / (5)	197.4%	364.5%	322.3%	412.1%	343.1%	309.4%

Full valuations are done on odd number years. A supplemental valuation is done on even number years.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND COST METHOD

Assumptions

Actuarial Cost Method

The Actuarial Cost Method used in this valuation is the Entry Age Normal Actuarial Cost Method. Under this Method, a Normal Cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay.

To the extent that current assets and future Normal Costs do not support participants' expected future benefits, an Unfunded Actuarial Accrued Liability ("UAAL") develops. The UAAL is amortized as a level dollar amount over 30 years.

Discount (Interest) Rate: A 4.75% discount rate was used.

Salary Progression: 3.5% per year

Claim costs as of 4/30/15 are blended.

Medical

The following monthly costs for medical benefits were used for all plans:

Not eligible for Medicare: $640.77
Eligible for Medicare: $475.00

The medical cost rates are distributed for age and sex at retirement.

Dental

Monthly per member dental cost: $28.28.

Vision

Monthly per member vision cost: $7.96.

Mortality

The probabilities of death for participants were according to the RP2000 Combined Table with mortality improvements to 2015.

Health Care Cost Inflation Rates

Period	Rates
2015	8.0%
2016	7.0%
2017	6.0%
2018	5.0%
2019 and after	4.5%

Participant Data

Summary as of April 30, 2016

	General Fund	Water*	Sewer*	Police	Fire	Total
Active Participants	62	10.5	13.5	39	25	150
Retired Participants	19	8.0	7.0	23	10	67
Total	81	18.5	20.5	62	35	217

*Water office is split 50/50 between the sewer fund and water fund.

Summary of Principal Plan Provision

Eligibility

All full-time employees of the City are eligible to receive retiree health care benefits

Municipal Members:
Retiree must be age 50 with 8 years of service. Employees hired after 4/30/2009 pay 100% of the cost of coverage.

Police Members:
Retiree must have 8 years of service.

Fire Members:
Retiree must have 8 years of service.

Benefit Amount

Retirees and their dependents may elect coverage under the City of Marion's health program for current active employees. Certain retirees have grandfathered benefit plans. The City pays a portion of the cost of coverage.

Health Care

Retiree and Spouse Benefits			
Age	Municipal*	Police	Fire
50-55	50%	50%	50%
56-64	62%	62%	62%
65+	70%	70%	70%

*Municipal employees hired after 4/30/2009 pay the full cost of coverage.

Police and Fire Who Retire After 5/1/2012			
Age	Less Than 25 Years of Service	25-29 Years of Service	30 or More Years of Service
50-55	50%	65%	70%
56-64	62%	65%	70%
65+	70%	70%	70%

Dental & Vision Coverage
City pays 50% of retiree dental and vision coverages.

Note 6. Allowance for Uncollectible Amounts

The allowance for doubtful accounts is analyzed as follows for the business improvement fund:

Balance at April 30, 2015	$ 140,000.00
Add - Bad debt expense	-
- Recoveries	-
Less - Charge-offs	135,690.47
Balance at April 30, 2016	$ 4,309.53

The allowance for doubtful accounts was 0.35% of loans receivable at April 30, 2016.

Note 7. Donated Investments

During a prior year the City received a special bequest in the amount of $1,000.00 from the Estate of Edna V. Throgmorton. This amount is to be kept intact and invested in interest bearing securities. The income derived is to be used for the upkeep of the Barnett and Throgmorton grave lots in the Rose Hill Cemetery.

Note 8. Restricted Assets

Governmental Funds

	Permanent Fund	General	Senior Citizens Council	Marion Carnegie Library	Boyton Street Community Center
Cash	$ 1,844.90	$124,891.81	$ -	$ 3,296.18	$ 1,611.05
Certificates of deposit	-	-	10,006.98	55,050.34	-
Total	$ 1,844.90	$124,891.81	$ 10,006.98	$ 58,346.52	$ 1,611.05

Restricted assets of the General Fund represent restricted downtown restoration and grant monies, all of which are restricted as to the type of expenditures allowed.

Restricted assets of the Library and Senior Citizens Council represent donations received in which the principal and sometimes the earnings of these assets are restricted as to the type of expenditures allowed.

Restricted assets of the Boyton Street Community Center Fund represent a scholarship fund in which these assets are restricted as to the type of expenditures allowed.

Enterprise Funds

	Water Department	Sewer Department
Cash and Illinois funds	$ 339,040.32	$ 742,532.70

Restricted assets of the Water and Sewer Departments are for debt service and capital improvements.

Note 9. Capital Assets

The following is a summary of changes in the capital assets for the fiscal year:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 24,433,646.89	$ 2,953,331.89	$ (645.00)	$ 27,386,333.78
Construction in progress and deposits	12,097,352.61	7,838,907.01	(18,604,243.58)	1,332,016.04
Total Capital Assets Not Being Depreciated	$ 36,530,999.50	$ 10,792,238.90	$(18,604,888.58)	$ 28,718,349.82
Capital assets being depreciated:				
Land improvements	$ 366,816.83	$ -	$ -	$ 366,816.83
Parking lot improvements	92,475.73	215,546.24	-	308,021.97
Office equipment	579,522.65	8,817.40	(28,448.41)	559,891.64
Fixed mechanical equipment	1,414,113.28	63,169.54	-	1,477,282.82
Major movable equipment	2,575,853.97	79,464.21	(30,143.50)	2,625,174.68
Vehicles	4,088,974.96	331,596.55	(198,814.22)	4,221,757.29
Railroad improvements	610,952.83	-	-	610,952.83
IL Centre Mall	19,157,896.55	-	-	19,157,896.55
Buildings	37,718,285.57	92,103.54	(56,680.39)	37,753,708.72
Streets	21,880,381.13	14,558,829.50	-	36,439,210.63
Bridges	946,385.55	-	-	946,385.55
Storm sewers	2,330,916.85	417,960.98	-	2,748,877.83
Sidewalks	1,227,564.19	179,967.37	-	1,407,531.56
Flood control projects	4,787,486.06	262,982.60	-	5,050,468.66
Street lights	217,915.80	-	-	217,915.80
Software	122,130.50	-	-	122,130.50
Total Capital Assets Being Depreciated	$ 98,117,672.45	$ 16,210,437.93	$ (314,086.52)	$114,014,023.86
Less accumulated depreciation for:				
Land improvements	$ 121,207.67	$ 21,538.03	$ -	$ 142,745.70
Parking lot improvements	82,595.73	12,337.31	-	94,933.04
Office equipment	258,368.89	51,157.88	(27,868.33)	281,658.44
Fixed mechanical equipment	594,009.42	100,237.31	-	694,246.73
Major movable equipment	1,208,033.97	252,859.30	(34,647.30)	1,426,245.97
Vehicles	2,852,018.59	249,658.48	(198,814.22)	2,902,862.85
Railroad improvements	383,118.32	15,273.82	-	398,392.14
IL Centre Mall	18,879,379.88	196,600.00	-	19,075,979.88
Buildings	5,867,795.61	924,680.32	(28,424.84)	6,764,051.09
Streets	9,016,989.07	719,989.67	-	9,736,978.74
Bridges	406,256.30	23,659.64	-	429,915.94
Storm sewers	624,582.22	63,201.48	-	687,783.70
Sidewalks	101,098.85	42,136.83	-	143,235.68
Flood control projects	1,513,078.59	96,188.02	-	1,609,266.61
Street lights	65,006.29	10,895.80	-	75,902.09
Software	80,209.79	23,889.40	-	104,099.19
Total Accumulated Depreciation	$ 42,053,749.19	$ 2,804,303.29	$ (289,754.69)	$ 44,568,297.79
Total Capital Assets Being Depreciated, Net	$ 56,063,923.26	$ 13,406,134.64	$ (24,331.83)	$ 69,445,726.07
Governmental Activities Capital Assets, Net	$ 92,594,922.76	$ 24,198,373.54	$(18,629,220.41)	$ 98,164,075.89

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	$ 90,623.96
Public health and safety	387,387.68
Streets, alleys and cemeteries	219,627.83
Cultural and recreation	940,944.45
Unallocated	1,165,719.37
Total Governmental Activities Depreciation Expense	$ 2,804,303.29

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 3,486,877.45	$ -	$ -	$ 3,486,877.45
Construction in progress	466,704.28	737,732.59	(1,108,457.82)	95,979.05
Total Capital Assets Not Being Depreciated	$ 3,953,581.73	$ 737,732.59	$ (1,108,457.82)	$ 3,582,856.50
Capital assets being depreciated:				
Land improvements	$ 50,504.79	$ 14,999.99	$ -	$ 65,504.78
Structures	2,982,864.50	-	-	2,982,864.50
Buildings	17,939,592.53	-	-	17,939,592.53
Fixed equipment	2,027,783.38	13,951.49	(3,210.11)	2,038,524.76
Equipment and machinery	1,224,832.59	206,392.00	(64,263.14)	1,366,961.45
Trucks and tractors	1,227,870.41	43,068.80	-	1,270,939.21
Transmission and distribution systems	12,995,408.40	1,108,457.82	(31,477.63)	14,072,388.59
Lift stations	1,121,467.77	14,402.64	-	1,135,870.41
Total Capital Assets Being Depreciated	$ 39,570,324.37	$ 1,401,272.74	$ (98,950.88)	$ 40,872,646.23
Less accumulated depreciation for:				
Land improvements	$ 16,366.93	$ 2,861.78	$ -	$ 19,228.71
Structures	682,264.49	52,427.64	-	734,692.13
Buildings	6,440,191.50	447,824.47	-	6,888,015.97
Fixed equipment	1,534,992.38	78,382.18	(3,210.11)	1,610,164.45
Equipment and machinery	870,468.17	66,475.75	(63,683.35)	873,260.57
Trucks and tractors	634,769.87	93,655.88	-	728,425.75
Transmission and distribution systems	3,733,668.32	262,533.37	(26,493.65)	3,969,708.04
Lift stations	524,048.60	42,798.31	-	566,846.91
Total Accumulated Depreciation	$ 14,436,770.26	$ 1,046,959.38	$ (93,387.11)	$ 15,390,342.53
Total Capital Assets Being Depreciated, Net	$ 25,133,554.11	$ 354,313.36	$ (5,563.77)	$ 25,482,303.70
Business-Type Activities Capital Assets, Net	$ 29,087,135.84	$ 1,092,045.95	$ (1,114,021.59)	$ 29,065,160.20

Business-Type activities:	
Water	$ 402,604.54
Sewer	625,426.66
Total Business-Type Activities Depreciation Expense	$ 1,028,031.20

Note 10. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Individual fund interfund receivable and payable balances at April 30, 2016 arising from these transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 179,860.41
Gas Tax Fund	37,622.01	-
General Projects Fund	575.00	-
Health Reimbursement Fund	-	6,685.38
Foreign Fire	-	313.00
HUB Recreational Center	138,788.78	-
Pavilion Fund	9,873.00	-
Total	$ 186,858.79	$ 186,858.79

Schedule of operating transfers within the reporting entity:

Transfer out/from	Transfer in/to	Amount
General Fund Types -	General Fund Types -	
General Fund	Senior Citizens Council	$ 412,394.40
	Cultural and Civic Center	387,812.65
	Boyton Street	209,886.25
	Carnegie Library	783,752.44
	Debt Service -	
	Debt Service	1,807,558.79
	Capital Projects –	
	General Projects	1,275,640.97
Special Revenue -	General Fund Types -	
Special Revenues - Police	General Fund	31,365.92
Special Revenue -	Debt Service -	
HUB Recreation Center	Debt Service	1,046,720.00
TIF Redevelopment	Debt Service	788,315.00
General Fund Types -	Special Revenue -	
Recreation Dept.	HUB Recreational Center	5,149.69
Enterprise Fund Types -	General Fund Types -	
Water Dept.	General Fund	10,644.09
Sewer Dept.		10,644.09
		$6,769,884.29

Note 11. Lease Obligations

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the City's asset or liability accounts. The City also has recorded capitalized leases for the purchase of certain items. See Note 12 for additional information.

Note 12. Changes in Long-Term Debt

The following is a summary of bond transactions of the City for the fiscal year ended April 30, 2016:

	Bonds Payable May 1, 2015	Bonds Issued	Bond Payments	Bonds Payable April 30, 2016	Portion Bonds Payable April 30, 2016
Governmental Type Activities - Refunding Bonds					
Pavilion Bonds, Series 2011	$ 1,487,769.55	$ -	$ 174,875.68	$ 1,312,893.87	$ 181,909.68
GO Bonds, Series 2014	4,520,000.00	-	200,000.00	4,320,000.00	265,000.00
GO Bonds, Series 2013	8,690,000.00	-	1,155,000.00	7,535,000.00	1,175,000.00
GO Bonds, Series 2012	9,720,000.00	-	-	9,720,000.00	-
GO Bonds, Series 2005	7,970,000.00	-	7,970,000.00	-	-
GO Bonds, Series 2006	1,910,000.00	-	1,080,000.00	830,000.00	830,000.00
GO Bonds, Series 2007	1,030,000.00	-	70,000.00	960,000.00	75,000.00
GO Bonds, Series 2011A	2,265,000.00	-	295,000.00	1,970,000.00	305,000.00
	$ 37,592,769.55	$ -	$ 10,944,875.68	$ 26,647,893.87	$ 2,831,909.68
Add - Premium on bonds				953,692.86	127,794.57
Less - Discount on bonds				(6,838.97)	(534.29)
				$ 27,594,747.76	$ 2,959,169.96
Business-Type Activities - Water Department					
Refunding Bonds, Series 2002	$ 695,000.00	$ -	$ 695,000.00	$ -	$ -
GO Bonds, Series 2008	2,765,000.00	-	155,000.00	2,610,000.00	160,000.00
GO Bonds, Series 2014	4,380,000.00	-	450,000.00	3,930,000.00	460,000.00
	$ 7,840,000.00	$ -	$ 1,300,000.00	$ 6,540,000.00	$ 620,000.00
Add - Premium on bonds				251,152.97	29,277.41
				$ 6,791,152.97	$ 649,277.41

General Obligation Bonds payable at April 30, 2016, are comprised of the following individual issues:

General Obligation -

The City issued $3,115,000.00 General Obligation Refunding Bonds, Series 2011A, to pay off prior Special Service Area Bonds, dated May 19, 2011, due in annual principal installments ranging from $275,000.00 to $355,000.00 through January 1, 2022; interest rate is variable from 2.25% to 3.80%.	$ 1,970,000.00
The City issued $2,200,000.00 Refunding Revenue Bonds, Series 2011, to refund prior pavilion bonds, dated June 21, 2011, due in monthly installments of $19,208.26 through October 21, 2022; interest rate is fixed at 3.95%	1,312,893.87
The City issued $4,520,000.00 General Obligation Bonds, Series 2014, for capital projects, dated December 23, 2014, due in annual principal installments ranging from $200,000.00 to $850,000.00 from November 1, 2015 through November 1, 2026; interest rate is variable from 2.00% to 4.00%	4,320,000.00

The City issued $9,720,000.00 General Obligation Bonds, Series 2012, for capital projects, dated December 20, 2012, due in annual principal installments ranging from $420,000.00 to $1,345,000.00 from November 1, 2012 through November 1, 2032; interest rate is variable from 1.75% to 3.50%	$ 9,720,000.00
The City issued $9,730,000.00 General Obligation Bonds, Series 2013, for capital projects, dated December 27, 2013, due in annual principal installments ranging from $110,000.00 to $1,335,000.00 from November 1, 2014 through November 1, 2025; interest rate is variable from 2.00% to 3.15%	7,535,000.00
The City issued $4,965,000.00 General Obligation Refunding Bonds, Series 2006, to refund prior bonds, dated October 15, 2006, due in annual principal installments ranging from $20,000.00 to $1,080,000.00 through September 15, 2016; interest rate is variable from 4.0% to 5.0%	830,000.00
The City issued $1,385,000.00 General Obligation Bonds, Series 2007, for TIF projects, dated October 1, 2007, due in annual principal installments ranging from $5,000.00 to $125,000.00 through October 15, 2025; interest rate is variable from 5.00% to 6.30%	960,000.00
General Obligation Bonds Payable	$26,647,893.87
Add - Premium on bonds	953,692.86
Less - Discount on bonds	(6,838.97)
	$27,594,747.76

As of April 30, 2016, $2,007,389.95 is available in Debt Service Funds to service General Obligation Bonds.

Enterprise Funds bonds payable at April 30, 2016, are comprised of the following individual issues:

General Obligation Bonds -	
$3,590,000.00, Series 2008 for various water capital projects, dated February 1, 2009, due in semiannual installments ranging from $105,000.00 to $250,000.00 through October 15, 2028; interest is variable from 3.0% to 4.1%	$ 2,610,000.00
$4,575,000.00, Series 2014 to refund IEPA loan, dated December 23, 2014, due in semiannual installments ranging from $165,000.00 to $280,000.00 through May 1, 2024; interest is variable from 2.0% to 4.0%	3,930,000.00
General Obligation Bonds Payable	$ 6,540,000.00
Add - Premium on bonds	251,152.97
Net Enterprise Funds Bonds Payable	$ 6,791,152.97

As of April 30, 2016, $960,063.17 is available in water and sewer funds to service general obligation bonds.

The annual requirements to amortize all debt outstanding as of April 30, 2016, including interest payments of $6,816,235.97 for General Obligation Bonds is as follows:

Fiscal Year Ending April 30,	General Obligation	General Obligation Refunding	Total
2017	$ 3,451,909.68	$ 1,007,098.19	$ 4,459,007.87
2018	2,689,226.64	920,693.73	3,609,920.37
2019	2,761,837.92	839,113.70	3,600,951.62
2020	2,859,755.32	743,380.68	3,603,136.00
2021	2,967,991.21	643,146.04	3,611,137.25
2022	3,061,558.37	551,484.50	3,613,042.87
2023	2,670,614.73	464,440.38	3,135,055.11
2024	2,515,000.00	386,396.25	2,901,396.25
2025	2,130,000.00	315,290.00	2,445,290.00
2026	1,775,000.00	254,722.50	2,029,722.50
2027	1,705,000.00	195,665.00	1,900,665.00
2028	880,000.00	138,082.50	1,018,082.50
2029	905,000.00	112,997.50	1,017,997.50
2030	670,000.00	91,825.00	761,825.00
2031	690,000.00	75,075.00	765,075.00
2032	715,000.00	50,925.00	765,925.00
2033	740,000.00	25,900.00	765,900.00
	$33,187,893.87	$ 6,816,235.97	$40,004,129.84

Other Contractual Liabilities

The following is a summary of other contractual liability transactions for business-type activities of the City for the fiscal year ended April 30, 2016:

	Balance May 1, 2015	Additions	Payments	Balance April 30, 2016	Current Portion
Business-Type Activities -					
Accrued vacation	$ 81,095.33	$ -	$ 7,227.73	$ 73,867.60	$ 73,867.60
State of Illinois	3,450,218.93	568,000.00	278,997.86	3,739,221.07	200,145.55
South Porte Bank	9,906.10	-	9,906.10	-	-
Midland States Bank	-	91,929.00	17,427.91	74,501.09	30,339.16
Go Refunding Loan, Series 2015	-	480,000.00	-	480,000.00	239,000.00
Total	$ 3,541,220.36	$ 1,139,929.00	$ 313,559.60	$ 4,367,589.76	$ 543,352.31

Enterprise Fund contractual obligations at April 30, 2016, are comprised of the following individual notes payable:

A. 2.89% note payable to the State of Illinois for sewer capital projects, in semi-annual installments of $11,089.94 including interest through October 10, 2016. $ 10,932.00

For the year ended April 30, 2016, total interest was $780.86, all of which was charged to expense.

B. 2.89% note payable to the State of Illinois for sewer capital projects, in semi-annual installments of $5,238.64 including interest through March 14, 2018. $ 20,218.82

For the year ended April 30, 2016, total interest was $794.70, all of which was charged to expense.

C. 0.000% note payable to the State of Illinois for water-line replacements, in semi-annual installments of $12,188.56 beginning October 15, 2011 through October 15, 2030. $ 353,468.90

D. 1.25% note payable to the State of Illinois for N.E. sewer-line extension, in semi-annual installments of $33,384.46 beginning June 11, 2013 through May 11, 2033. $ 1,055,660.97

For the year ended April 30, 2016, total interest was $13,117.88, all of which was charged to expense.

E. 1.25% note payable to the State of Illinois for sewer plant renovation, in semi-annual installments of $59,127.58 beginning November 8, 2013 through November 8, 2032. $ 1,806,038.38

For the year ended April 30, 2016, total interest was $23,465.06, all of which was charged to expense.

F. 1.980% note payable to South Porte Bank for excavator, in monthly installments of $1,423.62 including interest through December 26, 2015. $ -

For the year ended April 30, 2016, total interest was $59.24, all of which was charged to expense.

G. General obligation refunding loan of $480,000.00, Series 2015, to refund prior bond issue, dated November 19, 2015, due in semi-annual installments ranging from $243,048.50 to $245,128.50 through March 15, 2018; interest is 1.7% $ 480,000.00

H. 2.10% note payable to Midland States Bank for vactor truck, due in monthly installments of $2,634.20 including interest through September 11, 2018 $ 74,501.09

For the year ended April 30, 2061, total interest was $1,010.41, all of which was charged to expense.

I. 2.21% note payable to the State of Illinois for water-line replacements, due in semi-annual installments ranging from $13,490.42 to $16,157.91 including interest through December 15, 2035 — $ 492,902.00

For the year ended April 30, 2016, total interest was $ -, all of which was charged to expense.

Total — $ 4,293,722.16

The annual requirements to amortize all other contractual liabilities of business-type activities as of April 30, 2016, including interest payments of $459,905.02 are as follows:

Fiscal Year Ending April 30,	State of Illinois		2015 GO Loan		Midland States Bank		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 200,138.80	$ 44,901.68	$ 239,000.00	$ 6,128.50	$ 30,339.16	$ 1,271.24	$ 469,477.96	$ 52,301.42
2018	207,755.81	44,669.44	241,000.00	2,048.50	30,982.43	627.97	479,738.24	47,345.91
2019	199,874.98	41,722.30	-	-	13,179.50	68.56	213,054.48	41,790.86
2020	202,282.79	39,314.49	-	-	-	-	202,282.79	39,314.49
2021	204,725.42	36,871.86	-	-	-	-	204,725.42	36,871.86
2022	207,203.35	34,393.93	-	-	-	-	207,203.35	34,393.93
2023	209,717.18	31,880.10	-	-	-	-	209,717.18	31,880.10
2024	212,267.47	29,329.81	-	-	-	-	212,267.47	29,329.81
2025	214,854.75	26,742.53	-	-	-	-	214,854.75	26,742.53
2026	217,479.62	24,117.66	-	-	-	-	217,479.62	24,117.66
2027	220,142.66	21,454.62	-	-	-	-	220,142.66	21,454.62
2028	222,844.44	18,752.84	-	-	-	-	222,844.44	18,752.84
2029	225,585.60	16,011.68	-	-	-	-	225,585.60	16,011.68
2030	228,366.76	13,230.52	-	-	-	-	228,366.76	13,230.52
2031	219,000.63	10,408.75	-	-	-	-	219,000.63	10,408.75
2032	209,674.40	7,545.76	-	-	-	-	209,674.40	7,545.76
2033	212,579.49	4,640.67	-	-	-	-	212,579.49	4,640.67
2034	63,206.90	2,062.75	-	-	-	-	63,206.90	2,062.75
2035	30,422.00	1,192.44	-	-	-	-	30,422.00	1,192.44
2036	31,098.02	516.42	-	-	-	-	31,098.02	516.42
	$ 3,739,221.07	$ 449,760.25	$ 480,000.00	$ 8,177.00	$ 74,501.09	$ 1,967.77	$ 4,293,722.16	$ 459,905.02

The following is a summary of other contractual liability transactions for governmental-type activities of the City for the fiscal year ended April 30, 2016:

	Balance May 1, 2015	Additions	Payments	Balance April 30, 2016	Current Portion
Governmental-Type Activities -					
Fire truck – Midland	$ 25,042.41	$ -	$ 10,602.95	$ 14,439.46	$ 10,806.15
Police cars and related equipment	210,676.81	144,482.00	159,932.63	195,226.18	109,853.86
Street department equipment	466,108.75	169,323.00	162,777.13	472,654.62	174,185.12
Heartland St. loan	374,834.58	-	76,618.70	298,215.88	78,605.63
HUB equipment	157,373.45	-	32,128.14	125,245.31	33,688.79
Fire truck – Fifth Third	4,292.43	-	4,292.43	-	-
Fire truck – US Bancorp	-	893,000.00	-	893,000.00	322,553.90
Pavilion parking lot paving Project	-	245,050.00	-	245,050.00	80,394.49
Illinois Department of Transportation -					
Engineering agreement	900,000.00	-	90,000.00	810,000.00	90,000.00
Construction agreement	6,850,000.00	-	50,000.00	6,800,000.00	618,181.82
GO Loan 2015 Issue	-	7,749,000.00	-	7,749,000.00	698,000.00
Accrued vacation	357,878.94	19,216.46	-	377,095.40	377,095.40
Total	$ 9,346,207.37	$ 9,220,071.46	$ 586,351.98	$17,979,926.85	$ 2,593,365.16

On November 19, 2015, the City borrowed funds from JP Morgan Chase Bank, NA in the amount of $8,229,000.00 for a current refunding of a General Obligation Refunding Bond Series 2005 in the amount of $7,665,000.00 plus accrued interest and to refund general obligation Waterworks refunding bonds dated August 15, 2002 in the amount of $475,000.00 plus interest.

The aggregate difference in debt service between the refunding debt and refunded debt is as follows:

General Obligation Refund Bonds Series 2015	$ 10,776.79
General Obligation Waterworks Refunding Bonds	494,385.89

The economic gain is as follows:

General Obligation Refund Bonds Series 2015	$ 10,615.93
General Obligation Waterworks Refunding Bonds	461,992.20

The annual requirements to amortize all other contractual liabilities of government-type activities as of April 30, 2016, including interest payments of $566,970.52 are as follows:

Year	IDOT		US Bancorp		Midland State Bank		First Southern Bank		Chase Bank		Farmers State Bank		Peoples National Bank		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 708,181.82	$ -	$ 488,853.43	$ 33,041.40	$ 280,182.50	$ 14,726.12	$ 20,709.50	$ 389.24	$ 898,000.00	$ 125,800.00	$ 33,688.79	$ 5,612.31	$ 10,604.22	$ 924.94	$ 2,220,220.26	$ 180,494.01
2018	708,181.82	-	191,714.11	15,732.42	252,727.12	9,608.72	-	-	1,566,000.00	106,556.00	35,325.26	3,975.84	10,816.10	613.06	2,764,764.41	136,486.04
2019	708,181.82	-	81,468.49	12,483.83	208,922.41	4,723.62	-	-	1,337,000.00	81,880.50	37,041.22	2,259.68	11,032.22	398.84	2,383,646.16	101,744.77
2020	708,181.82	-	83,295.94	10,658.38	72,829.74	731.63	-	-	1,359,000.00	58,984.50	19,190.04	480.51	11,252.65	176.51	2,253,750.10	70,989.53
2021	708,181.82	-	77,113.10	8,806.10	-	-	-	-	1,383,000.00	35,857.50	-	-	2,811.13	9.17	2,171,108.05	44,472.77
2022	708,181.82	-	82,620.69	7,232.27	-	-	-	-	1,406,000.00	11,951.00	-	-	-	-	2,176,802.51	19,183.27
2023	708,181.82	-	64,118.47	5,734.49	-	-	-	-	-	-	-	-	-	-	772,300.29	5,734.49
2024	708,181.82	-	65,652.08	4,200.88	-	-	-	-	-	-	-	-	-	-	773,833.90	4,200.88
2025	708,181.82	-	67,222.37	2,630.59	-	-	-	-	-	-	-	-	-	-	775,404.19	2,630.59
2026	618,181.82	-	68,830.20	1,022.76	-	-	-	-	-	-	-	-	-	-	687,012.02	1,022.76
2027	618,181.80	-	5,809.67	11.41	-	-	-	-	-	-	-	-	-	-	623,991.47	11.41
	$ 7,810,000.00	$ -	$ 1,238,698.55	$ 101,552.53	$ 814,661.77	$ 29,790.09	$ 20,709.50	$ 389.24	$ 7,749,000.00	$ 420,809.50	$ 125,245.31	$ 12,308.54	$ 46,516.32	$ 2,120.62	$ 17,802,631.45	$ 566,970.52

The City leases the equipment for the HUB recreation center under a capital lease. The total cost of the equipment is $172,875.00. The City also leases various equipment for the fire, police, and street departments under capital leases. The total cost of the equipment is $893,000.00 for fire, $168,000.00 for police and $641,259.02 for street. The following is a schedule by years of the future lease payments included above:

2017	$ 540,895.93
2018	246,747.63
2019	133,253.42
2020	113,602.87
2021	85,919.20
2022 and after	355,385.88
	$ 1,475,804.93

Note 13. Contingent Liabilities

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended April 30, 2016, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

Contingencies:

Litigation

The City is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Development

The City has various TIF districts for which they are contingently liable to developers as costs are incurred over a period of years. As eligible redevelopment costs are incurred, the City receives municipal sales tax and real estate taxes. The City in turn refunds a percentage of the tax increment to the developer based on the percentages specified in the various redevelopment agreements.

Note 14. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

A. Nonspendable Fund Balance -
The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The City has the following nonspendable fund balance:

Throgmorton Endowment. During a prior year, the City received a special bequest in the amount of $1,000.00 from the Estate of Edna V. Throgmorton. This amount is to be kept intact and invested in interest bearing securities. The income derived is to be used for the upkeep of the Barnett and Throgmorton grave lots in the Rose Hill Cemetery.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has the following restricted fund balances:

Restricted for TIF development. This was created to restrict the use of all resources collected or earned by the Tax Increment Financing Funds for development of private and public projects in the TIF districts.

Restricted for donor expenditures. This was created to segregate a portion of fund equity for future expenditures defined by the donor.

Restricted for future loans. This was created to restrict the use of all resources contributed to or earned by the Business Improvement Fund.

Restricted for maintenance of roads. This was created by enabling legislation (state and local) to fund the maintenance and upkeep of City streets.

Restricted for public safety expenditures. This was created to restrict the use of 911 fees, DUI, drug enforcement fees, vehicle fund, and foreign fire insurance collected for police and fire department expenditures.

Restricted for debt service. This was created to segregate a portion of the fund equity account for debt service, including both principal payments and interest payments. The restriction was established to satisfy legal restrictions imposed by various bond agreements.

Restricted for tourism and recreation.
This was created to restrict the use of all resources collected from hotel and motel taxes for the promotion of tourism and recreation.

Restricted for cemetery.
This was created to restrict the use of funds set aside by the council for cemetery related expenditures.

Restricted for capital projects.
This was created to restrict the use of funds borrowed for road projects and other construction.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (City Council). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action (resolution or ordinance) it employed to previously commit those amounts.

By council action, the City has committed to a cash reserve policy in the general fund that requires a minimum level equal to or greater than 25% of the general fund's current year budgeted expenditures.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the City's management and/or commissioners to be used for a specific purpose, but are neither restricted nor committed. Assigned fund balance amounts are shown in the general fund.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the general fund for amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then assigned balances, next unassigned balances and finally act to reduce committed balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

	General Fund	Permanent Fund	Special Revenue Funds	Capital Project Fund	Debt Service Funds	Total Governmental Funds
Fund Balances						
Nonspendable	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00
Restricted for -						
Debt Service	-	-	-	-	2,007,389.95	2,007,389.95
Public Safety expenditures	77,230.32	-	88,074.17	-	-	165,304.49
Capital projects	-	-	-	575.00	-	575.00
Development	39,659.35	-	7,933,730.25	-	-	7,973,389.60
Donor expenditures	69,974.55	844.90	-	-	-	70,819.45
Future loans	-	-	1,584,944.78	-	-	1,584,944.78
Maintenance of roadway	-	-	1,486,351.34	-	-	1,486,351.34
Cemetery	8,002.14	-	-	-	-	8,002.14
Tourism and recreation	-	-	499,347.58	-	-	499,347.58
Committed for -						
Cash reserve	4,601,530.20	-	-	-	-	4,601,530.20
Assigned for -						
Budget deficit	62,132.05	-	-	-	-	62,132.05
Unassigned	5,517,321.27	-	-	-	-	5,517,321.27
Total Fund Balances	$ 10,375,849.88	$ 1,844.90	$ 11,592,448.12	$ 575.00	$ 2,007,389.95	$ 23,978,107.85

Note 15. Deficit Fund Equity

There was deficit fund equity/retained earnings as of April 30, 2016 in the Boyton Street Community Center, Senior Citizens Council, and Cultural and Civic Center funds.

Note 16. Pledged Revenue

The City has pledged municipal sales tax and real estate taxes generated in connection with the Tax Increment Financing redevelopment agreements with developers.

Effective July 1, 2005 the City increased its home rule sales tax by one quarter of one percent. The City has entered into an agreement with the Southern Illinois Baseball Group, Inc. (Developer) to pay them one-half of the sales tax increase (one eighth of one percent). The City pays the Developer by the last day of the month its sales tax portion for the preceding month. The Developer cannot use the funds for any purpose other than to satisfy construction loan obligations. The City's obligation will continue until the earlier of (1) thirty years after the City's first payment or (2) the date that all construction loan obligations have been paid in full. As of April 30, 2016 the Developer's portion of the home rule sales tax increase amounted to $584,367.00.

Note 17. Deferred Compensation Plan

Employees of the City of Marion may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the City. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the City, are held in trust for the exclusive benefit of participants and their beneficiaries. The City holds no investment responsibility or liability for losses under the plan.

Note 18. Legal Debt Margin

The City of Marion is a home rule municipality. Under the Illinois Compiled Statutes, a home rule government may issue notes and bonds in excess of any statutory limitation and they shall not reduce the debt incurring power otherwise authorized for any such unit of government. Therefore, the City of Marion has no legal debt limitation.

Note 19. Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the statement of net assets available for benefits.

Note 20. Commitments

In October of 2006, the City entered into an agreement with the Rend Lake Conservancy District to supply the City with a needed supply of treated water for domestic, commercial and industrial use. The agreement is in effect until December 31, 2046. The City may discontinue purchasing treated water from the District only if (a) the District has recouped its costs of providing water to the delivery point and the cost of the water storage reservoir or (b) the City reimburses the District for any remaining cost which has not been recouped by the District. Construction of the project was completed in July, 2010.

Note 21. Restatement of Net Position

New Pension Standard

The City adopted a new accounting standard to conform to generally accepted accounting principles. The statement adopted requiring restatement of net position was Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions* and Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These pronouncements require the restatement of the April 30, 2016, net position of the governmental activities and business type activities, as shown below.

Net position has been restated as follows related to these changes:

	Governmental Activities	Business-Type Activities
Net position, beginning of year, as previously reported	$ 66,243,179.36	$ 18,770,758.88
Adjustment for beginning net pension liability and deferred outflows of resources	(14,635,752.59)	(430,336.15)
Net position, beginning of year, as restated	$ 51,607,426.77	$ 18,340,422.73

Required Supplemental Information

City of Marion, Illinois
General Fund Types
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (with Variances)
For the year ended April 30, 2016

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	$ 1,640,000.00	$ 1,500,000.00	$ 1,211,285.26	$ (288,714.74)
Sales tax	13,702,000.00	13,702,000.00	13,747,049.45	45,049.45
Licenses and permits	132,650.00	132,650.00	135,813.84	3,163.84
Intergovernmental	1,741,000.00	1,837,000.00	1,860,467.48	23,467.48
Other taxes and franchise fees	1,601,100.00	1,601,100.00	1,559,844.54	(41,255.46)
Service charges and fees	559,930.00	564,930.00	564,918.86	(11.14)
Investment income	46,800.00	46,800.00	47,444.46	644.46
Grant revenue	113,300.00	234,025.00	360,866.59	126,841.59
Restricted donations	7,500.00	7,500.00	10,457.89	2,957.89
Miscellaneous	103,500.00	240,840.00	190,590.63	(50,249.37)
Total Revenues	$ 19,647,780.00	$ 19,866,845.00	$ 19,688,739.00	$ (178,106.00)
Expenditures				
General government	$ 2,809,545.00	$ 3,285,185.00	$ 3,265,509.93	$ (19,675.07)
Public health and safety	9,450,260.00	9,818,750.00	9,384,650.26	(434,099.74)
Streets, alleys and cemeteries	3,006,990.00	2,922,050.00	2,881,013.78	(41,036.22)
Cultural and recreation	1,410,630.00	1,522,930.00	1,483,452.40	(39,477.60)
Development	863,000.00	863,000.00	859,448.45	(3,551.55)
Capital outlay	937,750.00	1,521,280.00	1,566,204.88	44,924.88
Total Expenditures	$ 18,478,175.00	$ 19,933,195.00	$ 19,440,279.70	$ (492,915.30)
Excess (Deficiency) of Revenues Over Expenditures			$ 248,459.30	
Other Financing Sources (Uses)				
Proceeds from long-term debt			$ 1,535,614.00	
Transfers in (out)			(1,760,054.38)	
Total Other Financing Sources (Uses)			$ (224,440.38)	
Net Change in Fund Balances			$ 24,018.92	

City of Marion, Illinois
TIF Redevelopment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (with Variances)
For the year ended April 30, 2016

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	$ 4,987,200.00	$ 5,017,750.00	$ 5,547,966.21	$ 530,216.21
Grant revenue	112,500.00	112,500.00	2,251.48	(110,248.52)
Investment income	1,520.00	1,520.00	8,422.11	6,902.11
Total Revenues	$ 5,101,220.00	$ 5,131,770.00	$ 5,558,639.80	$ 426,869.80
Expenditures				
Development	$ 2,147,800.00	$ 2,178,350.00	$ 2,324,874.17	$ 146,524.17
Debt service	140,000.00	140,000.00	140,000.00	-
Capital outlay	250,000.00	250,000.00	92,778.54	(157,221.46)
Total Expenditures	$ 2,537,800.00	$ 2,568,350.00	$ 2,557,652.71	$ (10,697.29)
Excess (Deficiency) of Revenues Over Expenditures			$ 3,000,987.09	
Other Financing Sources (Uses)				
Transfers in (out)			$ (788,315.00)	
Total Other Financing Sources (Uses)			$ (788,315.00)	
Net Change in Fund Balances			$ 2,212,672.09	

City of Marion, Illinois
Notes to Required Supplemental Information
April 30, 2016

The City Council annually passes a budget ordinance which includes all fund types using the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Adjustment to budget basis from GAAP basis is due to timing differences. Each fund's budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: salaries and benefits, services and charges, supplies, capital outlay, debt service. For each fund, total fund expenditures may not legally exceed the budgeted amounts. All unexpended budgets lapse at the end of each fiscal year.

The fund financial statements in this report are prepared on the modified accrual basis. The budget ordinance is prepared using the cash basis of accounting. The following schedule reconciles the difference between the legally enacted budget and General and TIF fund expenditures:

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Over (Under)
Expenditures					
General					
General Government	$ 3,095,426.84	$ 170,083.09	$ 3,265,509.93	$ 3,285,185.00	$ (19,675.07)
Public health and safety	9,357,700.25	26,950.01	9,384,650.26	9,818,750.00	(434,099.74)
Streets, alleys and cemeteries	2,873,573.48	7,440.30	2,881,013.78	2,922,050.00	(41,036.22)
Cultural and recreation	1,494,533.87	(11,081.47)	1,483,452.40	1,522,930.00	(39,477.60)
Development	801,615.95	57,832.50	859,448.45	863,000.00	(3,551.55)
Debt service	7,665,000.00	(7,665,000.00)	-	-	-
Capital outlay	1,739,304.05	(173,099.17)	1,566,204.88	1,521,280.00	44,924.88
Total Expenditures	$27,027,154.44	$ (7,586,874.74)	$19,440,279.70	$ 19,933,195.00	$ (492,915.30)
TIF Redevelopment					
Streets, alleys and cemeteries	$ 5,618.50	$ (5,618.50)	$ -	$ -	$ -
Debt service	140,000.00	-	140,000.00	140,000.00	-
Development	2,343,133.37	(18,259.20)	2,324,874.17	2,178,350.00	146,524.17
Capital outlay	92,850.29	(71.75)	92,778.54	250,000.00	(157,221.46)
Total Expenditures	$ 2,581,602.16	$ (23,949.45)	$ 2,557,652.71	$ 2,568,350.00	$ (10,697.29)

The City operated within the legal confines of the budget ordinance prepared on the cash basis of accounting.

City of Marion, Illinois
Multi-Year Schedule of Changes in the Net Pension Liability and Related Ratios
Police Pension Plan
Last Ten Fiscal Years

Fiscal Year Ended April 30,	2016	2015
Total Pension Liability		
Service Cost	$ 489,508	$ 480,209
Interest on the Total Pension Liability	1,235,401	1,074,041
Changes of benefit terms	-	-
Differences between expected and actual experience	238,173	(850,327)
Changes of Assumptions	-	2,526,327
Benefit payments	(895,194)	(792,811)
Net change in total pension liability	$ 1,067,888	$ 2,437,439
Total pension liability – Beginning	18,712,527	16,275,088
Total pension liability – Ending (A)	$ 19,780,415	$ 18,712,572
Plan Fiduciary Net Position		
Member contributions	$ 180,337	$ 178,949
Employer contributions	722,600	662,900
Net investment income	173,455	738,694
Benefit payments	(895,194)	(792,811)
Other (Net Transfer)	(11,262)	(10,053)
Net change in plan fiduciary net position	$ 169,936	$ 777,679
Plan fiduciary net position – Beginning	10,350,098	9,572,420
Plan fiduciary net position – Ending (B)	$ 10,520,034	$ 10,350,099
Net Pension Liability/(Asset) Ending (A) – (B)	$ 9,260,381	$ 8,362,428
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.18%	55.31%
Covered Valuation Payroll	$ 1,866,868	$ 1,824,825
Net Pension Liability as a Percentage of Covered Valuation Payroll	496.04%	458.26%

Additional years will be added to the schedule annually until 10 years of data is presented.

City of Marion, Illinois
Multi-Year Schedule of Changes in the Net Pension Liability and Related Ratios
Fire Pension Plan
Last Ten Fiscal Years

Fiscal Year Ended April 30,	2016	2015
Total Pension Liability		
Service Cost	$ 356,987	$ 347,912
Interest on the Total Pension Liability	943,345	844,096
Changes of benefit terms	-	-
Differences between expected and actual experience	(31,022)	(101,072)
Changes of Assumptions	-	870,309
Benefit payments	(506,344)	(477,797)
Net change in total pension liability	$ 762,966	$ 1,483,448
Total pension liability – Beginning	14,207,562	12,724,114
Total pension liability – Ending (A)	$ 14,970,528	$ 14,207,562
Plan Fiduciary Net Position		
Member contributions	$ 139,192	$ 133,500
Employer contributions	493,200	425,800
Net investment income	19,892	512,933
Benefit payments	(506,344)	(477,797)
Other (Net Transfer)	(15,338)	(22,225)
Net change in plan fiduciary net position	$ 130,602	$ 572,211
Plan fiduciary net position – Beginning	9,382,353	8,810,142
Plan fiduciary net position – Ending (B)	$ 9,512,955	$ 9,382,353
Net Pension Liability/(Asset) Ending (A) – (B)	$ 5,457,573	$ 4,825,209
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.54%	66.04%
Covered Valuation Payroll	$ 1,475,356	$ 1,431,067
Net Pension Liability as a Percentage of Covered Valuation Payroll	369.92%	337.18%

Additional years will be added to the schedule annually until 10 years of data is presented.

City of Marion, Illinois
Multi-Year Schedule of Changes in the Net Pension Liability
And Related Ratios
Illinois Municipal Retirement Plan
Last Ten Fiscal Years

Calendar Year Ended December 31,	2015
Total Pension Liability	
Service cost	$ 556,314
Interest on the total pension liability	1,813,559
Changes of benefit terms	-
Differences between expected and actual experience of the total pension liability	372,714
Changes of Assumptions	-
Benefit payments, including refunds	(1,340,561)
Net Change in Total Pension Liability	$ 1,402,026
Total Pension Liability – Beginning	24,605,192
Total Pension Liability – Ending (A)	$26,007,218
Plan Fiduciary Net Position	
Contributions - Employer	$ 618,207
Contributions - Employees	253,187
Net investment income	112,070
Benefit payments, including refunds	(1,340,561)
Other (Net Transfer)	33,620
Net Change in Plan Fiduciary Net Position	$ (323,477)
Plan Fiduciary Net Position – Beginning	22,648,633
Plan Fiduciary Net Position – Ending (B)	$22,325,156
Net Pension Liability – Ending (A) – (B)	$ 3,682,062
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.84%
Covered Valuation Payroll	$ 5,592,090
Net Pension Liability as a Percentage of Covered Valuation Payroll	65.84%

Additional years will be added to the schedule annually until 10 years of data is presented.

City of Marion, Illinois
Multi-Year Schedule of Contributions – Last 10 Fiscal Years

Police Pension Plan

FY Ending April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	$ 1,102,293	$ 722,600	$ 379,693	$1,866,868	38.71%
2015	1,033,259	662,900	370,359	1,824,825	36.33%
2014	672,831	592,000	80,831	1,737,719	34.07%
2013	592,088	569,900	22,188	1,534,666	37.14%
2012	554,610	569,900	(15,290)	1,529,445	37.26%
2011	494,071	542,800	(48,729)	1,533,262	35.40%
2010	447,074	535,500	(88,426)	1,426,356	37.54%
2009	408,367	418,960	(10,593)	1,294,652	32.36%
2008	378,175	394,260	(16,085)	1,167,857	33.76%
2007	320,303	366,975	(46,672)	1,130,147	32.47%

Fire Pension Plan

FY Ending April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	$ 657,794	$ 493,200	$ 164,594	$1,475,356	33.43%
2015	622,389	425,800	196,589	1,431,067	29.75%
2014	462,920	421,500	41,420	1,396,133	30.19%
2013	421,503	387,400	34,103	1,340,601	28.90%
2012	394,868	384,670	10,198	1,440,119	26.71%
2011	341,754	366,400	(24,646)	1,208,139	30.33%
2010	313,279	355,300	(42,021)	1,192,042	29.81%
2009	283,206	331,040	(47,834)	1,063,456	31.13%
2008	297,730	318,740	(21,010)	1,016,192	31.37%
2007	250,086	296,707	(46,621)	943,341	31.45%

IMRF *

FY Ending April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	$ 610,097	$ 618,207	$ (8,110)	$5,592,090	11.06%
2014	585,535	594,889	(9,354)	5,131,769	29.75%

* Additional years will be added to the schedule annually until ten years of data is presented.

Other Supplemental Information

City of Marion, Illinois
Non-Major Governmental Funds
Combining Balance Sheet
April 30, 2016

	Permanent Fund	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	$ -	$ 2,321,224.74	$ 2,007,389.95	$ 4,328,614.69
Restricted cash and cash equivalents	1,844.90	-	-	1,844.90
Property taxes receivable	-	125,876.67	371,475.02	497,351.69
Loans receivable, net	-	1,232,891.12	-	1,232,891.12
Due from other governments	-	39,128.05	-	39,128.05
Due from other funds	-	185,970.79	-	185,970.79
Accounts receivable	-	244,025.06	-	244,025.06
Total Assets	$ 1,844.90	$ 4,149,116.43	$ 2,378,864.97	$ 6,529,826.30
Liabilities, Deferred Inflow of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 166,555.08	$ -	$ 166,555.08
Accrued payroll	-	44,376.05	-	44,376.05
Accrued vacation payable	-	12,196.80	-	12,196.80
Other liabilities	-	1,418.37	-	1,418.37
Total Liabilities	$ -	$ 224,546.30	$ -	$ 224,546.30
Deferred Inflow of Resources				
Unavailable revenue	$ -	$ 265,852.26	$ 371,475.02	$ 637,327.28
Fund Balances				
Nonspendable	$ 1,000.00	$ -	$ -	$ 1,000.00
Restricted	844.90	3,658,717.87	2,007,389.95	5,666,952.72
Total Fund Balances	$ 1,844.90	$ 3,658,717.87	$ 2,007,389.95	$ 5,667,952.72
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 1,844.90	$ 4,149,116.43	$ 2,378,864.97	$ 6,529,826.30

City of Marion, Illinois
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2016

	Permanent Fund	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues				
Property taxes	$ -	$ 261,346.99	$ 520,517.00	$ 781,863.99
Grant revenue	-	312,570.64	-	312,570.64
Intergovernmental	-	453,385.73	-	453,385.73
Service charges and fees	-	2,348,253.46	-	2,348,253.46
Other taxes and franchise fees	-	2,237,199.68	-	2,237,199.68
Investment income	2.33	1,249.59	932.29	2,184.21
Miscellaneous	-	500.00	-	500.00
Total Revenues	$ 2.33	$ 5,614,506.09	$ 521,449.29	$ 6,135,957.71
Expenditures				
Public health and safety	$ -	$ 90,053.88	$ -	$ 90,053.88
Streets, alleys and cemeteries	-	1,104,988.57	-	1,104,988.57
Culture and recreation	-	2,431,488.51	-	2,431,488.51
Capital outlay	-	1,153,239.13	-	1,153,239.13
Development	-	9,914.22	-	9,914.22
Debt service	-	347,098.82	4,187,534.84	4,534,633.66
Total Expenditures	$ -	$ 5,136,783.13	$ 4,187,534.84	$ 9,324,317.97
Excess (Deficiency) of Revenues Over Expenditures	$ 2.33	$ 477,722.96	$ (3,666,085.55)	$ (3,188,360.26)
Other Financing Sources (Uses)				
Transfers in (out)	$ -	$ (1,072,936.23)	$ 3,642,593.79	$ 2,569,657.56
Total Other Financing Sources (Uses)	$ -	$ (1,072,936.23)	$ 3,642,593.79	$ 2,569,657.56
Net Change in Fund Balances	$ 2.33	$ (595,213.27)	$ (23,491.76)	$ (618,702.70)
Fund Balances - Beginning of Year	1,842.57	4,253,931.14	2,030,881.71	6,286,655.42
Fund Balances - End of Year	$ 1,844.90	$ 3,658,717.87	$ 2,007,389.95	$ 5,667,952.72

City of Marion, Illinois
Non-Major Special Revenue Funds
Combining Balance Sheet
April 30, 2016

	Pavilion Fund	HUB Recreation Center Fund	Road and Bridge Fund	Motor Fuel Tax Fund	Gas Tax Fund	Business Improvement Fund	Foreign Fire Insurance Fund	Special Revenues Police Fund	Total - Special Revenue Funds
Assets									
Cash and cash equivalents	$ 226,737.79	$ 219,026.54	$ 175,946.18	$ 1,140,544.64	$ 118,358.76	$ 352,053.66	$ 17,169.69	$ 71,387.48	$ 2,321,224.74
Property taxes receivable	-	-	125,876.67	-	-	-	-	-	125,876.67
Loans receivable, net	-	-	-	-	-	1,232,891.12	-	-	1,232,891.12
Due from other funds	9,873.00	138,788.78	-	-	37,622.01	-	(313.00)	-	185,970.79
Due from other governments	-	-	-	39,128.05	-	-	-	-	39,128.05
Accounts receivable	59,944.21	119,888.43	-	-	64,192.42	-	-	-	244,025.06
Total Assets	$ 296,555.00	$ 477,703.75	$ 301,822.85	$ 1,179,672.69	$ 220,173.19	$ 1,584,944.78	$ 16,856.69	$ 71,387.48	$ 4,149,116.43
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	$ 12,842.16	$ 64,102.20	$ -	$ 71,326.32	$ 18,114.40	$ -	$ 170.00	$ -	$ 166,555.08
Accrued payroll	6,022.65	38,353.40	-	-	-	-	-	-	44,376.05
Accrued vacation payable	3,583.60	8,613.20	-	-	-	-	-	-	12,196.80
Other liabilities	-	1,418.37	-	-	-	-	-	-	1,418.37
Total Liabilities	$ 22,448.41	$ 112,487.17	$ -	$ 71,326.32	$ 18,114.40	$ -	$ 170.00	$ -	$ 224,546.30
Deferred Inflows of Resources									
Unavailable revenue	$ -	$ 139,975.59	$ 125,876.67	$ -	$ -	$ -	$ -	$ -	$ 265,852.26
Fund Balances									
Restricted for tourism and recreation	$ 274,106.59	$ 225,240.99	$ -	$ -	$ -	$ -	$ -	$ -	$ 499,347.58
Restricted for future loans	-	-	-	-	-	1,584,944.78	-	-	1,584,944.78
Restricted for maintenance of roadways	-	-	175,946.18	1,108,346.37	202,058.79	-	-	-	1,486,351.34
Restricted for public safety expenditures	-	-	-	-	-	-	16,686.69	71,387.48	88,074.17
Total Fund Balances	$ 274,106.59	$ 225,240.99	$ 175,946.18	$ 1,108,346.37	$ 202,058.79	$ 1,584,944.78	$ 16,686.69	$ 71,387.48	$ 3,658,717.87
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 296,555.00	$ 477,703.75	$ 301,822.85	$ 1,179,672.69	$ 220,173.19	$ 1,584,944.78	$ 16,856.69	$ 71,387.48	$ 4,149,116.43

City of Marion, Illinois
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2016

	Pavilion Fund	HUB Recreation Center Fund	Road and Bridge Fund	Motor Fuel Tax Fund	Gas Tax Fund	Business Improvement Fund	Foreign Fire Insurance Fund	Special Revenues Police Fund	Total - Special Revenue Funds
Revenues									
Property taxes	$ -	$ 140,000.00	$ 121,346.99	$ -	$ -	$ -	$ -	$ -	$ 261,346.99
Grant revenue	-	-	-	312,570.64	-	-	-	-	312,570.64
Intergovernmental	-	-	-	453,385.73	-	-	-	-	453,385.73
Service charges and fees	160,870.60	2,054,311.89	13,349.50	-	-	47,751.55	-	71,969.92	2,348,253.46
Other taxes and franchise fees	533,271.63	1,066,543.24	137.92	-	591,784.43	-	45,462.46	-	2,237,199.68
Investment income	107.83	139.59	102.66	571.33	152.01	141.73	-	34.44	1,249.59
Miscellaneous	-	-	-	-	-	500.00	-	-	500.00
Total Revenues	$ 694,250.06	$ 3,260,994.72	$ 134,937.07	$ 766,527.70	$ 591,936.44	$ 48,393.28	$ 45,462.46	$ 72,004.36	$ 5,614,506.09
Expenditures									
Public health and safety	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,800.55	$ 37,253.33	$ 90,053.88
Streets, alleys and cemeteries	-	-	38,302.00	550,000.00	516,686.57	-	-	-	1,104,988.57
Culture and recreation	384,490.81	2,046,997.70	-	-	-	-	-	-	2,431,488.51
Capital outlay	37,768.00	58,705.71	26,699.00	439,439.65	578,180.15	-	-	12,446.62	1,153,239.13
Development	-	-	-	-	-	9,914.22	-	-	9,914.22
Debt service	230,499.12	39,301.10	-	-	77,298.60	-	-	-	347,098.82
Total Expenditures	$ 652,757.93	$ 2,145,004.51	$ 65,001.00	$ 989,439.65	$ 1,172,165.32	$ 9,914.22	$ 52,800.55	$ 49,699.95	$ 5,136,783.13
Excess (Deficiency) of Revenues Over Expenditures	$ 41,492.13	$ 1,115,990.21	$ 69,936.07	$ (222,911.95)	$ (580,228.88)	$ 38,479.06	$ (7,338.09)	$ 22,304.41	$ 477,722.96
Other Financing Sources (Uses)									
Transfers in (out)	$ -	$ (1,041,570.31)	$ -	$ -	$ -	$ -	$ -	$ (31,365.92)	$ (1,072,936.23)
Total Other Financing Sources (Uses)	$ -	$ (1,041,570.31)	$ -	$ -	$ -	$ -	$ -	$ (31,365.92)	$ (1,072,936.23)
Net Change in Fund Balances	$ 41,492.13	$ 74,419.90	$ 69,936.07	$ (222,911.95)	$ (580,228.88)	$ 38,479.06	$ (7,338.09)	$ (9,061.51)	$ (595,213.27)
Fund Balances - Beginning of Year	232,614.46	150,821.09	106,010.11	1,331,258.32	782,287.67	1,546,465.72	24,024.78	80,448.99	4,253,931.14
Fund Balances - End of Year	$ 274,106.59	$ 225,240.99	$ 175,946.18	$ 1,108,346.37	$ 202,058.79	$ 1,584,944.78	$ 16,686.69	$ 71,387.48	$ 3,658,717.87

City of Marion, Illinois
General Fund Types
Combining Balance Sheet
April 30, 2016

	General	Goddard Chapel Restoration	Cultural and Civic Center	Senior Citizens Council	Recreation Department	Boyton Street Community Center	Carnegie Library	Total - General Fund Types
Assets								
Cash and cash equivalents	$ 1,160,130.40	$ 5,894.67	$ 37,959.72	$ 25,048.37	$ -	$ 4,053.03	$ 3,248.11	$ 1,236,334.30
Restricted cash and cash equivalents	124,891.81	-	-	-	-	1,611.05	3,296.18	129,799.04
Investments	4,591,061.61	16,779.47	2,035.25	-	-	-	49,080.59	4,658,956.92
Restricted investments	-	-	-	10,006.98	-	-	55,050.34	65,057.32
Property taxes receivable	1,539,946.51	-	-	-	-	-	-	1,539,946.51
Sales taxes receivable	3,244,298.02	-	-	-	-	-	-	3,244,298.02
Accrued interest receivable	10,468.59	-	-	4.25	-	-	-	10,472.84
Grant receivable	1,250,000.00	-	-	-	-	-	-	1,250,000.00
Due from other governments	610,393.22	-	-	-	-	-	-	610,393.22
Accounts receivable	241,124.13	-	-	-	-	2,608.67	-	243,732.80
Total Assets	$ 12,772,314.29	$ 22,674.14	$ 39,994.97	$ 35,059.60	$ -	$ 8,272.75	$ 110,675.22	$ 12,988,990.97
Liabilities, Deferred Inflow of Resources and Fund Balances								
Liabilities								
Accounts payable	$ 235,806.59	$ 321.80	$ 58,801.56	$ 12,607.64	$ -	$ 4,102.71	$ 8,069.57	$ 319,709.87
Due to other funds	179,660.41	-	200.00	-	-	-	-	179,860.41
Accrued payroll	282,828.37	-	8,243.72	10,098.72	-	5,535.11	16,585.22	323,291.14
Accrued vacation payable	319,833.16	-	6,320.88	12,836.74	-	7,122.27	18,785.55	364,898.60
Accrued payroll related expenses	25,410.15	-	-	-	-	-	-	25,410.15
Total Liabilities	$ 1,043,538.68	$ 321.80	$ 73,566.16	$ 35,543.10	$ -	$ 16,760.09	$ 43,440.34	$ 1,213,170.17
Deferred Inflow of Resources								
Unavailable revenue	$ 1,399,970.92	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,399,970.92
Fund Balances								
Restricted for public safety expenditures	$ 77,230.32	$ -	$ -	$ -	$ -	$ -	$ -	$ 77,230.32
Restricted for development	39,659.35	-	-	-	-	-	-	39,659.35
Restricted for cematery	8,002.14	-	-	-	-	-	-	8,002.14
Restricted for donor expenditures	-	-	-	10,006.98	-	1,621.05	58,346.52	69,974.55
Assigned	51,707.12	-	10,424.93	-	-	-	-	62,132.05
Committed	4,601,530.20	-	-	-	-	-	-	4,601,530.20
Unassigned	5,550,675.56	22,352.34	(43,996.12)	(10,490.48)	-	(10,108.39)	8,888.36	5,517,321.27
Total Fund Balances	$ 10,328,804.69	$ 22,352.34	$ (33,571.19)	$ (483.50)	$ -	$ (8,487.34)	$ 67,234.88	$ 10,375,849.88
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 12,772,314.29	$ 22,674.14	$ 39,994.97	$ 35,059.60	$ -	$ 8,272.75	$ 110,675.22	$ 12,988,990.97

City of Marion, Illinois
General Fund Types
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2016

	General	Goddard Chapel Restoration	Cultural and Civic Center	Senior Citizens Council	Recreation Department	Boyton Street Community Center	Carnegie Library	Total - General Fund Types
Revenues								
Property tax	$ 1,211,285.33	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,211,285.33
Sales tax	13,871,400.10	-	-	-	-	-	-	13,871,400.10
Grant revenue	1,518,474.66	-	-	34,089.00	-	32,468.32	-	1,585,031.98
Licenses and permits	135,813.84	-	-	-	-	-	-	135,813.84
Intergovernmental revenues	1,779,036.26	-	-	-	-	-	-	1,779,036.26
Service charges and fees	254,025.33	3,190.00	185,422.01	60,728.58	6,820.02	993.00	27,416.66	538,595.60
Other taxes and franchise fees	1,556,903.61	-	-	-	-	-	-	1,556,903.61
Investment income	47,101.19	51.03	226.23	32.62	-	-	557.99	47,969.06
Miscellaneous revenue	91,004.94	300.00	8,840.00	18,814.70	-	5,939.56	179.00	125,078.20
Restricted donations	-	-	-	1,560.00	-	1,977.00	6,920.89	10,457.89
Total Revenues	$ 20,465,045.26	$ 3,541.03	$ 194,488.24	$ 115,224.90	$ 6,820.02	$ 41,377.88	$ 35,074.54	$ 20,861,571.87
Expenditures								
General government	$ 2,316,178.67	$ -	$ -	$ 524,881.17	$ -	$ 254,367.00	$ -	$ 3,095,426.84
Public health and safety	9,357,700.25	-	-	-	-	-	-	9,357,700.25
Streets, alleys and cemeteries	2,871,766.10	1,807.38	-	-	-	-	-	2,873,573.48
Culture and recreation	-	-	637,540.81	-	11,336.70	-	845,656.36	1,494,533.87
Capital outlay	1,713,696.65	15,000.00	-	10,607.40	-	-	-	1,739,304.05
Development	801,615.95	-	-	-	-	-	-	801,615.95
Debt Service	7,665,000.00	-	-	-	-	-	-	7,665,000.00
Total Expenditures	$ 24,725,957.62	$ 16,807.38	$ 637,540.81	$ 535,488.57	$ 11,336.70	$ 254,367.00	$ 845,656.36	$ 27,027,154.44
Excess (Deficiency) of Revenues Over Expenditures	$ (4,260,912.36)	$ (13,266.35)	$ (443,052.57)	$ (420,263.67)	$ (4,516.68)	$ (212,989.12)	$ (810,581.82)	$ (6,165,582.57)
Other Financing Sources (Uses)								
Transfers in (out)	$ (4,824,391.40)	$ -	$ 387,812.65	$ 412,394.40	$ (5,149.69)	$ 209,886.25	$ 783,752.44	$ (3,035,695.35)
Proceeds from long-term debt, net	9,200,855.00	-	-	-	-	-	-	9,200,855.00
Total Other Financing Sources (Uses)	$ 4,376,463.60	$ -	$ 387,812.65	$ 412,394.40	$ (5,149.69)	$ 209,886.25	$ 783,752.44	$ 6,165,159.65
Net Change in Fund Balances	$ 115,551.24	$ (13,266.35)	$ (55,239.92)	$ (7,869.27)	$ (9,666.37)	$ (3,102.87)	$ (26,829.38)	$ (422.92)
Fund Balances - Beginning of Year	10,213,253.45	35,618.69	21,668.73	7,385.77	9,666.37	(5,384.47)	94,064.26	10,376,272.80
Fund Balances - End of Year	$ 10,328,804.69	$ 22,352.34	$ (33,571.19)	$ (483.50)	$ -	$ (8,487.34)	$ 67,234.88	$ 10,375,849.88

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City of Marion, Illinois
TIF Redevelopment Fund
Combining Balance Sheet
April 30, 2016

	TIF #1	TIF #5	TIF #6	TIF #7	TIF #8	TIF #10	TIF #11	TIF #12	TIF #13	TIF #14	TIF Redevelopment Fund
Assets											
Cash and cash equivalents	$ 7,126,339.06	$ 281,849.97	$ 8,689.81	$ 330,666.47	$ 343,972.20	$ 3.25	$ 1.26	$ 25,004.30	$ 99,488.56	$ 3.49	$ 8,216,018.37
Property taxes receivable	2,985,836.00	146,594.00	39,983.00	1,109,065.00	152,043.00	1,018,878.02	93,113.00	10,509.00	254,617.14	1,023.00	5,811,661.16
Total Assets	$ 10,112,175.06	$ 428,443.97	$ 48,672.81	$ 1,439,731.47	$ 496,015.20	$ 1,018,881.27	$ 93,114.26	$ 35,513.30	$ 354,105.70	$ 1,026.49	$ 14,027,679.53
Liabilities, Deferred Inflows of Resources and Fund Balances											
Liabilities											
Accounts payable	$ 57,605.52	$ 2,445.23	$ 4,699.71	$ 7,633.50	$ 2,310.80	$ 16,654.22	$ 169,357.40	$ 6,457.44	$ 12,979.50	$ 2,144.80	$ 282,288.12
Total Liabilities	$ 57,605.52	$ 2,445.23	$ 4,699.71	$ 7,633.50	$ 2,310.80	$ 16,654.22	$ 169,357.40	$ 6,457.44	$ 12,979.50	$ 2,144.80	$ 282,288.12
Deferred Inflow of Resources											
Unavailable revenue	$ 2,985,836.00	$ 146,594.00	$ 39,983.00	$ 1,109,065.00	$ 152,043.00	$ 1,018,878.02	$ 93,113.00	$ 10,509.00	$ 254,617.14	$ 1,023.00	$ 5,811,661.16
Fund Balances											
Restricted	$ 7,068,733.54	$ 279,404.74	$ 3,990.10	$ 323,032.97	$ 341,661.40	$ (16,650.97)	$ (169,356.14)	$ 18,546.86	$ 86,509.06	$ (2,141.31)	$ 7,933,730.25
Total Fund Balances	$ 7,068,733.54	$ 279,404.74	$ 3,990.10	$ 323,032.97	$ 341,661.40	$ (16,650.97)	$ (169,356.14)	$ 18,546.86	$ 86,509.06	$ (2,141.31)	$ 7,933,730.25
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 10,112,175.06	$ 428,443.97	$ 48,672.81	$ 1,439,731.47	$ 496,015.20	$ 1,018,881.27	$ 93,114.26	$ 35,513.30	$ 354,105.70	$ 1,026.49	$ 14,027,679.53

City of Marion, Illinois
TIF Redevelopment Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2016

	TIF #1	TIF #5	TIF #6	TIF #7	TIF #8	TIF #10	TIF #11	TIF #12	TIF #13	TIF #14	TIF Redevelopment Fund
Revenues											
Property taxes	$ 2,805,085.41	$ 141,782.51	$ 38,355.05	$ 1,083,127.52	$ 148,181.86	$ 1,093,809.70	$ 22,813.38	$ 8,841.92	$ 205,228.04	$ 740.82	$ 5,547,966.21
Investment income	7,659.78	138.90	6.05	319.61	170.32	66.42	-	12.03	48.80	-	8,421.91
Total Revenues	$ 2,812,745.19	$ 141,921.41	$ 38,361.10	$ 1,083,447.13	$ 148,352.18	$ 1,093,876.12	$ 22,813.38	$ 8,853.95	$ 205,276.84	$ 740.82	$ 5,556,388.12
Expenditures											
Administrative expenses	$ 49,656.27	$ 6,363.23	$ 2,989.21	$ 27,222.75	$ 6,228.80	$ 23,497.47	$ 3,704.15	11,700.19	$ 26,214.00	$ 5,888.30	$ 163,464.37
Streets, alleys and cemeteries	1,116.00	-	-	-	-	237.50	-	-	4,265.00	-	5,618.50
Capital outlay	389.50	-	-	-	-	-	-	-	-	92,460.79	92,850.29
Development	471,412.00	94,198.00	29,436.00	-	106,484.00	353,605.00	1,033,993.00	-	90,541.00	-	2,179,669.00
Debt service	50,000.00	-	-	-	-	13,500.00	76,500.00	-	-	-	140,000.00
Total Expenditures	$ 572,573.77	$ 100,561.23	$ 32,425.21	$ 27,222.75	$ 112,712.80	$ 390,839.97	$ 1,114,197.15	$ 11,700.19	$ 121,020.00	$ 98,349.09	$ 2,581,602.16
Excess (Deficiency) of Revenues Over Expenditures	$ 2,240,171.42	$ 41,360.18	$ 5,935.89	$ 1,056,224.38	$ 35,639.38	$ 703,036.15	$ (1,091,383.77)	$ (2,846.24)	$ 84,256.84	$ (97,608.27)	$ 2,974,785.96
Other Financing Sources (Uses)											
Transfers in (out)	$ (308,041.00)	$ -	$ -	$ (937,573.00)	$ -	$ (707,252.10)	$ 1,059,100.10	$ -	$ 8,176.00	$ 97,275.00	$ (788,315.00)
Total Other Financing Sources (Uses)	$ (308,041.00)	$ -	$ -	$ (937,573.00)	$ -	$ (707,252.10)	$ 1,059,100.10	$ -	$ 8,176.00	$ 97,275.00	$ (788,315.00)
Net Change in Fund Balances	$ 1,932,130.42	$ 41,360.18	$ 5,935.89	$ 118,651.38	$ 35,639.38	$ (4,215.95)	$ (32,283.67)	$ (2,846.24)	$ 92,432.84	$ (333.27)	$ 2,186,470.96
Fund Balances - Beginning of Year	5,136,603.12	238,044.56	(1,945.79)	204,381.59	306,022.02	(12,435.02)	(137,072.47)	21,393.10	(5,923.78)	(1,808.04)	5,747,259.29
Fund Balances - End of Year	$ 7,068,733.54	$ 279,404.74	$ 3,990.10	$ 323,032.97	$ 341,661.40	$ (16,650.97)	$ (169,356.14)	$ 18,546.86	$ 86,509.06	$ (2,141.31)	$ 7,933,730.25